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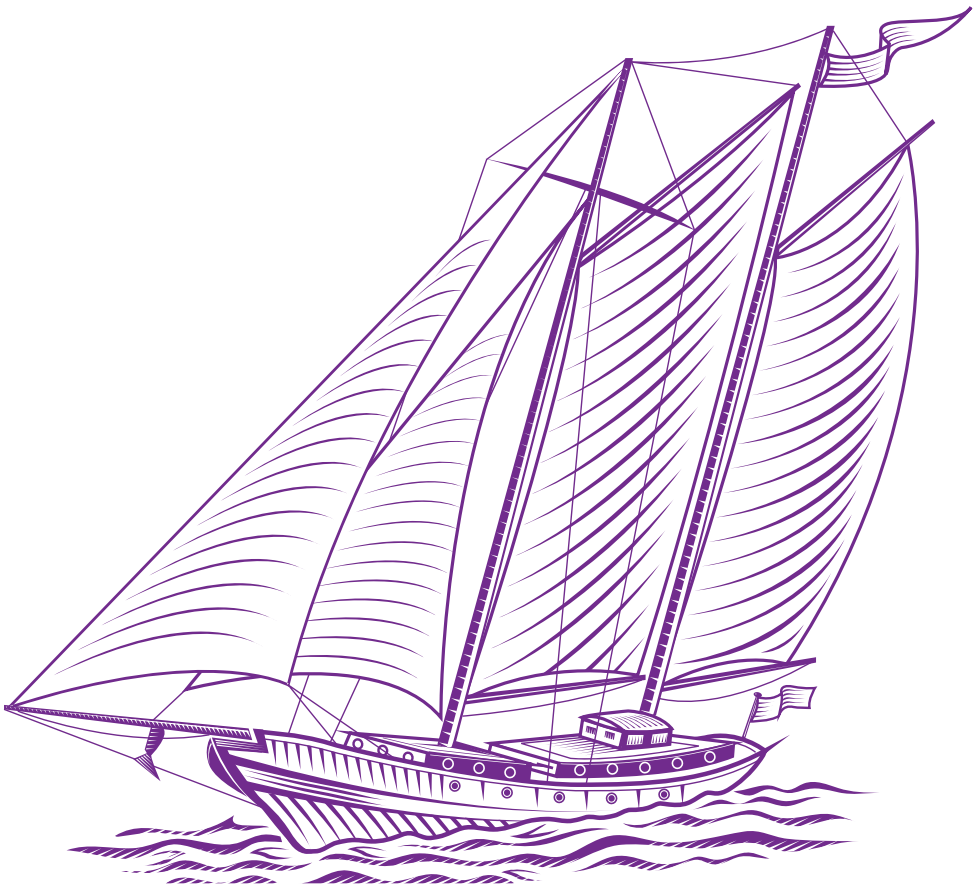

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STRATEGIC FEATURES OF THE SMES' INNOVATION PROCESS: THE CASE OF FOOD SERVICES FROM THE CLUJ-NAPOCA MARKET

ADINA LETIȚIA NEGRUȘA[1], IULIA MARIA STÂRCU[2]

ABSTRACT. The innovation process for small and medium-sized enterprises (SMEs) continues to play a critical role in their development. Due to their ability to provide differentiated products and services, SMEs which innovate are more successful than their non-innovative competitors. The hospitality industry is considered a highly competitive sector therefore enterprises acting in this field should develop new innovative offers. Research in the field of innovation behavior in the hospitality industry has not been systematically investigated, and especially regarding the food services sector from Romania. Thus, this paper aims at covering this gap. The purpose of this paper is to analyze the strategic features of the innovation process applied by food service SMEs from Cluj-Napoca, based on their behavior towards innovation and on its impact upon their business activity. A qualitative study has been developed, based on personal interviews with entrepreneurs of food-services SMEs. The research results present the types of innovations most frequently implemented, the resulted benefits and the future expected goals based on these innovations, and the entrepreneurs' features which support the innovation process. This is the first study, which provides an investigation regarding the innovation behavior of the food service enterprises from Cluj-Napoca and contributes to the existing literature on innovation, presenting a practical approach on the strategic behavior of the SMEs from this sector.

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1. Introduction

For the hospitality industry, innovation is the oxygen (Anderson et al., 2008). Service innovation provides the link between all the actors involved; starting with guests, operation employees and managerial positions, moving further to suppliers and intermediaries, all the shareholders and the stakeholders are committed to innovation.

In 2008, at a roundtable on innovation, professionals in the hospitality industry have identified three key elements of service innovation: customer-focused, process-focused and continuous improvement (Verma et al., 2008). The first element implies that successful businesses involved in the hospitality industry have as main objective a customer-centric approach and their focus is on exceeding customer's expectations. In comparison with the manufacturing view on innovation, services have to meet or exceed expectations and any new technology, procedure or method introduced in the business should have this purpose. After all, any new improvement or investment in a business is defined as an added-value element towards an increase in customer satisfaction, and, in the long-term, in the business itself.

The challenges which come along with service innovation include the measurement of it, the effects it has upon profits, the understanding of the customers, the prediction of the impact and the acceptance of a certain technological innovation, the implementation of a reward system for the employees, and the idea that innovation itself is easy to be duplicated. This idea of imitation, which is more easily performed in comparison with product innovation, has consequences on the relationship with the customer. Due to the fact that the customer is more and more educated and experienced, is getting fast accustomed with novelty. This way he/she expects something different every time and this places a lot of pressure on the hospitality unit.

However, being the first mover or the follower is not so important (Fultz et al., 2016). What counts is proving agility and a strong capacity to adapt to the new industry's challenges and to the consumers' needs. Once a CEO of a brand restaurant concluded that the main challenge in an unsettling world is to be courageous (KPMG Report, 2016) and this is easier for small companies.

2. Theoretical basis

The concept of innovation was approached for the first time at the beginning of the 20th Century by the Austrian economist and Professor Joseph A. Schumpeter. He shaped the idea that the key role of an entrepreneur is to carry out new combinations, through discontinuous and revolutionary changes, which disrupt the static mode of the economic development towards a more fluctuating and dynamic environment (Schumpeter, 2012). The volatility, uncertainty, complexity and ambiguity of today's world demand a high degree of adaptability from the market and, most of the times, this adaptability translates into the capacity of an organization to innovate, as Schumpeter said, "carrying out innovations is the only function which is fundamental in history" (Sledzick, 2013).

Innovation is by far a source of value creation where new combinations of resources, methods, market sources are retransforming old concepts into something which is perceived as new by the consumer. According to Schumpeter's theory, entrepreneurs have five areas to innovate: development of new products, new processes, new markets, new suppliers and changing organization (Schumpeter, 2012).

Hall and Williams (2008) define innovation as the process of bringing any new problem solving idea into use. In this context, innovations are any idea for reorganizing, cutting cost, putting in a new budgetary system, improving communication, processes, products and services. On the other hand, Fagerberg (2005) argues that imitators are much more likely to succeed in achieving their aims if they improve the original innovation and become innovators themselves. Generally, one innovation tends to enable another innovation in the same or in related fields. Therefore, innovation becomes a creative process in which one important innovation initiates a series of subsequent innovations.

Gallouj & Weinstein (1997) have identified two factors that challenge the innovation in the services' industries. Firstly, the innovation theory was developed mainly from a technological perspective, and secondly, unlike tangible products, services have differentiated features that give them a more intangible dimension, therefore, it is more difficult to quantify them. In essence, in any foodservice business experimentation and competition are always present, looking at each other and trying to provide an offering and an experience to the customer (Klass, 2017). Unlike products, services are simultaneously produced and consumed. Service innovation involves changes in many areas and, sometimes, process innovation and product innovation cannot be separated. Hence, service innovation is produced and consumed at the same time. Adding this aspect to the hospitality industry, determines the fact that the decision to purchase versus the decision to consume are no longer separated.

If Schumpeter has divided innovation into five categories, when it comes to service innovation, this categorization has been reduced to four main divisions (Oslo Manual, 2005):

- Product innovations: products, services, and their attributes;
- Processes innovations: operational processes;
- Knowledge of the market innovations: distribution channels, web-based communication, customer loyalty, information sharing, and marketing innovations;
- Management/Organizational innovations: changes in organizational structures, policies, non-operational processes, and the informal culture.

In 1999, Sundbo and Gallouj, described organizational innovations as "new general forms of organization or management such as introduction of TQM" (Carvalho et al., 2011). Process innovations are defined as renewals of all the perspective procedures for producing a service and further deliver it. In the case of the hospitality industry, this division can be further split into two categories: innovations in production processes, which are back office procedures, and in delivery processes, which are front office. Market innovations are new market behaviors, such as a new market segments or the entry of another industry into this market.

With a perspective less oriented towards production and manufacturing, fifty years later, Peter Drucker identified another dimension of innovation and entrepreneurship, which is focusing more on the knowledge-based and customer-centered perspectives. In his view, "innovation is the work of knowing rather than doing" and "innovation is the change that creates a new dimension of performance" (Drucker, 2002). Thus, innovation in the hospitality industry became a common action and now can be seen as a key factor in the business strategy. Even more, Sundbo (2002) proposes the new concept of strategic innovation theory, which regards strategy as both an interpretation of environmental developments and a tool for managing the innovation process. In order to

maintain competitive advantages, the hospitality industry has to undertake continuous innovation. Accordingly, the innovation process can be seen as a system or collaborative process, designed of the total activities and interactions that implement the development strategy (Edquist, 2005). Thus, Kavoura & Katsoni (2013) argue that the incorporation of information and communication technologies into the tourism marketing strategy will play a significant role in strengthening networks and alliances for the implementation of successful tourism development.

Hospitality enterprises are among the first adopters of innovations, hence, innovations have become a strategic tool for both successful chains and independent hospitality enterprises alike (Ottenbacher, et al., 2006). Indeed, innovative practices in the lodging industry are not only important for competitive success, but also to ensure that intrinsic motivated employees long to work in the industry (Enz & Siguaw, 2003). Peters & Pikkemaat (2006), and Ottenbacher & Gnoth (2005) emphasize as potential drivers of the innovation process: employee training, employee commitment, employee expertise, employee involvement in the innovation process, human resource strategy, and innovative network.

Regarding the innovation sources in the food sector, a new idea was presented that foodservice is the ecosystem where new concepts and trends are tested and that these new products are usually 100% incremental, in comparison, for example, with the retail sector where as high as 85% is cannibalization (Klass, 2017). The same study exacerbates the focus on the consumer, by stating that the consumer should be placed first in innovation. Companies should not mix research and development between channels and, instead, they should focus on innovating with the customer in mind and understanding and analyzing the way he/she reacts.

Food specialists, trend setters in the restaurant business brought up the idea that the creative energy has moved its focus from what was once the following hot dish, the aristocratic molecular cuisine, to young, daring entrepreneurs who experiment and play with pulses and innovative brews, fermented products and bake insect bars and cook algae noodles.

3. A brief overview of the food services market from Cluj-Napoca

Cluj-Napoca is a complex environment and a future hub of innovation in the Hospitality Industry and the mix of concepts. The new trend is all about niches, creating something specific and valuable, highly qualitative and powerfully sustained by a brand, by a concept, by experiences and by involving the clients not only as pure consumers, but giving them the role of brand ambassadors of the concept itself.

One category regards the ***coffee sector***, which has developed significantly in Cluj-Napoca during the last five years, and the quality of the coffee beans, the blends and the equipment used, are redefining the café's industry, raising the standards for the new entries while educating the clients and increasing their expectations. *European Coffee Trips*, a magazine specialized in presenting the best cafés and roasters in Europe, lists Cluj-Napoca with seven cafés: *Bujole, Victor Fresh to Go, Olivo Café, Roots, Let's Coffee, Yume Coffee Roasters* and *Coffee Addicts*, which have been tasted and accredited by the publishing magazine. The focus is on high quality coffee, blends, brewing methods such as *Chemex*, *Syphon Coffee*, *V60*, *Cold Brew* and *AeroPress*, all these elements putting Cluj-Napoca on the map as a representative for the 3rd wave of coffee. In an article on *start-up.ro* (Suciu) one of the owners of the newest cafés in town, *Narcoffee Roasters (see Figure 1)*, which has as vision to be a future chain of specialized cafés, has mentioned the 3rd wave coffee movement. This trend is seen as a reaction against bad coffee and an interest from the barista, the café's owner and the customer towards the origins of the coffee beans, the process itself and the final product they will experience. Coffee is served at daytime but as the sun goes down, many of the places retransform into small wine-bars.

Figure 1. Coffee Degustation at Narcoffee Roasters in Cluj-Napoca

(Source: Google Images)

The wine-bar is another popular concept which is blooming in Cluj-Napoca. Places like *Crush Wine Bar*, *Bruno Wine Bar*, *The Office Wine Bar* or *Wine o Clock*, not to add the wine cellars which are directly open by the providers, are starting to cover a niche specialized in providing and promoting not only quality wines but also a lifestyle which targets a more exquisite and initiated customer. The demand and the awareness towards wineries is growing and wine-bars have a strong focus on educating the clients, by organizing different events of wine tasting, courses on the subject or simply by providing customers with the advice needed for/when choosing the best wine on the evening when they enter the location. Moreover, Romanian wines are winning a great share of the market, and wine-bars in Cluj-Napoca have as objective to promote this legacy. Brands such as *Recas*, *Corcova*, *Lacerta*, *Stirbey*, *Domeniile Sahateni* have great appealing to the local market, slowly gaining the same reputation as international wines.

4. Research method

The main purpose of this study was, on one hand, to investigate what changes and innovations were brought by the small companies active in food services over the last years and their impact on the business activity, and, on the other hand, to identify strategic features for the innovation process. Accordingly, a qualitative study was developed and run on entrepreneurs who activate in the hospitality industry, whose business units operate on the market from Cluj-Napoca, and which, have brought a new concept on the market, or, have had some initiatives that make them relevant examples for this industry. A number of 27 small businesses from the field of food services were selected and a personal interview was designed to get a deeper understanding, behind the story of a participant's experience.

The entire process was carried out in a planned and structured manner, following an interview guide which included two parts. The first part focused on the entrepreneur's motives to start the business, on identifying the opportunities taken into account in this initiative, and on discovering the core elements of the business concept. The second part of the interview followed the topic of the innovation process. Innovation activities and innovation behavior were measured following the innovation theory and literature review (Oslo Manual, 2005), focusing on the changes made in the company, on a brief analysis concerning the future objectives of the respondents and on the overview of Cluj-Napoca and its future in the hospitality industry. Data have been collected from a number of 11 entrepreneurs interviewed during 3 weeks and a qualitative analysis has been done based on the theoretical aspects identified in the specific literature.

5. Results and discussions

Motivation initiates the decision process at individual level. It is 'the internal, psychological influence affecting the individuals' choice(s) (Middleton, 1994). Therefore, understanding the entrepreneur's motives to start the business activity is a key element for understanding their behavior during the business development. For the majority of the interview respondents, the idea to start a business within the hospitality sector came from their own need to change something in their life. For example, after working for an important period of time, like 7 or 10 years in different domains, some owners felt that it was time to change something in their lives, and that is why they decided to follow an old dream:

> "*It is said that after 10 years one needs to change something. I decided to say stop to my 10 years career in the corporate environment, in marketing, to open this business, which I have been dreaming about since I was a student, and to try my luck in entrepreneurship*." (Source: interview)

Another considerable influence comes from abroad, through travelling, studying or working. Some of the owners are foreign, namely Japanese and Canadian, and their love for Romania triggered them to start here. Moreover, travelling, studying or working abroad is another important area in the decision process. Entrepreneurs got inspired by seeing; thus, a specific concept was developed abroad, or seeing some elements which greatly have influenced their business.

Therefore, in terms of push-pull theory regarding motivation, one may conclude that for an important part of the entrepreneurs from the food services market, the main determinants of their behavior are related to push factors, those internal forces, that are psychological in nature and which create the desire to start a business activity.

When it comes to business motivation, the business opportunity represents the entrepreneurs' reason for entering the Romanian market, focusing on the way they managed to bring a concept here and trying to validate it.

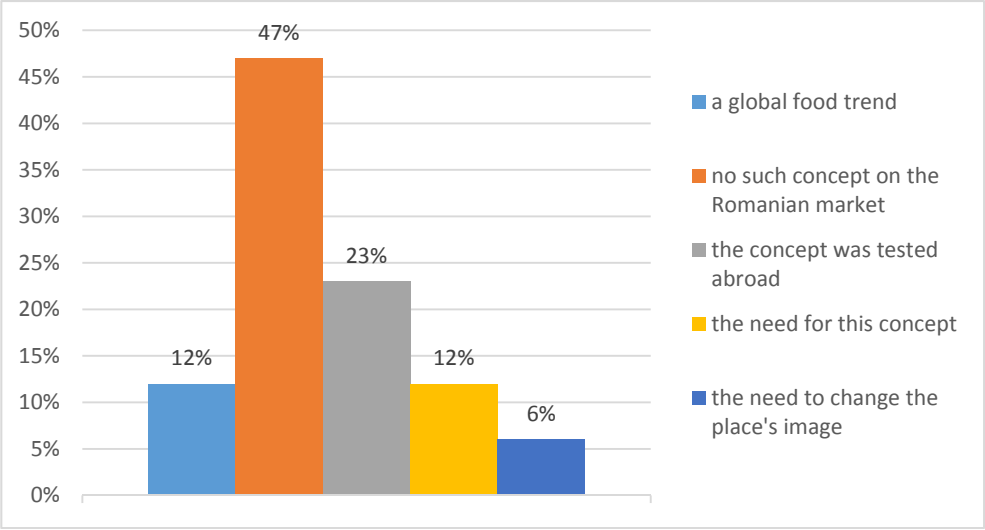

Figure 2. Factors relevant for the Business Opportunity

(Source: authors' data processing)

The answers show (Figure 2) that a considerable number of entrepreneurs considered the lack of the concept on the local market to be the main opportunity for developing their business activity. Due to this result, regarding the novelty of the concept, mentioned in different ways by the owners, one may conclude that the hospitality Romanian market is more in a growing stage and therefore attractive to new investors. The idea to offer something new, to innovate in some way the service or the product is enough to attract a market segment.

As it results from Figure 2, the "need for this concept" was barely mentioned by the respondents. Very few of them, 12% of the entrepreneurs, stated that the opportunity came because there was a need for that specific

food service concept, or because they identified a trend in that direction. This emphasizes even more the idea of an increasing demand for food services and a low intensity of the competition on the local market. Also, there is a strong international influence, thus concepts that proved to be working abroad were considered a strong opportunity and therefore were implemented on the local market. Generally, these are examples for specialized restaurant, that focus on a specific type of food (vegan) or product (salad, tarts) or restaurant with specific kitchen, like Mexican, Italian, etc.

Regarding the area of innovation, presented in Figure 3, the majority of the entrepreneurs made changes and implemented something new in the products' concept(s). One type of change is the idea of mixing elements or trends of the worldwide cuisine. For example, a bistro has implemented a concept which is called *Treat of the Week*, when the so-called "bistro train" travels each week to another part of the world and brings something new to the customers. This way the bistro's offer was diversified and it was able to bring novelty in a current way. There are examples of units which mixed two national cuisines through their dishes in an endeavor to adapt their offer to the market's needs and, at the same time, to educate the customer's(s') taste. As it resulted, the respondents are in line with global trends. Due to a more cost-conscious, well informed and experience-focused type of customer, nowadays the units on food services market have to apply changes to meet these expectances. Even if the business units decide to use a focus strategy and became well-known on a niche market segment, in time they still remained to oscillate among different types of products and the idea of implementing a diversification strategy.

The next factor on which the respondents focused is the investment in technology and the equipment used. Some places needed some special pieces of kitchen equipment, as the interviewees said rice, pasta or the patties for the tarts need some special processes to have the quality desired, even though the product itself may seem simple and easy to cook.

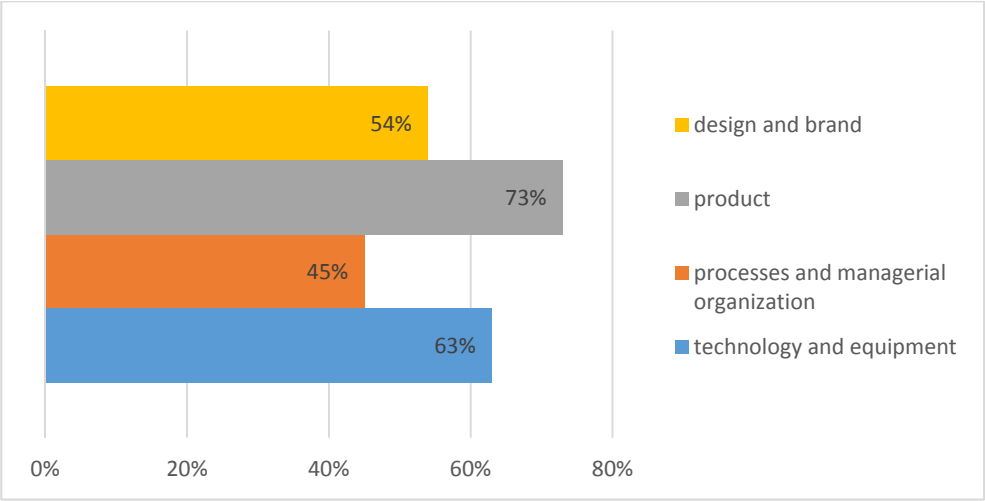

Figure 3. The areas of innovations

(Source: authors' data processing)

Along with the improvements brought in the area of technology, come also the investment in processes and managerial organization. One restaurant's manager stated that in Romania it is difficult to run the business based on certain processes, because, especially within this industry, there are aspects which change regularly. However, some of the interviewed units' representatives are initiating the Romanian franchise system. The entrepreneurs mentioned that they have begun to take collaboration into consideration when they understood the complexity and dimension/extension of the business. The franchise system was built rigorously, the owners even developing their own software in this respect. They recognized that at times it can be difficult to work with Romanian franchisees, however, they facilitate the entire franchising process by offering their know-how, support, constant auditing to ensure the proper development of the branch. Another example of process innovation regards the development of an excellent network of delivery for many of the business units.

A significant area for innovations and improvements concerns design and branding. One of the most impressive achievements for this trend goes to *Joben Bistro*, which, in less than a year after opening, was ranked among the top 10 bars and restaurants' designs worldwide. It was featured in an article on *Daily Mail* (2014) which stated: "Faithful to *Steampunk's* pseudo-Victorian style, *Joben Bistro*'s three rooms take visitors to a world of fantasy and science-fiction. Designed by a Romanian studio, *Joben Bistro* counts dozens of quirky objects on the walls and hanging from the ceiling, including a mounted deer head fitted with a monocle and other mechanical objects." The steampunk elements of the place were and still are a source of inspiration for businesses both in Romania and abroad.

Another trend which is growing more and more popular in the area of process innovation is the communication with the clients, both online and offline. Nowadays, digitalization is a global trend, and the hospitality industry needs to keep pace with it. All the respondents have a *Facebook* page and most of them have a website. Also, a significant percentage use *Instagram*. Moreover, one of them stated that they hired a Marketing company to manage their online strategy. This is accordance with the conclusion of Toader & Gica (2014) concerning the innovation activity of the accommodation units form Cluj-Napoca: social media representing a key tool for marketing activities.

On the other hand, word-of-mouth and organic growth are still the best tools for making renown a place that operates in the services' industry/for creating the reputation of a place operating in services' industry. The interview respondents mentioned that they are not too intrusive on the online platforms and that they try to create a natural flow of posts and give customers relevant content, pleasant and interesting information. For example, *ZAMA* said that they did not use advertising for the opening, they just waited to see how the people will respond. *A la Tarte* had a pleasant surprise to learn/discover that the concept of the place attracted the national news. An important national television presented the

location in a documentary. When it comes to online promotion, the question and main challenge is how companies can still differentiate, now, when online marketing is available to anyone. For certain, innovation itself does not consist anymore in simply having a *Facebook* page, a website, an *Instagram* channel or any other platform. The innovation nowadays is related to using the platform in such a way that will enrich the experience of the clients, will bring them some added-value and will also let them freely express their views about the place. Moreover, the real target is to convert those likes into actual orders and clients.

That is why another way to attract a certain segment of clients is through Social Responsibility and active involvement in the community. For example, *Chios* has among its values Social Involvement, promoting talents form Cluj and buying raw material from poor villages in Romania. *Off The Wall* offers discounts to people who come at their place with tickets from festivals like *TIFF* or *UNTOLD*, and they have decided to act this way even though they do not have an official agreement with the festivals' organizers. Moreover, they receive tourists from *Transylvania Hostel* and offer them a dinner within the budget of the hostel, this way helping both the tourists to have a more multicultural experience but also the hostel to attract more international tourists. *Off the Wall* promotes local producers and places a great emphasize on buying genuine ingredients. *Pokka* and *Tokyo* get involved into the community by participating at different public and private festivals, like the days of the city (*Zilele Clujului*) or *Street Food Festival*. Moreover, *Tokyo* has an agreement with a children shelter/home and helps them regularly. These small initiatives, being gathered, are an important element, building a strong community, both in the industry itself but also by creating awareness and engaging customers in the local area. The entrepreneurs of these business concepts are trying to attract a certain niche of clients, those clients who are loyal to the brand because the business does something extra and meaningful. Such clients, educated, initiated, are more and more inclined to choose those places where food is green, where some of the revenues

go towards a cause, where food is not wasted, where artistic manifestations are promoted, where exhibitions, creative workshops are organized and held.

6. Conclusions

According to Griffin & Page (1996), hospitality units have different objectives when it comes to introducing new services, on one side there are the financial reasons, and, on the other side, there are the performance goals, which are oriented more towards relational marketing, towards guests, improving experience, towards the employees and the community. Of course, it cannot be denied that all these performance objectives would, at some point, increase the financial objectives, as well. However, when a company decides to buy only local ingredients to improve the quality of the dish their decision is not so cost efficient in comparison with buying the same ingredients from a big supermarket chain. Thus, this objective is still about performance, about creating the reputation of the place, about differentiating on the market, about building a competitive advantage, which, on the long run, would become more difficult to imitate. If Griffin (1997) considers that 4 of 10 innovations fail on the market, and there are no factual numbers for the hospitality industry, however, other researchers suggest that the failure number is even higher and many restaurant concepts do not resist much on the market (Ottenbacher et al., 2005). Many hospitality units face the challenge of developing a new service with little knowledge of the market as a whole, consequently the risk associated to success or failure is present at equal rates. Most of the time, managers have to trust their instinct, their feeling and to act accordingly, even though they do not have a guarantee of their new idea.

Based on the data collected through this study we identified four performance dimensions on which innovations and changes have been brought, and these (see Figure 4) not entirely directed towards financial goals.

Most of the respondents have focused on technology and product innovation, and through these they aim at maintaining a focus strategy for the business development. All of the entrepreneurs described their business concepts as being niched and having up to some point international influences. The target market seems to be represented by the young mature generation, with a high level of education and with enough experience in order to seek a different type of service.

These clients represent a niche which will grow in the near future, because people nowadays want more than a simple dinning out, they want an experience, and, if this experience will fulfil more than psychological needs and will go towards the self-acquisition ones, than the customer will become a promoter of the place. Therefore, even though the results are not immediate, companies which are active, have by far identified a way of putting themselves ahead and of building a strong competitive advantage.

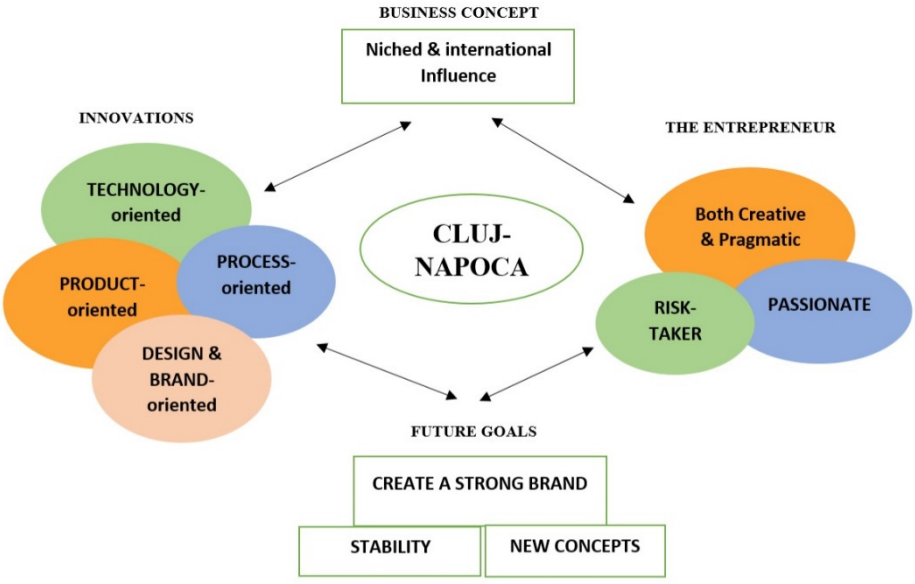

Figure 4. Strategic features for the innovation process applied by SMEs from the food services market

(Source: authors' compilation)

Looking at the right side of the chart, the main features of the business owners include a mix between creativity and pragmatism, a lot of passion for their work and also the fact that they are all risk-takers. When it comes to the future and what they would like to implement in Cluj-Napoca, the main strategic objectives focus on three dimensions: to create a strong brand, to develop and introduce new concepts, and to ensure the long-term stability of the brand itself.

Nowadays, within the food services market, the innovation's principle is that of renewing old concepts, which were once common in our grandmothers' kitchens. Covering everything with technology is just a way of bringing the concept to the newest generations and to make them aware of it.

The *Digital Era* is an open door towards the world, and globalization is the process of making things uniform and accessible to everyone no matter their geographical position. However, even though the hospitality industry is increasingly globalized due to international chains such as *McDonalds*, *Starbucks* or hotel chains like *Hilton*, *Four Seasons* or platforms like *Booking.com* and *Airbnb*, more and more businesses became oriented towards identifying the people and the cultures where they operate.

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THE ROLE OF SMALL AND MEDIUM ENTERPRISES IN THE FOOD INDUSTRY: THE CASE OF POLAND

MARIA ZUBA-CISZEWSKA[1]

ABSTRACT. The aim of the article is to present the role of small and medium enterprises in the food industry sector in Poland. The Polish food industry includes over 16 thousand enterprises, which recorded a growth in results of their activities, in form of the sold product value, of 60% between 2005 and 2016 (to 48.6 billion Euro). The largest group of the enterprises in food industry are the entities that employ up to 9 people (64% in 2015). Their role in manufacture and employment decreases, similar to the share of small and medium enterprises that account for over a third of all enterprises. Each of the branches of food industry is dominated by micro-enterprises (58% to 83%) and together with small and medium enterprises they account for 94.6% (manufacture of dairy products) to 99.4% (manufacture of bakery and farinaceous products). Even with the small and medium enterprise (SME) segment (including micro) enterprises dominating the food industry their share in revenues is significantly lower. In most of the food industry branches the majority of employment is due to the SME sector, with the crucial role played by companies employing 50 to 249 people. The food industry in Poland also ensures the food security of the country. Local processing plants secure the continuity and fastness of deliveries, which is important when the characteristics of these products are considered. Local products improve the food's security of local community by improving accessibility of fresh food. They also meet the customer expectations to access products of local manufacturers, based on their

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manufacturing tradition and experience. Small and medium enterprises can effectively penetrate market niches, increasing the diversity of products, frequently innovative ones. They are able to do that, among others, because of growing investment expenditures.

Key words: SME, food industry

JEL classification: Q13, L11

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Introduction

The current plan of the Polish government, entitled "Plan for responsible development"[2] indicates that Poland has to fully use its development potential and include smaller towns and rural areas in development processes in order to build a strong economy in all regions. The theory of economics indicates that small and medium enterprises (SMEs) may play a significant role in regions' development. The theory of dependant development states that development of peripheral areas is caused by the center and depends from it. The development of SMEs in peripheral areas reduces their dependence from the center. The post-Keynes theory indicates investments as the most important growth factor, due to their multiplication effects that stimulate investments in other areas. Nevertheless the income effects of investments are usually

[2] The plan is a set of tools designed to increase the dynamics of Poland's development. In includes the diagnosis of current situation, directions for government actions for the next years and indicates specific tasks. https://www.mr.gov.pl/media/14840/Plan_na_rzecz_Odpowiedzialnego_Rozwoju_prezentacja.pdf

limited in space. Thus the differences in investments levels between regions generate the deepening of regional disparities when the market mechanism that stimulates those disparities is not corrected. The SMEs can utilize the growth in effective demand caused by increased public investments, by creating new jobs. According to the economic base theory the increased income of region resulting from increase in exports of SMEs that create the base sector of the region stimulates the development of businesses producing for local needs or those that are only active in regional or national market (Makieła, 2008). One of the present features of the Polish development is the issue of average product, manifested – among others – by low R&D expenses (less than 1% of GDP) and low innovation levels. In an economy that requires fast transformation of new knowledge in innovation and fast development of new knowledge, the SME sector may play a crucial role in popularizing innovations (Woźniak, 2006). Innovative products, together with traditional ones, are indicated as the basic instruments for competitiveness of the SME sector in the food industry (Briz & de Felipe, 2006). Research indicates that new experiences related to innovations in food products significantly influence the purchase behavior of customers (Lundahl, 2012).

The objective of the present work is to show the role of small and medium enterprises in the Polish food industry. The paper presents a comparative analysis of this industry sector for 2005-2015. The paper uses data published by the Central Statistical Office of Poland, Eurostat and SME and food industry literature.

The case of Poland

Businesses are the main driving factor in creating the gross domestic product (GDP) of Poland. They are currently producing some 74% of the GDP (versus 70% 10 years ago). The SME sector has the most important role, generating half of the GDP, including 31% generated by

small and 11% by medium enterprises. In 2015 there were 1.91 million non-subsidized businesses in Poland, compared to 1.73 million in 2010. Businesses employing up to 9 persons are predominant (96%) and employ 39% of the 9.4 million people employed in corporate sector (Figure 1). The percentage of other types of enterprises (small 3.0%, medium 0.9% and large 0.2%) remains unchanged for years. The employment figure in micro enterprises rises (by 0.6 percentage point or p.p. since 2010) as it does in large entities (by 0.8 p.p.). Within the value of production of businesses (735.71 billion Euro in 2015) the SME sector has the largest share (57.3%) including 28.8% created in micro-enterprises. Though when the total revenue of enterprises is considered (975.24 billion Euro in 2015) the SME revenues account for 55.8% (and micro-enterprises for just 22.0%). The percentage of assets held by companies employing up to 250 people is even lower. They held just 41.9% (194.26 billion Euro) of fixed assets in 2015, and 41.2% (148.44 billion Euro) in 2010. The share of SMEs in investment expenses fell from 47.4% (15 billion Euro) to 41.8% (18.16 billion Euro).

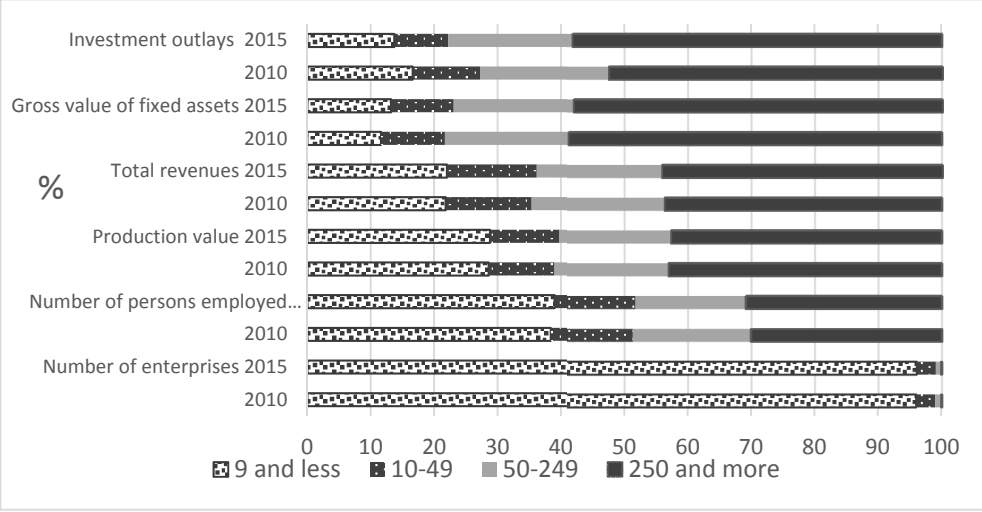

Figure 1. Basic data on Polish enterprises divided by size classes.
Source: author's work based on CSO

The food industry plays an important role in national economy and satisfaction of needs of the society. Most importantly the food industry, systematically and meeting consumer demands of the population, supplies the market with food in sufficient quantity, quality and required types. Thus it contributes to accomplishment of national food security (Kapusta, 2012). The industry is characterized by high risk of business activity linked with changes in the supply of materials (seasonal and long-term variations) and the perishable nature of materials and products. Though, as research of recent years proves (Kijek, 2013) the influence of specific factors on the economic results in food industry processing industry is still lower than in other branches of processing industry in the country. The food processing industry for agricultural products in Poland is characterized by fragmentation proven by the existence of a large number of small facilities, scattered throughout the whole territory. This is the result of historic conditions, similar to the location of a higher number of food processing plants in the West than in the East part of the country. In recent years one can observe a concentration of Polish food industry. This concentration process is the result of the scale effect, operating cost and profitability depending on the production scale. The concentration of food industry thus follows the concentration trend in agriculture (Urban 2014).

The main task of food industry enterprises is to ensure country's food security. One of the elements of this security is the physical availability of food. The achievement and ensuring of the physical availability of food should be the overriding objective of each country's food policy. The global food crisis of 2007/2008, initiated by a rise in food prices further stressed the importance of self-sufficiency for provision of food in every country, independent from its level of economic development (Kwasek et al., 2015). Self-sufficiency level can be determined by comparing the

national production with the consumption of agricultural products[3]. The degree of food self-sufficiency in Poland is high and is further improved by growing national production volumes of basic agricultural products (Table 1).

Table 1. Basic agricultural balances (thou tonnes)

Specification	2005					2015				
	Production	Imports	Use	Exports	Surplus/ Deficit	Production	Imports	Use	Exports	Surplus/ Deficit
Cereals[a]	24,900	724	25,236	1,275	-336	27,325	1,089	21,952	6,208	5,373
Vegetables[b]	5,458	239	4,849	848	609	5,607	588	5,144	1,051	463
Fruit[c]	2,922	876	3,310	488	-388	4,189	859	3,953	1,095	236
Vegetable fats ad oils	540	500	837	183	-297	1,100	645	1,110	630	-10
Meat	3,443	300	3,099	668	344	4,763	816	3,300	2,270	1,463
Cows' milk[d]	11,575	295	9,414	2,484	2161	12,859	1,630	11,045	3,485	1,814

[a] Including cereal mixed for grain and grain designated for processing
[b] Including vegetables designated for processing
[c] Including fruit designated for processing
[d] Including milk designated for processing in; million litres

Source: author's work based on CSO

In many EU countries, including Poland, the food industry has a significant position in processing industry, as measured by the share in turnover or employment (Figure 2). This situation also pertains to Ireland, Denmark, Latvia, The Netherlands, Lithuania, and United Kingdom. France, Greece, Belgium, Bulgaria, Romania, Cyprus, Portugal, Spain and Croatia which are also characterized by a high share of food enterprises in the total number of industrial enterprises. The number of enterprises

[3] The national use depicts the division of production to main consumers and final destinations. It includes economic expenses (e.g. sowing, fodder material), consumption of products by population, industrial processing and losses in production and handling.

of the EU food sector also demonstrates how important this sector is for the economies of the respective countries. There were 290.3 thousand food manufacturing enterprises in 2014. Only 0.9% of them are large enterprises. Over 95% are the micro enterprises (80.5%) or small enterprises (14.8%). This structure of food industry enterprises with predominance of SMEs is characteristic for all EU countries. France and Italy are the leaders when the number of food processing companies (41% of all EU businesses are located there) (Figure 3). Poland is sixth in this aspect.

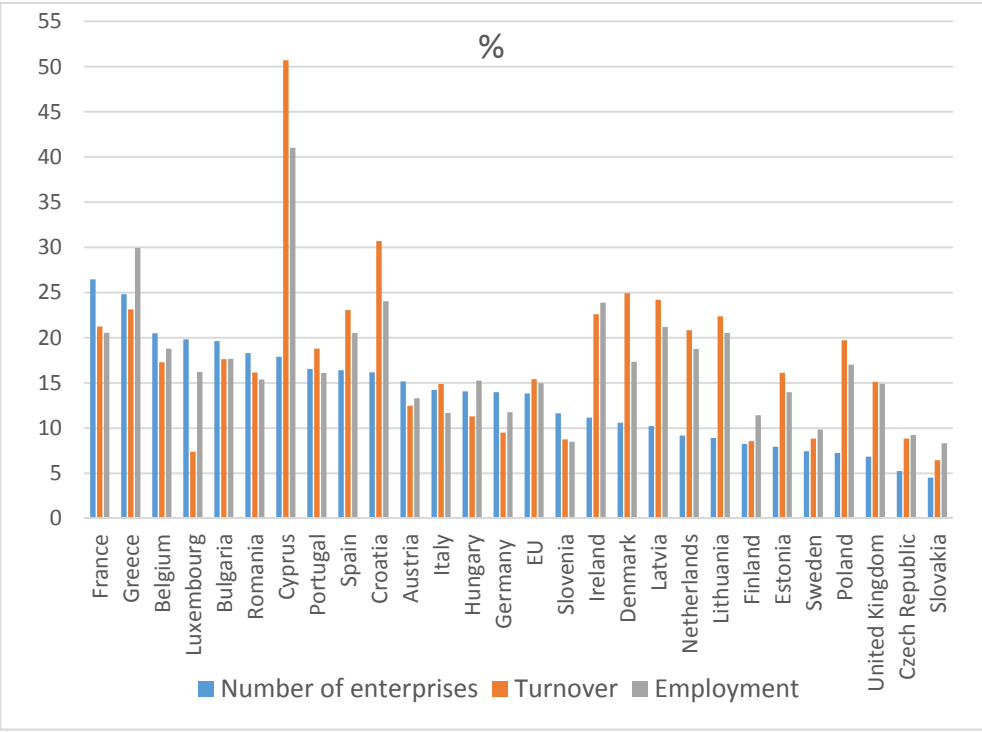

Figure 2. The share of food industry in total processing industry (%)

* No data for Malta

Source: author's work based on Eurostat database

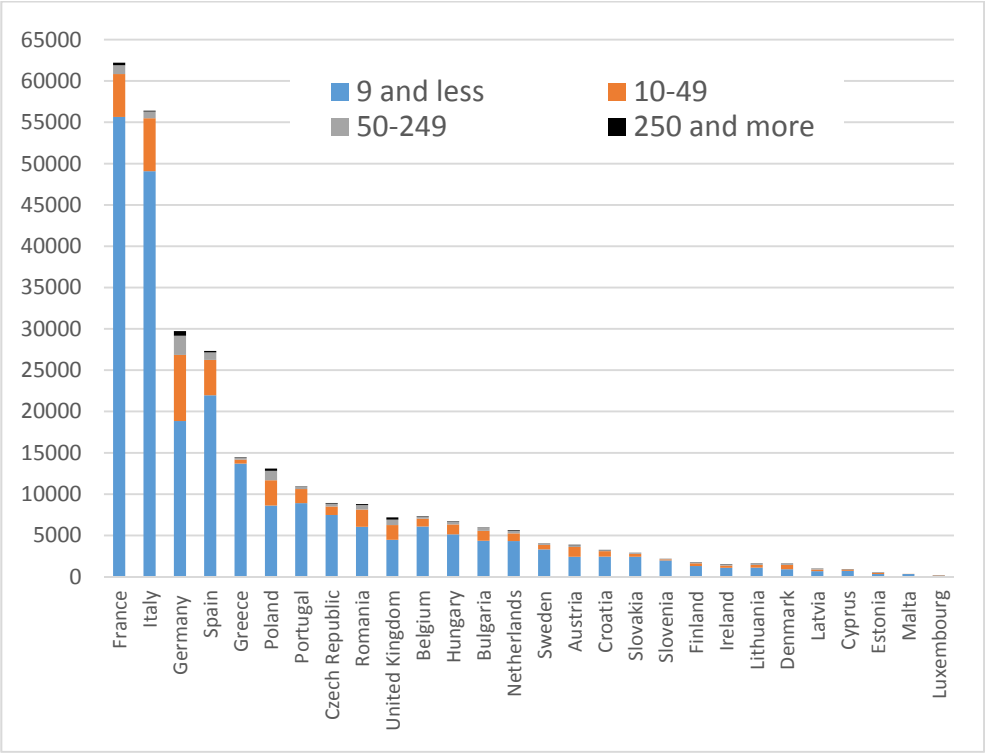

Figure 3. The number of food industry enterprises by size class

Source: author's work based on Eurostat database

Result and Discussion

One of the determining factors for the revival of the SME sector in market economies at the end of 20th century was the diversification of demand. Market segmentation occurs as a result of higher individual income that allows an ever growing number of consumers to satisfy their need for diversity (Borowiecki & Siuta-Tokarska, 2008). Market segmentation reveals niches, consumers with distinctive and complex set of needs, who are willing to pay more to satisfy them (Kotler, 1994). Research conducted in recent years indicates that Polish consumer searches for local Polish products

(Angowski & Lipowski, 2014). More and more the consumers do turn their attention to the environmental aspect like whether the materials come from a region with a clean natural environment, a characteristic that is still attributed to Poland, and thus to – among other features – to a better taste of the product(s). They also see the economic dimension of consumer ethnocentrism, which forms a similarly important aspect, as the creators of this notion believe (Ship & Sharma, 1987). This pertains to use of local production means (workforce and capital) and increases the effects of that production in form of sales revenue of local processing plant. The consumer ethnocentrism in relation to food and agricultural products was already reported 60 years ago by Pilgrim (1957) who believed that not only the food properties and person-related factors, but also the environmental factors influence the food purchasing decisions (Steenkamp, 1997). Of course the research suggests that the type of attitudes demonstrated by Polish society are differentiated (Sajdakowska and Gutkowska, 2014), yet stable for some time now (Wanat and Stefańska, 2014).

Polish consumers also turn their attention to another, equally important, aspect of products from local food processing plants, considering mainly the tradition and their manufacturing experience. For example they only consider quark (dairy product) to be traditional if it is manufactured by a national dairy cooperative[4], which influences the market[5]. The dairy cooperative movement has a long history in Poland (dating back to 1870s), which results in experience and competences that build its credibility and trust (Zuba-Ciszewska, 2016). Almost 61% of the 241 dairy enterprises in Poland are cooperatives. There are at least several dairy enterprises

[4] http://www.forbes.pl/mlekovita-mlekpol-polmlek-polskie-mleczarnie-kosza-zagranicznych-konkurentow,artykuly,200464,1,3.html

[5] Among others this was the cause for many multinationals to abandon the national dairy market or at least some of its segments, e.g. with the 2016 liquidation of Danone plant in Warsaw and Zott plant in Racibórz. Mlekovita bought the Baranów plant from Hochland, Polmlek took over the dairy processing plants from Dutch Friesen in Mława, Austrian Dr. Oetker in Maków Mazowiecki and the Danish Arla Foods in Gościna.

in every region. The social image of Polish agricultural and food cooperatives as socially entrusted entities constitute their chance at attaining lasting competitive advantages (Brodziński, 2014). Additionally the local products are also important for Polish retail networks. The valuable, frequently unique, advantages that they offer to the customers represent one of the tools for countering the market strength of multinational retail corporations (Kowalska, 2012). These advantages include the local origin of food products. The majority of food products are perishable consumer goods. That is why the continuity and time of delivery that local manufacturing plants can offer represent an essential factor in their sale. These entities form the Local Food System (LFS). It is a system in which the food is produced, processed and sold within a limited geographical area (Kneafsey et al., 2013). This system can also represent a chance for development of agriculture (Ross et al., 1999; Marsden et al., 2000). Local products can improve the food security of a local community, by improving its access to fresh food (Martinez et al., 2010).

The food industry has a significant, yet decreasing position in industrial processing in Poland (fig. 4). Food processing enterprises account for 8.3% of all industrial processing enterprises[6], and have the largest share when the total values of sold products (18.8%) and employment (17.1%) are considered.

Even with the number of food processing enterprises dropped in Poland by 12% to just 16 thousand enterprises between 2005 and 2015 (Table 2) the effect of their business activity, measured by the sold products value, increased by 60% to 48.6 billion Euro. The industry also recorded a 5.3% decrease in employment figure, to 427.2 thousand employees.

[6] They are preceded by enterprises manufacturing metal products (17.9%), businesses active in repairs, servicing and installation of machines and devices (14.2%) and manufacturers of wooden, cork, straw and wicker goods (9.0%).

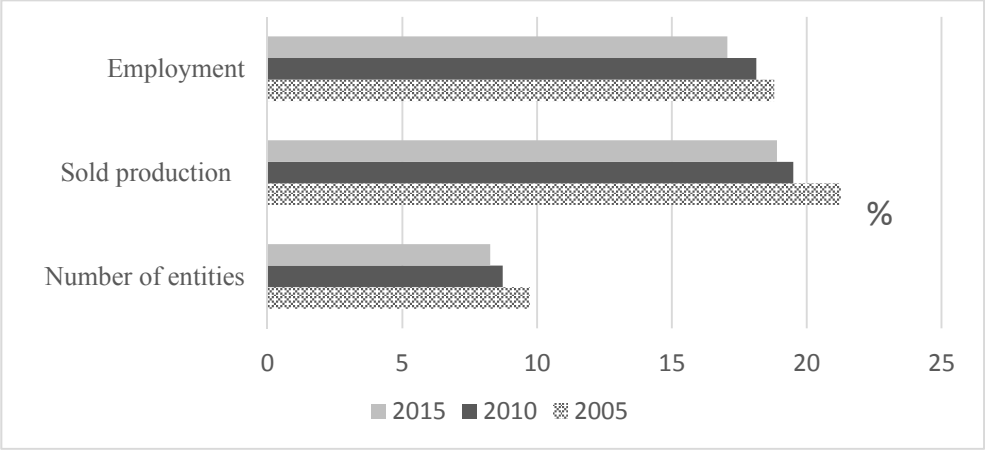

Figure 4. The share of food processing in industrial processing

Source: author's work based on CSO

Table 2. The structure of food industry enterprises by their employment figure

SPECIFICATION	Years	Entities with the following number of paid employees				
		9 and less	10-49	50-249	250 and more	Total
Number of entities	2005	11,511	5,201	1,195	275	18,182
	2010	9,503	5,009	1,178	281	15,971
	2015	10,263	4,376	1,108	281	16,028
Sold production (mln euro, current prices)	2005	2,874.0	4,751.2	8,532.3	14,079.6	30,237.2
	2010	2,147.1	5,845.9	10,285.7	21,557.2	39,835.9
	2015	2,412.9	6,502.3	12,862.6	26,774.4	48,552.2
Employment (thou)	2005	64.4	96,3	129.8	160.6	451.1
	2010	47.2	98,0	126.8	170.0	442.0
	2015	41.8	82,6	121.4	181.4	427.2

Source: author's work based on CSO

These changes are different when the type of enterprise is considered. The number of large enterprises increased while for the remaining classes decreases in number were recorded (with the highest 16% decrease in the case of small enterprises). All the types of enterprises, apart from micro-enterprises, also registered an increase of the value of sold products, with the highest change in case of large enterprises (by 90.2%). The value of sold products increased by almost 37% in case of small enterprises, and by over a half in middle ones. The employment only rose in case of large enterprises (by almost 13%).

The largest group of food industry enterprises is that employing up to 9 people (64% in 2015). They only generate 1/20 of the value of sold products and concentrate about 10% of the employment figure of the industry (Table 3). Even with the constant share of this type of enterprises in the total number one can observe a significant decrease in their share of production and employment. Over 1/3 of all companies are small and medium enterprises, and in the last ten years their share dropped by 1 p.p.. Also their shares in value of sold products and employment dropped (by 4 p.p. and 2.3 p.p., respectively). Even if large enterprises account for just 2% of the total number of food processing businesses, they also account for over 55% of value of sold products (that is 8.5 p.p. more than in 2005). These businesses also improved their position as the main employer of the industry.

Table 3. The structure of food industry enterprises by employment figure (%)

SPECIFICATION	Years	Entities with the following number of paid employees				
		9 and less	10-49	50-249	250 and more	Total
Entities	2005	63.3	28.6	6.6	1.5	100.0
	2010	59.5	31.4	7.4	1.8	100.0
	2015	64.0	27.3	6.9	1.8	100.0

SPECIFICATION	Years	Entities with the following number of paid employees				
		9 and less	10-49	50-249	250 and more	Total
Sold production	2005	9.5	15.7	28.2	46.6	100.0
	2010	5.4	14.7	25.8	54.1	100.0
	2015	5.0	13.4	26.5	55.1	100.0
Employment	2005	14.3	21.3	28.8	35.6	100.0
	2010	10.7	22.2	28.7	38.5	100.0
	2015	9.8	19.3	28.4	42.5	100.0

Source: author's work based on CSO

Thus the concentration of manufacturing processes is high in the food industry. If the share of micro-enterprises is omitted, 50% to 80% of the sold products in recent years were generated by the medium and large enterprises (Table 4).

Table 4. The concentration of sold products in the food industry enterprises*

Specification		Entities with share in sold production value** amounting to	
		50%	80%
Number of entities	2010	151	772
	2015	143	659
Average paid employment (thous.)	2010	111.6	223.4
	2015	119.8	224.1

* Data concern the economic entities employing more than 9 persons

** In current prices

Source: author's work based on CSO

The largest numbers of food industry enterprises in the country are found among bakery and farinaceous products companies (6355), meat processing, conservation and production (2730 companies) and those active in processing and conservation of fruits and vegetables (1085). The total number of businesses from these three branches equals to 85% of all remaining representatives of main branches of food industry nationwide. The share of these branches in the micro-enterprise sector is over 69% and the share of the whole SME sector as much as 98.5%. Dairies (643) processing cow, sheep and goat milk are also numerous, followed by beverage manufacturing businesses (601) and companies manufacturing grain products, starch and starch products (590).

Table 5. The number of companies in selected branches of Polish food industry in 2015

Number of enterprises	Processing and preserving			Manufacture				
	meat and production of meat products	fish, crustaceans and molluscs	fruit and vegetables	vegetable and animal oils and fats	dairy products	grain mill products, starches and starch products	bakery and farinaceous products	beverages
Total	2,730	301	1,085	158	643	590	6,355	601
9 and less	1,761	174	783	131	430	460	4,500	452
10-49	585	63	155	17	73	87	1,495	78
50-249	294	53	120	7	105	37	320	48
250 and more	90	11	27	3	35	6	40	23

Source: author's work based on Eurostat database

Each branch of the food processing industry is dominated by micro-enterprises that account for from 58% of fish processing businesses up to 83% of those manufacturing oils and fats (Table 6). The class of

small enterprises accounts for 11% to 24%, the middle-sized companies for 4% to 18% and the large companies for less than 5.4%. This makes the SMEs (together with micro-enterprises) dominant in every branch, accounting for 94.6% (manufacture of dairy products) to 99.4% (manufacture of bakery and farinaceous products).

Table 6. The structure of enterprises in different branches of Polish food industry in 2015 (%)

Number of enterprises	Processing and preserving			Manufacture				
	meat and production of meat products	fish, crustaceans and molluscs	fruit and vegetables	vegetable and animal oils and fats	dairy products	grain mill products, starches and starch products	bakery and farinaceous products	beverages
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
9 and less	64.5	57.8	72.2	82.9	66.9	78.0	70.8	75.2
10-49	21.4	20.9	14.3	10.8	11.4	14.7	23.5	13.0
50-249	10.8	17.6	11.1	4.4	16.3	6.3	5.0	8.0
250 and more	3.3	3.7	2.5	1.9	5.4	1.0	0.6	3.8

Source: author's work based on Eurostat database

Although the SMEs dominate the food industry their share in revenue is significantly lower (Table 7) and varies in the respective branches from 20.5% (beverage manufacturing) to 75.2% (manufacture of grain mill products, starches and starch products). The micro-enterprises have the lowest share in revenues (1% to 12.7%).

Table 7. The turnover structure in the enterprises of different branches of Polish food industry in 2015 (%)

Number of enterprises	Processing and preserving			Manufacture				
	meat and production of meat products	fish, crustaceans and molluscs	fruit and vegetables	vegetable and animal oils and fats	dairy products	grain mill products, starches and starch products	bakery and farinaceous products	beverages
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
9 and less	3.9	3.1	5.6	4.7	1.0	7.6	12.7	0.9
10-49	11.3	7.5	11.2	12.6	3.3	24.8	22.0	5.5
50-249	27.1	27.5	41.4	30.0	27.2	42.7	30.0	14.1
250 and more	57.7	61.9	41.8	52.8	68.5	24.8	35.3	79.5

Source: author's work based on Eurostat database

When it comes to the share in employment (Table 8) only three branches are dominated by large companies (processing and preserving of meat and production of meat products, manufacture of dairy products, manufacture of beverages). In the remaining branches the majority falls in the SME category, with predominance of companies employing 50 to 249 people.

Table 8. The employment structure in enterprises of different branches of Polish food industry in 2015 (%)

Number of enterprises	Processing and preserving			Manufacture				
	meat and production of meat products	fish, crustaceans and molluscs	fruit and vegetables	vegetable and animal oils and fats	dairy products	grain mill products, starches and starch products	bakery and farinaceous products	beverages
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
9 and less	5.9	3.5	8.6	12.5	3.7	14.3	20.3	6.5
10-49	12.0	8.6	11.3	14.1	4.6	19.5	30.4	7.6

Number of enterprises	Processing and preserving			Manufacture				
	meat and production of meat products	fish, crustaceans and molluscs	fruit and vegetables	vegetable and animal oils and fats	dairy products	grain mill products, starches and starch products	bakery and farinaceous products	beverages
50-249	27.1	38.2	42.6	25.3	33.5	37.8	30.7	22.2
250 and more	55.1	49.6	37.5	48.1	58.2	28.3	18.5	63.7

Source: author's work based on Eurostat database

The SMEs are characterized by a higher ability to adapt to the ever changing economic situation. This is the result of their higher elasticity when compared with large companies, especially in the critical moments for the economy. Their behavior is more focused on customers' current needs and on the economic conditions when compared to large companies with their long-term strategies (Thurik, 1996). Small and medium enterprises can efficiently enter market niches, increasing the diversity of available products and services (Carree and Thuric, 1999). This is frequently linked with the necessity to conduct the required investments. In 2015 the investment expenses[7] of food industry SMEs totaled 729.3 million Euro, 35.7% of the total expenses of the industry (Figure 5). In the last five years the value of investment spending for the SMEs of the food industry increased by a third. Still the small companies recorded a 7.8% decrease in investments (to 175.4 million Euro) and the medium enterprises increased them by as much as 52.5% (to almost 617 million Euro). That is why within the investment spending structure for SMEs of the food industry as much as 78% falls in for medium enterprises, and just 22% is accrued

[7] Financial expenses or contributions in kind that aim at creation of new fixed assets or the improvement of existing ones (rebuilding, extension, reconstruction or modernization) of existing objects included in fixed assets and the so called spending for initial equipment of investments.

in the small enterprises. The largest, growing (from 61% in 2010 to 64% in 2015) proportion of investment spending is for machineries, technical devices and tools. Among the factors influencing this is the growing consumption of these fixed assets (59.8% in 2010 and 62.5% in 2015). The second place in investment spending, with a relatively constant share of 29%, is occupied by buildings and structures, and the last, with decreasing share by the transportation means.

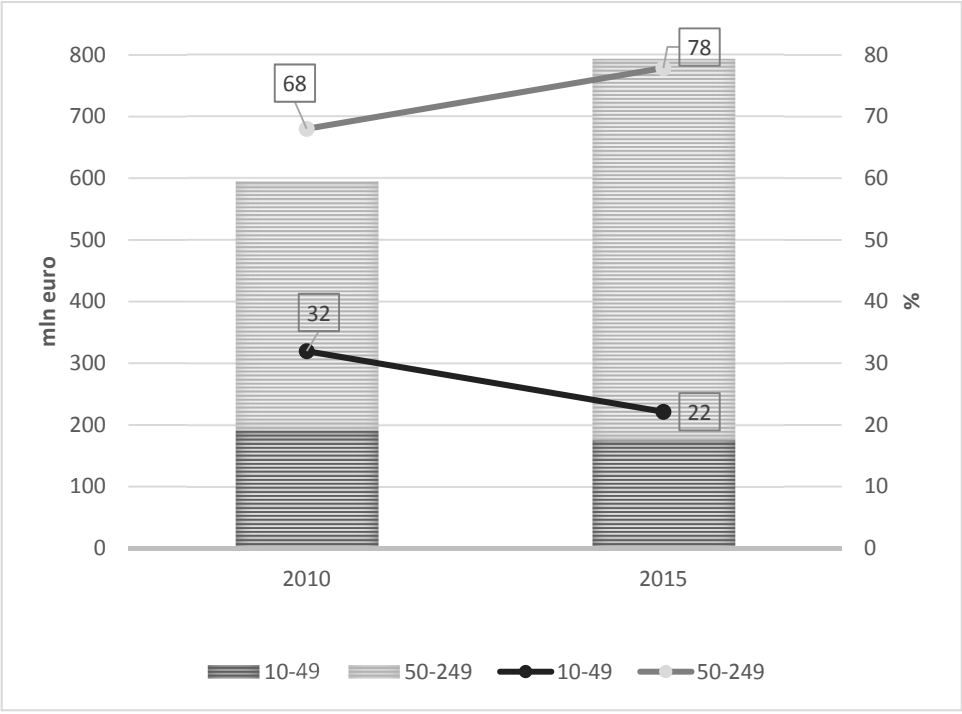

Figure 5. Investment spending of small and medium enterprises of food industry (in current prices)

Source: author's work based on CSO

Conclusions

The Polish food industry includes over 16 thousand enterprises, which recorded a growth in results of their activities, in the form of the value of products sold, of 60% between 2005 and 2016 (to 48.6 billion Euro). The largest group of the enterprises in food industry are the entities that employ up to 9 people (64% in 2015). Their role in manufacture and employment decreases, similar to the share of small and medium enterprises that account for over a third of all enterprises. The gradual concentration in the sector is particularly visible through the fact that large enterprises that account for less than 2% of food processing businesses are responsible for 55% of sales (that is 8.5 percentage points more than in 2005). Each of the branches of food industry is dominated by micro-enterprises (58% to 83%) and together with the small and medium enterprises they account for 94.6% (manufacture of dairy products) to 99.4% (manufacture of bakery and farinaceous products). Even with the SME segment (including micro) enterprises dominating the food industry, their share in revenues is significantly lower. In most of the food industry branches the majority of employment falls in the SME sector, with the crucial role played by companies employing 50 to 249 people.

The food industry in Poland participates in ensuring the food security of the country. It is subject to the global concentration phenomenon, yet it is still fragmented and scattered. This also has positive aspects. Local processing plants secure the continuity and fastness of deliveries, which is important when the characteristics of these products are considered. Local products improve the food security of local community by improving accessibility to fresh food. They also meet the customer expectations to access the products of local manufacturers, characterized by their manufacturing tradition and experience. Small and medium enterprises can effectively penetrate market niches, increasing the diversity of products, frequently innovative ones, for example milk for lactose-intolerant persons. They are able to do that, among others, because of growing due to increasing investment expenditures.

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ETHICAL BEHAVIOR OF ROMANIAN STUDENTS. DOES GENDER MATTER?

MANUELA LUPU[1]

ABSTRACT. The present research is focused on a quantitative analysis regarding the ethical attitudes of students, future practitioners, on the students' perception towards some ethically questionable practices, with the specific aim of identifying possible differences among groups with respect to gender. The practical importance of the applicative study is illustrated by the confirmation of the idea, present in many studies, according to which male participants have more unethically as compared to female participants and the fact that unethical attitudes acquired while at university continue after graduation, in the professional activity.

Key words: business ethics, ethical behavior, gender differences, Romanian students' attitude on ethics

JEL Classification: M19

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Introduction

The collapse of the Berlin Wall in November 1989 marked not only the beginning of the rapid decline of the communist ideology, but opened the world to a market which had remained in an economic vacuum for over four decades. Since then, business ethics in former communist countries undergoing the process of transition, have become an increasing challenge for Western enterprises doing business here. In Romania, we consider that the topic of business ethics, in its current meaning, is not older than a decade in the economic and academic climate. Some twenty years ago the domain of business ethics was practically inexistent in Romania, as a consequence of economic and political circumstances of this former communist country with a tyrannical form of totalitarianism. After the 1989 revolution, Romanians were intensely preoccupied by the vulgar instrument of daily economic exchanges – the money, with no attention to the moral or immoral nature of getting money.

Since the economic crisis in 2009, topics related to business ethics have become more discussed not only in the news, but also in the academic world. In an attempt of sending more ethical students in the workplace, faculties have introduced more ethics related courses. In this sense, the present study tries to highlight the importance of creating ethical specialists in the business world and to determine which variables are important in modelling the ethical behavior.

The present research is focused on a quantitative analysis regarding the ethical attitudes of students, future practitioners, on the students' perception towards some ethically questionable practices, with the specific aim of identifying possible differences among groups with respect to gender.

The practical importance of the applicative study is illustrated by the confirmation of the idea, present in many studies, according to which unethical attitudes acquired while at university continue after graduation, in the professional activity.

This paper further discusses the literature review with regard to the unethical behavior of students, followed by the research methodology, the results of the study and conclusions.

Literature review

In this context, of great interest is the way in which students, future specialists are educated for implementing an ethical climate in business at the moment when they are absorbed in the work place. Representing the new managers' generation, business students are a group with a potentially powerful impact on the everyday business activity and also on the ethical principles governing the business world.

It is assumed that business students behave more unethically as compared to students who have a different major, because they want to obtain higher grades. If this were true, there are serious implications for the students' future professional activity, because there are data that positively correlate unethical behavior in the workplace with unethical behavior in school. In a study on MBA (Master in Business Administration) students, Sims (1993) highlighted the stong positive correlation between exam cheating and unethical behavior in the work place.

Past research (Lawson, 2004) has revealed a correlation between academic and business ethics. Lawson states that students believe that there is need for ethical behavior in a business setting and their actions in an academic setting. Also the study states that students believe that business people fail to act in an ethical manner and that they may need to act unethically to advance their careers.

Nonis and Swift (2001) found that students who believed that cheating, or dishonest acts are acceptable were more likely to engage in these dishonest behaviors. Additionally, students who engaged in dishonest acts in college classes were more likely to engage in dishonest acts at the workplace.

In former comunist countries, the university system is impacted by corruption and academic dishonesty. Romania does not constitute an exception to this negative tendency. Romanian corruption and academic dishonesty is characterised by bribing the professors in order to pass the exams, paying an illegal fee to be admitted at university, paying for the issue of an university diploma, the presence of favoritism etc. (Miroiu et al. 2005). At their turn, students who are encouraged by the unethical behavior of their professors, cheat in exams, plagiarize, sell dissertations etc. In a more recent study, Hermkens & Luca (2016) identifyed the following student's motivations for cheating: no reasons; the subject is too difficult; insufficient time for study; various obstacles; a higher grade; keep my free of tuition seat; to get a scholarship and because teachers allow it.

Academic fraud has also been analysed by Tudorel et al. (2007, p. 715) in relation with the characteristics that raise the probability of cheating during exams with the conclusion that „extraprofessional activities, such as parties and gathering with friends, internet surfing, video games tend to increase the probability of cheating at an exam. More time a student allocates to these activities, more likely to fraud the exam", showing that the environment does have an influence up on the way we act.

Previous studies (Teixeira & Rocha, 2010) show that in Southern European countries, including Romania, the probability of cheating is much higher as compared to students who are enrolled in schools located in Scandinavian countries, the US and British Isles Blocks. On a ditinctly different level, however, students enrolled in schools in Western and especially Eastern European countries reveal statistically significant higher propensities towards committing academic fraud.

In this context we consider it is very important to establish the way in which Romanian students see themselves as related to unethical behavior, the study being realised on a sample of considerable dimensions; moreover the relevance of the study is also related to the fact that there are few studies that have made such an analysis on Romanian students

(Bageac et al. 2011; McGee, 2006; Teixeira & Rocha, 2010; Teodorescu & Andrei, 2009).

On the other hand, grounded on the previous research related to the distinction based on gender and the ethical behavior, we assume that female participants in the study have higher standards of ethics as compared to male participants.

Academic dishonesty is influenced by variables such as gender, age, school performance, parents' level of education and extracurricular activity (Teodorescu & Andrei, 2009). Previous research revealled that male students behave more unethically than female students, those with lower grade-point averages would more easily engage in unethical behaviors and students whose parents have a higher level of education would behave more ethically (McCabe & Trevino, 1997).

The gender difference related to ethical behavior has been discussed in numerous studies (Betz et al. 1989; Ruegger & King, 1992; Khazanch, 1995; Ameen et al. 1996; Jones & Kavanagh, 1996; Luthar et al. 1997; Dawson, 1997; Hoffman, 1998; Buckley, Wise & Harvey, 1998; Ekin & Tezölmez, 1999; Roxas & Stoneback, 2004; Albaum & Peterson, 2006; McCabe et al. 2006; Atakan et al. 2008; Chen & Tang, 2006; Lund, 2008; Ibrahim et al.2009; Eweje & Brunton, 2010; Kum-Lung & Teck-Chai, 2010; Bageac et al. 2011; Cojuharenco et al. 2012, Wang & Calvano, 2015). The vast majority of these studies confirm the hypothesis according to which female survey participants are significantly more ethically inclined than male survey participants and are showing a more favorable attitude towards ethical behaviors.

On the other hand, the studies that support the idea that there is no signifiant difference between female participants and male participants in regards to ethical behavior are scarce (Jones & Kavanagh, 1996; Dawson, 1997; McCabe et al. 2006; Lund, 2008).

Research Methodology

We have conducted a survey at 3 universities from Cluj-Napoca and Baia Mare (the major public higher education institution Babes-Bolyai University, Iuliu Hatieganu Medicine and Pharmacy University and a private one Bogdan-Voda University). The transversal and correlational study will verify the following hypothesis: *Male students are more prone to have an unethical behavior as compared to female students.*

In the research we have used the survey method and as a research tool the questionnaire, namely the Student Ethical Behavior Questionnaire (SEBQ)[2]. This tool was designed to evaluate the perception of ethical behavior by students from different faculties of Cluj-Napoca and Baia Mare cities. An exploratory research has been conducted, the selected research method being „face to face" inquiry, as I have followed the improvement of answer rate. A number of 750 questionnaires have been processed, the results of the survey contributing to the identification of the way in which ethics is perceived by different students from the Cluj-Napoca and Baia Mare university environment. The results that have been obtained are at least interesting, as they can be used in defining the character traits of the respondents, since the ethical attitudes of the students will also show themselves at the moment they become practitioners.

On this sample we applied the SEBQ tool. The questionnaire has 14 items, devided on three scales:

1. Attitudes towards unethical behavior in society with 3 items: 1, 3, 4.

2. Attitudes towards unethical behavior in profession with 4 items: 2, 5, 7, 8.

[2] Translated and adapted after: Sedmak Suzana, Bojan Nastav, Perception of ethical behavior among business studies students, Social Responsibility, Professional Ethics, and Management, Proceedings of the 11th International Conference, 2010 Ankara, Turkey, 24–27 November 2010, pag. 1175-1189

3. Attitudes towards unethical behavior in school with 7 items: 6, 9, 10, 11, 12, 13, 14.

Each dimension was measured using 14 items, on a 5 point Likert scales with anchors "1 – Completely morally unacceptable" and "5 – Completely morally acceptable". The variables representing the unethical behavior dimensions were computed as the average score of all the items describing the specific dimensions. The Independend sample T test was used to determine if there are statistically significant differences between female and male students in regard to unethical behavior. The listed results are only those that represent a minimum statistically accepted value, that have a p-value equal to or lower than 0,05. The threshold for statistical significance of 0,05 is widely accepted by all major statistical psychology and sociology treaties.

Because we applied the questionnaire on Romanian, English and French lines of study we have used the Romanian, English and French versions of the questionnaire.

As for the results, the higher the scores in the items and scales of the questionnaire, the higher the approval of unethical behavior in faculty, profession and society.

The raw data obtained after applying the questionnaire were successively processed with Excel 2003, Excel 2007 and SPSS (Statistical Package for the Social Sciences), version 17. 0.

Sample characteristics

The majority of the subjects studied are female, 67% (503), the same being the structure of the students for each Faculty analysed. The male participants represent 33% (247) of the sample studied.

The majority of the participants, as expected, are not married 91% (683), followed by those who are married 6% (41), in conjugal union 2% (18), divorced 1% (7) or separated less than 1% (1) represent the minority of the subjects studied.

The percentage of the smoking participants is of one fourth 25% (189), three fourths of the students being non-smoking students 75% (561).

The majority of the participants are first year students 76% (570), followed by third year students 22% (162) and second year students 2% (18). The Master students represent only 7% (50) of the participants; thus the majority of the sample is represented by undergraduate students 93% (700).

The majority of the participants study at the Medicine and Pharmacy University „Iuliu Haţieganu" 61% (457) and „Babeş-Bolyai" University in Cluj-Napoca 30% (224), while the participants who study at „Bogdan Vodă" University in Baia Mare represent only 9% (69).

The majority of the participants, according to their religious affiliation are Orthodox, followed by Free Thinkers, Roman-Catholics, Muslims, Atheists and Reformed. The remainder cults account for less significant quotas, as it is showed in Table 1.

Table 1. Structure of the sample according to religion affiliation

Religion	***Number***	***Percentage (%)***
Orthodox	410	54,7
Free thinker	70	9,3
Roman-catholic	66	8,8
Muslims	45	6,0
Atheist	39	5,2
Reformed	34	4,5
Penticostal	28	3,7
Greek-catholic	21	2,8
Baptist	17	2,3
Adventist	11	1,5
Jews	6	0,8
The Jehovah's Witness	2	0,3
Gospel Christians	1	0,1
Total	750	100%

Source: author's own calculations based on survey data

According to Faculty enrollment, most of the participants study at UMF Cluj-Napoca, followed by the students of the Faculty of Business and Faculty of Economics and Business Administration. The structure is presented in Table 2.

Table 2. The structure of the sample according to Faculty affiliation

Faculty	***Number***	***Percentage (%)***
Faculty of Business UBB	143	19,1
Dentistry	112	14,9
General Medicine	88	11,7
General Medicine – French line	86	11,5
General Medicine – English line	83	11,1
Faculty of Economics and Business Administration UBB	81	10,8
Licensed Nurses	49	6,5
Management UBV	45	6,0
Medical Profile College	39	25,2
Physical Education and Sport UBV	19	2,5
Health Management UBV	5	0,7
Total	750	100%

Source: author's own calculations based on survey data

Results and discussions

Our results colligate with the findings of most of the other research on the topic and indicate that women are more inclined to act ethically than men, with male students reporting a higher propensity to engage in unethical behavior.

The hypothesis of the study has been confirmed by the results of the empirical study conducted on a population sample of considerable dimensions.

The data of the present study are in agreement with those of most of the studies on this subject from the international literature. Thus, male students are more permissive with the unethical behavior at university, at the workplace and in society, in contrast to female subjects.

Related to the general scores of the questionnaire, we registered the highest mean scores by item regarding the unethical behavior in profession, mainly with reference to calling in sick, even though not in fact sick and leaving personal post to be mailed among business post.

Regarding the unethical behavior in school/faculty, the most frequently mentioned items are the attitudes related to writing seminar work for other students, looking at other students' exam papers during exam, stating false reasons for not attending the classes, as can be easily observed in Table 3.

Table 3. Descriptive statistical processing results of the raw data of the study

Variable	*Mean*	*Standard deviation*
1. Reporting own-inflicted car damage to the insurance agency as being inflicted by third party	2,13	1,43
2. Taking office accessories (pens, paper, etc.) for own home use	2,01	1,04
3. Finding a wallet, keeping the money and disposing of the wallet	1,32	0,76
4. Taking the newspaper from the neighbour's post-box	1,82	2
5. Calling in sick, even though not in fact sick	2,39	2
6. Forging the student-status papers in order to obtain student-status-related benefits (e.g. cheaper food in restaurant etc.)	1,70	1
7. Leaving personal post to be mailed among business post (on company's expenses)	2,11	2
8. Conducting non-job-related activity while at the job.	2,43	2
9. Stating false reasons for not attending classes	2,42	2
10. Looking at other students' exam papers during exam	2,45	2

Variable	*Mean*	*Standard deviation*
11. Writing seminar work for other student.	2,73	3
12. Asking other student to take the exam for you (in your name)	1,46	1
13. Using unallowed techniques (cheating) during the exam	1,84	2
14. Copying seminar work from sources, not listed in the bibliography	2,15	2
Unethical behavior in society	***1,71***	***1,85***
Unethical behavior in profession	***2,18***	***2,34***
Unethical behavior in school	***2,03***	***2,26***
Total score questionnaire SEBQ	**28,97**	**28**

Source: author's own calculations based on survey data

The unethical behavior in society has the highest score regarding reporting own-inflicted car damage to the insurance agency as being inflicted by third party.

On the other hand, the highest score of the questionnaire is related to unethical behavior in school, mainly writing seminar work for another student and the lowest score refers to asking another student to take the exam for you.

These results show that Romanian students are more prone to behave unethically in the workplace, very close being also the unethical behavior in school. Based on the results we can assume that unethical behavior in school does have an influence on the way today's students will behave when they find themselves in the workfield.

In Table 4 the statistical significance of the differences in responses among students with respect to gender can be seen.

Table 4. The statistical significance of the differences in responses between genders

		Levene's Test for Equality of Variances		*t-test for Equality of Means*						
									95% Confidence Interval of the Difference	
		F	*Sig.*	*t*	*df*	*Sig. (2-tailed)*	*Mean Difference*	*Std. Error Difference*	*Lower*	*Upper*
1. Reporting own-inflicted car damage to the insurance agency as being inflicted by third party	Equal variances assumed	.300	.584	2.358	748	**.019**	.262	.111	.044	.480
2. Taking office accessories (pens, paper, etc.) for own home use	Equal variances assumed	6.403	.012	2.827	748	**.005**	.228	.081	.070	.386
3. Finding a wallet, keeping the money and disposing of the wallet	Equal variances assumed	41.925	.000	3.961	748	**.000**	.231	.058	.117	.346
4. Taking the newspaper from the neighbour's post-box.	Equal variances assumed	.019	.891	-.827	748	.409	-.060	.072	-.201	.082
5. Calling in sick, even though not in fact sick.	Equal variances assumed	4.151	.042	.510	748	.610	.043	.085	-.123	.210

		Levene's Test for Equality of Variances		***t-test for Equality of Means***						
		F	***Sig.***	***t***	***df***	***Sig. (2-tailed)***	***Mean Difference***	***Std. Error Difference***	***95% Confidence Interval of the Difference***	
									Lower	***Upper***
6. Forging the student-status papers in order to obtain student-status-related benefits (e.g. cheaper food in restaurant etc.)	Equal variances assumed	13.841	.000	5.878	748	**.000**	.455	.077	.303	.607
7. Leaving personal post to be mailed among business post (on company's expenses)	Equal variances assumed	4.162	.042	2.600	748	.010	.207	.080	.051	.364
8. Conducting non-job-related activity while on job.	Equal variances assumed	1.075	.300	1.888	748	.059	.149	.079	-.006	.303
9. Stating false reasons for not attending the classes.	Equal variances assumed	2.976	.085	1.279	748	.201	.112	.088	-.060	.285
10. Looking at other students' exam papers during exam.	Equal variances assumed	11.722	.001	1.633	748	.103	.151	.092	-.031	.333

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
11. Writing seminar work for other student.	Equal variances assumed	7.477	.006	.455	748	.649	.041	.091	-.137	.220
12. Asking other student to take the exam for you (in your name).	Equal variances assumed	43.711	.000	4.456	748	**.000**	.310	.070	.174	.447
13. Using unallowed techniques (cheating) during the exam.	Equal variances assumed	6.572	.011	2.887	748	**.004**	.237	.082	.076	.398
14. Copying seminar work from sources, not listed in the bibliography.	Equal variances assumed	17.159	.000	3.818	748	**.000**	.321	.084	.156	.486

Source: author's own calculations based on survey data

The results of the study show that male participants have a higher propensity in agreeing with reporting own-inflicted car damage to the insurance agency as being inflicted by third party, as compared to the female subjects (p-value of 0,019).

Regarding the item of taking the newspaper from the neighbour's post-box, there is no significant diference between male and female subjects (p-value =0,409); similarly, the item reveals no significant difference among respondents by gender related to calling in sick even though not in fact sick (p-value 0, 610).

Taking office accessories (pens, paper, etc.) for own home use will be easier done by male subjects, as compared to the female participants (p-value of 0,005).

Male respondents are, in theory, more prone to keeping the money and disposing of the found wallet, as compared to the female respondents (p-value = 0,000) .

Likewise, forging the student-status papers in order to obtain student-status-related benefits is a practice easier accepted by male students as compared to the female subjects (p-value = 0,000).

Male participants have a higher score related to the agreement of leaving personal post to be mailed among business post (on company's expenses), as compared to the female subjects (p-value = 0,010).

The mean scores of the SEBQ tool item regarding the agreement with the substitutability of persons in an exam (p-value = 0,000) show that the substitutability of persons in an exam is a practice that is more agreed with by male participants as compared to the female subjects.

Male participants in the study strongly agree with using unallowed techniques (cheating) during the exam, as compared to female respondents (p-value = 0,004).

The mean scores of the SEBQ tool item regarding the agreement with academic plagiarism ((p-value = 0,000) show that there is no strong agreement with academic plagiarism from the female participants as compared to male respondents.

Going further, the results regarding the 3 scales analysed, namely unethical behavior in society, profession and school show that male participants have higher scores related to unethical behavior in society, profession and school, as compared to female participants, as it can be easily observed in Table 5.

Table 5. Differences between gender and unethical behavior in society, profession and school

		Levene's Test for Equality of Variances		*t-test for Equality of Means*						
		F	***Sig.***	***t***	***df***	***Sig. (2-tailed)***	***Mean Difference***	***Std. Error Difference***	***95% Confidence Interval of the Difference***	
									Lower	***Upper***
Society	Equal variances assumed	1.894	.169	2.858	748	.004	.14449	.05055	.04524	.24373
Profes-sion	Equal variances assumed	2.473	.116	2.670	748	.008	.15670	.05869	.04149	.27191
School	Equal variances assumed	17.793	.000	4.127	748	.000	.23250	.05634	.12190	.34309

Source: author's own calculations based on survey data

These results are a ethically problematic sign, showing that male students keep their unethical behavior in all three settings (school, profession, workplace). Although this is somewhat worrying for male students, the "relaxing" fact is that female students are stricter in this sense – leaving the chance that female future managers will react more

in line with ethical guidelines. Furthermore, somewhat reassuring is the fact that in today's business world and not only, diversity management and hiring women in top management positions is being encouraged.

On the other hand, previous studies (Sims, 1993, Harding et al., 2004) show that there is a correlation between unethical behavior in shool and profession/in the workplace, but further conclude that encouraging ethical behavior in the academic setting might have positive effects on the "future ethical decision-making in workplace settings" (Harding et all, 2004). So, in relation with the present research, universities should take into consideration this aspect and offer more support and ethical training progamms for male students, and not only, in order to create and encourage ethical behavior. This is also the view of Aristotel, one of the strongest advocates of a liberal arts education, which stresses the education of the whole person, including one's moral character, rather than merely learning a set of skills.

Conclusions

The results of the study confirm the opinions of most of the international researchers an the hypothesis of the study has been confirmed. Hence, male undergraduate and postgraduate students are more permissible with unethical behavior at school, at the workplace and in society as opposed to female students. At every item of the SEBQ tool and on all scales, ranging from 1 to 5, female subjects are more ethical than men. On the other hand, the present study has also confirmed that female students have higher grades as compared to male students.

Related to the implications of the study, we belive that taking into account the academic environment and its peculiarities, as previously discussed, it is important for the teachers and educators to offer ethical models and to try to inflict into students an ethical behavior. For

example, related to cheating during the exams, teachers can offer support to students in acting ethically by strongly verifying and observing the students during the exams in order not to encourage cheating. This aspect is even more important because research suggests that most students and managers do look to the social context and culture to determine what is ethically right and wrong (Litzky et al., 2006; Trevino & Brown, 2004).

Also, the results of the study clearly show that women are more ethical as compared to men, which is an important factor to be taken into account by the business environment if they want to create a more ethical organization.

The limitations of the study refer to the need to go deeper into the analysis of unethical behavior and of the implication of unethical behavior in relation with profession, society and school. We consider that more studies on unethical behavior of students, in relation with more variables should be conducted. Furthermore, we may have to focus on our ethics training for students in general, and male students in particular.

Future studies should be conducted in order to collect data at other points of time and in order not to influence the students that they are supposed to pretend to be ethical and offer socially acceptable responses, ideally, a social desirability scale could be included as part of the survey.

We wish this research paper not to remain a mere transversal analysis of a phenomenon, useful only in the academic environment but to be promoted in order to have an impact on the way in which we educate the future employees of the Romanian companies, the future managers or the future politicians, so that we will eventually build an ethical culture, one of responsibility for our common welfare.

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ROMANIAN RURAL LODGINGS: HOW MANY SURVIVED OVER A DECADE? A PRELIMINARY STUDY FOCUSED ON THE RURAL LOCALITIES HOSTING 10 OR MORE ACCOMMODATION UNITS

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ABSTRACT. To the best of our knowledge, no previous study exits on the survival of tourist accommodation units and/or on the economic entities related to these accommodations in Romania. Therefore no such study exists in relation with the rural accommodation units. Through the present study we try to make a small step in filling the research gap regarding the survival of extant rural accommodation units in a developing country, Romania. The findings show an overall simple survival rate (SSR) of 38.21%. The existence of tourist attractions (spa/mountain resorts and World Heritage Sites) improve the extant lodgings SSR, while exceptions exist in the counties of Sibiu, Neamt, Suceava, Cluj and Harghita. The dominant surviving accommodation units are the rural pensions. The owners/operators of the survivor lodgings are mainly individual enterprises, though between 2005 and 2016 the number of operators registered as LLCs increased. Indirectly, the findings also imply that most of the survivor lodgings can be considered lifestyle enterprises.

Key words: rural lodging, survival rate, Romania

JEL classification: L83, R11

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Introduction and literature review

The literature on the survival of economic entities is relatively recent and mostly focused on developed countries. Various aspects and factors influencing the likelihood of economic entities survival were under investigation. Generating legitimacy (establishing a legal entity and providing a business plan) influences the survival of the firms (Delmar & Shane, 2004). The conditions under which the firms are born (Geroski et al., 2010), the size and the age of a venture (Cefis & Marsili, 2006; Geroski et al., 2010; Wennberg et al., 2016) have an important and lasting influence on the economic entities survival rates. The venture's capacity to be different and to master its costs (Naidoo, 2010), to built-in unique knowledge assets and to develope distinct capabilities (Denicolai et al., 2014; Esteve-Perez & Manez-Castillejo, 2008) enhance its abilities to identify and exploit new opportunities and to adapt to an ever changing and competitive business environment (Acs et al., 2009; Esteve-Perez & Manez-Castillejo, 2008). These abilities are further augmented by the conscientiousness (being hardworking and persevering) and by the entrepreneurial bricolage, both related to higher surviving likelihood and to longer life span for the respective firms (Ciavarella et al., 2004; Stenholm & Renko, 2016).

The few studies that can be found on the ventures' survival in developing countries cover diverse topics. Konings & Xavier (2002) investigate the determinants of firm survival in Slovenia and confirms that the size of the new ventures increase the survival likelihood. Aidis & Adachi (2007) present the difficult situation of Russian new ventures

under a wide range of informal impediments. Hansen et al. (2009) highlight the factors influencing the firms' growth and survival in Vietnam, one factor being the state sector as main customer for the respective firms. Bah et al. (2011) discuss the impact of external aid on Macedonian firms. Marchetta (2012) presents the relationship between return migrants and the survival of entrepreneurial activities in Egypt.

The papers on Romanian firms' survival likelihood are scarce. Brown & Earle (2010) included the probability of survival for small Romanian firms among the research topics. The study shows that the USAID loans had no significant effect on survival, while they increased employment and sales. The importance of loans for Romanian small firm growth is in line with the previous findings of Brown et al. (2005). Among the most recent, Robu et al. (2013) focuses on the Bucharest Stock Exchange listed companies, investigating the risk of financial failure using the survival analysis approach. Stanciu (2015) only peripherally discusses the idea of surviving strategies for the Romanian retail food companies under the international retail chains pressure. While other studies might exist on the survival likelihood of Romanian firms, these are not available through internet search and therefore difficult to find.

Few studies focus on the survival rate of tourism businesses. Thomas et al. (2011) discussing the research trends on tourism businesses mention no study concerning the survival rate of tourism firms. The study of Knaup (2005), which includes the leisure & hospitality sector, speaks about survival rates of 65% and 44% for 2 years and respectively 4 years, considered below average despite the inclusion of restaurants among the surviving leisure & hospitality entities. Also, Knaup (2005) comments that leisure & hospitality establishments are less successful compared to other sectors. More recently, Brouder & Eriksson (2013), focused on Swedish tourism firms in peripheral areas. The survival rate for the extant tourism firms is of 84% for 2 years, 77% for 4 years and 58% for 7 years. The study also suggests that the entrepreneur's experience related to the activity of the new firms, increased their likelihood of survival.

Furthermore, the surviving tourism firms enhance the role of tourism in regional development mainly through small and constant employment gains.

To the best of our knowledge, no previous study exits on the survival of tourist accommodation units and/or on the economic entities related to these accommodations in Romania. Therefore no such study exists in relation with the rural accommodation units. Through the present study we try to make a small step in filling the research gap regarding the survival of extant rural accommodation units in a developing country: Romania. The focus of this study on rural accommodations is motivated by the complementary role tourism can play in the economic regeneration, improvement and development of rural areas (Naghiu et al., 2005; Lachov et al., 2006; Iorio & Corsale, 2013b). Furthermore, the survival of the extant accommodation units within a rural locality or region/area might indirectly indicate the sustainability of tourism development in the respective locality/region/area. Hence, this preliminary study opens the door to a wide range of research regarding the survival rate, along with the influencing factors, of both the Romanian rural accommodation units and the economic entities that own and/or operate them.

Data, research methodology and hypotheses

Similar to the study of Pop et al. (2017), the official databases for tourist accommodation provided by the Romanian authority for tourism for 2005 and 2016 were used. The aforementioned official databases are not archived and therefore a longitudinal evolution based on annual observations is not possible. The first publicly available database is for 2005, while the post-communist development of rural accommodations can be traced back to the 1992-1994 period.

The information structure of these databases include both the accommodation unit's name and the respective owner/operator, though does not include the entry year for the respective accommodation units.

The focus on the accommodation units rather than the owners/operators is motivated by the fact that the same accommodation unit might be owned/operated by a different economic entity over the years and by the fact that the name and the location of the respective accommodation unit are less likely to be changed, once the lodging gained some notoriety among the tourists.

Based on the data provided by the official databases, the rural localities which registered at least 10 accommodation units were first identified and included in the present study. The focus on these communes with at least 10 lodgings is based on the findings of Pop et al. (2107), which show that the respective rural localities concentrate more than 60% of the rural accommodation units and rooms of the total rural lodging capacity. Details regarding these localities are available in Appendices (1 and 2).

For each locality which registered at least 10 accommodation units either in 2005 and/or 2016, there were identified the extant lodging facilities still 'alive' in 2016 compared with 2005. The identification of surviving lodgings was based on at least two of the following three criteria: i) the accommodation unit's name; ii) the accommodation unit's address; iii) the owner/operator[3]. Though, the combination of these 3 criteria did not allow the identification of those accommodation units that changed both the name and the owner between 2005 and 2016. Therefore, the number of surviving lodging facilities might be slightly (but not significantly) higher than the reported figures of this study.

Further, the rural localities where grouped, as suggested by Pop et al. (2017), in: resorts of national interest, resorts of local interest, communes hosting World Heritage Sites (WHSs) and 'other' rural localities which include various (less known) local tourist attractions.

[3] In Romania, in general, and at rural level, in particular, most of the time the entity registered as the operator of one accommodation unit is also the owner of the respective facility. This situation has multiple roots: a) the propensity toward the ownership of a real estate property of Romanians in general; b) the tendency of an accommodation unit's owner to be in control of its operations; c) the highly fragmented structure of the Romanian lodging industry.

The first part of the survival analysis was used further. A simple survival rate (SSR) was calculated similar to the medical investigation: how many accommodation units were still alive (registered by the official database) in 2016 compared to the accommodation units existing in 2005 (registered by the respective official database) within the same rural locality or commune. This ratio is expressed in percentage points.

In order to estimate the level of fragmentation of rural accommodations ownership, the ratio of accommodation units per owner (operator) was also introduced. This ratio is expressed as coefficient. This information was also associated with the structure of surviving accommodation units and the structure of the respective owners/operators for 2005 and 2016. These could represent some of the factors that might explain the SSR. Though, Appendix 4 includes only pensions, hotels and villas since they represent the dominant lodging facilities, respectively only individual enterprises and LLCs (Limited Liability Companies) since they are the dominant forms for the legal entities under which the owners/operators exist.

Taken into consideration a relatively difficult Romanian business environment[4], similar with other developing countries as highlighted by Marchetta (2012) and Aidis & Adachi (2007), and based on the findings of Radan-Gorska (2013) regarding the informal practices in Romanian rural tourism, the following hypotheses were formulated:

H1: the simple survival rate (SSR) for the localities with more than 10 lodgings is around 30%.

H2: the status of the rural locality (resort of national or local interest, hosting WHSs) might have a positive influence on the SSR; in other words: SSR is expected to be higher in the rural localities associated with recognized tourist attractions (mainly spa and/or mountain resorts).

4 World Economic Forum through the Global Competitiveness Reports and Travel & Tourism Competitiveness Reports constantly ranks Romania around 70th position of about 124-137 countries, with the main problems related to taxation, bureaucracy, ever changing regulations, corruption and access to traditional financial resources.

H3: the majority of surviving accommodation units are pensions and the majority of the respective owners/operators are individual enterprises.

Findings and discussions

As stated previously, based on the study of Pop et al. (2017) regarding rural accommodation units, the present study is focused on the rural localities (communes), which reported at least 10 lodging facilities in 2005 and/or 2016. These localities concentrated over 60% of the number of accommodations and of the lodging capacity in 2005 and 2016 respectively. Moreover, Pop et al. (2017) consider that at least 10 lodgings within a commune can provide accommodation for small groups of tourists, while the other communes might experience only sporadic tourist activity. Details regarding the number of these communes are presented in Appendices 1 and 2.

It is worth mentioning that 51 out of 123 rural localities (or 41.46%) continued to concentrate at least 10 lodging facilities between 2005 and 2016 and the majority of these communes come from the category of 'other localities' or localities with no renowned tourist attractions. Also, the number of communes with at least 10 lodgings grew in 2016 versus 2005 indicating a rise in the respective population awareness of the tourism potential. Furthermore, only 18 communes (14.63%) registered a SSR of zero, suggesting that once a lodging facility was established, despite the difficulties, it has the potential to survive. Only one of these communes with zero SSR was a resort of local interests. This situation indicate that the rural localities considered resorts of national, respectively local interest and those hosting a WHS provide better chances for the extant lodging facilities to survive.

Appendix 3 presents the SSR by counties, regions and macro-regions[5]. The SSR at national level for the rural localities with at least 10 accommodation units is 38.21%. The SSR decreases at 27.75% when the resorts of national/local interest and WHSs are eliminated.

Some details are worth to be highlighted. Table 1 presents the top 5 and the last 5 counties based on SSR. All the top 5 counties include resorts of national or of local interest, while within the last 5 counties only one includes resorts of local interest. Table 2 presents a different situation when the resorts and WHSs are excluded. Within the new top 5 counties, only Neamt and Sibiu kept their previous top 5 status suggesting the ability of the extant accommodation units' owners to use the available, though less known, tourist attractions in order to draw further tourist inflows. The last 5 counties registered a slight alteration, Vrancea county being replaced by Brasov county, with a lower SSR.

It is interesting to mention that after the elimination of the resorts of national/local interest and WHS, the following situations were identified: a) for 11 counties the SSR remains unchanged since these counties did not host rural resorts[6] or WHSs; b) for 11 counties the SSR decreased[7]; c) for 2 counties (Cluj and Suceava) the SSR increased in the absence of resorts and WHSs; d) one county (Valcea) shows the same SSR either with or without the national resort included. Further investigations are needed in order to understand mainly the situation of the last three mentioned counties (Cluj, Suceava and Valcea) and also to understand the case of Harghita county low SSR despite the presence of two resorts of local interest.

[5] The map of counties, regions and macro-regions is available in Appendix 5

[6] These counties are: Arges, Bacau, Bistrita-Nasaud, Caras-Severin, Dambovita, Hunedoara, Gorj, Mehedinti, Mures, Timis, Vrancea.

[7] These counties are: Alba, Bihor, Brasov, Buzau, Constanta, Covasna, Harghita, Maramures, Neamt, Prahova, and Sibiu.

Table 1. The top 5 and the last 5 counties based on the simple survival rate of accommodation units between 2005 and 2016

Top 5		
County	**Simple survival rate (%)**	**Comments**
Braila	100.00	Only one locality, the resort of local interest (Chiscani-Lacu Sarat)
Bihor	60.29	Includes one resort of national interest and one of local interest (Baile Felix and respectively Baile 1 Mai)
Constanta	60.13	Includes one resort of national interest at Black Seaside (Costinesti)
Neamt	57.38	Includes one resort of local interest (Ceahlau-Durau)
Sibiu	56.52	Includes one resort of local interest (Bazna)
Last 5		
County	**Simple survival rate (%)**	**Comments**
Vrancea	29.03	No resorts or WHS
Harghita	17.61	Includes 2 resorts of local interest (Praid and Voslabeni-Izvoru Muresului)
Mehedinti	16.67	No resorts or WHS
Timis	14.29	No resorts or WHS
Mures	0.00	No resorts or WHS. Only one locality with more than 10 lodgings.

Source: authors' calculations based on the official authority for tourism database

Table 2. The top 5 and the last 5 counties based on the simple survival rate of accommodation units between 2005 and 2016: resorts (of national and local interest) and WHS excluded

Top 5		
County	**Simple survival rate (%)**	**Comments**
Cluj	57.89	Includes one commune in the mountain area with a SSR of about 80% and two communes near Cluj-Napoca (county residence) with SSR of 50% to 60%.
Neamt	56.00	Beautiful mountain areas and monasteries which attract leisure and religious tourism.

Top 5		
County	**Simple survival rate (%)**	**Comments**
Suceava	54.84	Beautiful mountain areas and monasteries (others than WHS) which attract leisure and religious tourism.
Valcea	50.00	Leisure tourism in the mountain areas mainly influenced by the proximity of the resort of national interest (Voineasa).
Sibiu	50.00	Beautiful mountain areas leisure tourism
Last 5		
County	**Simple survival rate (%)**	**Comments**
Brasov	20.31	Less known tourist attractions. Influenced by the high concentration of accommodation units in Predeal (municipality) and Bran-Moeciu
Mehedinti	16.67	Less known tourist attractions
Timis	14.29	Less known tourist attractions
Harghita	11.11	Less known tourist attractions
Mures	0.00	Only one locality with more than 10 lodgings. Less known tourist attraction

Source: authors' calculations based on the official authority for tourism database

As Appendix 3 shows, Macro-region 1 presents the lowest SSR, under the influence of Center region, which also has the lowest SSR among the 8 regions. This situation seems to be influenced by the low survival rate of Harghita county (which needs further and in depth investigations), but also by the fact that the Center region, respectively Macro-region 1, concentrate the highest number of 'other' rural localities, associated with a low SSR.

Macro-region 4 exhibits only a slightly higher SSR and this position seems also to be under the influence of 'other' rural localities, which are dominant within this macro-region. Though in a similar situation as Macro-region 4, Macro-region 3 presents a higher SSR suggesting the need for further investigations.

Macro-region 2 presents the highest SSR and this situation is explained by the existence of resorts of national and local interest at the Black Seaside, but also by a more balanced distribution of the rural localities between those hosting WHSs and 'other'.

Based on these findings, H1 is partly confirmed. The general SSR (including all selected rural localities) is about 8% higher than the expected 30%. Though, when the national/local resorts and WHSs are excluded, the SSR decreases at 27.75%, about 2% under the expected value. These results for H1 suggest that H2 can be considered to be confirmed. This evidence is further supported by the results for Macro-regions 1, 4, and 2 and by the data in Table 3 which also indicate a link between the type of rural locality and the SSR. However, the data for Macro-region 3 is not in line with these findings, although it might be considered an exception. ***Therefore, H2 is confirmed.***

Table 3 and Appendix 4 present the structure of the surviving accommodation units and the respective owners. The dominant type of surviving accommodation is represented by pensions and this finding is in line with the findings of Pop et al. (2017)[8]. Also, the dominant type of the respective owners/operators is represented by individual enterprises. It must be highlighted that between 2005 and 2016, the dominance of pensions registered a slight decrease at national level, and mainly within macro-regions 1 and 3. For the same period, the individual enterprises registered a decline by changing to LLCs. This shift in the case of owners' legal status might have been triggered by various factors (i.e. the access to financing sources or the change in ownership) that call for further investigations. The dominance of pensions and individual enterprises is

[8] At county level (Appendix 4), three counties (Gorj, Hunedoara, and Mehedinti) have only surviving pensions, while in other six countries (all from Macro-region 1) the surviving pensions represent about or more than 90%. The counties were the surviving pensions are least represented are Arad and Braila (both including only one resort of national interest each).

also confirmed within the resorts of local interests, WHSs, and 'other' rural localities (Table 3). Furthermore, at these rural localities' level the decreasing trend of pensions and individual enterprises is confirmed (Table 3). These three subcategories of localities (resorts of local interest, WHSs and 'others') represent the majority of rural localities under investigation. ***Based on these findings, H3 is confirmed.***

Table 3. Centralized information regarding SSR and the structure of surviving accommodation units and the respective owners

Types of localities	SSR (%)	Accommodation to owner ratio		Structure of survivor accommodation units and the respective owners									
				Pensions (%)		Hotels (%)		Villas (%)		Individual enterprises (%)		LLCs (%)	
		2005	2016	2005	2016	2005	2016	2005	2016	2005	2016	2005	2016
National (rural) level	**38.21**	1.10	1.11	76.06	72.67	8.79	8.84	7.17	7.53	63.51	56.26	30.41	39.20
Resorts of national interest	**63.47**	1.51	1.56	32.37	28.06	20.14	20.14	29.50	17.99	48.91	37.08	44.57	56.18
Resorts of local interest	**48.43**	1.05	1.08	79.27	76.02	9.35	9.35	5.28	4.88	65.38	55.51	29.49	41.41
WHS	**46.46**	1.39	1.40	61.96	58.24	3.26	2.20	25.00	27.47	62.12	53.85	33.33	43.08
Other localities	**27.75**	1.02	1.02	85.80	81.16	2.72	2.13	3.63	3.95	65.02	60.87	23.84	30.12

Note 1: what it is included in 'individual enterprises'
Note 2: LLCs is used for Romanian SRLs (societati cu raspundere limitata)
Source: authors' calculations based on the official authority for tourism database

Nonetheless, within the rural resorts of national interest, the overall structure of surviving lodgings and the respective owners is different: here one can notice a more balanced spread between pensions,

hotels and villas. Though, the counties that host the resorts of national interest exhibit either a clear dominance of hotels (Arad, Braila), or a dominance of villas (Constanta), or although pensions are dominant, hotels represent an important proportion of the surviving lodgings (Bihor). Additionally, the overall structure of the respective owners/operators shows a balanced distribution between the individual enterprises and LLCs. However, when considered individually, within the counties of Arad, Braila and Constanta, the surviving LLCs are dominant. Though, the peculiar situation of the rural resorts of national interest can be considered an exception, since there are only 4 localities out of the 123 included in the study, hence with a small influence on the general findings.

An additional information extracted from the available data presents the accommodation to owner ratio (Table 3 and Appendix 4). This ratio describes a high level of fragmentation of rural accommodation units: almost each accommodation unit is owned by a different entity[9]. This ratio shows a slight upward tendency except for 'other' rural localities. The accommodation to owner ratio is the highest within the resorts of national interest since there at least part of the hotels are owned by the same economic entity. It is followed by the localities hosting WHSs. Though, here the most important influence comes from Tulcea county which exhibits a ratio of about 2 for 2005 and respectively 2016, mainly due to the concentration of the majority villas by just two economic entities. A brief glance at Table 3 suggests a link between the SSR and the

[9] This information should be considered under the following observation: the Romanians involved in business have the tendency to be involved in more than one economic entity, creating a network of such entities sometimes to avoid the personal link with a given business or company or to have an 'escape' alternative if one legal entity goes bankrupt. This pattern is common among the top 500 Romanians as presented by Forbes and also among the business people located in the cities. It is not clear how widespread this pattern is at rural level, but given the lower level of financial resources and up to a point a lower level of 'business sophistication', an educated guess implies the spread of this pattern to a lesser extent. Therefore, the fragmentation level presented above might be lower but not significantly.

accommodation to owner ratio, therefore this ratio could be considered an explanatory factor for SSR in future research.

The observed overall tendency of pensions to decrease between 2005 and 2016 raised the question if there is a preferred type of lodging they are transformed into. Therefore, the conversions that occurred within the 805 accommodation units were investigated and the findings revealed the followings: i) only 56 lodgings changed their type between 2005 and 2016; ii) for 20 cases no clear transformation pattern could be identified; iii) 3 villas became pensions; iv) 33 pensions were conversed in 19 rooms for rent, 1 apartment for rent, 4 villas, 4 lodges, 1 hotel, 1 motel, 2 hostels and 1 camping. Therefore, the main tendency for pensions was given by their transformation in rooms or apartments for rent. This transformation needs further investigations though the most obvious reason might be cost related since such a lodging type offers less services (i.e. breakfast and other meals) and less interaction with the accommodated tourists.

Other lodging transformations that occurred between 2005 and 2016 refer to splits and amalgamations. The few identified splits are related mainly to villas: i) 1 extant villa from 2005 became 11 villas in 2016, with the same lodging capacity as in 2005, being part of a holiday village (Brasov county); ii) 1 registered villa of 29 rooms from 2005, became 29 villas of one room each (Tulcea county); iii) 1 villa from 2005 was registered as 3 bungalows in 2016, with a similar lodging capacity (Constanta county). The amalgamations were also few, Constanta county leading with 1 bungalow merging 6 former bungalows, 1 hostel uniting 4 former bungalows, 1 hotel merging 3 former hotels, and 1 hotel uniting 21 former villas. The other three amalgamations occurred as such: i) 1 room for rent united 1 former pension and 1 former cabin (Arges county); ii) 1 villa united 2 former villas (Tulcea county); iii) 1 pension merged 2 former pensions (Harghita county). For counting reasons the aforementioned transformations were considered one to one, otherwise the SSR could

not be calculated in a uniform manner. The low number of splits and amalgamations indicate that they are rather formal transformations and not an indication of a further fragmentation or a concentration process.

Conclusions

The present paper investigated the simple survival rate (SSR) of the extant lodging facilities within the rural localities concentrating at least 10 accommodation units. SSR was calculated based on the data available for 2005 and 2016. This period includes years of economic growth, the financial and economic crisis of 2007-2011 and the recovery period that followed. Therefore, the results presented in this research should be considered under the aforementioned economic conditions.

Without any previous reference point to compare the results with neither for all Romanian sectors nor for lodging industry it is difficult to state if the overall SSR of 38.21% is high or low[10]. Nonetheless, given the relative difficult business environment for Romanian firms (see footnote 4), this SSR can be considered reasonable. The existence of tourist attractions (spa/mountain resorts and WHSs) improve the extant lodgings overall SSR, while exceptions exist in the counties of Sibiu, Neamt, Suceava, Cluj and Harghita. The dominant surviving accommodation units are the rural pensions, a finding in line with the results presented by Pop et al. (2017) for the rural lodging sector. Nonetheless, the rural resorts of national interest present a slightly different structure for the survivor lodgings: a more balanced distribution between pensions, hotels and villas, partly influenced by an important number of hotels built within these resorts during the communist period. Few transformations were identified, the most frequent indicating the conversion of pensions in rooms/apartments for rent.

[10] While some comparisons might be made with the results of Knaup (2005) and Brouder & Eriksson (2013), those data refer to shorter time spans and to tourism firms active in different economic environments.

The owners/operators of the survivor lodgings are mainly individual enterprises, though between 2005 and 2016 the number of operators registered as LLCs increased. Overall, there is a high level of fragmentation of survivor rural lodgings, the accommodation units per owner ratio being slightly over 1. However, the rural resorts of national interest and WHSs seems to have a higher such ratio due to the concentrations of some hotels (mainly in Bihor county) and some villas (mainly in Tulcea county) under the same owners. Nonetheless, the slight increase of this ratio between 2005 and 2016 does not indicate an important process of lodging concentration.

The preliminary results presented by this research seem to confirm the idea that the age of the venture (Geroski et al., 2010; Wennberg et al., 2016) might have an influence on the survival rate since the 2005 extant rural accommodation units were either established before or during 2005. Furthermore, the hardworking and persevering attitudes, as suggested by Ciavarella et al., 2004, of rural lodgings' owners appear to have an influence on the survival rate. The dominance of individual enterprises imply that the aforementioned attitudes might be related to the fact that most of these rural lodgings can be included in the category of lifestyle enterprises. All these implied findings open as many new research avenues that might prove important for a better understanding of tourism role in local and/or regional development.

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Appendix 1: Localities hosting at least 10 accommodation units by counties and by regions

County/ Region/ Macro-region	Communes (INSSE)		Communes reporting lodgings		Concentration 2005 (10 or more lodgings)			Concentration 2016 (10 or more lodgings)			Communes with tourist potential* (NRDP 2007-2013)	
	2005	2016	2005	2016	communes	% of lodgings	% of rooms	communes	% of lodgings	% of rooms	High tourist resources concentration	Very high tourist resources concentration
Bihor	90	91	25	38	2	51.22	87.24	2	71.38	83.09	23	3
Bistrita-Nasaud	58	58	9	28	0	0	0	2	31.17	37.30	30	7
Cluj	75	75	26	41	3	52.55	30.63	6	56.64	50.63	27	0
Maramures	63	63	34	39	11	76.49	71.02	8	60.41	58.22	44	10
Salaj	57	57	5	23	0	0	0	1	20.41	20.86	31	0
North-West	**402**	**403**	**105**	**186**	**16**	**58.81**	**70.97**	**19**	**56.74**	**64.71**	**165**	**20**
Alba	66	67	19	33	4	64.39	60.03	5	60.58	61.98	34	11
Brasov	48	48	20	32	4	85.03	83.31	8	87.90	69.85	29	4
Covasna	40	40	18	26	1	40.63	18.83	2	27.37	28.35	20	7
Harghita	58	58	37	44	18	94.26	90.38	6	66.67	62.81	35	1
Mures	91	91	20	36	0	0	0	1	10.89	13.05	57	2
Sibiu	53	53	16	24	2	36.14	21.87	7	67.79	70.35	27	8
Center	**356**	**357**	**130**	**195**	**29**	**78.79**	**66.94**	**29**	**68.04**	**60.14**	**202**	**33**
Macroregion 1	***758***	***760***	***235***	***381***	***45***	***72.70***	***69.22***	***48***	***63.75***	***62.16***	***367***	***53***
Bacau	85	85	16	25	0	0	0	1	20.00	13.04	14	0

County/ Region/ Macro-region	Communes (INSSE)		Communes reporting lodgings		Concentration 2005 (10 or more lodgings)			Concentration 2016 (10 or more lodgings)			Communes with tourist potential* (NRDP 2007-2013)	
	2005	2016	2005	2016	communes	% of lodgings	% of rooms	communes	% of lodgings	% of rooms	High tourist resources concentration	Very high tourist resources concentration
Neamt	78	78	22	36	2	47.12	33.89	6	66.14	61.73	36	7
Suceava	97	98	32	54	6	57.95	52.59	13	73.15	74.93	34	7
North-East	**505**	**506**	**87**	**152**	**8**	**44.02**	**35.11**	**20**	**58.67**	**55.81**	**116**	**14**
Braila	40	40	2	6	0	0	0	1	55.00	25.94	14	0
Buzau	82	82	13	28	1	46.15	69.17	2	45.63	54.40	15	1
Constanta	58	58	7	14	2	91.52	94.61	3	93.61	96.34	19	6
Tulcea	46	46	13	18	5	77.78	81.17	6	83.99	82.94	21	3
Vrancea	68	68	18	21	1	57.41	40.79	1	53.33	57.32	19	0
South-East	**354**	**355**	**55**	**93**	**9**	**74.74**	**77.72**	**13**	**81.09**	**84.89**	**103**	**10**
Macroregion 2	***859***	***861***	***142***	***245***	***17***	***60.17***	***64.68***	***33***	***70.88***	***75.44***	***219***	***24***
Arges	95	95	20	41	3	57.14	50.69	5	59.54	61.83	49	1
Dambovita	82	82	11	25	1	57.14	66.67	1	41.79	54.58	18	1
Prahova	90	90	17	20	1	48.15	52.67	2	47.52	49.05	18	0
South-Muntenia	**517**	**519**	**56**	**110**	**5**	**50.95**	**51.22**	**8**	**49.97**	**53.39**	**95**	**3**
Macroregion 3	***517***	***519***	***56***	***110***	***5***	***50.95***	***51.22***	***8***	***49.97***	***53.39***	***95***	***3***
Arad	68	68	15	20	1	37.50	66.13	1	34.67	50.88	12	2
Caras-Severin	69	69	11	33	2	41.18	19.88	5	56.69	63.10	26	5

County/ Region/ Macro-region	Communes (INSSE)		Communes reporting lodgings		Concentration 2005 (10 or more lodgings)			Concentration 2016 (10 or more lodgings)			Communes with tourist potential* (NRDP 2007-2013)	
	2005	2016	2005	2016	communes	% of lodgings	% of rooms	communes	% of lodgings	% of rooms	High tourist resources concentration	Very high tourist resources concentration
Hunedoara	55	55	16	30	1	24.53	12.08	1	21.24	23.14	33	5
Timis	85	85	8	28	2	50.00	30.40	1	13.75	2.50	9	0
West	**277**	**277**	**50**	**111**	**6**	**37.63**	**34.46**	**8**	**33.67**	**38.25**	**80**	**12**
Gorj	61	61	8	18	0	0	0	3	62.50	63.96	27	3
Mehedinti	61	61	8	12	1	37.04	17.39	2	65.52	55.16	16	1
Valcea	78	78	19	23	1	36.67	80.58	3	63.08	74.00	27	2
South-West	**408**	**408**	**43**	**74**	**2**	**28.83**	**58.78**	**8**	**56.25**	**58.48**	**84**	**6**
Macroregion 4	***685***	***685***	***93***	***185***	***8***	***34.34***	***45.44***	***16***	***43.78***	***46.76***	***164***	***18***
National level (rural)	**2,819**	**2,825**	**526**	**921**	**75**	**64.51**	**63.13**	**105**	**62.17**	**64.25**	**845**	**98**

Note: The totals by regions, macro-regions and at national level for columns 1, 2, 3, 4, 11, and 12 includes also the communes for the counties not included in this table due to the absence of localities with at least 10 lodging facilities.

Source: Extracted from Appendix 3 of Pop et al. (2017)

Appendix 2: The number of rural localities included in the study based on their status

County/ Region/ Macro-region	Number of localities concentrating at least 10 lodging facilities	Of which concentrated at least 10 lodging facilities			Localities with zero SSR
		Only in 2005	Only in 2016	In 2005 and 2016	
Bihor	3	1	1	1	1
Bistrita-Nasaud	2	0	2	0	0
Cluj	7	1	4	2	1
Maramures	13	5	2	6	1
North-West	**25**	**7**	**9**	**9**	**3**
Alba	5	0	1	4	1
Brasov	9	1	5	3	3
Covasna	2	0	1	1	0
Harghita	18	13	0	5	5
Mures	1	0	1	0	1
Sibiu	6	0	4	2	1
Center	**41**	**14**	**12**	**15**	**11**
Macroregion 1	***66***	***21***	***21***	***24***	***14***
Bacau	1	0	1	0	0
Neamt	6	0	4	2	0
Suceava	13	1	7	5	1
North-East	**20**	**1**	**12**	**7**	**1**
Braila	1	0	1	0	0
Buzau	1	0	0	1	0
Constanta	3	0	1	2	0
Tulcea	7	1	1	5	0
Vrancea	1	0	0	1	0
South-East	**13**	**1**	**3**	**9**	**0**
Macroregion 2	***33***	***2***	***15***	***16***	***1***
Arges	5	0	2	3	0
Dambovita	1	0	0	1	0
Prahova	2	0	1	1	0
South-Muntenia	**8**	**0**	**3**	**5**	**0**
Macroregion 3	***8***	***0***	***3***	***5***	***0***
Arad	1	0	0	1	0
Caras-Severin	5	0	3	2	0
Hunedoara	1	0	0	1	0

County/ Region/ Macro-region	**Number of localities concentrating at least 10 lodging facilities**	**Of which concentrated at least 10 lodging facilities**			**Localities with zero SSR**
		Only in 2005	Only in 2016	In 2005 and 2016	
Timis	2	2	0	0	1
West	**9**	**2**	**3**	**4**	**1**
Gorj	2	0	2	0	1
Mehedinti	2	0	1	1	1
Valcea	3	0	2	1	0
South-West	**7**	**0**	**5**	**2**	**2**
Macroregion 4	***16***	***2***	***8***	***6***	***3***
National level (rural)	**123**	**25**	**47**	**51**	**18**
of which					
Resorts of national interest	**4**	**0**	**0**	**4**	**0**
Resorts of local interest	**15**	**1**	**5**	**9**	**1**
WHS	**16**	**4**	**5**	**7**	**0**
Other localities	**88**	**20**	**37**	**31**	**17**

Note 1: Five localities were eliminated from the study due to the absence of lodging facilities in 2005, one locality in each of these counties Gorj, Salaj, Sibiu, Suceava, and Timis.

Note 2: Sanmartin commune (Bihor county) includes one resort of national interest (Baile Felix) and one resort of local interest (Baile 1 Mai). Since Baile Felix has a higher importance, Sanmartin was counted only once within 'resort of national interest' category.

Note 3: The only resort of local interest with zero simple survival rate was Budureasa-Stana de Vale (Bihor county). The tourism development (or rather the lack of it) is related to the dominance in the area of the controversial figures of Micula brothers and their intricate web of their numerous businesses. Informal sources suggest that this situation hinders the development of private initiative not related to Micula's network.

Source: authors' calculations

Appendix 3: The simple survival rate and the type of rural localities

County/ Region/ Macro-region	Simple survival rate (%)	Simple survival rate (%) [resorts and WHS excluded]	Localities concentrated at least 10 lodging facilities			
			Resorts of national interest	Resorts of local interest	WHS	Other
Bihor	60.29	40.00	1	1	0	1
Bistrita-Nasaud	30.00	30.00	0	0	0	2
Cluj	54.55	57.89	0	2	0	5
Maramures	31.72	28.57	0	1	4	8
North-West	**42.90**	**39.17**	**1**	**4**	**4**	**16**
Alba	37.93	29.79	0	2	0	3
Brasov	43.54	20.31	0	1	1	7
Covasna	45.16	42.31	0	1	0	1
Harghita	17.61	11.11	0	2	0	15
Mures	0.00	0.00	0	0	0	1
Sibiu	56.52	50.00	0	1	0	5
Center	**28.98**	**17.11**	**0**	**7**	**1**	**32**
Macroregion 1	***32.60***	***22.72***	***1***	***11***	***5***	***48***
Bacau	33.33	33.33	0	0	0	1
Neamt	57.38	56.00	0	1	0	5
Suceava	49.61	54.84	0	0	4	9
North-East	**51.81**	**54.44**	**0**	**1**	**4**	**15**
Braila	100.00	n/a	0	1	0	0
Buzau	52.17	40.00	0	1	0	1
Constanta	60.13	45.45	1	0	0	2
Tulcea	52.27	n/a	0	0	7	0
Vrancea	29.03	29.03	0	0	0	1
South-East	**54.97**	**36.21**	**1**	**2**	**7**	**4**
Macroregion 2	***53.74***	***47.30***	***1***	***3***	***11***	***19***
Arges	46.97	46.97	0	0	0	5
Dambovita	43.75	43.75	0	0	0	1
Prahova	35.42	22.22	0	1	0	1
South-Muntenia	**42.31**	**43.96**	**0**	**1**	**0**	**7**
Macroregion 3	***42.31***	***43.96***	***0***	***1***	***0***	***7***
Arad	46.67	n/a	1	0	0	0
Caras-Severin	31.25	31.25	0	0	0	5

County/ Region/ Macro-region	Simple survival rate (%)	Simple survival rate (%) [resorts and WHS excluded]	Localities concentrated at least 10 lodging facilities			
			Resorts of national interest	Resorts of local interest	WHS	Other
Hunedoara	30.77	30.77	0	0	0	1
Timis	14.29	14.29	0	0	0	2
West	**29.63**	**25.76**	**1**	**0**	**0**	**8**
Gorj	33.33	33.33	0	0	0	2
Mehedinti	16.67	16.67	0	0	0	2
Valcea	50.00	50.00	1	0	0	2
South-West	**40.00**	**30.43**	**1**	**0**	**0**	**6**
Macroregion 4	***33.33***	***26.97***	***2***	***0***	***0***	***14***
National level (rural)	**38.21**	**27.75**	**4**	**15**	**16**	**88**
of which						
Resorts of national interest	**63.47**	**-**	**4**	**-**	**-**	**-**
Resorts of local interst	**48.43**	**-**	**-**	**15**	**-**	**-**
WHS	**46.46**	**-**	**-**	**-**	**16**	**-**
Other localities	**27.75**	**27.75**	**-**	**-**	**-**	**88**

Note: The simple survival rate at region, macro-region, and national level was calculated based on the number of surviving accommodation units and not as an average based on the localities and counties simple survival rates.

Source: authors' calculations

Appendix 4: The structure of rural survivor accommodation units and the respective owners/operators and the concentration of accommodation units per owner

County/ Region/ Macro-region	Survivor accommodations						Owners/operators				Accommodation units per owner/ operator (ratio)	
	Pensions (%)		Hotels (%)		Villas (%)		Individual enterprises (%)		LLCs (%)			
	2005	**2016**	**2005**	**2016**	**2005**	**2016**	**2005**	**2016**	**2005**	**2016**	**2005**	**2016**
Bihor	60.98	56.10	31.71	31.71	2.44	4.88	67.65	50.00	26.47	41.18	1.21	1.21
Bistrita-Nasaud	66.67	33.33	33.33	33.33	0	0	0	0	100	100	1	1
Cluj	91.67	91.67	2.08	2.08	2.08	2.08	80.85	78.72	17.02	21.28	1.02	1.02
Maramures	94.92	89.83	3.39	3.39	0	0	87.93	80.70	12.07	19.30	1.02	1.04
North-West	**84.11**	**80.13**	**11.26**	**11.26**	**1.32**	**1.99**	**78.87**	**70.92**	**19.01**	**26.95**	**1.06**	**1.07**
Alba	90.91	87.88	0	0	6.06	6.06	75.00	68.75	21.88	25.00	1.03	1.03
Brasov	91.53	89.83	2.54	3.39	4.24	4.24	74.58	66.07	25.42	33.93	1	1.05
Covasna	92.86	92.86	7.14	7.14	0	0	85.71	71.43	14.29	28.57	1	1
Harghita	93.00	86.87	2.00	2.02	1.00	0	86.00	76.77	12.00	23.33	1	1
Mures	100	0	0	0	0	0	100	0	0	0	1	0
Sibiu	76.92	76.92	3.85	3.85	11.54	7.69	54.17	60.87	33.33	30.43	1.08	1.13
Center	**89.58**	**87.96**	**2.60**	**3.14**	**5.21**	**4.71**	**73.02**	**66.30**	**24.87**	**31.49**	**1.02**	**1.06**
Macroregion 1	***87.17***	***84.50***	***6.14***	***6.73***	***3.50***	***3.51***	***75.53***	***68.32***	***22.36***	***29.50***	***1.04***	***1.06***
Bacau	0	0	0	0	0	0	0	0	100	100	1	1
Neamt	68.57	68.57	11.43	11.43	8.57	5.71	50.00	46.67	43.33	46.67	1.17	1.17
Suceava	89.06	79.69	0	0	6.25	4.69	65.57	59.02	34.43	40.98	1.05	1.05
North-East	**81.00**	**75.00**	**4.00**	**4.00**	**7.00**	**5.00**	**59.78**	**54.35**	**38.04**	**43.48**	**1.09**	**1.09**
Braila	14.29	14.29	71.43	71.73	0	0	0	0	40.00	60.00	1.40	1.40
Buzau	41.67	33.33	16.67	16.67	8.33	16.67	27.27	18.18	45.45	54.55	1.09	1.09
Constanta	17.39	17.19	10.87	15.63	43.48	35.94	33.33	23.53	61.11	68.63	1.70	1.25
Tulcea	32.61	31.11	6.52	4.44	45.65	51.11	21.74	17.39	65.22	73.91	2	1.96
Vrancea	77.78	66.67	11.11	11.11	0	0	50.00	37.50	37.50	50.00	1.13	1.13
South-East	**37.84**	**34.25**	**14.86**	**13.70**	**29.73**	**34.25**	**25.53**	**19.15**	**53.19**	**63.83**	**1.57**	**1.55**
Macroregion 2	***62.64***	***67.80***	***8.62***	***8.09***	***16.67***	***17.34***	***48.20***	***42.45***	***43.17***	***50.39***	***1.25***	***1.24***
Arges	70.97	60.00	12.90	20.00	3.23	3.33	44.83	36.67	34.48	43.33	1.07	1

County/ Region/ Macro-region	Survivor accommodations						Owners/operators				Accommodation units per owner/ operator (ratio)	
	Pensions (%)		Hotels (%)		Villas (%)		Individual enterprises (%)		LLCs (%)			
	2005	2016	2005	2016	2005	2016	2005	2016	2005	2016	2005	2016
Dambovita	28.57	28.57	42.86	42.86	0	0	0	0	71.43	85.71	1	1
Prahova	52.94	52.94	17.65	11.76	0	5.88	62.50	52.94	25.00	41.18	1.06	1
South-Muntenia	**60.00**	**53.70**	**18.18**	**18.52**	**1.82**	**3.70**	**44.23**	**37.04**	**36.54**	**48.15**	**1.06**	**1**
Macroregion 3	***60.00***	***53.70***	***18.18***	***18.52***	***1.82***	***3.70***	***44.23***	***37.04***	***36.54***	***48.15***	***1.06***	***1***
Arad	14.29	14.29	57.14	57.14	14.29	14.29	14.29	14.29	57.14	85.71	1	1
Caras-Severin	60.00	60.00	0	0	10.00	10.00	50.00	37.50	37.50	62.50	1.25	1.25
Hundeoara	100	100	0	0	0	0	50.00	25.00	50.00	75.00	1	1
Timis	33.33	33.33	0	0	0	0	0	0	50.00	100	1.50	1.50
West	**50.00**	**50.00**	**16.67**	**16.67**	**8.33**	**8.33**	**33.33**	**23.81**	**47.62**	**76.19**	**1.14**	**1.14**
Gorj	100	100	0	0	0	0	0	0	100	100	1	1
Mehedinti	100	100	0	0	0	0	50.00	0	50.00	100	1	2
Valcea	73.33	73.33	20.00	20.00	0	0	53.85	46.15	38.46	53.85	1.15	1.15
South-West	**77.78**	**77.78**	**16.67**	**16.67**	**0**	**0**	**50.00**	**40.00**	**43.75**	**60.00**	**1.13**	**1.20**
Macroregion 4	***61.90***	***61.90***	***16.67***	***16.67***	***4.76***	***4.76***	***40.54***	***30.56***	***45.95***	***69.44***	***1.14***	***1.17***
National level (rural)	**76.06**	**72.67**	**8.79**	**8.84**	**7.17**	**7.53**	**63.51**	**56.26**	**30.41**	**39.20**	**1.10**	**1.11**
of which												
Resorts of national interest	***32.37***	***28.06***	***20.14***	***20.14***	***29.50***	***17.99***	***48.91***	***37.08***	***44.57***	***56.18***	***1.51***	***1.56***
Resorts of local interest	***79.27***	***76.02***	***9.35***	***9.35***	***5.28***	***4.88***	***65.38***	***55.51***	***29.49***	***41.41***	***1.05***	***1.08***
WHS	***61.96***	***58.24***	***3.26***	***2.20***	***25.00***	***27.47***	***62.12***	***53.85***	***33.33***	***43.08***	***1.39***	***1.40***
Other localities	***85.80***	***81.16***	***2.72***	***2.13***	***3.63***	***3.95***	***65.02***	***60.87***	***23.84***	***30.12***	***1.02***	***1.02***

Source: authors' calculations

Appendix 5: The map representing the counties and the regions of Romania

(Source: https://gandeste.org/wp-content/uploads/2013/05/regiuni-de-dezvoltare-si-judete-300x212.jpg)