

**GOVERNMENT SPENDING ON TOURISM APPROACHED THROUGH THE PRISM OF CONSOLIDATING THE RIGHT TO REST AND LEISURE**

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**ABSTRACT**

*Every person's right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay, as well as the right to freedom of movement without restriction, except as provided by law, determine the opportunity and necessity of the harmonious development of domestic and international tourism. The harmonious development of domestic and international tourism depends on the quality of public policies designed to stimulate the growth of this sector, especially the public expenditure policy. This paper aims to analyse the impact of tourism regarding the respect for the right to rest, the effectiveness of public policies applied in the field of tourism, especially the public expenditure policy aimed to stimulate tourism, to formulate solutions for the development of the tourism sector in the Republic of Moldova by strengthening the right to rest. The Human Development Index (HDI) is considered an aggregated indicator with the capacity to more or less consistently quantify the level of respect for economic, social and cultural rights. Based on the simple regression method, the relationship between HDI as a dependent variable and Travel and Tourism Sector Competitiveness Index (TTCI) as an independent variable is tested. The presented analysis suggests the conclusion that the quality of respect for the right to rest, materialized, including through tourism, is a factor with a major positive impact on the HDI. An important place in the paper is occupied by the generalization of the EU countries experience in the field of public policies designed to stimulate tourism development approached through the prism of respecting the right to rest and leisure.*

**Keywords:** human development index, human rights, the right to rest and leisure, public expenditure, tourism, travel and tourism competitiveness index.

*Dreptul fiecăruia la odihnă și timp liber, inclusiv dreptul la o restricție rezonabilă a orelor de muncă și la concediile periodice plătite, precum și dreptul de a circula liber fără restricții, cu excepția celor prevăzute de lege, determină oportunitatea și necesitatea dezvoltării armonioase a turismului intern și internațional. Dezvoltarea armonioasă a turismului intern și internațional depinde de calitatea politicilor publice destinate să stimuleze creșterea acestui sector, în special a politicii privind cheltuielile publice. Prezenta lucrare urmărește să analizeze impactul turismului asupra respectării dreptului la odihnă și recreație, eficiența politicilor publice aplicate în domeniul turismului, în special a politicii în domeniul cheltuielilor publice destinate stimulării turismului, să formuleze soluții de dezvoltare a sectorului turismului din Republica Moldova în scopul consolidării respectării dreptului la odihnă și recreație. În calitate de indicator agregat care are capacitatea să cuantifice, mai mult sau mai puțin amplu, nivelul de respectare a drepturilor economice, sociale și culturale este considerat Indicele Dezvoltării Umane (IDU). În baza metodei regresiei simple este testată relația dintre IDU, în calitate de variabilă dependentă, și Indicele competitivității sectorului călătoriilor și turismului în calitate de variabilă independentă. Analiza prezentată în lucrare sugerează concluzia conform căreia calitatea respectării dreptului la odihnă, materializat, inclusiv prin practicarea turismului, constituie un factor cu impact pozitiv major asupra IDU. Un loc important în lucrare îl ocupă generalizarea experienței țărilor din UE și Parteneriatului Estic în domeniul politicilor publice destinate stimulării dezvoltării turismului abordate prin prisma respectării dreptului la odihnă și recreație.*

**Cuvinte-cheie:** cheltuieli publice, dreptul la odihnă și timp liber, drepturile omului, indicele competitivității sectorului călătoriilor și turismului, indicele dezvoltării umane, turism.

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Право каждого человека на отдых и досуг, включая разумное ограничение рабочего времени и периодические оплачиваемые отпуска, а также право на свободу передвижения без ограничений, за исключением случаев, предусмотренных законом, определяют возможность и необходимость гармоничного развития внутреннего и международного туризма. Гармоничное развитие внутреннего и международного туризма зависит от качества государственной политики, направленной на стимулирование роста этого сектора, особенно политики в области государственных расходов. Данное исследование направлено на анализ влияния туризма на соблюдение права на отдых и досуг; эффективности государственной политики в сфере туризма, в частности политики государственных расходов, направленной на стимулирование туризма; а также на формулирование предложений для развития туристического сектора в Молдове с целью усиления соблюдения права на отдых и досуг. Индекс человеческого развития (ИЧР) рассматривается в качестве совокупного показателя, способного в большей или меньшей степени отражать уровень соблюдения экономических, социальных и культурных прав. На основе метода простой регрессии проверяется взаимосвязь между ИЧР, как зависимой переменной, и Индексом конкурентоспособности сектора путешествий и туризма, как независимой переменной. Анализ, представленный в статье, позволяет сделать вывод о том, что качество соблюдения права на отдых и досуг, материализованное, в том числе посредством уровнем развития туристической отрасли, является фактором, оказывающим значительное положительное влияние на ИЧР. Важное место в статье занимает обобщение опыта стран ЕС и Восточного партнерства в области государственной политики, направленной на стимулирование развития туризма, рассматриваемые через призму соблюдения права на отдых и досуг.

**Ключевые слова:** государственные расходы, индекс конкурентоспособности путешествий и туризма, индекс человеческого развития, право на отдых и досуг, права человека, туризм.

## INTRODUCTION

The right to rest and leisure is a right enshrined in the *International Covenant on Economic, Social and Cultural Rights*, connected to the right to work. Moreover, the right to rest and leisure is included in the *Universal Declaration of Human Rights*.

The right to rest and leisure is of fundamental importance for many other rights, including political and civil rights. There is an opinion based on a long-term perspective that leisure time is not a waste of inactive time or a simple absence and recovery from work, being rather necessary for a dignified life, as defined by human rights policies. The right to rest has been linked to a long series of empirical studies on the improvement of the well-being of people globally.

Every person's right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay, as well as the right to freedom of movement without restriction, except if provided by law, shall determine the appropriateness and necessity of the harmonious development of domestic and international tourism.

The harmonious development of domestic and international tourism depends on the quality of public policies designed to stimulate the growth of this sector. In this respect, the fundamental tool through which the promotion of public policies in the field of tourism is achieved is by means of public finances, in particular public expenditures and the quality of their management.

Based on these observations and statements, this paper aims to analyse the impact of tourism on respect for the right to rest and leisure, the effectiveness of public policies applied in the field of tourism, especially public expenditure policy to stimulate tourism, to formulate solutions for the development of the tourism sector in the Republic of Moldova in order to strengthen the respect for the right to rest and leisure.

## LITERATURE REVIEW

A right is a morally and/or legally justified request to have or do something. Human rights are the norms that aspire to protect all people everywhere from serious political, legal and social abuses (Stanford University, 2019). In an alternate acceptance, human rights are those rights to which all human beings are considered to be entitled only on the basis of their humanity (Donnelly, 2003).

The classification provided by the French lawyer of Czech origin *Karel Vašák* (Vašák, 1977), proposing the concept of three generations of rights, is probably the most practical, frequently used and comprehensive classification of human rights. According to this group, there are three major types of human rights norms: civil and political; socio-economic and collective development. The first two, representing potential claims of individuals to the state, are widely accepted rules identified in international treaties and conventions. The third type, expressing potential demands of peoples and groups towards the state, is the most debated, lacking legal and political recognition.

Considering this classification, *Sumner B. Twiss* specifies two additional subtypes for each of the above types (Twiss, 2004), namely:

- political and civil rights, including two subtypes: rules on physical and civil security (e.g. without torture, slavery, inhuman treatment, arbitrary arrest and detention; equality under the law) and rules on civil and political freedoms or powers (e.g. freedom of thought, conscience and religion, freedom of assembly and voluntary association);
- human socio-economic rights similarly comprising two subtypes: rules on the provision of goods that meet social needs (e.g. nutrition, shelter, health care, education) and rules on the supply of goods that meet economic needs (e.g. fair work and wages, an adequate standard of living, a social security network);
- collective rights also encompass two subtypes: the self-determination of peoples (e.g. their political status and economic, social and cultural development) and certain special rights of ethnic and religious minorities (e.g. the right to their own culture, language, the right to manifest one's religion).

*The Universal Declaration of Human Rights*, adopted by the United Nations General Assembly in 1948, is the first UN document on human rights that includes civil and political rights, as well as economic, social and cultural rights.

In 1966, the General Assembly adopted two major separate human rights documents: the *International Covenant on Civil and Political Rights* (ICCPR) and the *International Covenant on Economic, Social and Cultural Rights* (ICESCR). The two separate documents were drawn up as a result of Western pressure. Western countries emphasized the alleged difference in the nature of both categories of rights: civil and political rights could be implemented immediately, while most economic, social and cultural rights could only be implemented progressively. In the *Vienna Declaration and Programme of Action*, adopted by consensus at the World Conference on Human Rights in Vienna in 1993, the principle of all human rights being of equal importance has, however, been emphasized.

The *Proclamation of Teheran*, adopted in 1968 by the International Conference on Human Rights, gave priority to economic, social and cultural rights: "Because human rights and fundamental freedoms are indivisible, the full realization of civil and political rights without the effective exercise of economic, social and cultural rights is impossible. Making sustainable progress in implementing human rights depends on sound and efficient national and international economic and social development policies." (UN, 1968).

There are opinions according to which while human rights should all be placed on the same footing, their implementation should have a well-defined and shared order. In so doing, explicated shared priorities allow states to have a more concrete and attainable implementation plan, serving as both guidance for the states and parameters for the human rights supervisory bodies. Accordingly, this approach might be specifically applicable in case of developing and transitioning states (Quintavalla, Heine, 2019).

*The ICESCR* includes the right of every person to work; the right to social security, including social insurance; the right of every person to a standard of living adequate for himself and his family; the right to enjoy the best physical and mental health he can attain; the right to education; the right to participate in cultural life; the right to benefit from scientific progress and its applications in the category of economic, social and cultural rights. At the same time, several rights contained in this international treaty define the right to work. Thus, the right to work includes: the right that any person has to obtain the possibility to earn a living through a freely chosen or accepted work; the right of every person to the enjoyment of fair and favourable conditions of work

and to ensure the following: a fair wage and equal remuneration for work of equal value without distinction; a decent existence for the employee and family; work safety and hygiene; equal opportunity for all to be promoted in their workplace to an appropriate higher category, taking into account only the duration of the services performed and the skills; rest, free time, rational limitation of working hours and paid periodic leave, as well as the remuneration of holidays; the right of every person to the favouring and protection of economic interests, the right to form trade unions, together with other persons and to join a trade union of his choice; the right to strike. Therefore, the *right to rest and leisure* is a right highlighted in the *ICESCR*, related to the right to work. Moreover, the right to rest and leisure is also included in the *Universal Declaration of Human Rights* (Article 24: "Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay"). This right is considered one of the primary (but not only) workers' rights constructed to meet challenges posed by the industrial revolution, the resulting new global economy and the First World War (Richards, Carbonetti, 2012).

The right to rest and leisure is of fundamental importance for many other rights, including political and civil rights. Awareness of the leisure-related human rights universality could assist leisure studies to become a more globally connected field of research (Veal, 2015).

There is an opinion based on a long-term perspective that leisure time is not a waste of inactive time or a simple absence and recovery from work, being necessary, rather, for a dignified life, as defined for human rights. The right to rest has been linked to a long series of empirical studies on the global improvement of the population's well-being.

It is relevant to mention that in this context, well-being includes both aspects that define eudaimonic happiness, a concept that means, according to modern psychology, the individual's ability to fully update his personal potential, and those that explain hedonic well-being (happiness and/or subjective satisfaction) having the possibility to be achieved through respect for economic, social and cultural rights.

Moreover, the positive effect of leisure time on cognitive and behavioural ability related to general mechanisms of psychological adaptation, including constructive recovery from negative life events, free expression and creative ability, providing the necessary environment for human development and self-actualization, happiness, the general satisfaction of life has been demonstrated.

The field of recreational therapy called free time "the correct purpose, from a moral point of view, of recreational therapy" and invoked its primordially as a human right.

#### DATA SOURCES AND USED METHODS

Considering the theoretical-scientific point of view, the research was carried out in the context of the complex and systemic approach of contemporary economic and social concepts. An important role in the paper is offered to the generalization of the experience of EU and Eastern Partnership countries in the field of public policies designed to stimulate the development of tourism approached through the prism of respecting the right to rest and leisure.

The research is based on established approaches in the field of human rights, in particular economic, social and cultural rights, with a basic focus on the right to rest and leisure. The relationship between tourism and rest periods is being considered.

The complexity of the studied social, economic and financial phenomena required the use of *statistical* methods, namely the *simple regression method*. At the same time, the *comparative* analysis was also used.

Applying the simple regression method, the *HDI* was selected as a dependent variable. *HDI* is a statistic composite index that measures key dimensions of human development: **a long and healthy life** (measured by *life expectancy*); **access to education** (measured by *expected years of schooling* of children at school-entry age and *mean years of schooling* of the adult population); **and a decent standard of living** (measured by *Gross National Income per capita* adjusted for the price level of the country). The *HDI* is considered an aggregate performance indicator that has the capacity to quantify, more or less consistently, the level of respect for economic, social and cultural rights. Tourism is representing one of the ways to achieve the right to rest and, through it – a premise for updating and developing people's personal potential, has the strength to contribute to increasing the value of *HDI*.

The *TTCI* was identified as an independent variable. The *TTCI* compares the competitiveness of the travel and tourism sector in 140 economies. The index is developed under the World Economic Forum's Aviation, Travel and Tourism Industry Program. The results of the index measurement are reflected in the *Report on the competitiveness of the travel and tourism sector*. The *TTCI* consists of 4 sub-indexes, 14 pillars and 90 individual indicators. The value of *TTCI* and its components can vary from 1 to 7 (best level). *TTCI* is considered one of the synthetic indicators that characterizes the development of the tourism sector and is examined with reference to the Republic of Moldova in the paper.

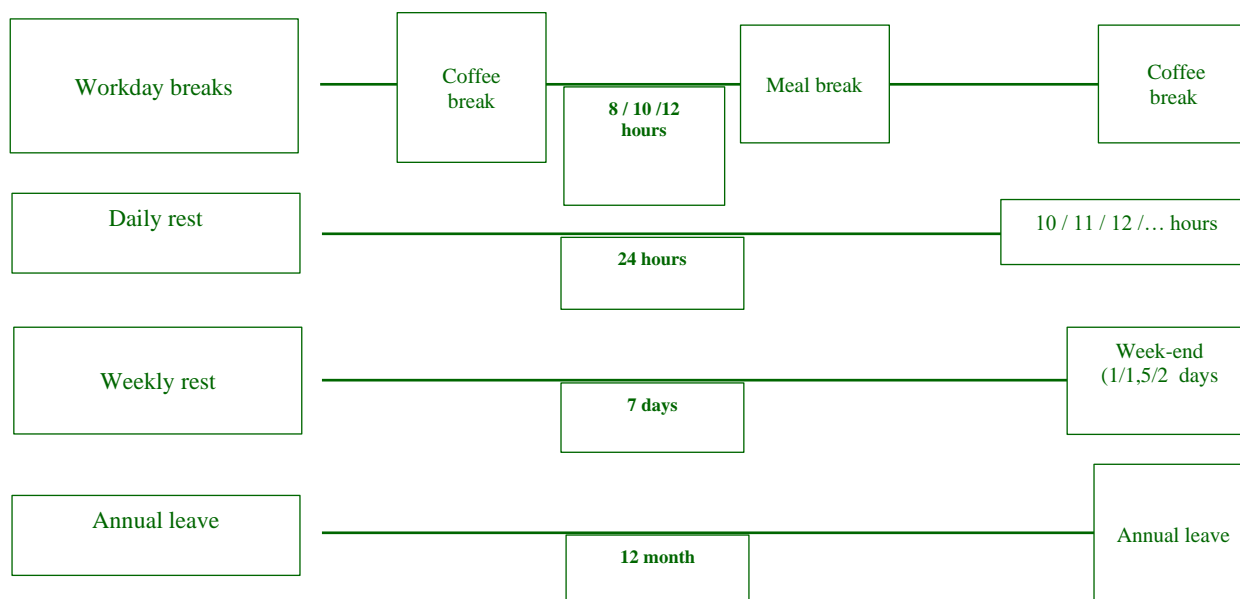
The application of the simple regression method aims to identify the existence of dependence between IDU and *TTCI*, in order to ultimately formulate the conclusion on the impact of public spending policy aimed at stimulating tourism on the level of respect for economic, social and cultural rights, in particular on the right to rest and recreation.

### RESULTS OF OWN RESEARCH AND DISCUSSIONS

Every person's right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay, and the right to freedom of movement without restriction (LEGIS 1948), except as provided by law determines the opportunity and necessity for harmonious development of domestic and international tourism.

The relationship between tourism and rest periods can be explained based on Figure 1.

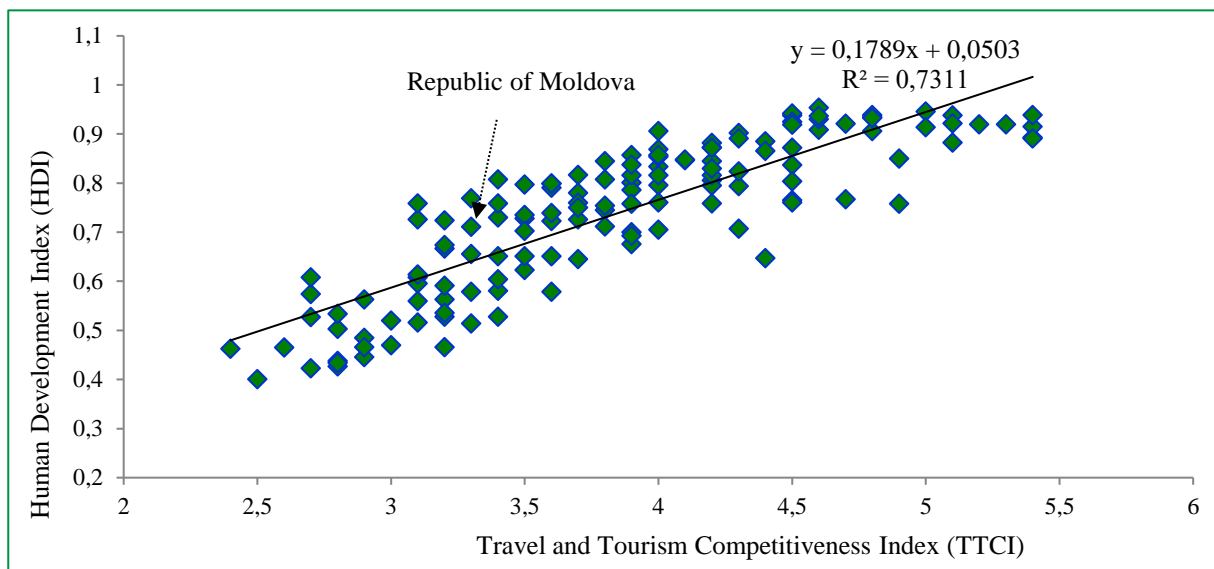
Depending on the category of the rest period, the arrangements for the use of leisure time and the corresponding activities are established. It is therefore noticed that the daily free time is used for self-training, fun activities and meetings. Free time on weekends will be used for tourism, sports activities, watching shows, etc. The annual rest leave is especially intended for tourism, balneary treatments, cultural purposes, etc. (Ioncica, 2003).



**Figure 1. Rest periods**

Source: (ILO, 2015).

From the above mentioned, tourism is among the ways to achieve the right to rest and, thereby – a premise for updating and developing the people's personal potential, tourism has also the power to contribute to increasing the value of the HDI. In this sense, Figure 2, based on a number of 138 countries, highlights this interdependence by representing the HDI reliance on the quality of tourism development measured using the *TTCI*. This index summarizes the set of factors and policies, including public expenditure policies, that enable the sustainable development of the travel and tourism sector, reflecting the role and quality of active leisure.



**Figure 2. Human Development Index and Tourism Competitiveness Index Relationship (2019)**

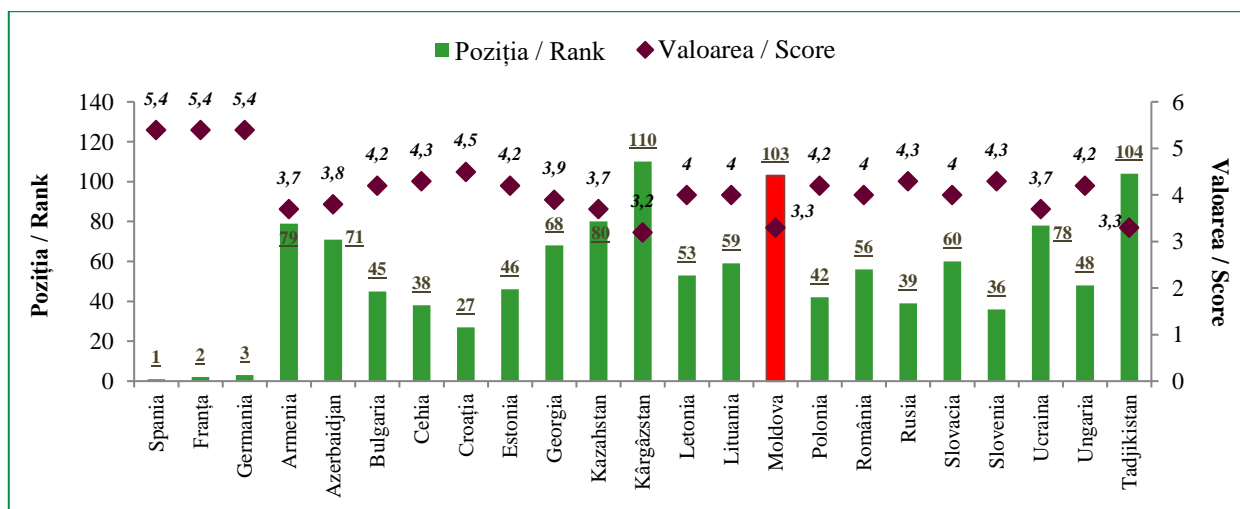
Source: Developed by the author based on (UNDP, 2019; WEFORUM, 2019).

As may be observed in figure 2, the *TTCI* strongly and positively influences the *HDI*. This finding suggests the conclusion that the quality of respect for the right to rest, materialized, including through tourism, is a factor with a major positive impact on *HDI*.

The harmonious development of domestic and international tourism depends on the quality of public policies designed to stimulate the growth of this sector. In this respect, the basic instrument through which the promotion of public policies in the field of tourism is achieved is public finances, in particular public expenditures and the quality of their management.

Next, the development of the tourism sector in the Republic of Moldova is evaluated in terms of the quality of public expenditure management for this field.

As follows in figure 3, in the case of the Republic of Moldova, the 3.3 *TTCI* score determines the rank of the country on the 103<sup>rd</sup> position (out of the 144 countries evaluated in the Report on the competitiveness of the travel and tourism sector). Thus, the Republic of Moldova is less competitive in terms of tourism compared to the vast majority of former socialist countries. In this respect, the most successful are Croatia (ranking 27), Slovenia (36), Russia (39) and Poland (42).

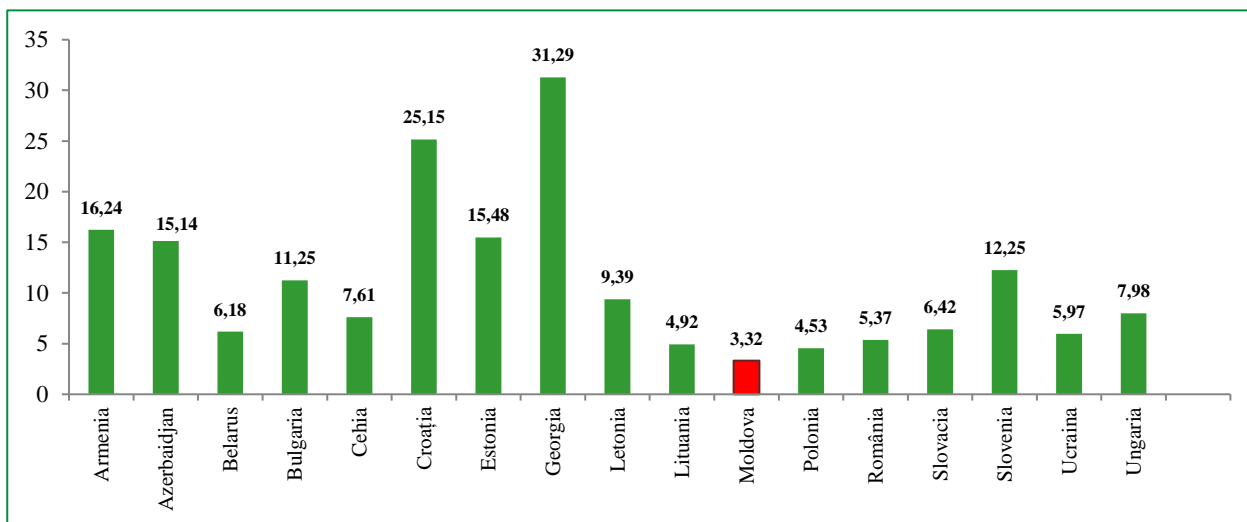


**Figure 3. Tourism Competitiveness Index 2019: Overall Rankings and Scores**

Source: Developed by the author based on (WEFORUM, 2019).

The causes that explain the unsatisfactory level of the *TTCI* in the situation of the Republic of Moldova are derived from the state of the component elements of this indicator. In this regard, referring to the *TTCI* pillars, the most unfavourable situation is in the case of the following parameters: "Cultural resources and business travel" (the Republic of Moldova registers the score 1.2, the maximum possible score being 7), "Natural resources" (1.7), 'Air transport infrastructure' (2.1), 'Land and port infrastructure' (2.6), 'Tourist services infrastructure' (2.9).

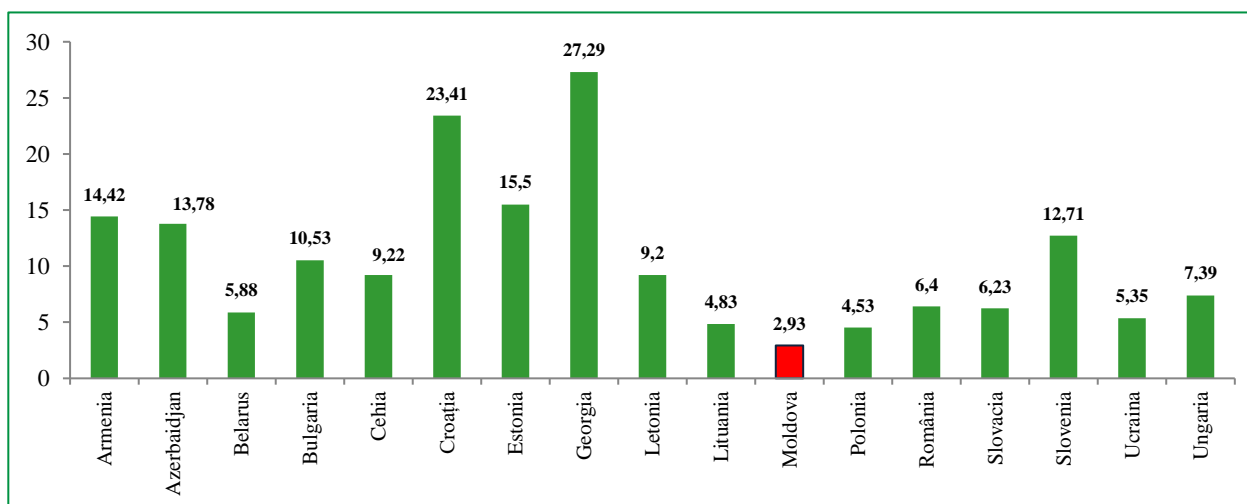
The underdevelopment of the tourism sector conditions the modest contribution of this sector to the formation of the gross domestic product of the Republic of Moldova (Figure 4). Thus, compared to some former socialist countries, the Republic of Moldova has the lowest share of tourism in GDP.



**Figure 4. Travel and Tourism contribution to GDP, 2018 (%)**

Source: Developed by the author based on (WORLD BANK, 2019).

The contribution of tourism to employment being, at the same time, a consequence, but also a substantive condition of the level of development of this sector, that registers, in the case of the Republic of Moldova, the lowest score among the countries included in the analysis represented in figure 5.



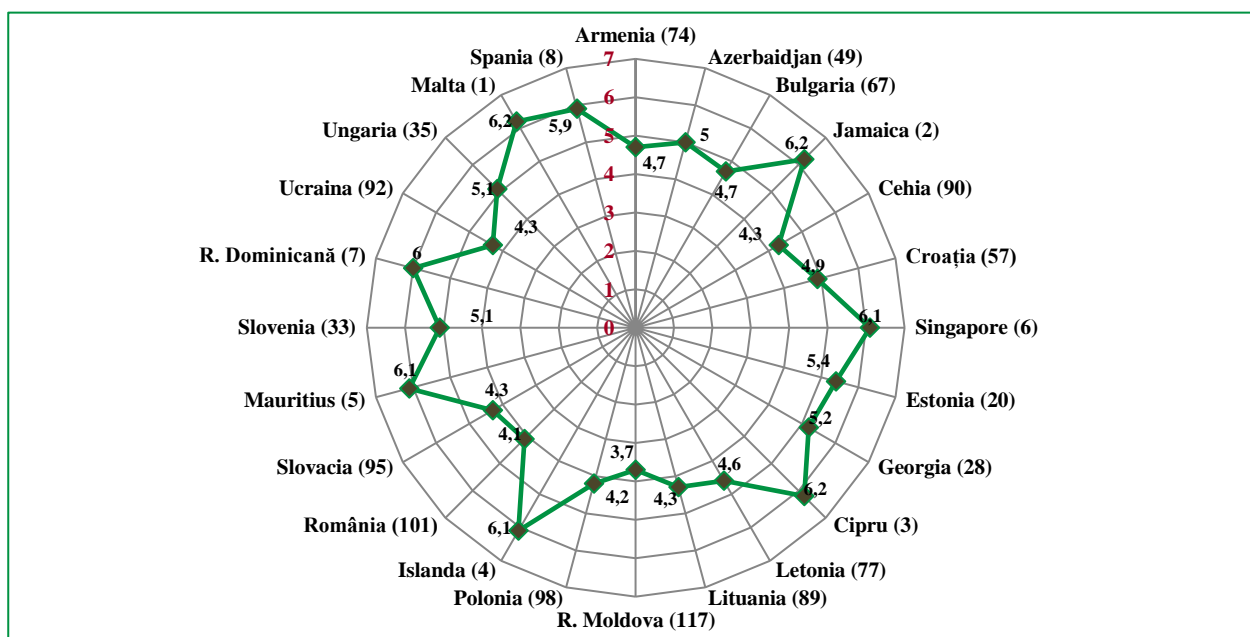
**Figure 5. Travel and Tourism contribution to employment, 2018 (% of total employment)**

Source: Developed by the author based on (WORLD BANK, 2019).

**The Travel and Tourism (TT) Policy sub-index and stimulatory conditions**, which are among the four components of the *TTCI*, include specific policies or strategic issues that most directly

influence the TT industry. In turn, this sub-index is based on 4 pillars: TT prioritization, international openness, price competitiveness and environmental sustainability. The efficiency of public finance policies, including those related to public expenditure is reflected by the pillar – the prioritization of TT. This pillar estimates the extent to which the government gives priority to the TT sector, influencing the competitiveness of the TT. By clearly stating that the sector is of primary concern, the government can channel funds to essential development projects and coordinate the players and resources required to develop the sector. Signalling the stability of government policy can affect the sector's ability to continue to attract private investment. The government can also play an important role in attracting tourists directly through national marketing campaigns. This pillar includes measures in respect of government spending, the effectiveness of marketing campaigns and country branding, as well as the completeness and actuality of providing TT data to international organizations, as this establishes the importance a country attaches to its TT sector.

Figure 6 indicates the position of the Republic of Moldova compared to the group of countries included in the analysis. Regarding the quality of travel and tourism policies estimated in the Report on Tourism Competitiveness (2019 edition), the Republic of Moldova, gaining a score of 3,7 thus occupying the position 117, stays well behind both EU and some of Eastern Partnership countries (*Armenia, Azerbaijan, Georgia, Ukraine*). Among EU countries most successful in this regard there are Malta and Cyprus. Among the Eastern Partnership countries, Georgia is the best positioned (28th), suggesting that it promotes the most appropriate government policy to increase the competitiveness of the TT sector compared to the other countries in this bloc of countries.



**Figure 6. Prioritization of Travel & Tourism: sub-index score (1 - worst; 7 - best) and country rank (in brackets)**

Source: Developed by the author based on (WEFORUM, 2019).

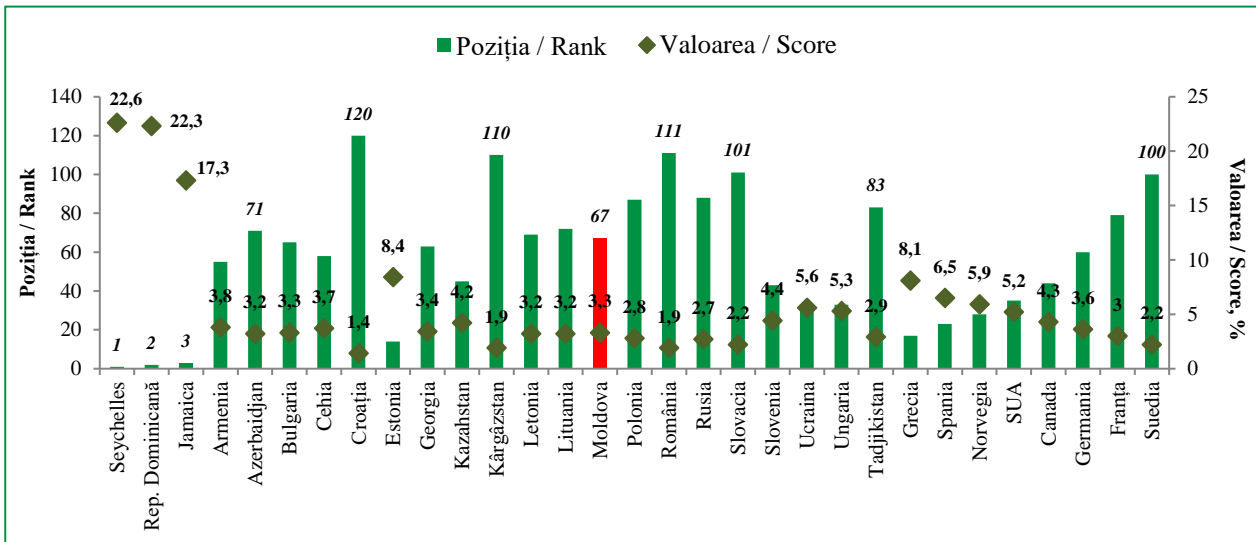
Public spending policy is one of the most important components of government travel and tourism policy.

From figure 7 it turns out that the Republic of Moldova, registering a share of tourism expenditures of 3.3% from total public expenditures, occupies position 67 in the total of 140 countries evaluated in the Report on the competitiveness of tourism (2019 edition). This value is thus comparable to that recorded by Bulgaria, Azerbaijan, Latvia, Lithuania, Georgia. The highest values are recorded by the Seychelles, the Dominican Republic and Jamaica.

In the budgetary classification, tourism is comprised in the functional subgroup 0473, the following categories of expenditures being covered from the sources of the national public budget:



- administration of services in the field of tourism, promotion and development of tourism, ensuring the connection with transport services, hotels and restaurants and with other fields that benefit from the result of tourism development;
- management of tourist offices in the country and from abroad, organization of tourism marketing/advertising campaigns, production and dissemination of literature to promote tourism.



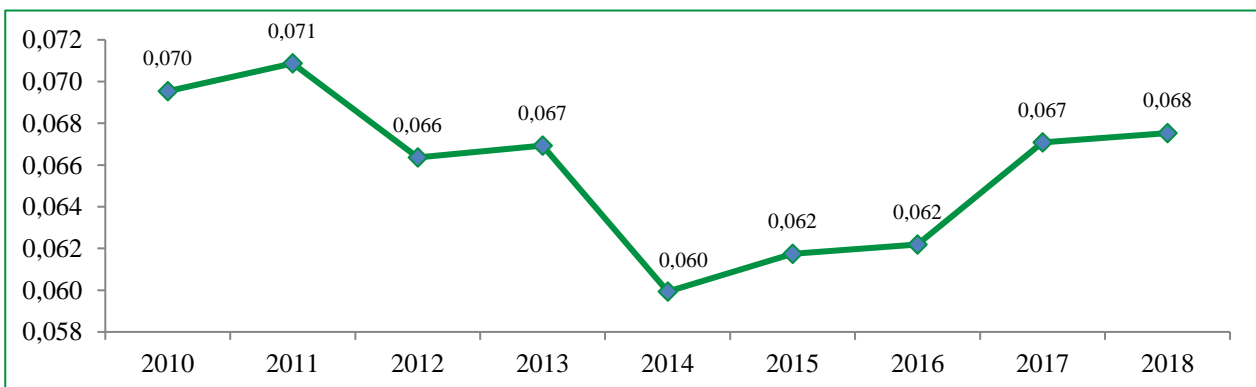
**Figure 7. Government spending on Travel and Tourism service (% of total government budget)**

Source: Developed by the author based on (WEFORUM, 2019).

The data contained in figure 7 contrasted with those of figure 4 generates the conclusion about the inefficiency of public spending on tourism. Considering a comparable level of public spending on tourism in GDP with Bulgaria, Azerbaijan, Latvia, Lithuania and Georgia, the Republic of Moldova has a contribution of this sector in GDP well below the contribution of the tourism sector in the countries concerned.

Also of interest is the dynamics of public expenditures for tourism in the Republic of Moldova. Thus, figure 8 shows a fluctuating evolution of the ratio between public spending on tourism and GDP. After the decline in public funding of this sector in the 2011-2014 period, during the 2015-2018 time segment there is a very modest increase in public funding.

The conclusion that requires to be formulated based on figure 8 is that, although, according to Law no. 352 of 24.11.2006 on the organization and development of tourism in the Republic of Moldova, tourism is qualified as a priority area of the national economy, the public financing policy of this sector is inconsistent and does not induce stability and sustainability.



**Figure 8. Government spending on Travel and Tourism service (% of GDP)**

Source: Developed by the author based on (WORLD BANK, 2019).

A consequence of this public policy is the dynamic development of imports on the market of tourist services of the Republic of Moldova. However, this cannot be said about the export of tourist services. According to the data presented in table 1A of the Annexes, the outbound tourism exceeded in 2019 by the number of tourists-days the inbound tourism more than 33 times. The inefficiency of public policy in the field of tourism is observed even more strongly from the analysis of the dynamics of domestic tourism: when it does not stagnate, it faces obvious regresses (in 2016, 2017 and 2019 domestic tourism). This is mainly explained by the "price to quality" ratio, which is not in favour of the domestic tourism industry.

At the same time, from the point of view of the right to rest and leisure, domestic tourism is of particular importance. Thus, domestic tourism is a suitable solution for rest and leisure during weekends. Simultaneously, domestic tourism must be an affordable solution for people with incomes below the average level.

The effectiveness with which public expenditures for tourism development are being carried out can be approached in terms of two dimensions: allocative efficiency and technical efficiency.

Taking into account the pronounced limited public financial resources available to the National Public Budget of the Republic of Moldova, allocative efficiency is of particular importance. Allocative efficiency is determined by the capacity of the public authority responsible for tourism development in the Republic of Moldova (Tourism Agency/Investment Agency) to establish priorities in tourism development, to distribute resources according to the identified priorities and effectiveness of programs and to redirect resources from achieved objectives to setting new ones, or from less productive activities to those with higher productivity.

In its turn, technical or operational efficiency in the using of available budgetary resources for tourism development refers to the ability of the Tourism Agency/Investment Agency to implement programs in the field and to provide services at the lowest cost.

Until 2018, the central administrative authority responsible for promoting public policy in the field of tourism in the Republic of Moldova was the Tourism Agency. In 2018, it was reorganized by merging with the Investment Agency of the Republic of Moldova, the latter having the mission to contribute to the economic growth by increasing the level of foreign investment, increasing the volume of exports and developing the tourism industry. At the same time, the frequent change of governments in the Republic of Moldova with the application of various approaches each time on the reform of the central public administration have affected, among other things, the efficiency of spending public money for the development of the tourism branch.

The shortcomings in the management of public expenditures aimed for tourism with an impact on the allocative efficiency are pointed out further:

Inadequate prioritization of the directions of tourism development in conditions of very limited financial resources. The tourism sector in the Republic of Moldova faces a number of pronounced impediments. These include a lack of adequate skills in the tourism workforce, relatively underdeveloped land, river and air transport networks, and declining price competitiveness. Although the "Tourism 2020" Tourism Development Strategy has largely identified these shortcomings, formulating an extensive list of actions to overcome them, the problems mentioned above have not been addressed, remaining current and ongoing. Consequently, at a level comparable to public expenditure on tourism in GDP with Bulgaria, Azerbaijan, Latvia, Lithuania și Georgia, the Republic of Moldova has a contribution of this sector to GDP well below the contribution to the tourism sector in those countries.

The Government fails in applying an integrated approach to tourism development in the Republic of Moldova based on the efficient exploration of interdependencies, synergies and trade-offs between the tourism industry and other related sectors and activities. As a result, significant benefits and savings in financial resources are being missed.

In the strategic documents that establish the direction of long-term tourism sector development in the Republic of Moldova, tourism is not treated as a solution for strengthening the right to rest and leisure.

In turn, the technical efficiency of public expenditures for tourism sector development has been severely affected by numerous management gaps, which have been identified and published several times in the Reports by the Court of Accounts of the Republic of Moldova.

Thus, although it appears as an action to be implemented in the "Tourism 2020" Strategy, so far the management of the national brand portfolio is not ensured in good conditions. In fact, according to the Court of Accounts of Moldova, it is not even recorded in the accounting records. Consequently, due to the fact that the necessary activities regarding the monitoring and control over the legality of the use of brands by third party users are not carried out, the Republic of Moldova faces potential failed revenues and financial losses related to the reckless use of tourist brands.

So far, the tourist heritage register has not been established, which creates premises for missing economic opportunities/benefits and disadvantages the development of the tourism sector.

At the same time, the technical efficiency at the level of the central authority responsible for tourism sector development is compromised by an internal control system that is not properly organized, the existence of distorted information in the accounting and financial statements, compromising the inventory of assets and liabilities, the existence of expenses illegally supported.

In compliance with the shortcomings outlined above, the following solutions could, in our opinion, improve the efficiency of public expenditure management for tourism:

It is of strong necessity to conduct research in the field of tourism in order to identify common interests or synergies between the Investment Agency, responsible for the development of tourism sector in the Republic of Moldova and other related public authorities. This task could include the conducting of a cross-sectoral policy mapping exercise that would systematically assess the interdependencies between multiple policy sectors, actors and organizations directly or indirectly interested in tourism sector development.

The implementation of institutional arrangements to establish and harness policy synergies to the full extent for the development of tourism sector. In this regard, it is necessary to improve the collaboration between different ministries and government agencies, the exchange of knowledge and the awareness and common understanding of the benefits and disadvantages of policy synergies. This could involve the creation of communication forums and cross-sectoral discussions.

The integration of the right to rest and leisure in the strategic documents that regulate the perspective development of the tourism sector. In this context it is necessary to address issues related to the impact of tourism on the quality of life in the Republic of Moldova, the inclusion and accessibility of disadvantaged categories of the population to the tourism products and services. At the same time, the integration of human rights in the public budget process and the efficient management of public expenditures in order to strengthen ESCR is a solution for consolidating the right to rest and leisure, the latter being strongly connected to the level of tourism sector development.

Improving financial management and its components (asset and liability management, public revenue and expenditure management, internal control systems development, etc.) within the Investment Agency.

## CONCLUSIONS

Research carried out in this article brings out the following conclusions:

Everyone's right to rest and leisure emphasizes the opportunity and necessity for the harmonious development of domestic and international tourism depends on the quality of public policies designed to stimulate the growth of this sector. The basic tool for promoting public policies in the field of tourism is public finances, especially public expenditure and the quality of public finance management.

The level of respect for the ESCR measured by the HDI is strongly associated with the level of development of the tourism sector assessed using the TTCI. Therefore, tourism being one of the ways to achieve the right to rest and leisure and, by means of it – a premise for updating and developing people's personal potential, has the power to contribute to increasing the value of HDI.

The following shortcomings affect the sound management of public spending on tourism development: inadequate prioritization of the directions of tourism development in conditions of very limited financial resources; Government's failure in applying an integrated approach to tourism development based on the efficient exploration of interdependencies, synergies and trade-offs between the tourism industry and other related sectors and activities; in the strategic documents that establish the direction of long-term tourism sector development tourism is not treated as a solution for strengthening the right to rest and leisure; reduced technical efficiency of public spending on

tourism due to inadequate financial management within the Tourism Agency/Investment Agency.

The efficiency of public spending on tourism can be improved by applying the following solutions: conducting a research in the field of tourism to identify common interests or synergies between the Investment Agency, responsible for the development of tourism sector in the Republic of Moldova and other related public authorities; implementation of institutional arrangements for establishing and harnessing on policy synergies to the full for the development of tourism sector; integration to the right to rest and leisure in the strategic documents that regulate the perspective development of the tourism sector; integration of human rights in the public budget process and public expenditures management in order to strengthen the right to rest and leisure, the latter being strongly connected to the level of tourism sector development; improving financial management within the Investment Agency.

Annex

**Table 1A. Tourist activity of travel agencies and tour operators in the Republic of Moldova**

	2015		2016		2017		2018		2019	
	tourists and excursionsists	tourists-days	tourists and excursionsists	tourists-days	tourists and excursionsists	tourists-days	tourists and excursionsists	tourists-days	tourists and excursionsists	tourists-days
<b>Total</b>	242559	1688546	234217	1558192	284953	2046642	323468	2130052	376625	2408548
<b>Inbound tourism<sup>1</sup>, total</b>	<b>15514</b>	<b>44472</b>	<b>15668</b>	<b>46920</b>	<b>17497</b>	<b>55523</b>	<b>19276</b>	<b>58204</b>	<b>19848</b>	<b>60993</b>
of which, for the purpose of:										
- rest, leisure and recreation	10097	22527	11454	28010	13706	35505	15835	40827	16928	43874
- business	4196	13123	3062	9438	3002	10392	2857	9781	2358	9967
- treatment	488	6609	606	7828	789	9626	584	7596	562	7152
- other purposes	733	2213	546	1644						
<b>Outbound tourism<sup>2</sup>, total</b>	<b>189790</b>	<b>1338534</b>	<b>177252</b>	<b>1229335</b>	<b>229349</b>	<b>1713716</b>	<b>264055</b>	<b>1752066</b>	<b>310649</b>	<b>2035895</b>
of which, for the purpose of:										
- rest, leisure and recreation	188131	1326079	175364	1215872	226854	1698702	261262	1733236	305173	1989610
- business	676	3381	863	3118	1417	4084	1390	5417	1989	8140
- treatment	816	8193	1024	10335	1078	10930	1403	13413	3487	38145
- other purposes	167	881	1	30						
<b>Domestic tourism<sup>3</sup></b>	<b>37255</b>	<b>305540</b>	<b>41297</b>	<b>281917</b>	<b>38107</b>	<b>277403</b>	<b>40137</b>	<b>319782</b>	<b>46128</b>	<b>311660</b>

Source: Developed by the author based on [BNS RM Activitatea agențiilor de turism].

Note:

<sup>1</sup> Receiving foreign citizens in the country

<sup>2</sup> Travelling of Moldovan residents abroad

<sup>3</sup> Travelling of Moldovan residents inside the country, for tourism purposes

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