

## THE IMPACT OF CULTURAL EVENTS ON TOURISM DEVELOPMENT: SIBIU - THE EUROPEAN CULTURAL CAPITAL

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### **Rezumat**

*This study reviews the findings of longitudinal field research in Sibiu on the cultural profile of tourists during and after the European Cultural Capital Programme (ECOC) and the effects of the event on local tourism. The impact of the event can be gauged through the growth of tourism stimulated by infrastructure improvements and product development, not only in terms of increasing tourist numbers but also by the increase of local income from tourism and related sectors. The ECOC has turned into a model followed by many European cities seeking tourism growth and image change. The ten years of research conducted in Sibiu have highlighted the variety of long term effects that can result from such a complex development model, including tourism growth, changes in tourist profile, image improvement and increased social cohesion.*

**Cuvinte cheie:** cultural events, European Cultural Capital, impact on tourism, Sibiu ECOC

**Clasificare JEL:** L83, O17

### 1. INTRODUCTION

The literature encompasses many explanations for the rise of culture as a force for local development. In Europe, one particularly prominent model of cultural event-led regeneration has been the European Capital of Culture (ECOC), a year-long celebration of civic and European culture which rotates between the member states of the EU. This model has been seen as particularly successful in delivering a range of benefits, which has led to interest in, and competition for, the ECOC growing markedly (Palmer, 2004)

This paper reports on a long-term monitoring project for the Romanian city of Sibiu, which was ECOC in 2007. This case study is of particular interest as the first city in Central and Eastern Europe to host the ECOC, the coincidence of the event with the entry of Romania into the European Union (EU) and the development of a growth coalition related to a specific cultural group in the region. The paper aims to evaluate the impacts of the ECOC relative to the aims set for it by local stakeholders and to assess the success of the event and the overall strategy in regenerating the city over the past decade.

The literature on ECOC and its follow-up on local economies and EU as a funder are wide and sometimes controversial. All the ECOC organisers have provide reports and conclusions to the European Commission by the end of the project and some of these reports were used for theoretical and field researches

The Palmer (2004) report which evaluated the ECOC from 1995 to 2004 saw the event as one of the most successful EU programmes of all time, delivering huge benefits against a minimal investment from Brussels. The ECOC in Luxemburg in 2007 commissioned an extensive programme of research, which included monitoring of resident and visitor attitudes before and during the event (Luxemburg and Greater Region, 2008). Stavanger (2008) undertook extensive research with local residents before, during and after the event (Rommetvedt, 2009). In Liverpool (2008) a major research programme was set up to monitor the long term impacts of the event, with baseline measurements before the event, stakeholder studies during the event and monitoring after the event (Impacts08, 2010)

The ECOC has not been without its critics, who have argued that the event tends to cater to well-off, frequent cultural consumers rather than the whole population (Boyle and Hughes, 1991; O’Callaghan and Linehan, 2007). The event arguably also has shifted from cultural motives to economic ones. The recent evaluation of Stavanger (2008) complained that the European Commission is no longer interested in the cultural content of the event, but would rather hear about success stories in urban regeneration (Miller, 2009).

What is lacking in much previous ECOC-related research is a link with the broader development of the host city. This paper reports on longitudinal research undertaken in the Romanian city of Sibiu, host to the ECOC in 2007, over a ten year period from 2001-2010. This is the first study to be undertaken of a city hosting the ECOC in Central and Eastern Europe, the period of the research therefore also covers a period of considerable structural change in Romania as a whole and Sibiu in particular.

## 2. METHODS

It is not enough to use official statistics to measure the impact of a major event in tourism development of a city. The statistical data series that intend to figure the evolution of the tourism were examined for their accuracy and checked by several sources. There are some significant limitations with the use of official statistics on economic impact in Romania, the most important of which is under-reporting in order to limit tax liability. For example, Ivan-Ungureanu (2001) assumes that for hotels the number of non-registered tourists is about one third of the total. In addition to measuring different aspects of the relationship between a city and its event(s), there is also a need to develop a longitudinal component to research using field interview. In order to investigate the more qualitative aspects of the effects of the ECoC we have used questionnaires for by passing people downtown and deep interviews among the main stakeholders.

The monitoring has started in 2001 as a project for the cultural profile of the tourist of EU covering. After Sibiu was nominated as ECOC organiser with Luxembourg for 2007 the investigations were enlarged and focused on the effects, and long time effects later of the cultural event in this tourism destination. The research was extended to cover a greater range of stakeholders, and measures were made of the image of the city in other parts of Europe comparing with data from the regular surveys carried out by ATLAS. In this paper we look back over ten years of data collection and analysis to assess the effectiveness of Sibiu's cultural and tourism development strategy

## 2. RESULTS

Our annual reports have tried to evaluate the extent to which the city has met its specific aims, which in the case of the ECOC were: raising the international profile of Sibiu, long term cultural development, attracting international visitors, enhancing feelings of pride and self-confidence, growing and expanding the local audience for culture, improving social cohesion and creating an economic downstream, improving cultural and non cultural infrastructure, developing relationships with other European cities/regions and promoting European cultural cooperation, promoting creativity and innovation.

The city therefore had a mix of economic, image, cultural, social and physical regeneration goals. In this paper we look back over ten years of data collection and analysis to assess the effectiveness of Sibiu's cultural and tourism development strategy. In this work in progress we highlight some of the major impacts of the ECOC cultural event in Sibiu tourism development.

### 3.1 Impact on local population and major stakeholders

The major impact might be considered the influence the ECOC had on the local community as reflected in the opinions of major stakeholders and residents during the depth interviews. A total of 170 interviews were completed yearly between 2007 and 2011 with stakeholders, the vast majority in Sibiu and the surrounding region and a few number in the rest of Romania. The main interview groups were: cultural operators, travel agents and tour operators, banking and insurance, media, hotels and restaurants, businesses and tourism organizations. Some ideas were found each year that underline the power of the impact. A short selection of major themes from the data base of ATLAS and Lucian Blaga University of Sibiu as reflected in the annual rounds of data collection (Richards & Rotariu 2009, 2010) include:

**Pride in the city:** Being from Sibiu was suddenly something to take pride in, especially as the city was recognized not just as national, but also European level. "I developed a special sensitivity for everything you call "my city". The fact that Sibiu was named European Cultural Capital together with Luxembourg is a proud moment. Also, the image to make a potential cue ball in Romania" or "I gained a sense of pride, a kind of: here as you can, you can do something good, something of quality, here we are appreciated".

**Transformation:** "This programme helped the evolution of the organization of events and highlighted the organizational capabilities of companies in this area"; "My personal life has changed in the sense that in my spare time walking on downtown Sibiu noticed different people from different corners of the world"; "Sibiu has changed a lot lately, mostly due to the great event held in 2007"

**Image of Sibiu:** There was a widespread feeling that the ECOC had put Sibiu on the map not just nationally but internationally as well. Typical remarks were: "Another positive aspect resulting from Sibiu European Cultural Capital Sibiu in 2007 is to increase visibility both nationally and internationally through cultural events of the highest class". The image impacts were not just external, but internal as well: "Of course Sibiu has a good image because of its history and medieval atmosphere that persist through the beauty of places, the hosts, etc., which has aroused the curiosity of many Europeans, bringing them here in 2007. I think this programme has been exploited bringing many benefits to residents of the town. I am from Sibiu and attended many events held in 2007 in Sibiu and I was pleasantly surprised by the seriousness and extraordinary ideas".

**Cultural and social impacts:** Many interviewees emphasized that the impacts of the ECOC were wider than just economic: “Sibiu-European Cultural Capital in 2007 was designed so as to provide opportunities for issues of inclusion and social cohesion, education, heritage tourism and urban regeneration at all levels. The programme puts culture at the heart of city life and looking into her inspiration for driving community forward” or “The ECOC in 2007 as well as 2008 both gave the opportunity for me and other one thousand inhabitants of the town to watch shows and events culture that otherwise would not have been present in Sibiu (i.g. the Vienna Philharmonic)”

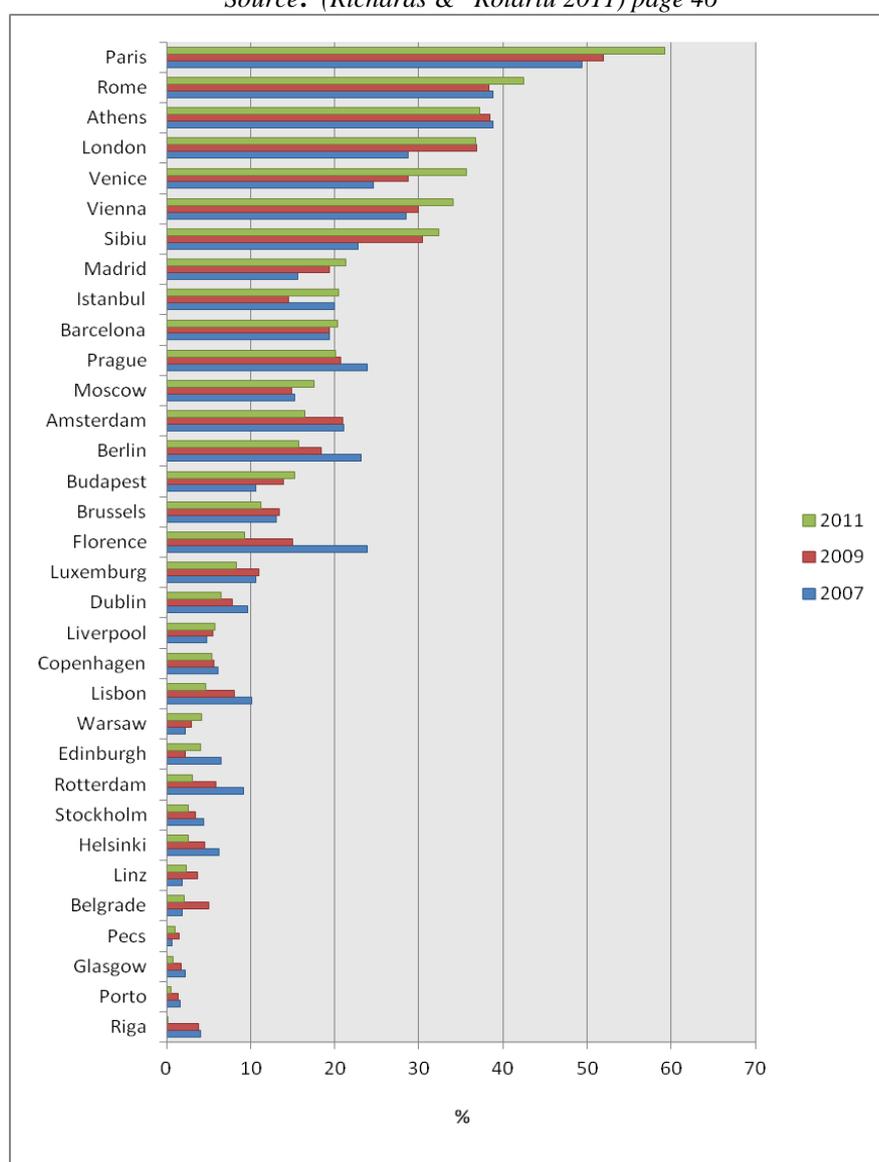
**Renovation:** One of the crucial elements in improving the image of the city was the renovation of the old town. “Very visible in the eyes of the people was the renovation historical centre which otherwise would not have happened very quickly. Both the historical centre and the renovation of an impressive number of monuments and cultural organization of the various events had a favorable effect on the town”; “After renovations are completed, Sibiu has restored life ... or so it seems to me”; “large investments in conservation, renovation and highlighting the historical centre, has attracted a number of investments that have led to the development of tourism, both in Sibiu and its surroundings”

**Role of the Local Authority:** Many stakeholders emphasized the important role that the civic administration had played in the development and the success of the ECOC. “Locally, in my view local authorities were very much involved, have managed to attract funds and manage them as effectively all in the interests of the community and the city that was very visible in the eyes of the people was the renovation of the historical centre”.

These findings were also reflected in the answers in the responses to the questionnaires surveys conducted with residents and visitors:

### 1. Image of Sibiu as a cultural tourism destination (ATLAS Surveys in Sibiu 2007, 2009 and 2011)

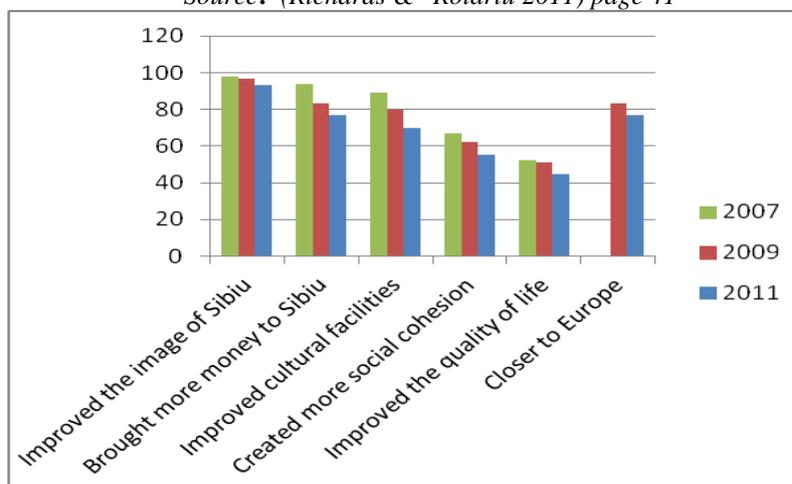
Source: (Richards & Rotariu 2011) page 46



The feeling that the ECOC has had a positive and determinant impact is still high even after five years. Interestingly, there was also an increase in the quality of life and social cohesion benefits of the ECOC among residents in 2011 compared to 2009.

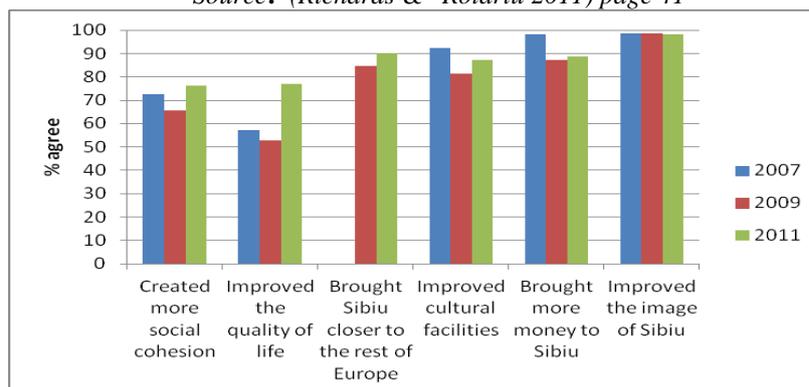
## 2. Statements about the impact on Sibiu 2007, 2009 and 2011 (% agree)

Source: (Richards & Rotariu 2011) page 41



## 3. Statements about the impact on Sibiu 2007, 2009 and 2011 (residents only, % agree)

Source: (Richards & Rotariu 2011) page 41



## 4. Tourism Development Effects

The impact of the ECOC on the general growth in tourism supply before, but mainly after the event focused on hotels and other accommodation facilities in terms of number of hotels' beds but also in terms of the standard of the accommodation establishments. Since 2001 the number of hotels has more than doubled and the total registered accommodation units have grown by 40% to fit the increased demand.

## 5. Tourism capacity in Sibiu County

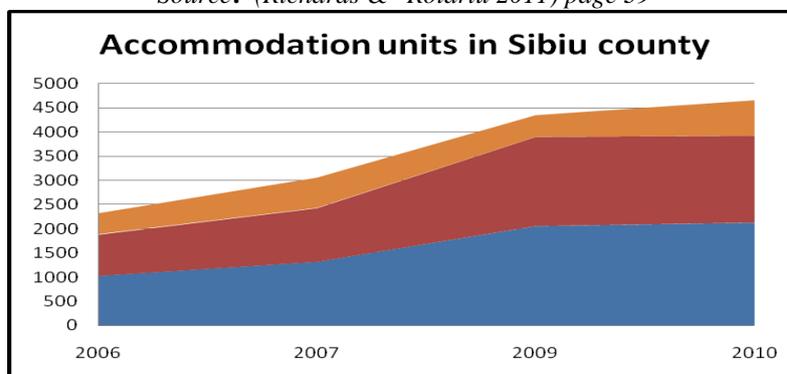
Source: (Richards & Rotariu 2011) page 37, 74

hotels	2001	2004	2006	2007	2008	2009	2010
units	15	18	22	24	24	30	34
Places	1655	1813	1965	2440	2296	2608	3348

All type	2001	2004	2006	2007		2009	2010
units	119	114	129	137		172	167
places	5183	4589	4333	5123		5265	6538

	2005	2006	2007	2009	2010
	statistics	statistics	statistics	licensed	estimated
<b>total county</b>					
units	111	120	137	335	496
rooms				3335	<b>4663</b>
places				8983	<b>9761</b>
<b>sibiu town</b>	no data	no data	no data		
units				108	147
rooms					2134
places				3785	4090
<b>around sibiu</b>	no data	no data	no data	no data	
units					274
rooms					1797
places					3905
<b>% of sibiu in county</b>					
units				0.00	29.64
Places				42.14	41.90

Source: (Richards & Rotariu 2011) page 39



All figures show the same major trends: increase of capacity; increase of high level of comfort units; a faster increase of investments in neighborhoods of Sibiu comparing to the town; a trend of enlargement and development and improve of comfort of existing capacities; a relatively slow increase in 2010. Specially notable is the operating of global hotel brands in the city: Hilton, Ramada, Golden Tulip, Best Western, Ibis and national brand Continental. The growth of hotel accommodation in Sibiu itself also had a strong impact on the surrounding region. Growth in the regions close to Sibiu was just as strong as in the city itself. The Sibiu neighbourhoods (up to 25 km radius) has achieved the same capacity as the town itself, but the accommodation is mainly guest houses and pensions that offer much lower rates, offering both green holidays and easy access to the intense cultural life of the town.

## 6. Tourism economic impact

All major events are supposed to boost the tourists' arrivals and increase the income of the organizing area. All ECOG have had this result. Statistical data and field research have shown that Sibiu has enjoyed significant outcomes in spite of the effect of the global crises. And the effect is still visible even after five years. The tourists' arrivals reached a pick in 2007 as a result of the large number of events organized. Figures on average visitor spending show that spend levels increased particularly sharply during the ECOG in 2007, largely because of the influx of high spending foreign visitors

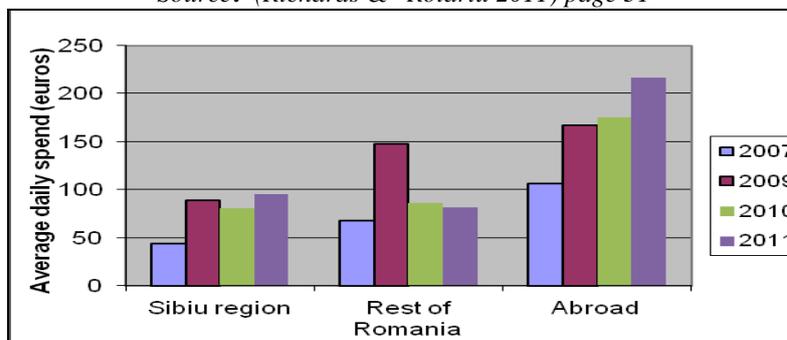
## 7. Tourist arrivals and bed nights in Sibiu 2006-2010

Source: (Richards & Rotariu 2011) page 36

	Arrivals total	foreigners	Bed nights total	foreigners
2006	150,000	No data	235,000	No data
2007	178,532	69,434	280,993	117,170
2008	147,000	47,265	204,005	67,930
2009	120,373	42,129	164,281	54,636
2010	143,839	50,990	233,560	88,189

**8. Spend by hotel guests in Euros***Source: (Richards & Rotariu 2011) page 32*

	Travel spend	Admission	Food and drink	Shopping	Accommodation
2007	212.14	21.53	126.24	87.89	250.19
2009	157.69	62.44	145.27	277.18	269.39
2010	249.45	82.67	187.50	167.91	309.99
2011	227.27	47.95	157.08	147.25	310.50

**9. Average spend per day (Euros) by visitor origin 2007-2011***Source: (Richards & Rotariu 2011) page 31*

Taking the figures for tourists staying in Sibiu and their average spend, we can estimate total tourism spending at €26 million in 2010, which is actually higher than 2007, the ECOC year. This indicates that the ECOC had a strong and stable positive impact on local tourism development over the longer term (Richards & Rotariu 2011 pag 36) We have also to point out that the field research has clearly shown that almost one third of the visitors stay with friends and relatives. This allows us to estimate the total tourist expenditure at almost €50 Million, which is 40% more than in 2007, in spite of the global economic crisis

**10. Visitor behavior, quality of the visits experiences**

Sibiu was known as a medieval city. Classic tours included a walk downtown and a visit to Bruckenthal Museum. The ECOC changed the cultural consumption of cultural attractions. Previously the town have hosted a couple of traditional events: Theater Festival, Jazz Festival, Potters Faire etc. After 2007 the cultural agenda has become more organised all year round and has become more related with the tourism seasons. Since 2007, it is clear that visitors to the city have been visiting an even wider range of attractions. In particular, visits to ASTRA Museum, the Lower Town and the Fortifications have increased, reflecting the investment in these areas, but also the Orthodox and Evangelic Cathedrals.

**11. Sites visited in and around Sibiu (% of visitors)***Source: (Richards & Rotariu 2011) page 27 multiple responses allowed;*

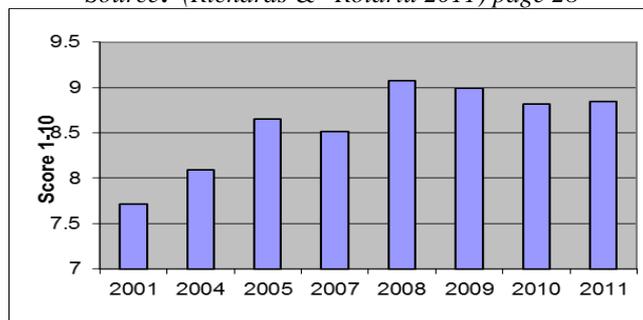
	2007	2008	2009	2010	2011
Bruckenthal Museum	27	71	61	57	62
Orthodox Church	27	40	46		39
Evangelic Church	25	60	46	39	41
The Lower Town	25	35	52	47	51
ASTRA Museum	20	58	58	54	57
The fortification	19	25	38	33	32
Fortified Churches around Sibiu	12	24	24	19	22
Street animation		50	42	43	43
None of these	36	4	7	4	4

As a result of the modernization of the museum offer, the number of visitors – locals and tourists – has constantly increased: the National Bruckenthal Museum had almost 3000,000 visitors (one of the most frequently visited museums in the country) and ASTRA Museum had 250,000 visitors. The number of visitors coming especially for events has steadily increased, and most of the shows sold out all their tickets, which has led to a diversification of booking systems.

The experience acquired for and after ECOC has developed more expertise in the local administration and created strong collaboration with stakeholders involved directly in tourism activities. This has led to a higher quality of tourism experiences.

## 12. Quality of visit (scale 1-10)

Source: (Richards & Rotariu 2011) page 28



The new expertise and the ability to work in the community has encouraged the local authorities to launch a new major event for 2012; the “Sibiu Baroque Update”, which is addressed to the national market that supplies the majority of the tourists (around two thirds of total visitors).

## 13. CONCLUSION

Our research indicates that the Sibiu ECOC in 2007 and the programme of cultural development leading up to it had substantial impacts on the city both in the short and longer term. In the short term there was a significant economic boost from tourism and an improvement in the external image of the city. Levels of social cohesion rose and feelings of local pride increased and cultural activity in the city reached record levels. Over the longer term there has been increased cultural, hotel and infrastructure investment and a qualitative change in tourism flows towards cultural visitors with higher spending power.

The Sibiu experience emphasises the importance of creating internal and external networks. Sibiu has made good use of its links to rest of Europe, helped by its cultural ties with Luxemburg and the linguistic links with Germany. This situation may seem extraordinary in Romania, but it does to some extent mirror the experience of cities elsewhere.

This seems to confirm an important conclusion of the Palmer Report (2004) evaluation of the ECOC, namely that political stability and commitment are vital to the success of the programme.

In the case of Sibiu this seems to have delivered an event which is perceived to have a tangible legacy, and which has not been quickly forgotten by residents or external observers. This is an important factor in the current adverse economic climate, which in many other cases might lead to the ECOC being associated with the economic slump that followed it.

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