

A FUNCTIONAL APPROACH OF THE TOURISM SATELLITE ACCOUNTS (TSA)

ABORDAREA FUNCȚIONALĂ A CONTURILOR SATELIT DIN DOMENIUL TURISMULUI (CST)

COSTULEANU Carmen Luiza¹

e-mail: ccostuleanu@yahoo.com

Abstract. *There are several types of satellite accounts recommended to be developed and compiled at European level, such as Tourism Satellite Account (TSA). Demand generated by tourism covers a wide range of goods and services in which the transport, accommodation and food play an important role. A functional satellite account for tourism might combine a functional method along with an analysis on activities and products. For Romania, Tourism Satellite Account (TSA) is not structured, although there are compiled and reported to Eurostat (European Commission) 19 variables in this field since 2010.*

Key words: *satellite accounts, tourism satellite account (TSA), European Union, Romania.*

Rezumat. *Există o serie de tipuri de conturi satelit recomandate a fi dezvoltate și compilate la nivel European, precum cel din domeniul turismului (CST). Cererea generată de turism acoperă o gamă variată de bunuri și servicii, în care transportul, serviciile de cazare și alimentație joacă un rol important. Un cont satelit funcțional precum cel din domeniul turismului poate combina o metodă funcțională cu o analiză pe activități și pe produse. Pentru România, contul satelit pentru turism (CST) nu este structurat, deși se compilează și se raportează la Eurostat (Comisia Europeană) 19 variabile din domeniul turismului încă din 2010.*

Cuvinte cheie: *conturi satelit, contul satelit din domeniul turismului (CST), Uniunea Europeană, România.*

INTRODUCTION

There are several types of satellite accounts recommended to be developed and compiled at European level (European Parliament, 2010): a) agricultural accounts; b) environmental accounts; c) health accounts; d) household production accounts; e) labor accounts and social accounting matrices; f) productivity and growth accounts; g) R&D accounts; h) social protection accounts; i) tourism accounts.

Functional satellite accounts focus on describing and analyzing the economy for a function, such as environment, health, and research and development. For each function they provide a systematic accounting framework. They do not provide an overview of the national economy, but focus on what is relevant for the function. To that end, they show detail not

¹University of Agricultural Sciences and Veterinary Medicine of Iași, Romania

visible in the aggregated central framework, rearrange information, add information on non-monetary flows and stocks, ignore what is irrelevant for the chosen function and define functional aggregates as the key concepts (European Parliament, 2010).

MATERIAL AND METHOD

The fundamental aim of the personal research was represented by the current state and prospects of international implementation of satellite accounts of the national accounts system (SNA) in EU and Romania, to meet the specific needs of certain data in the tourism sector in line with EU requirements (SEC 95; SEC 2010) (European Commission et al., 2008; European Parliament, 2010).

The concepts are generalizations. In economics, a concept is a "logical, mental construction of one or more connections". The concepts are inherently abstract and based on logic and reasoning. In economics, the concepts are typically focused on the relationships between variables. The main purpose of the fundamental conceptual framework is the development of hypotheses to be tested (Evensen, 2012).

Personal research on tourism satellite accounts (TSA) of national accounts system (SNA) is a fundamental, conceptual and, partly, a development one, i.e. the empirical application of the concept of functional satellite accounts for agriculture in Romania (Costuleanu, 2013).

RESULTS AND DISCUSSIONS

The document entitled „Proposal for a Regulation of the European Parliament and of the Council on the European System of national and regional accounts in the European Union” offers a general introduction for satellite accounts. Although in proposal phase, it describes and discusses how the central framework can be used as a building-block-system to serve many important specific data needs. Satellite accounts elaborate or modify the tables and accounts in the central framework to serve specific data needs. (European Parliament, 2010).

Satellite accounts can meet specific data needs by providing more detail, by rearranging concepts from the central framework or by providing supplementary information, such as non-monetary flows and stocks. They may deviate from the central concepts. Changing the concepts can improve the link with economic theoretic concepts such as welfare or transactions costs, administrative concepts such as taxable income or profits in the business accounts, and policy concepts such as strategic industries, the knowledge economy and business investments used in national or European economic policy. In such cases, the satellite system will contain a table showing the link between its major aggregates and those in the central framework (European Parliament, 2010).

The most important characteristics of satellite accounts are presented in Table 1, adapted after European Commission and European Parliament (2010).

Table 1

The most important characteristics of satellite accounts (adapted after European Commission and European Parliament, 2010)

	Functional accounts	Links to industries or products	Links to institutional sectors	Inclusion of non-monetary data	Extra detail	Supplementary concepts	Different basic concepts	Experimental results and more use of modeling	Part of EU transmission program
Agricultural		X			X	X			X
Environmental	X	X		X	X	X	X	X	X
Health	X	X		X	X		X		X
Household production			X	X	X		X	X	
Labor and SAM		X	X	X	X				
Productivity and growth		X		X	X	X	X	X	X
R & D	X	X		X	X		X	X	
Social protection	X			X	X				X
Tourism	X	X		X	X	X			
Balance of payments			X		X				X
Government finance			X		X	X			X
Monetary and financial statistics, and flow of funds			X		X	X			X
Supplementary pension table			X		X	X	X	X	X
Corporate activity			X		X				
Informal sector					X			X	
Non-profit institutions			X		X			X	
Public sector			X		X				
Tax revenue tables			X		X				X

Major advantages of satellite accounts include the following: a) based on a set of clear definitions; b) application of a systematic accounting approach; c)

linkage to the basic national accounting concepts; d) linkage to national accounts statistics (European Parliament, 2010).

The tourism satellite account (TSA) provides an overview of the supply and use of goods and services for the various types of tourism and their importance for domestic employment, balance of payments, government finance and personal and business income.

“Tourism” comprises the activities of persons travelling to and staying in places outside their usual environment for less than a year and for a main purpose other than to be employed by a resident entity in the place visited. These activities encompass all that visitors do for a trip or while on a trip. It is not restricted to typical tourism activities such as sightseeing, sunbathing and visiting sites. Travelling for the purpose of conducting business and for education and training can also be part of tourism (European Parliament, 2010).

The demand generated by tourism covers a variety of goods and services, in which transportation, accommodation and food services figure prominently. In order to obtain international comparability, tourism characteristic products are defined as products which, in the absence of visitors, in most countries would probably not exist in meaningful quantities or for which the level of consumption would be significantly reduced, and for which it seems possible to obtain statistical information.

Tourism-connected products are a residual category, including those that have been identified as tourism-specific in a given country but for which this attribute has not been acknowledged on a worldwide basis. Some of the services for tourism purposes, such as accommodation in second homes or transportation in individual motor vehicles, can be produced in significant amounts on own account. However, in the central framework, unlike own account housing services, transportation services produced within households for their own benefit are not regarded as production. It is recommended to follow that convention in the tourism satellite account. But for countries in which own account transportation services are significant, they can show them separately in the tourism satellite account (European Parliament, 2010). The supply and use of goods and services for tourism purposes, as well as value added and employment generated by tourism, can be shown in a supply and use table distinguishing its characteristic products and industries and the tourism-connected products.

Definitions of trade in health goods and services under the SHA framework and the concepts adopted for tourism satellite accounting show many similarities that may be useful in identifying relevant data sources.

First and foremost, tourism is primarily a demand-side phenomenon that refers to the activities of visitors and their role in the acquisition of goods and services across many different industries, including health goods and services. Tourism, as defined under tourism statistics, goes beyond what may be traditionally perceived to include persons travelling (under certain conditions

explained below) for holiday, leisure and recreation purposes and also includes, among others, business, education, and importantly, health.

However, if the purpose of a trip is for employment or to earn an income, then the trip is not considered as a tourist trip, and the individual cannot be considered as a visitor. Therefore, in the case of seasonal and border workers, any expenditure on health would be excluded from the Tourist Satellite Account (European Commission et al., 2008).

The wider measure of tourism consumption is a TSA concept that is more inclusive because it also includes “services associated with vacation accommodation on own account, tourism social transfers in kind and other imputed consumption”. For the purposes of health, this distinction can be useful, since it includes, in theory, government consumption expenditure on individual non-market services or products including social services and health that can be considered as benefiting visitors (social transfers in kind) (European Commission et al., 2008).

The Tourism Satellite Account is organized according to products (using the internationally approved classifications of products CPC Ver. 2) – that is, the goods and services consumed by visitors. However, since the product breakdown of tourist expenditure is based primarily on information provided by visitors, the classification for collection of this expenditure is usually based on purpose, in this case the COICOP. Consequently, there is a need to adapt data based on the COICOP – a functional classification – to the CPC – a product classification – which can be linked to products (CPC) and activities (ISIC).

It should be noted that a specific category “health and medical care” corresponds closely to the main purpose of the trip, and as such the incidental purchase of health care products and occasional health services may be allocated into non-tourism-related consumption products in the first instance. Additional tables of the TSA show both how this tourist demand is met by domestic supply and imports as well as the link with non-monetary information.

For example, Switzerland specifically includes “Health care” as a tourism-connected product in their Tourism Satellite Account (European Commission et al., 2008).

In 2009, the European Union was considering that “Romania is in an early stage of development of TSA with a feasibility study partly conducted (2005 and 2008) and also a pilot, non-official, TSA informally developed in 2004. The current objective is to improve the statistical basis in order to have a series of detailed data necessary for the compilation of TSA”. Thus, Romania was included, along with Italy and Belgium, among EU countries at the “Start Compilation” level, providing the first empirical results on the TSA (Eurostat-European Commission, 2009).

In the EU version of the 2010 document, published in 2011, Romania is referred to as an originator of the steps to achieve TSA, having previously reported a number of 19 variables in tourism to Eurostat (Eurostat-European Commission, 2011).

CONCLUSIONS

1. EU legislation related to tourism satellite accounts (TSA) is strictly regulated.
2. A functional satellite account as that for tourism might combine a functional method with an analysis on activities and products.
3. For Romania, the Tourism Satellite Account (TSA) is not structured, although there are compiled and reported to Eurostat (European Commission) 19 variables in tourism field since 2010.

Acknowledgements: This work was supported by the project "Post-Doctoral Studies in Economics: training program for elite researchers - SPODE" co-funded from the European Social Fund through the Development of Human Resources Operational Program 2007-2013, contract no. POSDRU/89/1.5/S/61755.

REFERENCES

1. **Costuleanu Carmen Luiza, 2013 – Satellite accounts of national accounts system.** In: Post-doctoral studies in economics. Post-doctoral dissertations, vol. 6. Romanian Academy Publishing House, Bucharest, ISBN 978-873-27-2296-1.
2. **European Commission, FMI, OCDE, UN and BM, 2008 - A System of National Accounts 2008.** New York: 2009. Available at: <http://unstats.un.org/unsd/nationalaccount/docs/SNA2008.pdf>, p. 518-523.
3. **European Parliament, 2010 - Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the European System of national and regional accounts in the European Union.** Bruxelles, 20.12.2010, COM(2010) 774 final. Available at: [http://www.europarl.europa.eu/RegData/docs_autres_institutions/commission_europeenne/com/2010/0774/COM_COM\(2010\)0774\(PAR23\)_EN.pdf](http://www.europarl.europa.eu/RegData/docs_autres_institutions/commission_europeenne/com/2010/0774/COM_COM(2010)0774(PAR23)_EN.pdf), p. 2, 6, 55.
4. **Eurostat - European Commission, 2009 - European Implementation Manual on Tourism Satellite Accounts (TSA).** Available at: <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home>.
5. **Eurostat - European Commission, 2011- Tourism Satellite Accounts (TSA) in Europe, 2010 edition.** Luxembourg: Publications Office of the European Union. Available at: http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/publication?p_product_code=KS-RA-10-031.
6. **Evensen C., 2012 - Research and Methodology Lectures.** Available at: <http://manoa.hawaii.edu/ctahr/aheed/Carl/15/08/2012>.