

**Emerging Markets Economics and Business.
Contributions of Young Researchers**

***Proceedings of the 14th International Conference of Doctoral Students
and Young Researchers***

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FACULTY OF ECONOMIC SCIENCES
DOCTORAL SCHOOL OF ECONOMIC SCIENCES**

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PREFACE

Scientific research in economic sciences currently plays, maybe more than ever, an important role in generating solutions and models of economic and social development. Moreover, in the contemporary world, development is inconceivable in the absence of sustained research and development activities. Undoubtedly, scientific research must be conducted primarily in higher education institutions, in academic and research laboratories.

In this context, the scientific research of young people - students, master students and, in particular PhD students - acquires special meanings and its promotion is a duty of honour to academics and supervisors at all levels.

Recognizing and understanding all these realities, in the Faculty of Economic Studies and Doctoral School of Economic Sciences at the University of Oradea, there have been encouraged and supported the efforts and steps on the path of doctoral scientific research. Thus, since 2010 there is organized an Annual Doctoral Symposium of PhD students in Economics and related fields, and papers carefully selected after the peer-review process were published in a volume that encompassed the contributions of PhD students in Economics. This year, the International Conference of Doctoral Students and Young Researchers took place in an online format, being organized in academic partnership with University of Miskolc, Hungary, and with the support of International Business School in Botevgrad, Bulgaria and CCSISEO Association.

Now, we release the 56 papers accepted from the scientific contributions of the PhD students, presented at the 2023 edition of the International Doctoral Conference and selected after the review process. The papers deal with topics related to Economics, Business Administration and related fields.

We release the 11th issue of the journal *Emerging Markets Economics and Business. Proceedings of the 14th Conference of Doctoral Students and Young Researchers* with the belief that young researchers are, by training and audacity, a tank of opinions, viewpoints, and especially solutions and proposals, and aware that they should be encouraged and promoted as to enable them to confirm the hopes of their teachers and supervisors.

Last but not least, special thanks are due the members of the International Advisory Board and of the Scientific Board, to reviewers, to the members of the organizing committee, and to all generous fellows who supported the International Conference of Doctoral Students and Young Researchers, Symposium held on 24th of November 2023 online at the University of Oradea, and thus made possible the release of this volume.

Oradea, December 2023

President of the Conference,
Professor Alina Badulescu

THE EFFECT OF DIFFERENT MANAGEMENT STYLES ON THE IMPLEMENTATION OF ALTERNATIVE ASSESSMENT IN HIGH SCHOOLS IN ISRAEL

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Abstract: *This article deals with an extremely important issue in the world of education - examining the relationship between different management styles of high school principals in Israel, and the level of success in the implementation of alternative learning and assessment processes. The current research combines quantitative research methods with qualitative research methods. In the first stage of the research, managers, teachers and students of different age groups, from high schools throughout Israel, has been sampled. Until the writing of this paper, 23 managers, 281 teachers and 279 students were sampled. The study identifies two main categories of management style mixes of high school principals. Substantial and distinct differences were found between these two categories in the implementation of the alternative evaluation method, which affects the entire school conduct (managers, teachers and students), as well as the academic achievements of the students. The article offers several recommendations for the enrichment of school administrators in terms of their management style.*

Keywords: alternative assessment; management styles; school.

JEL Classification: I21, J53

1. Generally Introduction

This research deals with the issue of the relationship between management styles and the implementation of alternative assessment in secondary schools in Israel. Researchers were focused on the issue of management styles, effective management as well as the subject of alternative assessment, in the field of education in the past, and are still focused on it today.

The research literature indicates that school principals play an important and significant role that affects a variety of aspects, among them the school climate, the educational activities and the academic, social and emotional achievements of the students (Carmel, Y., Herring, A., Bobrovsky, E., 2023).

Professor Ichak Adizes, one of the most important management experts in the last forty years, built a model that contains possible profiles of managers, using the four traits that should exist in them, in different doses, which he called PAEI style.

Adizes claims that there is no effective management of a single manager and it does not matter what his management style is, but an optimal combination of all four styles together.

2. The research hypotheses, variables, method, tools, sample

My research is partially based on the model described above and examines the relationship between management style and the implementation of alternative assessment in high schools in Israel.

2.1. The research hypotheses

- Is there a correlation between the school's management style for teaching and learning with alternative methods?
- Is there a correlation between school management and assessment using alternative methods?
- Is there a correlation between teaching and learning using alternative methods and the students' academic results?
- Is there a correlation between assessment using alternative methods and the students' academic results?
- Is there a correlation between the support of the parents and the management of the school?
- Is there a correlation between the supervision of the Ministry of Education and the management of the school?

2.2. The research variables

- Independent variable: the management style of the school
- Dependent variables: teaching and learning in alternative methods
- Dependent variables: assessment using alternative methods
- Dependent variables: the students' academic results

2.3. Research method

The current research combines quantitative research methods with qualitative research methods. The integrative method is defined as the collection or analysis of data, simultaneously or sequentially, in a qualitative and quantitative research method (Creswell, J. W. 2014).

The purpose of combining the methods in this research is to enrich the explanations of the findings that will be obtained in the quantitative part of the research and to obtain a broad and deep picture of the implementation of the alternative assessment in the classroom and the factors influencing this implementation. According to Johnson (2019), the combination of methods may provide a comprehensive and useful answer to the research questions, more than using one method.



Figure 1: The stages of the sequential design research model

Source: Hanson, W. E(2005)

2.4. Research tools and the sample

The research tools in the quantitative part are questionnaires. There are three types of questionnaires: questionnaire for the manager, questionnaire for the teacher, questionnaire for the student. The research tools in the qualitative part will be semi-structured in-depth interviews (Johnson A., 2018).

In the first stage of the research, managers, teachers and students of different age groups, from high schools throughout Israel, has been sampled.

The second phase of the research will include interviews with professionals in the Ministry of Education, such as managers and/or supervisors.

3. Partial conclusions from the current sample

The management style mixes found according to Adizes' "Management Styles" model, were actually divided, according to the nature of the respondents' answers to the questions/statements, into two main categories, where in each category there are minor changes between the prominence of the management styles (P, A, I, E). The first category includes the following management style mixes: PAEI, APIE, PAIE. The second category includes the following management style mixes: EIPA, EIAP, IEPA.

- In the first category of schools, there are infrequent meetings regarding alternative assessment, while the second category has frequent meetings on this subject.
- The first category prioritizes high achievements even at the cost of educational processes, whereas the second category strives for high achievements without compromising education.
- Competition among teachers for student results is significantly higher in the first category.
- Principals in both categories claim their schools address field-specific issues effectively, but teachers' responses suggest otherwise for the first category.
- Flexibility in teaching subjects is limited in the first category, but allowed in the second category.
- While both claim to support teacher initiatives and innovations, teacher responses indicate issues in the first category.
- Teachers' opinions on management's efforts to build a team are divided in the first category.
- Teachers' input in decision-making and conflict resolution is less considered in the first category.
- Incentives for teachers are primarily non-material in the second category, while in the first category, material incentives are minimal.
- Academic results in the second category show improvement attributed to innovative teaching methods, while the first category's results remain inconsistent.
- Planning and control of alternative assessment processes are more decentralized in the second category.
- Teachers in the second category have more autonomy in choosing assessment tools.
- Alternative assessment tools are used more extensively in the second category compared to the first category.
- Students in the second category feel like partners in the learning process, while this feeling is limited in the first category.
- Learning with alternative assessment methods is more engaging and motivating in the second category.
- Both students and teachers prefer alternative assessment over traditional tests.
- Teachers in the second category are better equipped and trained for alternative assessment implementation.
- Resources for alternative assessment are more accessible to teachers in the second category.
- Students in the second category have more freedom to choose evaluation tools and topics compared to the first category.

4. Recommendations

- Conduct frequent meetings between school management and teachers to discuss alternative assessment.
- Foster an ongoing dialogue between teachers and students for feedback, enhancing student participation, interest, motivation, and success.
- Find a balance between educational achievement and maintaining effective educational processes.
- Strengthen the relationship between school administration and teaching staff to address field-specific issues and streamline decision-making and development plans.
- Collaboratively construct and control the annual work plan for alternative assessment involving the entire teaching staff.
- Grant teachers more autonomy in choosing assessment tools and subjects, considering student input, to improve academic results.
- Enhance support for teachers' innovative initiatives and projects.
- Develop a comprehensive program for building a cohesive school team.
- Promote negotiation as a conflict resolution tool at the team level.
- Streamline professional training, teacher registration for extracurricular training, and teacher evaluation to reflect their activities fairly.
- Cultivate a culture of professional cooperation among teachers, encouraging sharing of teaching materials.
- Identify and secure resources needed for teaching and evaluation activities.
- Explore creative options for material incentives for teachers using alternative assessment methods, along with non-material incentives.
- Improve transparency with the teaching staff regarding support from local authorities and supervision, involving teachers in discussions to enhance support for alternative assessment methods and student achievements.

5. Acknowledgments

I would like to thank my supervisor Professor Maria Madela Abrudan, Professor Nicola Bibu, for the support and help with the research, as well as my dear family.

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THE IMPACT OF SCHOOL MANAGEMENT AND PRINCIPAL'S LEADERSHIP STYLE ON TEACHERS' HAPPINESS

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Abstract: *This paper examines the principal's leadership style and its impact on teacher's happiness within Arab-Israeli schools. It examines factors that influence teacher's happiness. The factors that were found to influence teacher's happiness include personal life and working conditions at the school. It was also found that the transformative leadership style has a more positive impact than the rewarding and avoiding styles on various variables, such as the quality of school management, the school support for teaching and learning, the school support for children, Relations between teachers, the ability of the school to scrutinize its development, strengths, and weaknesses through self-assessment, and relations with parents.*

Keywords: School leadership style; School Stakeholders; Teacher's happiness; School working conditions; Arab schools in Israel; Personal Life.

JEL classification: I21 – Analysis of Education.

1. Introduction

This study examines the relations and dynamics among the internal stakeholders of a school and its impact on teachers' happiness in Israel. More specifically, the study scrutinizes the relationship between the principal's leadership or management style (independent variable: transformative, rewarding or avoiding style), on the one hand, and teachers' happiness and self-efficacy on the other (intervening variable), and consequently its effect on students' performance (Nir & Kranot, 2006; Feldhoff, Huber & Rolff, 2010; Zhang & Xiong, 2015). The study also explores other factors that may affect a teacher's satisfaction/happiness, such as the working conditions at school, personal life, advancement, commitment to teaching, etc. Every year, hundreds of new principals occupy the position of managing a school. Some of the principals grew up out of the same school and some came from other schools. The transition is sharp and constitutes a shock for them, given the difficulty in moving from work with students to work with the staff (Aarar, 2017).

This transition poses many difficulties for the principal in dealing with the teachers; the principals is expected by teachers to pursue policies of support, inclusion, encouragement and empowerment of the teachers. When the school has a professional cooperative relationship, she can develop a strong professional culture based on shared values of work. The chapter reviews the leadership styles of principals and its repercussions on teachers in terms of affecting their happiness or unhappiness and consequently their self-efficacy as educators proceedings.

2. School Management and Principal's Leadership Style

School management, like any other type of management or leadership, is based on the unique institutional conditions on the ground, where influencing factors often take place in both directions of reciprocity between the institutional conditions and the leader. It is therefore necessary to begin with an analysis of the internal framework within which the school management operates (Christ & Dobbins, 2016). This preliminary work is essential if the actions of the school management are to be examined on how they affect teachers' happiness and consequently their self-efficacy, assuming that there is a positive correlation between teachers' self-efficacy and the student's performance. The term 'educational unit of action', i.e. the educational freedom and autonomy that every teacher enjoys in the classroom, and also the school as a whole, established itself in research at the time.

Schools are no longer just educational units, but can and must be seen as political units that are independently responsible for administrative management, organizational and cultural development and new forms of advanced training (Bryson, Crosby & Bloomberg, 2014). The school is a triad, consisting of organizational, teaching and personnel development, which should always be aligned with the learning progress of the students as the ultimate reference point. These changes result in a new, expanded responsibility, but also in wider design options for the school management. The school is perceived as a field of tension between the requirements of the state and society on the one hand and autonomy and design options on the other. Along with this, school administrators are given the opportunity to decide more and more freely about resources and their use, but only then does the increasingly stronger desire for comparability arise.

The use of the existing autonomy of the individual school must, however, be defined in more detail in this context, especially since the process of designing schools with extended freedom is closely associated with modern business administration and the theory of New Public Management (NPM), which was shaped by changes in the public sector in a large number of OECD countries in the 1980s (Kalimullah, Alam & Nour, 2012). NPM mainly measures decentralization with the aim of increasing the independence and consequently effectiveness of the local administration. Fundamental here was not the desire to change the system.

3. Findings:

Table 1: Teachers' Satisfaction

| Tests of Model Effects | | | |
|------------------------|-----------------------------|----|-------|
| Source | Type III | | |
| | Likelihood Ratio Chi-Square | df | Sig. |
| Adv_Med | 13.013 | 8 | .111 |
| Colleagues_Med | 4.998 | 3 | .172 |
| Teaching_Med | 10.710 | 6 | .098 |
| Working_Cond_Med | 62.341 | 4 | <.001 |
| Personal_life_Med | 41.059 | 4 | <.001 |

Dependent Variable: Satisfaction_of Teachers_Median
 Model: (Threshold): Advancement_Median, Colleagues_Median, Teaching_Median, Working_Conditions_Median, Personal_life_Median

From Table 1, we can notice that the variables of working conditions and personal life are significant and have some effect on teachers' satisfaction. Personal life is a reflection of questions, such as whether the teacher has a happy life, and whether s/he has a particular sense of meaning and purpose in his/her life. This happiness, meaning and purpose in life has implications on whether the teacher is happy in his work too. The teachers who participated in the survey and filled out the questionnaire were asked whether they enjoy a happy personal life and whether s/he has a sense of meaning and purpose in her/his life, yet without delving into the causes of this happiness. The working conditions at the school could include factors such as whether the school is accessible, large, and clean.

Table 2 focuses on the correlation between the principal's leadership style and various variables that include the following: Quality of school management, The school support for teaching and learning, the school support for children, Relations between teachers, the ability of the school to scrutinize its development, strengths and weaknesses through self-assessment, and relations with parents.

Table 2: The impact of Leadership Style on Teachers

| | | Transform_Pr | Reward_Pr | Avoid_Pr |
|-----------------------------|------------------|--------------|-----------|----------|
| Mngmnt_Org_Median | Pearson Correlat | .750** | .725** | .315** |
| | N | 197 | 197 | 198 |
| Lrning_Tching_Median | Pearson Correlat | .564** | .514** | .272** |
| | N | 191 | 191 | 192 |
| Schl_Cltr_Spprt_Chld_Median | Pearson Correlat | .515** | .497** | .232** |
| | N | 194 | 194 | 195 |
| ReltionsBtwTchers_Median | Pearson Correlat | .515** | .495** | .278** |
| | N | 192 | 192 | 193 |
| Assessmnt_Lrning_Median | Pearson Correlat | .654** | .660** | .301** |
| | N | 195 | 195 | 196 |
| Prnts_Rltns_Median | Pearson Correlat | .551** | .558** | .250** |
| | N | 194 | 194 | 195 |

Table 2 shows that all the variables are significant and positive. Yet the transformative leadership style has in most cases higher coefficient than the other two styles, especially the avoiding style. In some cases though, the rewarding leadership style has a higher coefficient than the transformative leadership style.

The role of the school principal has changed in recent years, and it is a challenge to meet the different areas of responsibility. Likewise, the educational leadership model is

designed in such a way that every activity and task of the school principal is directly related to the performance of the students. The work is characterized in particular by the fact that it is to be understood through case studies and personal recommendations for action on concrete use in practice and less as an empirical investigation or contribution to the formation of a theory.

4. Conclusion

This paper demonstrates that the principal's leadership style has tremendous impact on other internal school stakeholders, such as teachers. This paper focuses on teachers' happiness, where the principals has the ability of forging teamwork among teachers, creating adequate working conditions at school, forming relations with parents, creating a school culture and environment that supports children, etc. All of these variables impact teachers' happiness and consequently on students' performance.

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DIGITIZATION OF EDUCATION IN ROMANIA

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Abstract: *With the digitisation of education, teachers and students can access an increasing number of digital technologies and resources and use collaborative platforms to improve teaching and learning practices. However, the obvious benefits of incorporating technology and digital resources into education, particularly during the covid-19 pandemic, come with a number of challenges. Based on these premises, the aim of this paper is to analyse the perceptions of teachers about digitalization, particularly primary school teachers. The main question is: how is digitisation perceived by primary school teachers in Romania? For this purpose, qualitative analysis based on interviews will be used as a research method. The results will show that digitisation has a positive impact on education if the digitisation of the educational process starts at primary school level.*

Keywords: digitization; education; digital skills.

JEL classification: I210, I250, I290.

Introduction

The purpose of this paper is to analyze the teachers' perceptions about the impact of digitisation in education, particularly primary school teachers. This is because primary school teachers can provide a relevant point of view on the positive impact of digitization in the educational process and the need for digitization of the educational act as early as primary school.

Digitisation should be understood as the process of retrieving analogue information and encoding it so that computers or devices can recognise, process, store and then transmit it to users. The information is what we digitise, not the processes of digitisation (Bloomberg, 2018). At the same time, it is necessary to differentiate between digitisation and digital transformation, which refers to the changes associated with the application of digital technology in all aspects of human society. Digitisation is also accepted as the ability to transform existing products or services into digital variants, thereby providing advantages over the tangible product (Parviainen, P., Tihinen, M., Kääriäinen, J., & Teppola, S., 2017).

The importance of this theme start from the reality that the digitisation of the Romanian educational process is the key to the digital future and that it needs to start at primary school level, because today's pupils, from primary school level onwards, are growing up in a digital era (Rad, Egerău, 2020), which involves new challenges that we did not even think of 20 years ago.

Primary school in Romania, the first step in digitalization of education

In primary school the pupil discovers the complex cultural, intellectual and social life of the group and the important role of an adult, in the person of the teacher, whose model

gradually imposes itself through intellectual strength. Learning becomes the fundamental type of activity with its multi-sided formative aspects, especially because of the radical changes in the conditioning of psychological development as a whole. The assimilation of ever-new knowledge, but above all the responsibility for the quality of their assimilation, the situation of collaboration and competition, the obvious nature of the rules involved in school life contribute to the essential fundamental change in the future school graduate. This means that school work will make intense demands on intellectual activity, on the process of gradual acquisition of the knowledge contained in school curricula, and that the teacher must therefore take all these aspects into account.

Communication in Romanian, modern language, mathematics and environmental exploration, visual arts and practical skills, music and movement are some of the subjects studied by primary school pupils. The teacher must ensure, in the course of the instructional process, favorable conditions for increasing the effectiveness of perceptual learning by guiding and fully directing the students' ability to perceive, awareness, discrimination, recognition and appropriate interpretation of objects and phenomena perceived concretely, intuitively, directly, observationally. During early schooling, perception gains new dimensions, evolves. The processes of perception of space are primarily due to the enrichment of the child's own life experience under the influence of school, and the accuracy of differentiating and naming geometric shapes increases. Puberty learns to show an interest in knowledge, which stimulates the complex functions of the intellect (Sassu, 2006).

Basic digital skills for the primary school pupil

It seems that *The Strategy for the digitisation of education in Romania 2021-2027* (Ministry of Education and Research, 2021) seems to be a failure, because even at the level of the school year 2022-2023, no compulsory elements of digital skills, promised for the school year 2021-2022, have been introduced in primary school, with the idea that in 2027 90% of the Romanian population will have basic digital skills. However, if computer science and ICT elements were to be introduced into the primary school curriculum, they should aim for pupils to have the following digital skills by the end of primary school:

- Effective and safe use of hardware components
- Effective use of software components
- Effective and safe use of the Internet as a source of documentation
- Develop graphical animations and 3D models using specific operations to dynamically illustrate various themes
- Develop presentations using specific operations to illustrate various themes.
- Using specialised tools to produce digital material.

Primary school teachers' perception about digitization of education

In order to find out the perception of primary school teachers on the impact of digitization in education, the interview was used as a method of qualitative analysis of the digitization of education. The aim of the interview is to analyse the impression of primary and secondary school teachers on the digitisation of education. The interview was carried out at a school unit, primary and secondary school, in the municipality of Iasi, where there are 20 classes, implicitly 20 teachers teaching a total of 531 pupils. Before the interview began, the interviewees were made aware that:

- the confidentiality of the interview is respected;
- the interview will last a minimum of 30 minutes;
- the basic theme of the interview is: "THE IMPACT OF DIGITALISATION ON EDUCATION";
- NO WRONG ANSWERS;
- EVERYTHING THAT IS SAID IS IMPORTANT TO US;
- The discussion is recorded with the agreement of the parties.

In the interview, education specialists had to answer the following questions:

1. What does digitisation mean to you?
2. In your opinion, what advantages does digitisation bring to the educational process?
3. What do you see as the disadvantages of digitisation?
4. What are your expectations from the digitisation of education?
5. In your experience, which device(s) would be better to use in the classroom?
6. How do you see education in 10 years?
7. Tell us about a time when you used IT resources!
8. What difficulties have you encountered in using digital resources in the classroom?
9. In which subjects have you used digital resources?
10. From your experience, can you tell us how digitisation has changed the educational process?

Qualitative analysis of the interview

After interviewing education specialists, primary and secondary school, from a school in Iasi, the following coding was obtained:

- definition of digitisation - by combining the answers to question 1 and 4 – digitisation is the use of technology to combine traditional and modern methods;
- advantages and disadvantages of digitization in the educational process - by combining the answers to questions 2, 3 and 8-

Advantages of digitization:

- lessons have become more attractive;
- pupils are more active

Disadvantages of digitization:

- dependence on technology;
- difficult adaptation in the case of older people.

- Devices used in the educational process - based on answers to questions 5 and 7-

- Tablet;
- Laptop;
- Video projector;
- Smartphone.

- the present and the future of education under the impact of digitisation - based on answers to questions 6 and 10 -



- Present:
 - we use methods and processes other than traditional ones, relying on technology.
 - Future:
 - pupils will come to school with a tablet.
-
- subjects - based on answers to question 9 - in which digital resources are used: visual arts, personal development, geography, history, mathematics, music and movement.

Conclusions

Based on interviews with education specialists in primary and secondary education, it is quite evident that the digitisation of education enables teachers and pupils to access an increasing number of digital technologies and resources and to use collaborative platforms to improve teaching and learning practices. This would be a first positive aspect of digitisation in education. Of course there are also disadvantages related to access to technology, but overall, digitisation of education brings a great contribution to education and most teachers agree that without digitisation Romanian schools would be anachronistic.

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SOCIAL ENTREPRENEURSHIP

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Abstract: *Social entrepreneurship is the process of building businesses that aim to solve certain social, economic or environmental problems. The social entrepreneur seeks solutions to maximize profits while increasing the positive impact on a particular social problem, such as disadvantaged environments. It represents a nexus where innovation, empathy, and sustainability converge to address complex societal challenges. Also, the of social entrepreneurship should not be limited just at non-profit organizations. These kinds of entrepreneurs should be oriented into creating new jobs and into creating better conditions for those who live in poor countries. This article was written purposefully to offer a comprehensive perspective on how social entrepreneurship can address pressing global issues, foster economic growth in specific contexts like Romania, and serve as a versatile problem-solving tool, for example, in the COVID-19 period. Readers will gain a deeper understanding of the dynamic interplay between social entrepreneurship and these key domains, unveiling its transformative potential.*

Keywords: organizations; innovation; empathy; sustainability; impact; world.

JEL classification: L26, L31, O35

1. Introduction

When we are thinking about entrepreneurship, we must understand firstly the meaning of entrepreneur, who is one that initiates and manages a business venture having as a goal the creation of a new product, service or business, of great help for the customers, but at the same time it generates profit. According to Orhei (2007) entrepreneurship has a significant contribution within societies and in the development process, some of its benefits being obvious:

- **Creating social value:** In contrast to traditional entrepreneurs, who primarily focus on profit generation, social entrepreneurs primarily aim to create social value. (Chao Guo , Wolfgang Biefeld, 2014)
- **Systemic change:** Social entrepreneurs do not limit themselves to addressing the symptoms of social problems. They are committed to making deeper and systemic changes to address the root causes of these issues. (Markus Beckmann, 2012)
- **Resource mobilization:** Social entrepreneurs identify and mobilize resources, including funding, skills, time, and community support, to fulfill their mission. (David Ahlstrom and Garry Bruton, 2012)

Writing a paper on entrepreneurship often involves introducing the concept and delving into various methods of its measurement. This practice arises from the wide array of approaches to entrepreneurship. As Wennekers and Thurik note (S. Wennekers, Roy Thurik, 2008), there are thirteen distinct roles of an entrepreneur. The diversity in these definitions and roles is due to the extensive scope of entrepreneurship studies,

spanning across various disciplines, from social anthropology to organizational theory and mathematical economics.

2. Is social entrepreneurship an innovative solution nowadays?

Entrepreneurship, as a field, has gained widespread acceptance both in practice and in theory. However, its subcategory, social entrepreneurship, presents a contrasting picture. Social entrepreneurship is a relatively young concept that is in high demand in the practical world but is still considered in its infancy within the academic platform. In recent years, the field of social entrepreneurship research has gained significant momentum.. They possess a unique ability to identify innovative solutions and, in doing so, they often need to work with limited resources, whether that be financial, human, or environmental resources. (Doherty Bob, 2018)

Furthermore, Hardy Loh Rahim and Shahimi Mohtar (2015) have mentioned that social entrepreneurship goes beyond conventional problem-solving. It embodies a spirit of innovation and determination, aiming to create sustainable and long-lasting impact by addressing the root causes of social issues.

These hybrid organizations, for example Environmental Defense Fund, want to demonstrate that it is possible to maximize financial returns while also being socially responsible. Consequently, a profit-driven organization can be managed with an entrepreneurial approach as long as it incorporates social goals. The driving force behind the emergence of these hybrid organizations is often the personal motivation of social entrepreneurs who are committed to addressing the needs of the community. (Nardia Haigh, 2011)

Hardy Loh Rahim and Shahimi Mohtar (2015) claimed that there is a new model regarding the social entrepreneurship. This is divided in two categories:

- A nonprofit organization
- Hybrid organization

Under the nonprofit organization, the traditional NGOs are placed, which is the abbreviation for non-governmental organizations. Governments, foundations, business are setting up this type of organization many times. Also, these types of organizations are operated primarily by volunteers. Likewise, the hybrid organization is categorized is composed by social hybrid and economy hybrid. The main objectives of these types of organization are the financial and social terms.

3. The role of the social entrepreneurship in economic development in Romania

According to Naude Wim (2008) at the scale of the European Union as a whole, the proportion of rural residents stands at 28%. In the case of Romania, a country where about 44% of the populace resides in rural localities, at least 50% of its rural inhabitants faced a heightened risk of experiencing poverty or social exclusion in 2015. Within Romania, the agricultural sector and the rural economy exhibit considerable latent potential. This potential is underpinned by several pivotal factors, including a significant proportion of rural lands within the national expanse, the favorable state of natural resources, a notable concentration of the active labor force in rural environs, the availability of superior-quality agricultural and non-agricultural resources, and a discernible upward trajectory in the organic products sector. Nevertheless, this auspicious backdrop is counterbalanced by formidable challenges encountered by the rural populace, including poverty and profound structural deficiencies. A disconcerting statistic further underscores the complexity of the situation: a substantial 29% of

Romania's total agricultural land is occupied by subsistence farms measuring less than 5 hectares, comprising a striking 93% of all farms.

4. Social Entrepreneurship and COVID-19

According to Sophie Bacq and G.T. Lumpkin (2020) the COVID-19 pandemic has had a profound and extensive impact globally, affecting public health, economies, education, mental health, travel and tourism, supply chains, vaccination efforts, work culture, social interactions, technology, and environmental factors. It revealed vulnerabilities in healthcare systems while prompting innovations in healthcare delivery. The impact of the COVID-19 pandemic has also highlighted the critical role of social entrepreneurship in addressing some of the pandemic's most pressing challenges. Therefore according to Vanessa Ratten (2020) social entrepreneurs have been instrumental in developing innovative solutions to combat the virus's spread, support vulnerable communities, and address the socioeconomic repercussions of the pandemic.

Their initiatives have ranged from producing and distributing personal protective equipment to creating digital platforms for remote education and telehealth services. Moreover, social entrepreneurs have played an important role in fostering community resilience and solidarity during the crisis (Carmen Paunescu, Katri-Liis Lepik, Nicholas Spencer , 2022). The adaptability and innovative approaches characteristic of social entrepreneurship have proven invaluable in tackling the multifaceted issues arising from COVID-19. Also, Sophie Bacq, G.T. Lumpkin (2020) have mentioned that the world continues to grapple with the consequences of the pandemic, social entrepreneurs remain vital in driving positive change, fostering inclusive recovery, and building more resilient and sustainable societies. Their ability to blend profit with purpose makes them a potent force in addressing complex global challenges like the one presented by COVID-19. (Bakri Solichul Hadi Achmad, 2021).

5. Conclusion

The social entrepreneurship paradigm should not be limited exclusively to the domain of nonprofit organizations with a unique commitment to a social mission. The presence of the term "social" should not be misinterpreted as an imperative dictating that only organizations singularly dedicated to social goals warrant classification as embodiments of social entrepreneurship. The distinction should not be conditional on the legal structure of the organization, whether it takes the form of a nonprofit or adopts a hybrid configuration. It is therefore imperative that an entrepreneur, who fulfills these criteria, is properly recognized as a practitioner of social entrepreneurship.

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ASPECTS RELATED TO THE IMPACT OF COVID-19 PANDEMIC ON AGING POPULATION OF THE EU AND USA

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Abstract: *The COVID-19 global health pandemic caused economic and social changes all over the world and impacted the aging population phenomenon, too. Aging population is a worldwide challenge which should be managed by governments in their own country on social, economic, political, educational, psychological levels, as this phenomenon has local, regional, national and global effects in the emerged crisis due to pandemic. The present paper has the main goal of presenting a comparison of some aspects related to the impact of COVID-19 pandemic on aging population of the European Union and The United States of America. It details characteristics of economic disruption, health disparities, housing policies, living conditions, etc. which affect the opportunities of older adults.*

Keywords: demographic aging; demographic evolution; aging population; elderly economy; active aging; COVID-19 pandemic.

JEL classification: J11; J14; J18.

1. Introduction

The COVID-19 global health pandemic caused economic and social changes all over the world and impacted the aging population phenomenon, too. The main factors which influence the demographic aging phenomenon can be included in the following categories: economic factors (level of life standards, progresses in medical and pharmaceutical fields and technologies, technological developments etc.); socio-cultural factors (value systems, social norms, cultural values, digital society characteristics etc.), political factors (government strategies and policies etc.), psychological factors (personality traits, attitudes, behavioural characteristics, mental health etc.), educational factors (educational policies of governments, education systems etc.) (Barna, 2019; Ștefănescu, 2010).

Elderly people in poor socioeconomic conditions from all over the world were more exposed to the negative impacts of the pandemic, as they could not afford appropriate health and life conditions, in conclusion the pandemic created for them greater economic instability and economic losses, expanding income and wealth gaps, eviction situations, health disparities, employment disruptions etc. (Bailey and Harrington, 2022).

While the pandemic has worldwide effects, differences can be observed in different parts of the world, like the European Union (EU) and the United States of America (USA).

The present paper focuses on analysing the impacts of the pandemic on aging population of the European Union (EU) and of the United States of America (USA).

2. Aspects Related to the Impact of COVID-19 Pandemic on Aging Population of the EU and USA

The EU is characterized by the existence of economic and social gaps especially between different regions, territorial disparities as Eastern regions have to face more difficulties (European Commission, 2022). The COVID-19 pandemic had asymmetric impacts on EU regions, especially due to differences in regional healthcare capacities, restrictions and economic structures, and affected economically more the regions dependent on tourism and border areas (as people could no longer cross the national borders to go for work abroad) (European Commission, 2022). Due to the pandemic the death rate was 13% higher compared with the average of the five previous years, meaning about at least more than 872,000 deaths between March 2020 and July 2021 (directly resulting from COVID-19 or indirectly due to saturation of hospital capacities and lack of usual health care) (European Commission, 2022).

In the EU, in the context of an aging society (as population aged over 65 will grow over the next decade by more than 25% in one out of five regions), in 2021 around 20% of the labour force was represented by workers aged 55 and more, but the pandemic caused a decrease in the labour market (Botelho and Weißler, 2022). After the pandemic, in comparison with the labour market of USA, in the EU the labour force participation of older workers increased and even exceeded pre-pandemic levels (Botelho and Weißler, 2022). According to the Survey of Health, Aging and Retirement in Europe (SHARE) only 23% of retirees reported earlier retirement than initially planned, mostly due to the pandemic, especially in case of unvaccinated older workers (Botelho and Weißler, 2022).

Member States more dependent on services industries (related to accommodation, culture, leisure, tourism etc.) had to face a severe economic recession during the pandemic (European Commission, 2022). During the pandemic the governments of EU Member States established fiscal support and labour policy actions, introduced lockdowns and other containment measures in order to reduce the negative economic and social impacts of the pandemic (Botelho and Weißler, 2022). Although cohesion policy of EU seemed to be useful for the Member States in facing the challenges of the pandemic (becoming a more important source of investment), further reforms are required in the public sector, and are needed improvements in the labour force and innovative capacities, too (European Commission, 2022). Due to the increasing number of older people the EU Member States have to adjust their economies, public services and health care systems in order to be able to serve the needs of the society undergoing demographical changes (European Commission, 2022). Special attention should be paid for reducing the digital gap of older adults, as due to the pandemic the use of computer, internet and mobile devices became essential in business and everyday life (European Commission, 2022).

In their analysis regarding the impact of COVID-19 on older adults Bailey and Harrington (2022) underline that one of the main effects of the pandemic is reflected in growing economic and social inequality in the USA.

Even before the pandemic existed differences between social groups, as intergenerational wealth of White Americans assured economic stability and wealth for them, while poor Black and Brown Americans faced more economic and social difficulties, being unable to “pass on opportunity to future generations” (Bailey and Harrington, 2022). During the pandemic wealthy White Americans could afford better health care, while poor Black and Brown Americans suffered from lack of appropriate health care services, and especially older adults were more exposed to adverse health impacts and died at higher rates (Bailey and Harrington, 2022). If we look at the statistics offered by the Centers for Disease Control and Prevention from the USA, we

notice that while older adults were less likely to contract COVID-19 in comparison with young adults, they died at higher rates: in the age group under 18 the percentage of cases in the whole population was 9%, while the percentage of deaths in the whole population was under 0.2%; in the age group of 18-29 the percentage of cases was 23.9%, while the percentage of deaths was 0.5%; in the age group of 30-39 the percentage of cases was 16.5%, while the percentage of deaths was 1.3%; in the age group of 40-49 the percentage of cases was 15.2%, while the percentage of deaths was 3.1%; in the age group of 50-64 the percentage of cases was 20.5%, while the percentage of deaths was 15.3%; in the age group of 65-74 the percentage of cases was 7.6%, while the percentage of deaths was 21%; in the age group of 75-84 the percentage of cases was 4.3%, while the percentage of deaths was 26.6%; in the age group of 85+ the percentage of cases was 2.9%, while the percentage of deaths was 32.1% (Nania, 2021 in Bailey and Harrington, 2022). The Centers for Disease Control and Prevention estimates that economically and socially disadvantaged Black Americans, Native Americans and Latino Americans from the USA suffered much more severe health effects of the pandemic in comparison with White Americans, and these disparities increase with age, especially for people over the age of 50 (Johnson, Rodrigues and Kastinas, 2021 in Bailey and Harrington, 2022). Richardson et al. (2020 in Bailey and Harrington, 2022) mention among the factors which caused this situation the lack of: access to housing, capital, retirement security and other resources.

During the pandemic 5.7 million adults over 55 years lost their jobs, representing 15% of total employment for this age group (Gould, 2021 in Bailey and Harrington, 2022). Due to increased hate crimes and racism many Asian American business owners faced huge losses in their profits, and Asian American workers faced high unemployment rates, as society blamed and scapegoated them for the emerging of the health pandemic (Dang et al., 2021; Jagannathan, 2021 in Bailey and Harrington, 2022).

Although based on the Fair Housing Act the federal government of the USA has the responsibility to create well-resourced and integrated communities in the country, even during and after the pandemic many older adults in the USA are part of communities which are highly polluted, hyper-segregated and cut off from opportunities, as a result they cannot afford quality food, appropriate health care services and health insurance, homeownership, rental payments, older adult care facilities etc. (Augustine et al., 2020; Prunhuber, Kwok and Harbage, 2021; Richardson et al., 2020 in Bailey and Harrington, 2022).

The CARES Act was designed in the USA with the purpose of providing unemployment assistance and stimulus checks for families hardest hit by COVID-19, but was not efficiently implemented in comparison with other aid programmes, and as a result the economic gap has increased as federal initiatives facilitated people with assets and wealth (for example those implicated in the bond market, mortgage-backed securities, stock market etc.) (Bailey and Harrington, 2022). The American Rescue Plan Act of 2021 was established in order to help the hardest-hit homeowners to remain housed (Bailey and Harrington, 2022).

3. Conclusion

Both the EU and the USA tried to manage the effects of the pandemic on the aging population (through different aid programmes, eviction protection, government-imposed stay-at home orders, appropriate health care system and public health emergency etc.), but slightly in different ways, in order to facilitate the economic and

social recovery. The European Commission (2022) considered that EU Member States imposed different policies in order to face the challenges due to the pandemic. Bailey and Harrington (2022) concluded that however the USA government tried to manage the challenges of the economic recession and social crisis caused by the pandemic, did not succeed to reduce the economic and social gap which existed before COVID-19, moreover these gaps increased during the pandemic and after.

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REGULATORY LANDSCAPE: ANALYSIS OF THE CSRD REPORTING FRAMEWORK TIMETABLE

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Abstract: *The Corporate Sustainability Reporting Directive (CSRD) represents a pivot milestone within the regulatory of the European Union. Its primary objective is to elevate levels of corporate transparency and accountability pertaining to sustainability endeavors. This abstract provides an analysis of the CSRD's regulatory timetable, offering valuable insights into the phased implementation process. Critical deadlines for the CSRD's initial reporting cycle are evaluated through specific data points and disclosed as per requirements mandated by the directive. It investigates the obligations for large public-interest entities (PIEs), including listed companies and credit institutions, as well as the following stages for small and medium-sized enterprises. Drawing upon official standards and expert analyses, this study highlights key milestones, deadlines, and critical phases that organizations must follow to comply with the CSRD.*

Keywords: sustainability-reporting; performance; reporting framework; performance.

JEL classification: M14, M41, M49, Q56

1. Introduction

Companies worldwide face various internal and external factors. To stay competitive, they must accept challenges and follow rules. Adhering to current reporting standards is a crucial responsibility for entities. The regulatory can greatly affect how a company operates, its reputation, investor relationships, funding access, risk management, innovation, and long-term success. Companies must keep up with changing standards, regarding both financial and non-financial reporting, to show their performance accurately. Regarding sustainability reporting, companies are in a continuous learning phase, considering the new regulations and those yet to be issued. Therefore, I believe that a time frame for the directives regarding CSRD is necessary.

The paper will begin by establishing the boundaries and identifying the subject of the research. Firstly, a coverage of global and European Union Environmental, Social, and Governance (ESG) reporting landscape will be presented. Secondly, a presentation with the characteristics of the entities within the scope of the CSRD and their reporting timetables will be depicted, along with a high-level overview of the reporting requirements and implementation considerations.

The reason for selecting the topic of corporate sustainability is rooted in its growing significance in both the business world and society at large. As a relatively new concept in the economic landscape, this chosen theme represents a current issue that is gaining considerable traction among organizations and beyond.


In relation to the research methodology applied to the chosen topic, it is imperative to possess up-to-date information, combining both quantitative and qualitative research approaches, in order to address the questions posed by this subject. In the following

paragraphs the legislative framework will be described, along with the timetable of the key reporting requirements, at the level of European Union, Worldwide and US particularly. The split will be categorized as : applicable standards, regulators and standard-setters and other frameworks/standards related to CSRD.

2. Literature review

2.1 Delimitations in the conceptual framework pertaining to reporting on Corporate Social Responsibility Disclosure (CSRD).

On a worldwide scale, there are three primary initiatives governing sustainability reporting standards.



| | European Union | International | US |
|-------------------------------------|---|---|--|
| Standards | European Sustainability Reporting Standards (ESRS) | IFRS Sustainability Disclosure Standards | The Enhancement and Standardization of Climate-Related Disclosures for Investors |
| Regulators and set standard-setters | European Commission (EC) - > EFRAG | International Sustainability Standards Board (ISSB) | US Securities and Exchange Commission (SEC) |
| Other frameworks/ standards | Task force on Climate-Related Financial Disclosures (TCFD), Greenhouse Gas Protocol (GHG) Task force on Nature-Related Financial Disclosures (TNFD) and Global Reporting Initiative (GRI) | | |

Figure 1: Standards, regulators, and other frameworks worldwide regarding sustainability reporting

Source: Own processing

The CSRD requires entities within its jurisdiction to adhere to ESRS – mentioned in the table. These standards, currently being developed by the European Financial Reporting Advisory Group (EFRAG) with endorsement from the European Commission (EC), aim to incorporate the core framework fully established by the ISSB feasible. Additionally, they take into consideration input from the Global Reporting Initiative. EFRAG serves the broader European public interest and comprises member organizations that represent various European stakeholders, national bodies, and civil society organizations.

The ISSB, a newly formed body under the oversight of the IFRS Foundation, is engaged in formulating the IFRS Sustainability Standards, widely acknowledged as the industry standards for sustainability reporting worldwide. This board collaborates closely with the International Accounting Standards Board. At present, two draft standards have been made available: IFRS S1, which sets out the basic guidelines for disclosing financial information related to sustainability, and IFRS S2, which concentrates on disclosures pertaining to climate-related matters.

The IFRS Foundation has brought together various organizations focused on sustainability reporting, such as the Climate Disclosure Standards Board and the Value Reporting Foundation (VRF). The SASB Standards and the guidance of TCFD played a pivotal role in laying the groundwork for the development of the IFRS Sustainability Disclosure Standards. Additionally, the exposure draft on climate-related disclosures suggests employing the Greenhouse Gas (GHG) Protocol as the metric for measuring greenhouse gas emissions.

The US Securities and Exchange Commission (US SEC), regulatory organization from USA has proposed a guidance that enhance and standardize the climate related disclosures. According to the SEC's proposed regulations, companies would be obligated to integrate specific disclosures regarding climate-related matters into their registration statements and regular reports. This includes information about climate-related risks that are reasonably anticipated to have a significant impact on their business, financial performance, or overall financial condition. Furthermore, businesses would be required to incorporate specific financial metrics related to climate factors in an additional segment accompanying their audited financial statements. The obligatory reporting of a company's greenhouse gas emissions, a commonly utilized measure for evaluating vulnerability to such risks, would also be encompassed in the mandatory disclosure about climate-related risks.

There are also other global frameworks and standards, some of which are voluntarily adopted by entities, while others are mandated by certain jurisdictions. Examples include the TCFD - provides companies clear and standardized instructions for revealing details regarding the financial challenges and potential advantages linked to climate change, the GHG- A widely acknowledged system for comprehending, measuring, and overseeing emissions of greenhouse gases and the TNFD (Taskforce on Nature-related Financial Disclosures) – global initiative of establishing a structure for companies and financial institutions to openly share information about how they affect and rely on the natural environment.

2.2 CSRD and ERS Adoption process

The CSRD plays a crucial role in bolstering the European Sustainable Action Plan, which forms an integral part of the European Green Deal and the EU's strategy to achieve carbon neutrality by 2050.

The plan mentioned above has three main objectives: redirect capital towards sustainable investments, systematically integrate sustainability considerations into risk management and foster transparency and encourage a long-term perspective.

The CSRD marks a substantial revision of crucial EU directives and regulations. Notably, it supersedes the non-financial information requirements of the NFRD starting in 2024. Having been officially published in the EU's Official Journal on December 16, 2022, it became enforceable on January 5, 2023. Member States have granted an 18-month window to integrate the CSRD into their respective local legal frameworks. While they retain the flexibility to augment the CSRD's stipulations, they are prohibited from imposing requirements that fall short of what is prescribed in the directive itself.

The directive will be introduced gradually in different stages, focusing on different types of entities. The first phase includes entities that are already under the jurisdiction of NFRD regulations. They will be required to report for fiscal years starting on or after January 1, 2024, with the information being published in 2025. This category includes large substantial enterprises, characterized by entities meeting a minimum of two out of the following three criteria: assets, turnover and employees. For Assets the threshold is Euro 20 million, for turnover Euro 40 million and for employees, an exceeding of 250. Furthermore, it encompasses non-European Union large enterprises listed on an EU-regulated market, provided they employ over 500 individuals. The second wave encompasses large undertakings based in the EU or listed on an EU-regulated market, necessitating reporting from January 1, 2025 (the 2025 financial year with publication in 2026). The third wave includes small and medium-sized entities listed on an EU-regulated market, excluding micro-undertakings, requiring reporting starting January 1, 2026. However, for a transitional period of two years, these entities may defer reporting until 2028, provided they furnish an explanation in their

management report. The fourth wave, effective from January 1, 2028, extends the obligation to present consolidated sustainability reporting to certain EU subsidiaries and non-European groups, contingent upon the non-European ultimate group meeting specified turnover thresholds in the EU. It is worth noting that EU Member States may choose to broaden the scope of application when transposing the CSRD locally. Consequently, entities within the EU will ultimately need to consult the locally transposed CSRD to ascertain their reporting obligations. Compliance with the directive will be achieved through the application of either the ESRs for all EU entities or standards deemed equivalent by the EC for specific non-EU entities falling within the purview of the directive, such as non-EU groups listed on EU-regulated financial markets.

3. Conclusion

Based on all the information presented above, corporate sustainability analysis is a vital component in today's business world. As society and the business environment evolve, the emphasis on social responsibility, environmental protection, and ethical governance becomes increasingly pronounced. By assessing companies' practices regarding environmental impact, respect for human rights, and social commitment, sustainability analysis reveals crucial insights into how organizations fulfill their roles and responsibilities within global communities.

This analysis is not limited to compliance with regulations and market requirements, but also represents an opportunity for companies to strengthen their reputation, attract investors, and foster innovation. The ability to integrate sustainable practices into operations, strategies, and decision-making processes can lead to long-term outcomes that go beyond immediate financial success, bringing competitive advantages, sustainability, and positive contributions to society and the environment.

In an era where corporate responsibility and concern for long-term consequences are of unprecedented importance, corporate sustainability analysis remains an essential tool for evaluating, guiding, and transforming businesses towards a more sustainable and prosperous future.

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ANALYSING THE IMPACT OF ECONOMIC DIPLOMACY ON EXPORTS - QUANTITATIVE RESEARCH METHODS AND INDICATORS

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Abstract: *The development of commerce has had a fundamental impact on the evolution of bilateral relations, and together with the constant increase in the volume of trade, the economic relations between states were also strengthened. Starting with the intensification of export promotion and investment attraction activities, a growing interest among academics and practitioners was noticed, towards the role and impact of economic diplomacy on increasing exports and attracting foreign direct investments. In order to analyse this impact and to cover the existing gaps in the scientific literature, different approaches have been used. Concerning the quantitative research methods, most of the authors apply the gravity model of bilateral trade, taking into account indicators of economic diplomacy such as: presence and/or number of diplomatic representations, official visits, trade missions, number and/or presence of export promotion agencies or investment agencies. The purpose of this paper is to present the research methods used to analyse economic diplomacy, in order to provide a better understanding of its impact.*

Keywords: economic diplomacy; foreign trade; international relations; gravity model.

JEL classification: F50; F53.

1. The study of economic diplomacy

Economic diplomacy is usually perceived as an interdisciplinary field, placed at the confluence of the international economics, international economic policy and international relations (Moons, Bergeijk, 2016).

On the academic level, the study of international relations was dominated by the developments that took place on the international scene, gradually the schools of international relations developing new concepts and theories that, in addition to the political dimension, also integrated the economic one. However, the fundamental concerns specific to this field such as maintaining peace, developing cooperation and maintaining relations between states delayed the development of academic interest in economic, both theoretically, but especially empirically. To emphasize the importance and impact of economic actors and economic interests on diplomatic practices and processes, certain schools have applied analysis methods including from other fields subscribed to social sciences such as International Political Economy or Business Administration (Lee, Hocking, 2010), in this way the study of economic diplomacy covering some existing gaps in the academic literature (Bayne, Woolcok, 2017).

The early studies on economic diplomacy (example Pollins, 1989) mainly consisted of cross-sectional studies of the bilateral political relationship, which focused on data regarding events related to diplomatic cooperation, and compared to recent research

on economic diplomacy, the studies had a number of significant gaps, mainly caused by the lack of data.

However, starting with the intensification of export promotion and investment attraction activities, in the empirical literature there can be noticed a growing interest among academics and practitioners on the role and impact of economic diplomacy on foreign trade and foreign direct investments.

Currently, with the aim of identifying the existence of a causal link between diplomatic missions and foreign trade or investments, studies mainly focus on the role of diplomatic missions such as embassies, consulates, foreign offices/export promotion agencies, investment attraction agencies, or members of diplomatic missions, but also of official visits, trade missions.

2. Methodologies used for the quantitative study of economic diplomacy

Bergeijk identified three types of methodologies used for the quantitative study of economic diplomacy: the gravity model to analyse effects at the macroeconomic level, case studies on specific companies (microeconomic level), and meta-analysis of scientific articles (Bergeijk, 2012).

Tingerben's classic gravity model, used in the analysis of international can be extended with additional variables that can be cultural (use of the same language), political (colonial relations between states) or geographical (common border) etc.

In this context, given the role of economic diplomacy in reducing barriers and facilitating foreign trade and foreign direct investment, economic diplomacy is included as a relevant variable of the gravity model.

Most authors estimate the econometric model using cross-section data, Bagir (2020) claiming that this fact is due to the difficulty of obtaining data showing the variation over time of economic diplomacy indicators.

Thus, Rose Andrew was one of the authors who stimulated research in the field of economic diplomacy. Rose used the gravity model of trade to analyse the impact of the foreign service of 22 countries (the total number of diplomatic missions: embassies, consulates and foreign missions of each country) on real exports (dependent variable) in 200 states, for the period 2002-2003. In addition to the specific indicator of economic diplomacy, Rose's model (2005) also presents other determining factors of trade such as: distance between states, GDP per capita, population, common language, common land border, the number of landlocked countries, the number of island nations, the surface of the country, the existence of a colonial relationship, the use of the same currency and membership of the same commercial treaty. Regarding trade agreements, the author outlines an indicator consisting of 16 regional trade agreements: ASEAN, EEC/EU, USA-Israel, NAFTA, CARICOM, PATCRA, ANZCERTA, CACM, SPARTECA, MERCOSUR, Canada-Costa Rica, USA-Jordan, Japan and Singapore. The parameters are estimated by the least squares method and at the same time the possibility of reverse causality is taken into account by IV estimation, having as instrumental variables the presence of diplomatic missions the geopolitical importance of the state (proven oil reserves) and the attractiveness for tourists (the number of Zagat guides in importing country, number of Conde-Nast destinations, number of Lonely Planet guides; number of Economist guides). Rose claims that the presence of foreign missions is positively correlated with exports, and the registration of a new consulate leads to an increase in bilateral exports by 6-10%, the possibility of reverse causality being kept in mind. The results are statistically significant, economically plausible, vary by exporter, and appear to be non-linear, with the first foreign mission (usually an embassy) having a stronger impact than

successive missions (Rose, 2005). Following this study, variations of the gravity model have been applied to evaluate the impact of economic diplomacy on exports and also foreign direct investments.

Veenstra, Yakop and Bergeijk focused on studying the impact of embassies, consulates and export promotion agencies on bilateral exports for 36 countries in 2006. The authors found that, although in the case of the OECD member states, economic diplomacy is not a relevant factor in the intensification of foreign trade (similar to the previous study prepared by Yakop and Bergeijk), it has a significant role in bilateral trade relations in developing countries. A 10% increase in the number of consulates and embassies leads to an increase in trade flows by 0.5-0.9%, while the impact of export promotion agencies is not significant. The size of the entities (number of employees) is relevant for differentiating between representations with a large number of employees and small ones. The authors also draw attention to other factors such as the budget of the diplomatic representation or official visits (Veenstra, Yakop and Bergeijk, 2010).

The membership of the states in the OECD is also kept in focus in the study prepared by the authors E. Afman and M. Maurel (2007). Applying Rose's model, the authors distinguish between OECD member states and transition economies, analysing the trade relationship between them. The openness of emerging markets is lower than that of OECD member states' economies (Woolcock, 2017).

Actually, most authors of quantitative studies analysing economic diplomacy and effects on foreign trade apply the gravity model, often being used to quantify the impact of commercial and/or economic diplomacy on international trade.

According to the authors Bergeijk and Brackman (2010), the gravity model represents a successful econometric approach due to its robustness and consistency in relation to existing economic theories.

Moons and Bergeijk (2016) conducted a meta-analysis of quantitative research on the macroeconomic impact of economic diplomacy on international trade flows, namely foreign trade and foreign direct investment. Qualitative studies were excluded, with the authors looking only at quantitative empirical literature, including 32 primary studies in the analysis.

According to the authors, it is the first research that consists of a meta-analysis of the effects that the tools of economic diplomacy have on international economic flows. The studies analysed by the two authors investigate the impact of one or more specific instruments of economic diplomacy, having as control variables the distance between the commercial partners, the sizes of the markets, the common borders, the common language or the preferential economic agreements between them. The authors emphasize that studies analysing embassies and consulates generate more significant results than official visits, trade missions, export promotion agencies or other elements of the diplomatic relationship. At the same time, it concludes that the analysed studies tend to generate statistically significant results when the dependent variable is export, compared to the case of imports or foreign direct investments (Moons and Bergeijk, 2016).

3. Conclusions

To conclude, in the last decades there is a growing interest in analysing the role and the impact of economic diplomacy on foreign trade or foreign direct investments. The gravity model of bilateral trade can successfully be used in order to provide a quantitative assessment on the influence that this type of diplomacy has on trade. Nevertheless, the gravity model has its limitations, raising questions regarding the

reverse causality or simultaneity, but the empirical scientific literature on the gravity model provides the proper means to address this sort of issues.

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SUSTAINABLE PRACTICES OF HUMAN RESOURCES MANAGEMENT TO PREVENT CRISIS PERIODS IN ROMANIAN COMPANIES

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Abstract: *In recent years, a lack of connection between crisis management and the human resource department during crises has been observed. The research objective is to analyse and identify Human Resource Management (HRM) practices and strategies in a crisis such as SARS-CoV-2 within Romanian companies. A quantitative approach was employed in this research through a questionnaire. The questionnaire sections consist of inquiries directed at personnel holding leadership and executive positions in Romanian companies, pertaining to crisis prevention methodologies and HRM practices that have assisted companies in navigating a crisis. Currently, 48 responses have been recorded. The research results show that organisations place a significant importance to HRM, attempting to implement sustainable practices to protect the human resource during a crisis.*

Keywords: HRM practices; HRM strategies; sustainability; crisis; SARS-CoV-2; Romania

JEL classification: H12; J24; M41; O15; Q01; Q56

1. Introduction

During a crisis, recognizing the role of the HRM in implementing sustainable goals is essential. Research like Mousa and Othman (2020) highlights that employees are more attracted to companies that prioritise sustainability in their daily operations. The objective of this research is to analyse and identify HRM practices and strategies in crisis periods, having as example the SARS-CoV-2 pandemic. To conduct this analysis, a quantitative approach was used through a mixed questionnaire based on aspects developed and adapted to crises in specialised studies such as Adikaram et al. (2021). The questionnaire sections include questions aimed at respondents' opinion on the importance that the company they work in attaches to HRM, maximising economic efficiency through HR during a crisis, the organisation's level of preparedness in managing human capital in crisis situations, the company's approach to crisis prevention, crisis management, and the identification of management practices that aided the company in dealing with a crisis period. The questionnaire was created using Google Forms and was distributed to personnel in leadership and executive positions within Romanian companies, thus registering forty-eight responses until May 2023. The paper is structured in four parts. The first part, the literature review, addresses aspects of crisis management by companies through HRM, as well as information on practices that can assist companies in handling crisis periods. Based on the aspects examined in the literature review, two research questions were proposed. The second part of the paper outlines the methodology used in the study, and in the third part the research

results are presented. The last part of the paper presents general conclusions and information on future research.

2. Literature review and research questions

2.1. Crisis management by companies through human resource management (HRM)

There are three steps to crisis management by companies through HRM. The first step to crisis prevention in decision-making within an organisation is situational awareness and the identification of available resources for business operations (Ma and Zhang, 2022). The second step ensures employee's safety by promoting their physical and psychological health (Athamneh, 2018), and the third step involves internal relationships among individuals within the organisation during the crisis awareness phase. During the pre-crisis stage, employees can be prepared through simulations, thereby revealing their strengths, weaknesses, and responses during a crisis. An organisation that has a high level of capacity to adapt to crisis situations can be considered flexible and able to effectively solve new, unforeseen, or anticipated problems (Ma and Zhang, 2022). Starting from this information, the first research question of this study is (RQ1) *What are the measures taken to prevent a crisis period by Romanian companies?*

2.2. Sustainable practices and strategies can help companies cope with crisis periods

Crises can lead to significant losses, and employees need continuous training to recover and promote organisational performance. Mousa and Othman (2020) and Athamneh (2018) observed that involving staff in sustainable activities such as HRM practice can contribute to the sustainable development of medical organisations in Palestine. Those expose new capacities and motivations among them. Nizamidou and Vouzas (2022) emphasize the essential role of HR in business recovery, highlighting that employee involvement in sustainable initiatives reveals fresh capabilities and motivations. The post-crisis recovery process is achieved by analysing its impact on the business, thereby helping identify the losses involved and formulating recovery strategies (Athamneh, 2018). During the SARS-CoV-2 crisis, one of the key lessons HRM learned was to improve the technical skills and knowledge of all employees by cultivating productive practices, thereby increasing organisational efficiency. Stoian et al. (2022) believe that a hybrid strategy can ensure company sustainability, by introducing the opportunity for employees to meet with colleagues to set work goals and make decisions. The HRM strategy can be adjusted concerning work flexibility, recognition programs, and adaptable rewards to motivate employees. Therefore, the second research question (RQ2) seeks to understand „*What are the HRM practices and strategies that helped the company cope with a crisis period?*”.

3. Methodology

The main objective of the research is to analyse and identify HRM practices and strategies in a crisis such as SARS-CoV-2. The quantitative method was developed through a mixed questionnaire distributed to personnel holding leadership and executive positions within Romanian companies, to identify HRM practices and strategies in crisis periods. The questionnaire contains the two questions established in the literature review. The first section of the questionnaire presents the first research

question (RQ1) *What are the measures taken to prevent a crisis period by Romanian companies?* which tracks the HRM measures taken and observed by employees on crisis prevention practices. In order to understand the measures taken by HRM in crisis periods, the question was expanded into three sub-research questions: (RQ1.Q1) *To what extent has the HR department established crisis management policies and strategies to avoid panic?*; (RQ1.Q2) *To what extent were the possibilities of prevention that could have avoided affecting some operations considered?*; (RQ1.Q3) *To what extent has there been communication in the crisis awareness process?*. The second section of the research presents the second research question: (RQ2) *What are the HRM practices and strategies that helped the company cope with a crisis period?* For this question, multiple answer options were included: cost reduction, salary reduction, staff reduction, communication. The questionnaire was sent to respondents by e-mail, and the research sample consisted of employees working in a Romanian company, from any sector of activity. Data collection was conducted using Google Forms in May 2023. So far, 48 responses have been recorded.

4. Results

In order to answer the first research question (RQ.1) *What are the measures taken to prevent a crisis period by Romanian companies?* three research sub-questions were followed. The results of the questionnaire recorded majority scores 3,4, and 5. For RQ1.Q1 the majority score is 3, indicating that the HR department in the company they work for has paid moderate attention to crisis management policies and strategies to avoid panic. For RQ1.Q2 the majority score was 4. This score indicates that the organisations where the respondents work have largely considered possible preventive measures to avoid the disruption of operations. For RQ1.Q3 the score was equally divided between 4 and 5, indicating that companies put a lot of emphasis on communication in the crisis awareness process and paid attention to pre-crisis training. Analysing *Table 1 – Descriptive statistics regarding the prevention of a crisis period by Romanian companies*, the mean of the research sub-question responses is 3.6, the median is four, the lowest recorded score for responses is 1, and the highest is 5. These results place the attention of companies in terms of attitudes towards prevention mode in the middle of the scoring scale. Companies should focus their attention on developing this key aspect for a time of crisis. The recorded scores show that organisations attach importance to crisis situations and the importance that HR play in overcoming obstacles and returning companies to normal.

Table 1: Descriptive statistics regarding the prevention of a crisis period by Romanian companies

| Score/Frequency analysis | 1 | 2 | 3 | 4 | 5 | Total | Mean | Median | Min | Max |
|--------------------------|-----------|------------|-------------|-------------|-------------|--------------|------|--------|-----|-----|
| RQ1.Q1 | 2 (4%) | 5 (10%) | 18 (38%) | 15 (31%) | 8 (17%) | 48 (100%) | 3.5 | 3 | 1 | 5 |
| RQ1.Q2 | 3 (6%) | 5 (10%) | 12 (25%) | 18 (38%) | 10 (21%) | 48 (100%) | 3.6 | 4 | 1 | 5 |
| RQ1.Q3 | 3 (6%) | 5 (10%) | 10 (21%) | 15 (31%) | 15 (31%) | 48 (100%) | 3.7 | 4 | 1 | 5 |

Source: Authors' own research

For RQ2 the descriptive statistics of HRM practices within Romanian companies could be observed in *Table 2*.

Table 2: Descriptive statistics of HRM practices and strategies that helped companies cope with a crisis period.

| | Frequency | | Total answers |
|------------------|---------------------|--------------------|---------------|
| | Leadership position | Executive position | |
| Cost Reduction | 9 | 19 | 28 |
| Salary reduction | 2 | 4 | 6 |
| Communication | 9 | 23 | 32 |
| Staff reduction | 4 | 6 | 10 |

Source: Authors' own research

From the results perspective, communication represented a frequently addressed practice by companies in crisis period, registering 32 responses divided as follows: 23 people from the leadership personnel, as well as 9 from the executive position felt this HRM practice. The second practice that helped the company to cope with a crisis period represented cost reduction, registering twenty-eight answers confirmed by 19 answers received from leadership personnel and 9 answers received from personnel from executive positions. One of the least popular responses is staff reduction with 4 responses. The last score was obtained by salary reduction with 2 responses. The comparative results presented in *Table 2-Descriptive statistics on HRM practices and policies that helped the company to cope with a crisis*, for the two categories show that the most frequent entries are those on communication and cost reduction which places Romanian companies in a favourable position being attentive to HR. This issue can be considered the last practice HRM appealed to in crisis conditions.

5. Conclusion and Discussion

Crisis periods have forced organisations to adopt preventive practices. HRM plays a key role in crisis management which was observed during the SARS-CoV-2 pandemic. The research results show that organisations attach importance to HR, trying to implement practices that do not affect personnel. In line with Adikaram et al. (2021) and by Nizamidou and Vouzas (2022), companies prioritized communication and health during the crisis while higher level of adaptation to the crisis positively impacted the HRM's role throughout all crisis stages. Sustainable HRM should be a topic of interest for companies because it represents strategies and practices that improve the achievement of sustainable goals that have a long-term impact and could avoid side effects and controlled negative effects (Cachon-Rodriguez et al., 2022). Future research may analyse sustainable HRM practises post-SARS-CoV-2 in EU companies.

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FINANCIAL DEVELOPMENT AND ECONOMIC GROWTH. A LITERATURE SURVEY

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Abstract: *The relationship between financial development and economic growth represents a very investigated research topic by a various number of studies, both theoretical and empirical. Nevertheless, research conclusions are ambiguous and it is necessary to clarify them. An amount of studies concluded that financial development exert a positive impact on economic growth. Despite this fact, there are a lot of researches that prove a negative impact when financial development exceeds a certain threshold. More than that, profound negative implications of the recent international crisis and the COVID-19 pandemic crisis on the real economy and the financial system led to a renewal of the interest of researchers to examine this subject. In this context, the main purpose of our study is to clarify the nature of the relationship between financial development and economic growth and to present the main theories on financial intermediation and financial intermediaries.*

Keywords: *Financial development; Economic growth; Causality.*

JEL classification: *E44; G21; O11; O16; O43.*

1. Introduction

It is well known that a higher standard of life can not be reached without economic growth. A lot of empirical and theoretical studies shown that financial development is one of the main determinants of economic growth. Therefore, the institutional framework of the financial system, as well as its performance, can be considered as major stimulus of macroeconomic performance. As a result, the research question of present paper is: What is the role of financial intermediation on economic development?

Despite the fact that the relationship between financial development and economic growth is a topic investigated by a large amount of studies for several decades (at least from the paper published by Goldsmith, in 1969) a consensus have not been reached yet. This is due to the fact that authors use different samples, time periods and methodology. Consequently, the main purpose of our research is to examine, theoretically, the relationship between financial development and economic growth, in special: the presence of the relationship and its impact. Our paper is structured as follows: second section is dedicated to a synthesis of main theories on financial intermediation, the third section axes on a review of main empirical studies on the issue of financial development economic growth nexus, and the last includes some conclusions.

2. Main theories on financial intermediation

A lot of studies (Merton, 1995; Allen and Gale, 1997; Allen and Santomero, 2000;

Diamond and Rajan, 2000; Levine, 2005; Andrieş, 2009; Kuhri and Weill, 2010; Méon and Weill, 2010) examine the theoretical framework of the relationship between financial development and economic growth. According to these researches the main theories of financial intermediation is: Asymmetric information theory; Agency theory; and The modern theory of financial intermediation.

According to Andrieş (2009) Theory of financial intermediation is based on Asymmetric information theory and Agency theory. Consequently, the main argument for the existence of financial intermediaries is reflected by the existence of following factors: absence of complete information at the proper time; high transaction costs and lack of complete information in useful time.

The modern theory of financial intermediation highlights the primary functions of financial intermediation and its influence on the economy, in general, and, in particular, on economic growth and on the quality of bank regulation and central bank supervision.

Some papers (as: Boyd and Prescott, 1986; Jensen, 1986; Grossman and Hart, 1982; Levine, 2005; Kuhri and Weill, 2010; Méon and Weill, 2010) exposes the main channels through which development of financial intermediation leads to an increase in productivity, hence an increasing economic growth. First channel is represented by the fact that financial intermediaries are able to produce information about possible investments ex ante. Due to that banks can reduce the costs of evaluating: investment projects, managers and market conditions, and consequently allowing a better allocation of capital. Second channel is reflecting by the fact that financial system monitors the companies. The supervised managers feel pressured and because of that they increase firm's performance. Third channel is represented by the fact that financial intermediaries pool the savings and, in this way, reduces the costs of gathering money from different economic agents. The last channel is highlighted by the exchange function of financial intermediaries.

In conclusion, all the main theories on financial intermediation exposes only the positive impact of financial development on economic growth.

3. Empirical observations on the financial development and economic growth relationship.

Analysing empirical research that deal with the issue of financial development and economic growth nexus, we deduced that the results are controversial. An explanation to that can serve the fact that they use different periods, samples, and methods. To highlight the idea stated previously we present table 1.

Table 1: The synthesis of empirical research on the financial development and economic growth nextus subject.

| Author s | Period/ Sample | Dependent variable | Independent variables | Research method | Results |
|------------------------|-------------------------|---------------------------------|--|---------------------------|---|
| King and Levine (1993) | 1960-1989/ 80 countries | Real per capita GDP growth rate | 1. Ratio of liquid liabilities to GDP; 2. Deposit bank domestic credit divided by deposit money bank plus central bank domestic credit; 3. Ratio of claims on nonfinancial private | Cross-country regressions | There are a strong, statistically significant and positive relationship between financial |

| | | | | | |
|------------------------|--|----------------------|---|-----|---|
| | | | sector to domestic credit; 4. Ratio of claims on the nonfinancial private sector/ GDP. | | development and economic growth. |
| Caporale et al. (2015) | 1994–2007/ EU countries (10 new members) | Real GDP per capita | 1. Initial income per capita; 2. Investment/ GDP; 3. Trade/GDP; 4. Inflation; 5. Government expenditure/GDP; 6. Secondary school enrollment ratio; 7. Domestic credit to the private sector; 8. Stock market capitalization; 9. Liquid liabilities; 10. Reform index of financial institutional development; 11. Interest rate margin | GMM | There are not a relationship between financial development and economic growth. |
| Wen et al. (2022) | 1997-2017/ 120 countries | Real GDP growth rate | 1. Inflation rate; 2. Employment growth rate; 3. M3 % of GDP; 4. M2 % of GDP; 5. Domestic bank credit; 6. Domestic bank private credit; 7. Investment; 8. Government expenditure; 9. Real exchange rate. | GMM | Financial development manifests a negative impact on economic growth. |

Source: Own elaboration based on specialized literature.

4. Conclusion

To sum up, our research proves the fact that there is not a consensus in specialized literature on the issue of financial development and economic growth nexus. While theoretical research demonstrate the fact that there is a strong positive relationship between the variables, empirical researches shown that using different methodology results are controversial. This is due to the fact that authors use different samples, time periods and methodology. As future research directions we propose to examine the relationship between financial development and economic growth on the European Union member countries. More than that, we aim to investigate if the relationship is different when targeting euro area countries or when pick up the non-euro area EU countries.

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THE CONTRIBUTION OF ACCOUNTING INFORMATION TO IDENTIFYING THE COMPANIES' FINANCIAL DISTRESS

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Abstract: *When a company goes through a period of economic uncertainty, with and its ability to continue as a going concern being called into question, all stakeholders are affected. A failure, from an economic point of view, means that a company can't respect the economic principle of going concern, in some situations reaching insolvency or even bankruptcy. The research objective is identifying the key elements regarding the going concern of the companies' activity, and the accounting aspects that contribute to the analysis of the level of risk faced by a company. From an accounting point of view, the management of the entities bears the responsibility for the preparation of financial statements in accordance with this principle. This theme is a topical subject in the context of the crises that companies have had to face recently, the COVID-19 pandemic and the military conflict in Ukraine, which have caused radical changes at the macroeconomic level, increasing the risk in regarding the going concern in some fields of activity. The potential contribution of the study is to help develop specialized literature on a current topic that should be a constant concern of companies, and it can serve as a guide to help form a plan to avoid situations of financial difficulty that businesses may face.*

Keywords: going concern; financial difficulty; accounting; risk; uncertainty.

JEL classification: M40; M41.

1. Introduction

There are a series of rules that must be considered when it comes to preparing and presenting the financial statements to the stakeholders. At the same time, one of the most important concepts in accordance with which the financial statements must be prepared is the concept of going concern. Going concern is defined as being the assertion that an entity will not cease its activity but keep operating in the foreseeable future or at least until the subsequent reporting period. It also considers the company's potential to produce the necessary resources to stay on the market and to avoid bankruptcy or insolvency. As Zéman and lentner (2018) are pointing out, the principle of going concern is realised to assure an indefinite and uninterrupted sequence of transactions and has a key contribution in the preparation of financial statements. In accordance with Hammond, Opoku and Kwakwa (2022), these statements reveal the idea that financial estimation and evaluation of the elements of income, expenses, assets, and liabilities are affected by the principle of going concern. Also, the financial statements prepared based on this principle offer users the assurance that the company will continue its existence on the market soon, continuing to fulfil its objectives and aspirations. The idea of going concern of a company's activity is an essential criterion that investors consider when analysing the feasibility of investing in a company, especially because they know some financial failures that happened on

the market, for example the case of Enron, WorldCom, Global Crossing Ltd., Kmart Corp. and other. So, the trust of the investors, in a company, is more solid if they have the going concern assessment guaranteed.

2. Forecasting models for business failures

Most of companies are established intending to stay operational in an indefinite period. The underlying principle of the ongoing concern is an assumption that the entity is going to conduct operations long enough to be able to settle its liabilities. While determining the ongoing concern, the head of the entity must consider all information available on the day of preparing the financial statement. The ongoing concern assessment must be valid for the period of at least one year from the balance sheet date.

According to Wójcik-Jurkiewicz and Karczewska (2019) when conducting an evaluation to recognize if a company has any symptoms of threats regarding the going concern, there are multiple methods that can be applied. These methods are classified according to some essential criteria, which will be presented in the following.

The first criterion relates to the nature of the factors based on which the solvency of a company is determined. Thus, the following methods are distinguished: quantitative, qualitative, and mixed. In quantitative methods, only measurable data are analyzed. In the qualitative analyses, immeasurable data are considered, such as the opinions of sellers, managers, experts, surveys on consumer intentions (Dittmann, 2008). The mixed method is using data from both approaches.

The second criterion refers to the methods of deduction concerning the level of risk of loss of solvency. These methods are based on logical and deductive reasoning and empirical deduction (unidimensional and multidimensional). Logical and deductive methods assume that the assessment of a company's solvency is carried out based on the analysis of certain elements that reflect the current economic-financial state of the entity. Empirical methods of induction include mathematical and statistical analysis facilitating the comparison between companies, more than in the case of methods based on logic and deductive reasoning. The discriminative analysis is included in the category empirical deduction models (the evaluation is carried out on certain reports, the choice of which is made following empirical research).

Desai et al. (2020) and Puspaningsih and Analia (2020), sustained that those companies which have challenges regarding the going concern assessment are likely to have difficulties in paying their debts in term and to address this problem, several studies were made to develop models that can predict the business failures. These models were grouped in three large groups: statistical methods, artificial intelligence, and expert systems methods (AIES), and theoretical methods, presented in Table 1. Over time, to predict the going concern assessment various models have emerged.

Table 1: The classification of bankruptcy forecasting models

| Statistical methods | Methods of soft computing (artificial intelligence) | Theoretical methods |
|---|--|--|
| Discriminative analysis models Logit Models Probit models Decision trees Altman's Z-score Bankometer | Artificial neuron network Fuzzy logic Support vector models Genetic algorithms Comprise data mining Data envelopment analysis (DEA) | Entropy theory models Hazard models Credit risk models (CreditMetrics, KMV, CreditPortfolio) |

Source: own work based on (Wójcik-Jurkiewicz and Karczewska, 2019) and (Hammond, Opoku and Kwakwa, 2022)

Balcaen and Ooghe (2006) reviewed 43 predictors and grouped them into 4 categories: 1 univariate model, 2 models with risk indices; 21 multiple discriminant analysis models and 19 conditional probability models. Also, Kumar and Ravi (2007), studied 128 statistical and artificial intelligence models to predict bankruptcy, focusing on the methods used in the different models. Jackson and Wood (2013) identified five commonly used techniques as logit, univariate, multiple discriminant analysis, neural network and contingent statements. This means that researchers keep developing models that can provide a better. However, the going concern predictors proposed so far have varying degrees of accuracy. And because of this, it can be said that more studies can be made in order to develop new ways of predictions and new models.

The variables used to determine the continuity of the activity include indicators, such as profitability, liquidity, leverage, solvency, activity, and corporate governance variables, varying from one researcher to another in terms of weight and importance (Altman, 2013). Different researchers used different variables for their studies. The dominant variables are different and cannot be completely fixed in a particular set and order. The relative importance of these identified factors does not exist. Thus, it is necessary to analyze and establish the critical independent variables and to be classified in the order of priorities.

For evaluating a company regarding its going concern assessment, one may use a series of mathematical or and statistical models. Previous research reveal that the models that contribute to ensuring a high level of assurance in terms of the risk of bankruptcy or insolvency use accountancy data to calculate the financial factors that predict the risk. The benefit of discriminative models is that they use traditional ratio analysis with econometrics. Moreover, because the results obtained are easy to interpret and the structure is not complicated, the discriminative analysis is the most used method when it comes to detect the risk of insolvency or bankruptcy, worldwide (Holda, 2006).

3. Conclusions

The continuous existence of companies has a major importance for all stakeholders. The researchers keep developing models for predicting the fortunes of the companies, with a high degree of accuracy, but the efficacy of them depends on the input data. So, identifying the right variables to achieve the desired result, is very important.

The importance of the accountancy in the conditions of market economy can't be overestimated. The accountancy is a tool with which a company can be evaluated and settled in the business environment. The accuracy of this settlement is guaranteed by the supervision of independent auditors, who are examining the financial statements using financial reporting procedures and check the performance of companies. With the help of the discriminative analysis, it is possible to detect entities threatened with bankruptcy in good time to allow their managements to implement remedial actions.

The discriminative analysis is a useful tool when evaluating the principle of going concern and to increase the validity of the economic turnover. This method facilitates detecting any threats regarding the rick of bankruptcy in good time to allow the management to implement remedial actions.

The research paper has its limits, being an approach only at a theoretical level, and because of this, a future direction of research could be the addition of a case study to support the theoretical aspects previously pointed out.

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UNDERSTANDING INDIVIDUAL ADAPTABILITY AS AN ANTECEDENT OF JOB PERFORMANCE

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Abstract: *Adaptability, or the ability to change and adjust to work, has become more critical in the `new normal` era. Exploring the individual adaptability theory and its measures could offer a nuanced understanding of the work environment that can improve employee potential and job performance. Accordingly, this paper aims to unpack individual adaptability to work, emphasizing its relationship with job performance. By understanding the mentioned relationship, individuals (employees and managers) can proactively change or adjust to increase job performance. We highlighted that many job performance dimensions could be improved by nurturing different components of individual adaptability to work. In short, this manuscript captured some ideas about how to compete in the new world of work and adapt to unpredictable change.*

Keywords: proactive adaptability; employees; job performance.

JEL classification: J24, E24, M10

1. Introduction – on the role of adaptability in the post-pandemic economy

The changes induced by the Covid-19 pandemic crisis deeply affected the world of work (Vyas, 2022) with a greater focus on flexible work models. Employees are asked to deal with a hybrid form of work and new job demands. Under these conditions, individual adaptability to work becomes more important for job performance and the company's performance. Moreover, the ability to adapt becomes a central component in leadership profiles and is often used to indicate one's management potential (Silesian University of Technology Scientific Papers, 2014). This paper aims to unpack individual adaptability to work, giving attention to its relationship with job performance. Understanding individual adaptability at work dimensions helps companies quantify work performance, and individuals achieve performance at work. Furthermore, work engagement, stress, and job satisfaction could be dealt with.

2. The I-ADAPT theory and measure

Adaptability to work means the psychosocial resources to cope with changing work and working conditions. It involves the ability to adapt to changing tasks, engage in continued self-learning, and regulate one's career direction. Adaptability is broadly defined as a person's capacity to adjust to changing environments. (Botezat E. A. et. al., 2023, p.2) In terms of biological survival, seemingly inconsequential random differences in genetic makeup may very well explain why some organisms successfully adapt to changes in the environment and why others fail (Gould, 1989). In this book, the Burgess is presented as an example of this theory. The Burgess were destined for extinction by faulty anatomical construction, but the best adapted to their Darwinian

edge survived. The authors believe that there is a certain predictability in how individuals react to changes in their environment. The latter led to the invention of theory of individual adaptability, called Individual ADAPTability (I-ADAPT) theory. The I-ADAPT scale was originally developed by Ployhart, R. E. and Bliese, P. D. (2006), person's individual adaptability at work. In the same work, it is revealed that adaptability does not necessarily have to appear as a result of a change. Adaptability can be proactive or reactive (Figure 1). Proactive adaptability is characterized by the individual's need to change even if the environment does not change. Reactive adaptability is when an individual perceives a change in the environment.

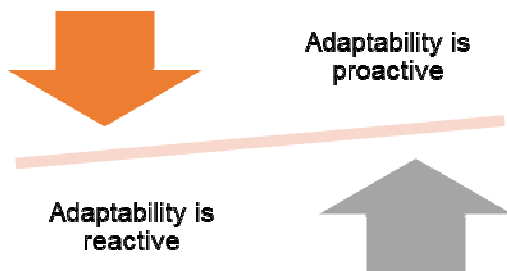


Figure 1: Types of adaptability
 Source: own elaboration

Another important distinction that authors (Ployhart, R. E. and Bliese, P. D., 2006) make, is that individual adaptability is not the same as adaptive performance. At the base of individual adaptability there is a multidimensional set of Knowledge, Skills, Abilities and Other characteristics (KSAO) and therefore captures the common variance of these KSAOs in the prediction of adaptive performance. KSAOs can be defined as the attributes needed to do a certain job. KSAO is useful during a job analysis before recruitment or when an employee is considered for promotion to a higher position. Bliese quotes Pulakos et al. (2000, 2002) and highlights eight lower-order latent dimensions of adaptability (Figure 2), which are included in a single higher global adaptability factor. There are individual differences in adaptability.

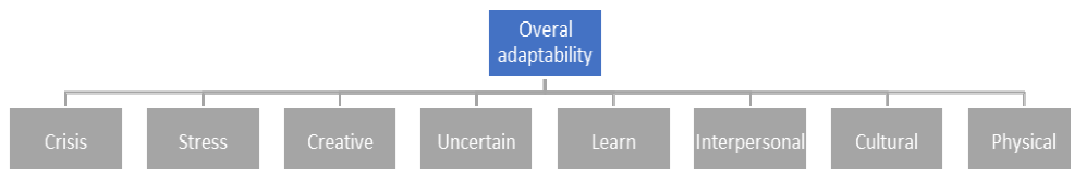


Figure 2: Hypothesized Second-Order Factor Structure for Adaptability
 Source: own elaboration

The conceptualization of adaptability is like a broad summary of the most relevant KSAOs for a suitable adaptation. For example, adapting to different social situations probably requires different KSAOs than adapting to work. The conceptualization of adaptability on a broad basis helps rather than measuring individual KSAOs, because we often do not know which specific KSAOs are most important for a particular type of change. Because the adaptability measure captures all these relevant variations (at the

base of which are the eight lower factors), it should prove useful in a wider range of situations.

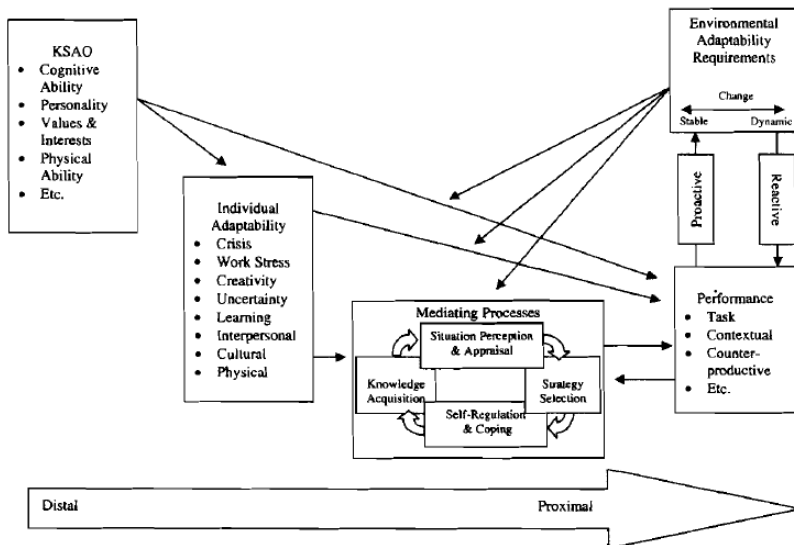


Figure 3: I-ADAPT Theory
 Source: own elaboration

In this theory it is advisable to differentiate between distal and proximal KSAO. „The most distal KSAOs contain such individual differences as cognitive ability, personality, interests/values, and physical ability... proximal mediating processes are more affected by situational factors, are more variable across time.”

3. Definition and dimensions of Job Performance

The most widely accepted definition of job performance is that of Campbell et al. (1990), who defined job performance as “observable things people do (i.e., behaviors) that are relevant for the goals of the organization” (Campbell, McHenry, & Wise, 1990, p. 314). Campbell, McCloy, Oppler, and Sager (1993) made clear distinctions between performance, effectiveness, and productivity. They asserted that performance is the behavior of the individual, effectiveness is the results of that behavior, and productivity is a comparison between the benefits of results and the cost of the behaviors. (S. L. Murphy, 2015).

Motowidlo and Kell (2012) stated that behavior is what people do, performance is the organizational value of what people do, and results are the states or conditions that have changed as an effect of what people do. Murphy (1989) developed one of the first taxonomies of performance that consisted of four dimensions: task behaviors, interpersonal behaviors, downtime behaviors, and destructive/hazardous behaviors. In a large-scale military project, Campbell (1990,1994) developed an eight-dimension taxonomy (Figure 4) that including the following:

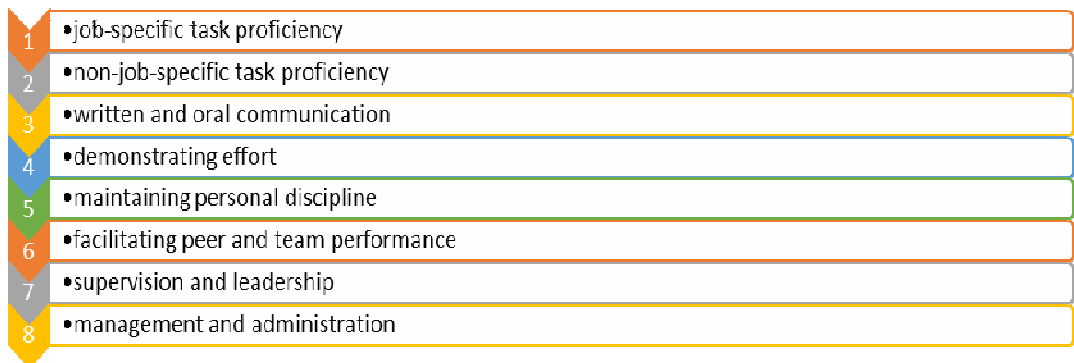


Figure 4: Eight-dimension taxonomy

Source: own elaboration

Task performance are behaviors that lead to the completion of job duties, citizenship performance is behavior aimed towards completing tasks outside of those required for the job, and counterproductive work behaviors are behaviors that are off task (Koopmans et al., 2011).

Understanding the dimensions of performance is important when determining the predictors of job performance. Using individuals knowledge, skills, abilities, and other characteristics (KSAOs) to predict performance has become an essential task for industrial and organizational psychologists (Murphy, 1996). The most popular methods used are: interviews, biodata, personality tests, intelligence tests, background checks, integrity tests and references.

Therefore, performance at work could be treated as a behavior that an employee has, which is relevant to the purposes of the organization. Eight-dimension taxonomy can be used to measure an individual's job performance. This is useful in developing a business. The analysis of individual adaptability can increase the individual performance of a company's employees. So it can be said that increasing individual performance will lead to increased performance of the whole society. As it is known, the main purpose of an enterprise is to make a profit, and the latter depends directly proportionally on the involvement of employees. That being so, in order to fulfill the purpose of a society, the performance of the work must be taken into account, which is limited by individual adaptability.

4. Conclusions

Adaptability to work means the psychosocial resources to cope with changing work and working conditions. It involves the ability to adapt to changing tasks, engage in continued self-learning, and regulate one's career direction. Due to the fact that authors believe that there is a certain predictability in the way individuals react to changes in their environment, the I-ADAPT theory has developed. It should also be noted that adaptability is not the same as adaptive performance. At the base of individual adaptability there is a multidimensional set of knowledge, skills, abilities and other characteristics (KSAO) and therefore captures the common variation of these KSAOs in the prediction of adaptive performance. The conceptualization of adaptability is like a broad summary of the most relevant KSAOs for a suitable adaptation. Based on the stated conceptualization of adaptability on a broad basis, it helps rather than measuring individual KSAOs, because we often don't know which specific KSAOs are most important for a particular type of change.

Because the adaptability measure captures all these relevant variations (at the base of which are the eight lower factors), it should prove useful in a wider range of situations. Contouring dimensions on individual adaptability helps to quantify work performance. Understanding individual differences in adaptability should prove useful both to researchers and interested persons, i.e. management in principle. Concluding, a high-performance world is composed of companies that are constantly developing. At the base of a prosperous society are the companies that through the cumulative performance results of its employees create profit. So, starting from the source: individual, we can get a more prosperous world. Measuring individual performance plays a significant role in human development and increasing individual performance will lead to increased performance of the whole society

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DIGITALIZATION OF SUSTAINABLE BUSINESSES

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Abstract: *The aim of the research was to analyze the impact of digitization in the context of sustainable business. In order to fulfill the research objective, we carried out a methodological review based on research paper articles, presenting how the deepening of the understanding of how digitization has become a force for change in terms of sustainable business models takes place. Digitization is crucial for modern business success and sustainability, driven by efficiency, competitiveness, and innovation. Digital technologies and sustainability practices play pivotal roles in responsible business transformation. Sustainability, involving cost reduction and reputation enhancement, is vital for long-term viability, guided by the SDGs. However, challenges exist in adopting digitization.*

Keywords: digitization; sustainable business; development; Internet of Things (IoT); artificial intelligence (AI); sustainability.

JEL classification: M13, M15, M21.

1. Introduction

Digitization is vital for business success and sustainability. It entails incorporating digital technologies throughout a company's operations, fostering efficiency, competitiveness, and customer satisfaction in the digital age. This fusion of technology and management within digitization enables the creation of innovative business models that harness the potential of the digital realm (Sestino, 2020). A collection of digital technologies, including Artificial Intelligence, Big Data Analytics, Intelligent Transport Systems, and the Internet of Things (IoT), empowers companies to attain responsible digital transformation (Cardinali, 2021). Sustainable businesses employ innovative solutions to mitigate risks, balancing environmental protection and business longevity. The benefits of sustainability include cost reduction through efficient energy use and material reuse, enhanced reputation via recyclable materials, competitive advantage, and positive public perception. Sustainability is now a crucial element for long-term business success. To foster sustainability, there's a need to expand our understanding of value beyond traditional business models focused on value proposition, capture, creation, and delivery (Yang, 2016). The Sustainable Development Goals (SDGs) under the United Nations 2030 Agenda, introduced in 2015, serve as a global guide for addressing sustainability challenges. Despite its importance, the field is still relatively new and faces uncertainties. The intersection of digitalization and sustainability offers promising prospects for a greener economy, aligning with the SDGs, but there is limited evidence of their true impact (Castro, 2020).

2. Research methodology

The aim of the research is to analyze the impact of digitization in the context of sustainable business. It aims to analyze how digital technologies influence and shape businesses that aim to be economically, socially and environmentally sustainable. In order to fulfill the research objective, we carried out a methodological review based on research paper articles, presenting how the deepening of the understanding of how digitization has become a force for change in terms of sustainable business models takes place. Identifying digital technologies, trends and practical examples that contribute to the achievement of business sustainability goals.

3. Literature review

The impact of digitization on businesses offers several benefits such as improved efficiency, streamlined operations, increased productivity, cost savings, enhanced data management, and better customer engagement. Embracing digitization is vital for companies to stay competitive. While digital technologies provide substantial opportunities, they also come with complex challenges (Sestino, 2020). Collaborative robots, often referred to as cobots, are enhancing efficiency within the pharmaceutical sector, notably in fields like research, drug manufacturing, and quality control. Digitalization offers access to a comprehensive network of untapped big data, offering potential benefits for both society and the environment (Mondejar, 2021). Digital technologies show promise in influencing resource-based industries by potentially reducing costs and improving the flexibility and sustainability of manufacturing systems. However, the actual realization of these benefits is uncertain, and the specific ways in which digital technologies enable the transition to sustainable manufacturing systems have not been comprehensively studied. Consequently, more in-depth research, involving both conceptual and empirical investigations, is required to better understand this area (Demartini, 2019). The journey of digital transformation is intricate and enduring, and its triumph hinges on an organization's adeptness in strategizing and implementing it. The organization's commitment to innovation is steered and supported by appropriate internal frameworks, enabling it to discern emerging trends through human and technological structures. Consequently, Artificial Intelligence (AI) emerges as an abundant wellspring of potential transformations, with direct impacts on customer interactions and employee work methods (Stoica, 2022). Artificial intelligence (AI) holds promise in fields like medicine, transportation, agriculture, and education, improving record-keeping, diagnosis, treatment, innovation, data analysis, and misinformation detection. However, its adoption must be responsible and accompanied by education on its impact. AI also raises concerns in job markets and legal and ethical domains. Digitalization, exemplified by technologies like blockchain, has the capacity to transform supply chain management. Utilizing distributed ledger technology, the blockchain platform offers a digital system and database for tracking transactions throughout the supply chain (Park, 2021). Blockchain technology, as part of digitalization, holds the potential to revolutionize supply chain management (Esmaeilian, 2020). The swift progress and adoption of smart and IoT (Internet of Things) technologies have opened up numerous avenues for technological advancements across various facets of life. The primary objective of IoT technologies is to streamline processes in diverse domains, enhancing the efficiency of systems, whether they are technological or specific processes, with the ultimate aim of improving the quality of life (Nizetic, 2020). The Internet of Things (IoT) comprises a network of physical objects equipped with sensors, software, and internet connectivity. Digitization erases the boundaries between technology and management, enabling the

creation of innovative business models grounded in the principles, techniques, and tools of the digital realm. This study aims to explore the impact of the Internet of Things (IoT) on the way businesses handle their digital transformation (Sestino, 2020). IoT technology in transportation and logistics offers various advantages, including the design of steering wheel control systems, monitoring speed and mileage for driving time and rest breaks, and notifying drivers or managers if speed limits are exceeded. In logistics, it enables real-time tracking of goods, leading to cost savings and improved organization. Overall benefits encompass streamlined supply chain planning, cost reduction, data-driven decision-making, predictive maintenance, monitoring conditions, and theft detection. As IoT technologies rapidly advance and offer various benefits, sustainability becomes a paramount concern. It is crucial to vigilantly monitor and assess this development from an environmental perspective to mitigate negative effects and ensure responsible use of finite global resources (Nižetić, 2020). Sustainable businesses prioritize long-term growth and adaptability. Digitalization has a significant impact on businesses, offering numerous advantages such as increased efficiency through automation, global market access via the internet, improved customer experiences, data-driven decision-making, enhanced competitiveness, cost reduction, process optimization, flexibility, and revenue growth. In essence, digitalization is reshaping how businesses function and compete in the contemporary landscape. Furthermore, adopting green practices like eco-friendly packaging, recycling, energy-efficient solutions, and green process innovation can facilitate responsible digitalization (Cardinali, 2021). To attain high sustainability standards, enhancing the technical-scientific quality of production systems is crucial. Digital technologies can play a key role by boosting productivity, reducing production costs and emissions, optimizing resource use, aligning with market demands, and leveraging big data for improved public services. The integration of AI into decision-making processes is a way to achieve these goals (Vaio, 2020). Sustainability is now a critical element for long-term business success, and business model innovation is emerging as a promising approach to enhance sustainability in manufacturing firms. While previous examinations of business models have focused on value proposition, capture, creation, and delivery, there's a growing need for a more comprehensive understanding of value to drive sustainability efforts (Yang, 2016). Information technology plays a crucial role in overseeing and regulating ecosystem processes across various levels, with a particular emphasis on the integration, analysis, and distribution of data and information concerning resources (Goni, 2020). In terms of challenges, the most significant ones revolve around the economic investments required by companies and the time needed for their adoption of new technologies. For effective IoT utilization, companies should consider these key tips: selecting secure IoT products, formulating a well-defined IoT strategy, and efficient data management. In the realm of digital technologies, businesses encounter significant opportunities alongside intricate challenges (Sestino, 2020) .

4. Conclusion

Digitization is essential for modern business success and sustainability, driven by efficiency, competitiveness, and innovation. Digital technologies and sustainability practices are pivotal for responsible business transformation. Sustainability, involving cost reduction and reputation enhancement, is critical for long-term viability, guided by the SDGs. However, challenges exist in adopting digitalization. Collaborative robots enhance pharmaceutical efficiency, and blockchain can revolutionize supply chains. IoT improves processes and quality of life, with sustainability as a key factor. Adaptive,

innovation-focused businesses prioritize sustainability. The convergence of sustainability and digitalization holds potential, but more research is needed. Digitalization brings opportunities and challenges, demanding thoughtful implementation.

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A BIBLIOMETRIC ANALYSIS OF THE IMPACT OF THE DIGITAL ECONOMY ON DIGITAL GOVERNMENT

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Abstract: *With the advent of the latest technological revolution, the fourth, which is mainly based on the use of the Internet and digital technologies, it is said that mankind has entered the digital age, an era characterized by the ability to transform economies, jobs and even society as a whole by the introduction of new technologies and processes. Analyzing the accelerated development of the digital economy globally, it is not bold to say that the digital economy is becoming more and more the economy itself; in this context, it becomes difficult to delineate the digital economy from the rest of the economy in terms of taxation. The development of digital services facilitates social inclusion, increasing digital literacy and improving digital skills, increasing efficiency and reducing public sector costs by modernizing the administration. The aim of this paper is to determine the impact of the development of digital economy in the field of e-government. This paper reviews these prior studies about digitalization along with a systematic review of recent articles in top public administration journals, to begin to identify and compare key characteristics of these academic communities, including their core researchers, theories, topics, and methods.*

Keywords: bibliometrics; digital economy; digitalization; digital services; digital technologies; e-government

JEL classification: A13

1. Introduction

Studying the evolution of the digital economy is current, because the use of digital technologies is the premise for accelerating economic growth and increasing the competitiveness of national economies. Based on the research results, the specialists have developed proposals for intensifying the digitalization process in order to increase the competitiveness of national economies; in this context, the digitalization of the economy being a key catalyst for economic growth. The digital economy creates new opportunities for the development of national economies at different levels: micro and macro.

The Organization for Economic Co-operation and Development (OECD) proposes quantification indicators on global spans on education, innovation, trade, digital policy, etc. to identify global differences in the development and progress of digital transformation (OECD, 2019). The study proposes nine priority lines of action for better monitoring of digital transformation: assessing the visibility of the digital economy in economic statistics, understanding the economic impact of digital transformation, improve data and data flow measurement, develop skills needed for digital transformation, measure trust in the online environment through online consumer security and risk protection management, namely, establishing the impact of the conceptual framework of the digitalization of governance.

2. Literature review

The actuality of the study is based on the critical component regarding the fundamentals of financial allocations for the sustainable development of the digital economy. Although the literature is varied, there is no exact definition of the digital economy. Indeed, it is not limited to a particular sector of activity and encompasses very different concepts. The degree of interest in the development of digital economy, the level of information technology, the need for the development and delivery of digital services, and, the presence of current specific problems and the need to solve them, all generate a deep interest of theorists and practitioners for the process of digitization. The current socio-economic context calls for particular attention to be paid to digitalization and the growth of its related economic performance. In the current period, more and more researchers are studying this.

Bressanelli et al. (2018) discusses digital technology as a growth engine for the economy, indicating the need for a conceptual framework to improve the digital product and increase the effectiveness of these products.

Kravchenko et al. (2019), analyzes digitization as a global trend and growth factor of the modern economy. Germany, with a retail trade volume of around USD 73 billion, contributes 8.4% to global trade, ranking 5th after China, the US, the UK and Japan.

The measurement of GDP in the digital economy, is proposed by Watanabe et al. (2018), as a way of arguing for welfare and economic productivity. The authors appreciate that good information and technological communication can solve problems of economic stagnation and crisis, in the context of the digital economy.

Williams K., Chatterjee S, and Rossi M. (2008), jointly argue that a digital service is an activity or benefit for that party that can provide another with a service or activity through a digital transaction. A digital service provider is an entity that provides a service or activity through a digital transaction. A user of digital services is an entity that receives a service or activity of a digital nature.

According to another interpretation presented by Kar A. and Singhal H. (2015), consider that digital services are services that are fully automated and controlled by the end user or customer of the service.

Nesterenko E. V. (2019) claims that during the provision of a digital service, electronic data are exchanged instead of the physical movement of goods. However, this does not mean that the digital service is provided entirely in digital form only and is only achieved through the transfer of digital goods.

In the report *Is a digital product a product or a service?* Report at the VII International Conference "Law and the Internet", Ggorshkova L.V., deals with the legal complexity of a digital service noting that the legal complexity of the qualification of a digital service is due to the fact that the purchase and sale of such a service takes place on the Internet, thus bypassing the physical borders of states, and that is why the procedure for collecting taxes and customs duties due becomes more difficult

In their work, Loebbecke C. and Picot A. say about digitization, that, in fact, accelerating it on the capitalization of quality data for the design and delivery of state-of-the-art services, will allow the creation of innovative business models, which, of course, they will have a number of consequences. One of the consequences is known in the occupation of the mine fort. The process of digitalization has a negative impact on this sector because workers can remain jobless, as it has been the case for workers in manufacturing industries, when automation made its presence felt.

At the same time, Tirole J., states that the digitalization of society is at the center of economic and social changes of the 21st century. It will impact all human activities, just

as it has already changed trade, finance, media and the travel and hospitality industry. Everyone will have to adapt, including some overreaching organizations.

E-government or digital government generically defines the use of new communication technologies and IT applications by central and local public administration in order to streamline the work of the administrative apparatus and increase the quality of public services.

In fact, E-governance represents the use by the public sector of information and communication technologies with the aim of improving the provision of information and services, by encouraging citizen participation in decision-making processes and government accountability in a transparent and efficient manner, in order to improve access to information and services offered by public administration authorities through fast and efficient service.

The concern for the implementation of e-government is closely related to the benefits it brings, namely: it stimulates economic growth, increases productivity due to the efficiency of activities and creates the possibility of optimization and continuous innovation, the decrease of the fiscal value by increasing the share of electronic payments, corroborated with other measures regarding the reduction of the share of the grey economy.

(iGov2010:<http://unpan1.un.org/intrdoc/groups/public/documents/UNPAN/UNPAN033280.pdf>).

3. Methodology and research methods

This study aims to analyse the relevance of literature in the field of digital economy, to highlight its implications for digital government. In this sense, we used the method of bibliometric analysis. The data needed to carry out the scientific approach were extracted from the Web of Science Core Collection database, one of the most popular platforms in the field of scientific research. We used the key terms: digitalization, digital economy and digital governance. Thus, the statistical sample we obtained, contains 2852 scientific papers published in the period 1998-2023.

In Figure 1 we illustrated graphically the number of publications on the impact of the digital economy on digital governance and their distribution over years in the period 2017-2023.

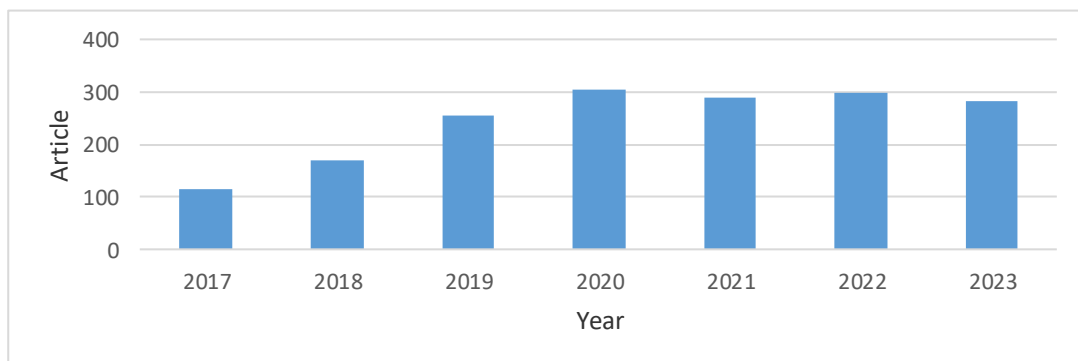


Figure 1: The number of publications by year in the period 2017-2023

Source: Data processed with Vosviewer Program

We observe that the interest in the topic addressed has a predominantly increasing trend from 2017 to 2023. The period 1998-2016 is characterized by a low interest in research on the topic addressed. However, with the development and large-scale implementation of digital products and services, which generated the growth of the digital economy, we identify an increase in the number of publications from 2017 to 2023. In Figure 2 we illustrated the most relevant domains for the studied field, the magazines being presented in descending order of the number of published articles.

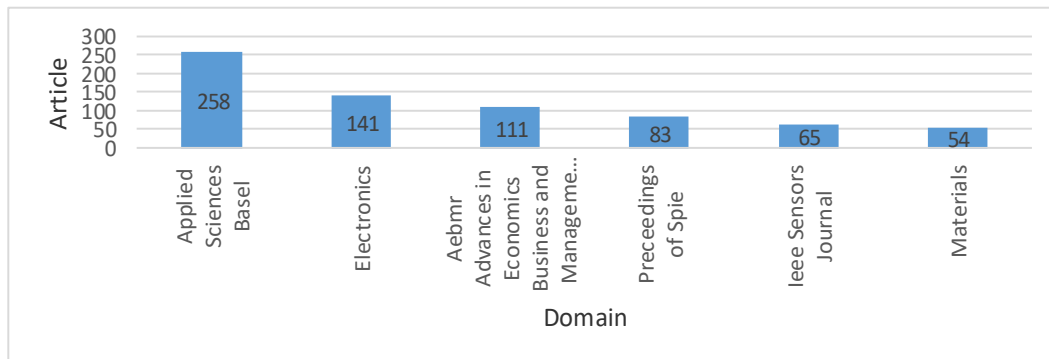


Figure 2: The most relevant domains for the literature review
Source: Data processed with Vosviewer Program

4. Conclusion

This study deals with the relationship between the digital economy and digital governance by conducting a bibliometric analysis based on the evolution of relevant publications, the annual structure of the articles and the study of key terms and number of publications. A quantitative analysis of over 25 years of review literature shows that over 90% of the articles found in the sample taken into account were published in the period 2017-2023, and the subject has gained increased attention in recent years.

The results obtained from the literature review validate the research hypothesis regarding the existence of a strong link between the concept of digital economy and digital government. Thus, it is found that digitalization is a major concern of researchers both in terms of the causes that generate it, being realized holistic approaches of them, but especially with regard to the effects on the economy in general and the digital economy in particular, with impact in the short, medium and long term, namely, the implementation of e-government in various areas of state activity and proved the advantages in terms of improving the quality of public services, because it has allowed citizens easier access to these services and has made the Government's work more efficient and transparent.

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CSR IN EU-27 AND ROMANIA: OVERVIEW OF POST-PANDEMIC CHANGING CONTEXTS

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Abstract: *The concept of CSR is relatively new at global level, and in the European Union increased attention was paid to the concept close to the end of the 20th century and the beginning of the 21st. However, there is wide consensus on two determinant macro-dimensions: socio-economic and socio environmental. The present paper investigates the current challenges of CSR at EU-27 and national level, that range from the lacking or insufficient regulatory framework at national level, to the absence of common standards regarding CSR in the EU Member-States. It is the more important, as the emergence of Corporate Digital Responsibility (CDR) implies a complex mix that will play a role in the future European policies and strategies, and in shifting to the ESG framework and fulfilling the respective criteria.*

Keywords: corporate social responsibility, corporate digital responsibility, socio-economic, socio-environmental dimensions, public and private sector, innovation, research-development, economic growth, development.

JEL classification: D21; L21; M14; N34

1. Problem statement

The beginnings of CSR have been a milestone regarding main issues of concern from economic, social, and environmental perspective between political decision-factors, theoreticians in the field of economy, and management practitioners. Inevitably, this has led to the emergence of various viewpoints about what CSR is, or should be, and to a perpetuated absence of standardized definition of the concept. There is increasing wider consensus that CSR has two determinant macro-dimensions covering multiple economic, economic-institutional, and social aspects, respectively the socio-economic dimension, and the socio-environmental one. Both interact in various stages of the economic activity and social life stages and define several components often associated with quality of life at work, quality of life overall, quality of companies' performance, competitiveness, and the quality of companies' management. EU-27 is faced, in the post-pandemic period and given the volatile geopolitical and geo-economic context with impact on the societal developments with the challenge of improving overall CSR practices, while there are some shared common issues among member-states that contribute to the slow process of implementing CSR: the lack of a common definition, of common standards and practices regarding regulations and reporting requirements. This impacts businesses irrespective of their size and makes it more difficult to navigate the varying expectations and regulations. Among the possible effects, are inconsistencies in the CSR practices, and especially in reporting.

Reporting is one of the most critical issues, as it is the key procedure that contributes to expanding on one hand the outreach of the company, and on the other on

assessing the company's performance and competitiveness in accordance to the most pressing goals of the society at large regarding sustainability, climate change and the company's contribution to their achievement. It is the basis on which (potential) investors, other stakeholders, and consumers can make informed decisions regarding the purchase of the goods or services provided by the respective company or companies. Another significant issue that is lacking in the approaches of CSR at EU-27 and member-states' level is how it supports efforts to address social inclusion, equal opportunities, and poverty reduction in the volatile context generated by the frictions of shifting to the digital economy and society at a swift pace, which only accelerated in the post-pandemic period. Finally, another key element is the way in which businesses take steps for reducing their carbon footprint and support the achievement of the climate goals by adopting sustainable practices.

Many of the EU-27 challenges are also shared by Romania, as there are several challenges and areas that need to be addressed, as all of them contribute to hindering its effectiveness and impact despite the growing awareness and interest in CSR principles. Some of these issues might be resumed as follows: despite the elaboration of a national strategy regarding CSR in the year 2011 (National Strategy for Promoting Social Responsibility 2011-2016), few steps and actions have been taken since for rendering visible the outcomes of CSR practices of companies in the Romanian market, irrespective of their size.

2. Historical overview and proposed methodological framework

CSR has increased in significance in the post-World War period, as businesses became increasingly more aware about their role and impact on society and started engaging in activities that promoted social and economic development, especially in the 1960s and 1970s, when the additional component of rising environmental concerns was added. The slow but constant opening of global markets, and the changes occurred added the dimension of the socially responsible investing (SRI), where the investors began considering also aspects related to a company's ethical and social performance. Most of these developments occurred in the Anglo-Saxon hemisphere, and were less considered in Europe, a fact which is apparent when considering that the first initiatives at European and European Union level were initiated in the context of debates related to sustainability and globalisation, after the 1990s and the beginning of the years 2000. These debates reflected a period of intensive national efforts, and perceptions in developing CSR a concept, which still lacks definition. In fact, it might be said that CSR incorporates several meanings, and these meanings are not always the same for everyone (Votaw, D. 1972).

2.1 Changes on the socio-economic and socio-environmental dimension

Covid-19 has been a turning point on many levels, including CSR initiatives, concepts, and practices, as it has shown that businesses and societies can be in a situation of unexpected risk that challenges simultaneously the economy, the society, and the way in which economic and social policies designed to tackle important issues related to growth, social inclusion, and environmental protection.

In this context, some main changes of CSR approaches were identified by increased emphasis on health and safety, and businesses have responded to this by improving their approach to the health and safety of their workforce, and by implementing additional measures for preventing the outspread of diseases within their operations. The pandemic has shown to businesses that they need to improve their efforts of supporting vulnerable communities, and during the pandemic this was

shown by their efforts to provide various types of resources, financial support, and other assistance measures including here addressing food insecurity, healthcare, and education for the vulnerable communities. The remote-work solution adopted as emergency measure during the pandemic has contributed to changing the labour market, as several companies have considered it as a solution which they pursued also in the post-pandemic period, as it contributes to reducing carbon footprint associated with commuting, and it also has impact on the overall employee well-being and work-life balance. It has thus opened a path for companies to explore new and innovative ways to support remote and flexible work-arrangements.

2.2 Romanian post-pandemic context

In Romania, a survey realized by Ernst and Young during the pandemic (August 2020) has shown that the pandemic has influenced decisions on the sustainability-component of CSR. The survey was answered by 66 respondents representing businesses from following sectors: 4.5% of the answers were received from the Leisure, Tourism and Horeca and Telecommunications sectors. Other answers were from the car industry (3.08%), chemical industry (1.5%), heavy industry (4.62%) Transportation (4.62%), and Energy (6%), followed by respondents in the financial services (4.62%), IT, software, internet (9.23%), Professional services (research, consulting, communication) 9.23%, and the real estate/constructions industry (10.77%), consumer goods (12.31%), trade (12.31%) and other sectors 16.92%. From all respondents, 74.8% considered sustainability as relevant and a priority, as the concept has been increasingly more widespread among companies once the legislation regarding environmental protection has been implemented, and have introduced such aspects in the reporting of non-financial aspects, regulated by the Order no. 1802/2014 in which is provided for the obligation of companies with over 500 employees to report information regarding the environmental, social and personnel components related to human rights, fighting against corruption and bribe. Over 43% of the respondent companies with less than 500 companies already report such non-financial aspects, while for the companies with over 500 employees, the reporting rate is by 85%. The most relevant aspects agree with the global and EU-27 post-pandemic trend of placing health and workplace safety (73.85%), decisional transparency (40%), and energy efficiency/use of renewable energy (29.2%) as the most important aspects related to CSR. Nonetheless, of concern is the fact that only 1.54% regard as relevant the protection of biodiversity.

2.3. Proposed Methodology

The multiple and complex changes on the socio-economic and socio-environmental dimensions triggered by the pandemic and the post-pandemic period, require improved methods for evaluating the CSR performance, not only over certain periods of time, but also in real time as the geopolitical frail context justifies preserving the three basic criteria, respectively CSR action defined by urgency, unpredictability and accelerated vulnerabilities and inequalities (Zhao, J. 2021). In this framework, the main components to be considered are related to labour practices, community engagement, environmental sustainability as building blocks for collecting relevant data. Two additional types of analysis are the regulatory compliance analysis where an assessment is performed about the extent to which EU companies comply with national and EU-level CSR regulations and guidelines, and impact of possible and/or potential changes, and the stakeholder engagement analysis, in which an evaluation is made about the extent of businesses' engagement with stakeholders such as employees, local communities, investors, and civil society.

The latter type of analysis would allow for understanding perspectives and concerns related to CSR and facilitate improvements in the overall quality of CSR for businesses. Due to the necessity of gaining a holistic perspective, a potential method could be the Decision-Making Trial and Evaluation Laboratory, which analyses the interrelationships and influences among the various factors and/or components that are determinant for the quality and performance of CSR (such as commitment from top management, employee engagement, ethical supply chain management, environmental sustainability initiatives, community engagement and philanthropy, CSR reporting and transparency, regulatory compliance, stakeholder engagement, reputation and brand value, financial performance).

3. Conclusions

The imperatives of sustainability, digital transformation, and the increased polarization and social inequality change the CSR perspective of the 21st century, from a company-centred perspective and relevance to a superior level, where businesses turn into relevant stakeholders for national, European, and global sustainability and resilience. The pandemic period has shown that CSR has considerable macroeconomic and macrosocial impact, and therefore, the next step would be the increased role of the new Environmental, Social and Governance model in which CSR turns into a subcomponent indicative for investors' and other stakeholders' decisions, and for the creation of new business initiatives that are connected to the environmental interests, but also in the socio-economic dimension in which CSR improvements contribute to increased attraction and retention of talent, high-skilled workers, but also to building stronger relationships with the community as a whole (Dathe, T. et al.2022; Spitz, K. et al. 2022; Hill, J. 2020). The ESG framework will contribute to emphasise even more the constant evolution and transformation of the CSR concept, as CSR needs to adapt to the changed landscape defined by digitalization, geo-economic and geopolitical challenges.

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CULTURAL AND CREATIVE INDUSTRIES AS CATALYSTS FOR SUSTAINABLE DEVELOPMENT

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Abstract: *The potential of cultural and creative industries is increasingly recognised as catalyst for sustainable development from environmental, economic and societal perspectives. Cultural and creative industries have been identified as prominent to drive change and bring a positive role in the desideratum of a sustainable and inclusive future for all. This paper aims to highlight the benefits of cultural and creative industries over the main dimensions of the sustainable development, environmental, social and economic by addressing the sector beneficial contribution to factors such as social cohesion, economic growth, and environmental protection awareness. To become a society in accordance with the principles of sustainable development, a holistic approach is required in which the economic, environmental and social dimensions are addressed interrelated. Cultural and creative industries refer to more than a cultural good, product or service, but an integrated process with multiple implications and effects over the three dimensions and this interlinked approach emphasizes the role of culture and creativity transformational capacity in connecting the three pillars of sustainable development.*

Keywords: cultural and creative industries; sustainable development

JEL classification: A12; O20; Q01

1. Introduction

Cultural and creative industries use creative capacity in the development process and refer to what is produced through creativity and has potential in the economic circuit, benefiting by a growing recognition internationally both at policy level and among researchers and practitioners. The contribution of cultural and creative industries (CCI) to the development process is based on the involvement of economic, environmental and socio-cultural components. Development through cultural and creative industries aims at economic prosperity and social well-being by emphasizing the benefits of culture, art and creativity, leading to a re-evaluation of the boundaries between culture and economy, between creativity and development.

2. The intersection between cultural and creative industries and sustainable development

The intersection between cultural and creative industries and sustainable development has gained increased attention in both scientific literature and at the level of international policies that harness the potential of cultural and creative sectors as a means of facilitating economic, social and environmental sustainability.

The interconnection between cultural and creative industries and sustainable development is often perceived from both local and global perspectives. International

policies emphasize the importance of global engagement, while local policies focus on regional development and local economic growth. International organizations such as UNESCO and the United Nations have recognized the importance of cultural and creative industries in sustainable development. For example, support for the cultural dimension of sustainable development and the recognition of culture as the fourth pillar of sustainable development can be found in international bodies such as United Cities and Local Governments (UCLG, 2010). The UN's Sustainable Development Goals (SDGs), particularly Goal 4 (Quality Education), Goal 8 (Decent Work and Economic Growth), Goal 9 (Industry, Innovation, and Infrastructure) and Goal 11 (Sustainable Cities and Communities) touch upon the role of cultural and creative industries.

At EU level, policy documents in different fields (from cultural to regional and industrial policies) recognize the wide impact of culture and the potential of cultural and creative industries for economic growth (European Commission et al., 2017). Given the economic and social importance of the cultural and creative industries, the European Parliament is interested in promoting a coherent EU policy, as seen in the Parliament's Resolution, "A coherent policy for the Cultural and Creative Industries" (European Parliament, 2016) on the role of industries in local and regional development and increasing the attractiveness of regions, inclusion and socio-economic development of rural areas and sustainable urban regeneration.

Moreover, a growing number of researchers around the world have incorporated the notion of culture into this sustainable development paradigm. Among them I mention Hawkes (2001), Hesmondhalgh and Pratt (2005), Duxbury and Jeanotte (2011).

This intersection of concepts continues to evolve as researchers and policymakers explore new ways to leverage creativity and culture for a more sustainable future.

2.1. Social dimension

A more widespread role of cultural and creative industries is based on their ability to support social cohesion and cultural identity, norms and values inspired by culture and tradition. Culture-based creativity contributes to enhancing social cohesion by facilitating shared beliefs and ethics for society. Innovative and experimental actions encourage the emergence and development of new forms of expression of cultural and creative industries, improving access to the different sectors of culture (traditional or modern forms of expression) and promoting the transmission of cultural values. Cultural and creative industries are identified with a creative ecosystem and influence the quality of life and well-being.

Culture contributes to inclusive and quality education and fosters lifelong learning opportunities (Cincu and Gariboldi, 2021). Moreover, culture and creative industries have the potential to contribute to increased awareness on sustainable lifestyle by generating environmental friendly products and services as well as encouraging more sustainable consumption patterns.

2.2. Economic dimension

The contribution of cultural and creative industries to economic development is considered relevant to be contributory to indicators such as revenue generated, gross value added, employment, number of enterprises and jobs created, bringing dynamics in production, distribution, cultural consumption and trade relations. In the pursuit of development, high creativity and broad application of knowledge are the main characteristics of modern economies, and at the same time, the developed economy becomes more creative (Zhang, 2011).

In terms of economic factors, in 2020, in EU there were 1.2 million cultural enterprises, representing 5.2 % of all businesses within the non-financial business economy. The

value added at factor cost of cultural enterprises was around €147 billion, meaning 2.3 % of the non-financial business economy (Eurostat, 2023). Considering the employment level, the cultural and creative sectors employ 8.02 million people and represents 3.05% of the EU value added (EUR 477 billion) and includes 1.2 million companies, out of which 99.9% are SMEs (European Commission, 2021).

2.3. Environmental dimension

In the process of sustainable development, the principle of resources circularity is a valuable one. When the exploitation of an environmental resource exceeds its regenerative capacity, the resource stock is diminished, generating a loss and reduced possibilities for use of the resource stock by both present and future generations, affecting quality of life (Pjerco et al., 2011). As a result of the effects of excessive industrialization and other activities that are based on exploiting resources, culture and creativity stand out as a valuable resource. The ability to initiate and develop activities in which man becomes the main driver of results, offers countries and regions the premises to launch innovative products and services on a global market, the creative products that complement the potential of the economic system (Costică et al., 2016). Moreover, cultural and creative industries have innovative potential, predilection to technology usage and adoption of sustainable practices such as usage of environmentally friendly materials, recycling or producing and promoting eco-friendly products and services contributing to increased environmental protection awareness.

3. Conclusion

The paper approaches the potential of the cultural and creative industries to be considered as catalysts of sustainable development, generating economic growth, social cohesion, and environmental protection awareness. The convergence of the analysed concepts within the paper addresses the cultural and creative industries capacity to contribute to sustainable development, involving simultaneously the economic, social, and environmental dimensions.

While the analysed concepts cultural and creative industries and sustainable development are endorsed as distinct concepts, they can be interconnected, and their mutual intersection have become subject of increased level of research, policy development, and trans-sectorial interventions in areas such as cultural policy or economic development. The paper presents the premises of a basis for a future research direction on the impact of cultural and creative industries towards sustainable development, bringing perspectives of study of scientific literature as well as policy references, and arguments for incorporating cultural and creative industries in sustainable development initiatives.

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THE IDEAL LEADER

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Abstract: *Sharing power and information and fostering the growth of self-leading skills are the objectives of leadership. Even the most influential and powerful people become leaders accidentally since most people don't seek the position. It might be challenging and even terrifying to speak in front of others and convince them to do something. Leadership is jointly formed. It is neither with one side nor the other. We all take part in the illusion, which is what it is. In this article, we will explore what are the traits of the ideal leader and how to be improve them with Self-Leadership. Also we take a short look on who will be best leader from the genders.*

Keywords: Leadership; character; team; leadership behaviour.

JEL Classification: O15

1. INTRODUCTION

Theory about leader's is an incredibly complex and varied topic. A leader's long-term success is determined by their own leadership style, strengths, and development needs as how effective they think and act.

Leaders focus attention on results, create a productive work environment, they take charge of their own self-management and set an example for others to follow and encourage teamwork.

2. Habits and practices of successful leaders

Leaders exercise initiative by not blaming others for the actions and take the lead, in organization and in personal life.

They keep perspective, encourage interdependence by seeking agreements or solutions that are mutually beneficial to all parties.

They show empathy by exercising patience and thoughtfulness, reflecting of what others have said, before seeking to be understood by them.

They value differences by fostering a climate where people will share their ideas and be open to each other.

They continually improve and envision the future by having a personal program to keep balance in their life, and encourage others to do the same and envisioning the future by refining what they are trying to accomplish and valuing people who look at the big picture.

3. Women and Leadership

Global challenges require diverse views, experiences and styles of leadership if they are to be successfully tackled.

Evidence shows a slowdown, or reversal, of women's leadership. In the last decade (2007-2017) women's progression to senior management has increased by only 1%; the percentage of women in Information and Communication Technologies (ICT) has declined by 6%. Women comprise only 23% of parliamentarians, 27% of judges and 26% of media news leaders (KCL 2018).

Gender differences in occupations reflect existing assumptions about men's and women's emotionality. Men are more motivated to stay in control, repress emotional responses (Matud, 2004), and express powerful emotions such as anger or pride. It has been argued that people-oriented work is related more closely to women's traditional caretaking role, encapsulating a higher suitability for service jobs (cf. Bulan et al., 1997; Hochschild, 1983).

Research has shown that effectiveness in working with people is more important to job success and satisfaction for female workers than their male counterparts (Bulan et al., 1997). Leadership behaviors were referred to as gender-role spillover effects since these gender-based expectations have an impact on workplace roles (Eagly & Carli, 2003).

A large amount of research demonstrates that gender stereotypes frequently exist in leadership styles (see, for instance, Eagly, Karau, & Makhijani, 1995). Compared to male leaders, female leaders typically exhibit a more democratic and people-oriented approach (Eagly et al., 1995).

4. 10 Essential Attributes of Effective Leaders

Being a good leader is fantastic, but understanding why and how one develops into a strong leader gives real substance and depth to the discussion. Instead of just having someone without understanding do the same, it makes more sense to have someone who understands the aims and objectives give advice and direction.

- **Active Listening**

A skill that is usually underutilized and a natural gift that is frequently taken for granted is listening. Proven leaders will have an advantage when it comes to gaining the desired and expected outcomes from their followers because of this talent, which requires regular use and awareness.

- **Education**

Regardless of one's level of leadership ability, education is a component of continual leadership growth. College degrees and certifications, online and in-person workshops and seminars, as well as self-education are just a few of the alternatives for training development; the possibilities are virtually endless. No matter where one is in life, they should always be seeking ways to improve themselves, their team, and their department.

- **Attention to Detail**

A strong leader must be able to handle details effectively enough to address all potential

questions before giving information to any group. Paying close attention to details demonstrates to individuals that the leader is capable of handling the current situation.

- **Directions**

A great leader communicates instructions in a clear and consistent manner. To do this, the leader must be aware of the intended audience for his or her instructions and must make sure that the message is understood clearly. In order to guarantee that tasks are accomplished with the fewest possible errors, it is frequently helpful to provide instructions in writing, whether by email or another format. A great leader must be able to speak clearly in order to be understood.

- Evolution

A good leader may become a high-achieving leader with a devoted following if they have the capacity to change and adapt. It's likely that the leadership philosophies that police executives developed early in their careers would need to be modified in order to adapt to new generations and advance personally. Other leaders aspire to be like a leader who can change with the times and adapt to them.

- Resourcefulness

When it comes to completing challenging or time-consuming undertakings, being resourceful, creative, and imaginative are especially crucial. When managing and leading any team of employees within a law enforcement organization, resourcefulness is undoubtedly essential. Leaders must maximize followers' performance skill sets and inspire them to think creatively in order to help them develop their leadership abilities.

- Service

The followers who work on the front lines and who will eventually lead the organization must also be taken care of by managers. Serving the followers shows them that the leaders genuinely care about them, and it gives everyone much more reason to work more and feel more motivated

- Humor

Everyone interprets and delivers humor differently, and some individuals are just inherently funnier than others. If used in a timely and suitable manner, this social ability may do wonders for trust and morale. Less effective leaders use humor in negative ways—to show off, cut people down with sarcasm, and overly distract people from the task at hand.

Leaders should never disparage or minimize any victim or situation because it reflects poorly on the organization.

- Integrity

A leader with integrity will uphold the goal of the organization and society's expectations by acting with strong values and honesty. Without integrity, it is unlikely that others would see you as legitimate or trustworthy.

- People

People are the basis on which leadership is constructed; effective leaders develop effective followers. People require public recognition for a job well done, and they value leaders who look beyond their uniform to people with unique goals and concerns. A successful leader recognizes people's abilities and assists them in using them, which boosts productivity and morale.

The essential components of effective leadership include listening, education, attention to detail, direction, evolution, resourcefulness, service, humor, integrity, and people (LEADERSHIP). Any leader may achieve success by cultivating and perfecting these qualities.

5. Self-Leadership

In general, self-leadership is defined as a self-influencing process for improvement of personal effectiveness (Influencing Oneself, Neck and Manz 2010, p. 4). Self-Leadership does not specifically refer to the leadership of others. More fundamentally, if someone wants to lead others successfully, they must first be able to successfully influence and guide themselves. Self-management skills are the foundation for effective leadership. A leader must first develop their own leadership and influence skills before they can effectively influence others.

It also doesn't educate individuals how to influence others or move themselves efficiently in the direction they want to go. Knowledge is power. Control is the next step

after power. The first step toward successful self-influence is to gain one person's conscious understanding of their inner processes and procedures (such as wants, ideas, and ambitions). Self-Leadership is a skill that can be learned and developed (see Furtner and Sachse 2011; Lucke and Furtner 2015; Müller and Wiese 2010).

In general, self-leadership is associated with a higher ability to innovate and be creative. This can be ensured in particular if a leader has sufficient autonomy, scope for action and self-determination.

In order for leaders to be successful, they also have to be successful in an interpersonal context have appropriate emotional skills. In order to achieve their goals, they must on the one hand, show expressiveness regarding their emotions and on the other hand, social ones.

6. Conclusion

In conclusion, being a leader requires a lot of effort. Because people are frequently complex, being in a position of leadership is challenging. It is impossible for a leader to win over everyone. People frequently have a short recall of the pleasant things and a long remember of the unpleasant things. Why then do it? It's essential, thus the solution is simple. There will never be a period when leaders are not needed, no matter what occurs in society. Anyone could be a leader if it were simple to do so. Leadership is beautiful in its complexity. That is another reason why mentoring is so crucial. Leaders must want to support the development of emerging leaders and provide time and resources to those who want to advance.

The path to leadership is not a sprint, nor even a marathon; it is an ultra-race, which is both extremely difficult and extremely rewarding. That's how you lead!

In order to discriminate between male and female followers while interacting, leaders must change their approach. However, this should not be taken as a need as followers of both men and women are equally attracted to leaders who exhibit profound acting. In other words, deep acting by a leader is not "problematic" (remember the beneficial effects of this tactic on one's health), but it is preferable to use less (deep) acting while speaking to a female follower.

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UNDERSTANDING INVESTORS BEHAVIOR IN THE CRYPTOCURRENCY MARKET

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Abstract: *The emergence of cryptocurrencies led to the development of financial markets, but at the same time it also created many controversies. Also, in this paper the behavior of investors is studied and according to what criteria they decide or not to invest in digital currencies. The volatility of cryptocurrencies is already well known and can represent both a good thing for some people and a negative effect for others. Also, investments in Bitcoin and other digital currencies have led in some cases to the appearance of herd behavior, and following research, it has become clear that it increases the effect of volatility in the financial market.*

Keywords: cryptocurrencies; investors behavior; digital currencies; herd behavior; financial market

JEL classification: G10, O10, O16

1. Introduction

The invention of digital currencies is a product of the information age, but it addresses a problem as old as human society: the transfer of value across time and space. It is no coincidence that humanity's most outstanding achievements happened when the monetary system was stable and healthy, just as it is no coincidence that monetary crises accompanied the collapse of civilizations and currency falls (Ammous, 2018). There are still several points of disagreement in the scientific, economic, social, and political spheres regarding digital currencies. One of the most controversial aspects is the association of digital currency with private currency, which raises questions about the viability of using a monetary alternative to the one issued by the state.

The emergence of digital assets has brought about a significant transformation in the payment and banking industry. Digital currencies, CBDCs, stablecoins, and cryptocurrencies are changing the landscape, and governments, banking institutions, and technology companies must adopt these changes to stay relevant, maintain a competitive edge, and generate profits.

2. The relation between cryptocurrencies and investors' behavior

Digital assets are subject to regulatory oversight, and there are different approaches to how they should be managed. In 2018, Mark Carney, the former Governor of the Bank of England, questioned whether digital assets should be isolated, regulated, or integrated. Currently, US lawmakers are working to reach a consensus on how digital assets should be classified. Meanwhile, the EU has recently adopted the Digital Finance package, which intends to support the digital transformation of the financial sector and support the development and use of new financial products in the EU.

Some countries, such as Algeria, Bolivia, and Egypt, have banned cryptocurrencies, while others, such as Russia and China, heavily monitor their use.

Digital currencies can be broadly classified into two types: regulated and unregulated. Regulated digital currency, also known as fiat currency, base digital currency, or CBDC (Central Bank Digital Currency), is issued by a central bank and was legislated by the EU. This directive lays down rules on the activity and supervision of electronic money institutions (e-money). It is worth noting that despite the interest expressed by central banks worldwide, fiat digital currency is still in its infancy and is primarily theoretical.

The virtual currency has sparked debates due to various controversies it raises. For instance, in the EU and other countries, there is much uncertainty surrounding the correct legal classification of virtual currencies. While some argue that virtual currency can be regarded as a unit of account and a financial instrument, others question whether it can be considered "currency" in the traditional sense. The scientific and legal community is still divided on this issue, and there are many ongoing debates on the topic, including whether virtual currency can be viewed as a medium of exchange, an intangible asset, or an alternative investment with specific risks attached. Ultimately, the question remains whether it is just a financial asset. Starting from such dilemmas, the challenge of terminological correctness arises – in some situations, the term "digital assets" is preferred.

The world of virtual currency is evolving rapidly, and cryptocurrencies are at the forefront of this revolution. As Blockchain technology can potentially transform finance, IT, and energy sectors, interest in regulating this market is rising. Leading the pack is Bitcoin, the most well-known cryptocurrency, which is currently being scrutinized for its economic feasibility and long-term sustainability.

Stablecoins are digital assets issued by private investors and tied to an asset or fiat currency to minimize their volatility. Different types of stablecoins can be fiat-backed, asset-collateralized, crypto-collateralized, or algorithmic. The benefits of stablecoins illustrate a trade-off between price stability, decentralization, and capital efficiency. The market capitalization of stablecoins reached \$125 billion in November 2023, accounting for more than 9% of the total global market capitalization of \$1.320 billion. Out of 152 stablecoins issued, the top 10 stablecoins cover 97% of the total stablecoin market capitalization. (CoinMarketCap, 5 November 2023).

Investors can use DeFi (Decentralised Finance) directly, lending their digital currencies for projects and for funding looking for returns (e.g., lending "DeFi") or using an intermediary (e.g., a cryptocurrency exchange firm) to invest stablecoins on their behalf (e.g., centralized finance or lending "CeFi") (Deloitte, 2022).

CBDCs and stablecoins are mainly the result of three significant disruptions caused by digital technologies: the arrival of new players, the emergence of new forms of investment and settlements, and the emergence of a decentralized market infrastructure based on distributed ledger technology and blockchain in particular (Beau, 2023).

The intrinsic characteristics of cash, namely significant and physical, ensuring confidentiality while making payments, and allowing use without a specific technical infrastructure, are difficult to compensate for by a digital currency (EUROSYSTEM, 2015). In addition, the issuance of such a currency should have the adherence of citizens, although voluntary adoption is only between 4% and 12% (Bank for International Settlements, 2021). Without wide acceptance and circulation of CBDCs, the reputation of the central bank itself would be questionable.

Cryptocurrencies such as Bitcoin, Ethereum or Litecoin received more attention from people, who appreciated the volatility of exchange rates. Many people consider these currencies as the future of the financial market. There are already companies such as

Expedia and Microsoft that accept payment in cryptocurrencies, while other companies consider them dangerous because of the volatility, which can lead to speculative bubbles (Keller and Scholz, 2019)

The emergence of the Covid-19 pandemic was a shock to the cryptocurrency market. For example, from the appearance of Bitcoin until now, although it has had periods of high volatility, the cryptocurrency has not suffered a significant crisis. These digital currencies from the perspective of financial assets failed to offer people that financial security and at the same time cryptocurrencies failed to stop that herd behavior of investors in times of crisis. The herd behavior practiced by certain investors can explain the existing anomalies in the financial markets. Thus, the prices reflect all available information, and an investor will not be able to obtain huge profits using only the information he finds in the public domain. Herd behavior occurs when some investors have certain private information, and based on it they choose to make investments, which are not in accordance with what is happening on the market. For this reason, the other investors notice the behavior and end up copying it, even though they don't know that private information. In the end, these actions will lead to high volatility, and the financial markets will be destabilized (Yarovaya et al., 2021).

Research also shows that there are implications at an emotional level, and cryptocurrencies respond very well to these feelings transmitted through digital platforms. Thus, studies show that when investor sentiments are low, cryptocurrencies are used to limit financial risk. Basically, if it is suggested that a certain cryptocurrency will reach unprecedented levels, there will be a herd effect among investors and they will automatically consider that the other cryptocurrencies will follow the same trend. On the other hand, during the Covid-19 pandemic, the cryptocurrency market reached a high level of volatility, and the news from that period affected the emotional side of investors, influencing them in a negative way. The Covid-19 pandemic led to uncertainty, fear, but also many biases among investors, who were later guided by the herd effect. Herd behavior means copying the decisions of other investors without a rational basis. This behavior can cause instability in the financial markets, increase volatility, but also the appearance of bubbles (Youssef and Waked, 2022).

Factors such as social influence, a good knowledge of the financial market, available resources, but also expectations related to possible gains can be found behind consumers' intentions to decide whether or not to invest in cryptocurrencies. The cryptocurrency market is characterized by high volatility. This is appreciated by investors, while in the case of traditional financial markets it is an impediment. Thus, investors who want to make transactions with cryptocurrency are attracted by the risk and are not discouraged by the possible losses that may occur (Almeida and Gonçalves, 2023).

3. Conclusions

In conclusion, the volatility of cryptocurrencies has become an element known to investors. For some of them, volatility represents real opportunities, while for others it is a risk. Regarding the acceptance of cryptocurrencies as a payment method, the discussions are controversial, in principle because of the lack of stability of these digital instruments, but also because of the anonymity behind them. There are companies such as Expedia and Microsoft that accept payment with cryptocurrencies, but there are also companies that still avoid doing so. At the same time, not only companies have reservations, but also certain countries and investors, being used to a different culture in terms of financial investments.

On the other hand, it was found that there is an emotional side that guides investors when digital currencies are involved. An example can be the Covid-19 pandemic, where many decisions were taken out of impulsiveness, insecurity and uncertainty. Digital currencies felt a real shock

during the pandemic, and some investors did not act rationally, but were guided by that herd behavior, where they copied their decisions without knowing the justification behind the choices.

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THE INFLUENCE OF AN EMERGING MARKET STATUS ON THE CAPITAL MARKETS OF POLAND AND ROMANIA

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Abstract: *This research paper aims into the development of market globalization in contemporary economies, with a focus on how it has facilitated opportunities for diverse investors to construct portfolios comprising various financial assets. The study shows the influence of capital markets on the allocation of capital to public and private entities, examining their role as intermediaries between investors and issuers. Furthermore, the paper analyzes the trajectory of international investments, emphasizing the significant role of emerging markets and the recent inclusion of Poland in the category of developed markets. A comparative analysis between Poland and Romania highlights the differences in their capital market evolution, while also addressing their similarities in regional and political contexts.*

Keywords: emerging markets, capital market, comparative analysis.

JEL classification: H54, N20

1. Introduction

The contemporary global economy has witnessed the evolution of market globalization, which has provided a platform for a diverse range of investors to construct portfolios comprising various financial assets. This development has not only enabled investors to diversify their portfolios in terms of company structure, size, and geographical location but has also allowed them to explore opportunities in emerging markets. The capital market plays a pivotal role in the allocation of available and dispersed capital in the economy to both public and private entities seeking financial resources. It acts as an intermediary mechanism connecting entities that issue securities and other financial instruments with individual and institutional investors through financial investment services firms.

The emergence of emerging markets as attractive investment destinations began in the late 1970s, primarily focusing on developed markets in the United States, Great Britain, Germany, France, Japan, and Australia. A decade later, investors turned their attention to emerging markets in Latin America and South-East Asia. This trend gained significant momentum in the 1990s due to political and economic transformations in China, the dissolution of communism in Central Europe, and political shifts in South Africa. These developments led to an expansion of emerging markets' influence within the global landscape of capital investments.

2. Comparative Analysis of Poland and Romania

Poland and Romania, both Eastern European nations, share several similarities and differences in their political, economic, and regional contexts. Both have faced historical adversities during the 20th century and are geographically positioned at the external borders of the European Union. Poland has gained prominence in EU politics through comprehensive reform efforts following the collapse of communism, while Romania has lagged in terms of reforms and has faced additional scrutiny, as exemplified by the application of the Schengen regime. Notably, the gap in terms of reforms is also seen by financial market participants. Poland's recent inclusion in the category of developed markets by FTSE-Russell and STOXX is a noteworthy achievement with implications at both the local and regional levels. In Romania's case, the Bucharest Stock Exchange (BVB) has historically held a limited influence on Romania's economy and has not garnered significant international recognition. Since its inception in 1995, BVB gradually developed and modernized its infrastructure. The first significant surge in the Romanian stock market occurred in the mid-2000s, with the BVB reaching record highs.

However, according to *Figure 1*, the global financial crisis in 2008 had a notable impact on both Romanian and Polish stock exchange, leading to a sharp decline in stock prices. Although BVB recovered to the previous high a year later than Poland, the various measures implemented by the Romanian Government created the context for an upgrade to emerging market status by FTSE in 2020 and pushed the BVB to a new high in 2023. However, further efforts must be made to develop and modernize the Romanian capital market, especially regarding the offer of IPOs to investors.



Figure 1: Evolution of the Stock Market

Source: Investing.com

3. Romania's Economic Growth and Challenges

While the stock market is a leading indicator in terms of economic growth, the level of a country's development is based on a macroeconomic table. Romania's economy is projected to surpass the economic growth of its neighbouring countries, driven by factors such as EU financial support, currency stability, and foreign investment.

Notably, the phenomenon of reshoring has contributed to the influx of foreign investment. However, challenges remain, including a significant current account deficit, an aging population, and bureaucratic obstacles in infrastructure development. These challenges are addressed in the National Recovery and Resilience Plan (NRRP), but must make the leap from paper to reality, especially since 2024 is an election year.

From another point of view, the pension funds play a significant role in the capital

markets of both Poland and Romania. In Poland, pension funds have acquired a substantial portion of tradable shares on the Warsaw Stock Exchange, while in Romania, they face challenges related to liquidity and investment opportunities. Romanian Second Pillar Pension has acquired a significant portion of existing shares, exceeding one-third of the market value of freely tradable shares on the BVB. According to the International Monetary Fund (IMF), even though both countries, Poland and Romania, started from almost the same economic foundation, their potential economic growth trajectories have diverged significantly over the years. While they share similarities in terms of historical context and regional positioning, the IMF's analysis reveals notable differences in their economic outlooks and growth prospects. Poland's economic transformation following the collapse of communism was marked by a comprehensive reform agenda, which propelled the country toward becoming a vibrant and robust economy. These reforms led to the transition from a centrally planned system to a market-based economy, with the establishment of a crucial component: the Warsaw Stock Exchange (WSE) in 1991. This shift laid the foundation for Poland's economic growth and its eventual inclusion in the category of developed markets by leading global indices. In contrast, Romania's path toward economic development has been more gradual.

The country's accession to the European Union provided a significant impetus for reforms, but it has taken time to align with EU standards fully. The IMF's forecasts anticipate robust economic growth for Romania, with a projected Real GDP Growth of 3.5%. This growth is attributed to factors such as financial support from the European Union, currency stability, and foreign investment. Romania has also attracted businesses through the phenomenon of reshoring, as companies relocate their operations from Russia and Ukraine. This positive trajectory is further reflected in the country's GDP per capita, which, when adjusted for purchasing power, has increased substantially, standing at around 76% of the European Union average in 2021.

According to *Figure 2*, while both Poland and Romania have experienced notable economic progress, their individual journeys, rates of growth, and development strategies have distinguished them. Poland's early and decisive reforms positioned it as a prominent player in EU politics and a developed market, while Romania's growth trajectory, although positive, has been characterized by a more gradual and evolving approach.

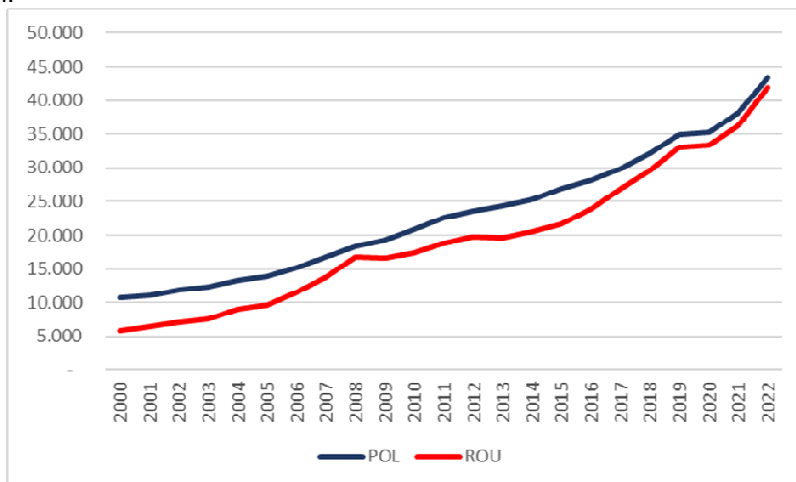


Figure 2: GDP per capita (PPP)

Source: World Bank

Conclusion

The capital market evolution of Poland and Romania displays both similarities and differences. Although challenges are evident, there are also opportunities for growth in both countries. Poland is currently on the cusp of attaining the classification of a "developed economy" due to the presence of a well-established capital market that has effectively capitalized on the nation's inherent potential. In the realm of macroeconomic development indicators, Romania has made significant progress in narrowing the gap with Poland. Notably, Romania has achieved this progress despite the absence of a fully developed capital market. Furthermore, it is imperative for the Romanian government to appropriately recognize the underlying structural issue at hand, namely that the favourable economic trajectory of Romania is dependent on the incorporation of the stock market, due to its inherent potential for growth.

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METHODS AND PRACTICES FOR PREVENTING AND MITIGATING THE ORGANIZATIONAL STRESS IN AN INDUSTRIAL COMPANY

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Abstract: *The organizational stress is a complex phenomenon that we find within different companies from the business environment, regardless of their size. Among the main causes that bring tension and work-related stress one can count: overloading with work tasks, deadlines incorrectly linked to the workload; workplace conflicts; inappropriate working conditions; inadequate skills and responsibilities; poor communication etc.*

Ascertaining this, we planned to create a case study, within a company whose field was clothing production, in order to identify the main factors and sources that generate stress at work, with the aim of identifying and implementing methods and good practices of stress management and its prevention and elimination.

Keywords: organizational stress; stress factors; stress sources, stress management,

JEL classification: D23, M19

1. Introduction

By reason of its consequences, the stress can be considered as the "disease of the century", considering that among the leading causes, the most important ones appear because of work requirements and conditions at the workplace, to which one can add the problems from the employees' personal life. In this context, work is viewed as the most important source of stress for most employees. In the European Union, stress at work represents an important health problem related to professional activity, which affects over 30% of employees.

2. Literature study

2.1. The concept of stress

There are many studies showing an important relationship between stress and performance, to be specific, employees being exposed to lower levels of stress perform better at their tasks and responsibilities at work. According to G. Johns, stress is "a psychological reaction to the demands of stressors that has the potential to make a person feel tense and anxious, because they don't feel able to cope with these demands" (Johns, 1998, p .434). The organizational stress means: a physiological, cognitive and behavioral emotional reaction to the aggressive and harmful aspects of work, to the work environment and to the organizational climate. It is a state characterized by the feeling of helplessness in solving tasks (Sinding et al, 2014). In turn, C. L, Cooper et al (2002) sees stress as a dynamic condition in which an

individual faces an opportunity, a demand or a resource related to what he wants and for which the outcome is perceived as uncertain and important.

2.2. Organizational and extra-organizational factors and sources of stress

Organizational stress factors refer to: work content; work-related responsibilities; experience; organizational climate; control; organizational effectiveness and efficiency (Johns, 1998; Robbins, 2013; Kinicki et al, 2018). They affect a large number of employees and have as main forms of manifestation: conflict, stereotypes and organizational culture. These in turn are related to culture, structure, technology, implementation of change.

Extra-organizational stressors are those brought about by factors outside the organization and they aren't always work-related, but have to do with resource limitations and work-family balance conflicts. When monitoring and analyzing stress, one must take into account that it accumulates. Each new and persistent stressor adds to the employee's stress level. For this reason we believe that attention must be paid to the sources of stress and to each stressor, regardless of their origin and importance, since they add to an already high level of stress that can already create problems.

At the same time, the intensive use of information technology is another source of organizational stress, alongside customer service which can cause emotions and could become an important stress root, but also the role conflicts which can be difficult to reconcile or satisfy.

Among the stress sources traced among the employees of a business company, those with the highest frequency refer to the physical or mental health; insufficient financial resources; poor communication; lack of job security; inadequate skills and responsibilities, etc. (Robbins, Judge, 2013). Lack of social support from colleagues, inadequate interpersonal relationships along with negative behaviors of colleagues and supervisors, including aggression or harassment are important sources of organizational stress.

In order to deal with stressful situations, stress management establishes the responsibilities of organizational positions and the behavioral roles of those participating directly or indirectly in the identification, administration and measure implementation with the purpose of keeping the company stress factors under control. Managerial positions, in stress management, must include all hierarchical levels within the company, as well as the main responsibilities related to strategies, policies and practices regarding the management of organizational stress.

3. Research methodology

The case study that was carried out aimed at the identification and analysis of organizational stress factors within the industrial clothing company, wanting to identify the main factors and sources generating work stress, in order to apply stress management methods and best practices that will prevent and mitigate stress and ensure occupational health and safety. We made use of a survey as a primary data source that incorporated a questionnaire as its research tool and included the perception of the employees as respondents, regarding organizational stress at work, with a focus on organizational factors and their sources, as well as a focus on methods of reducing stress. At the same time, semi-structured interviews were organized with 5 people (2 managers, 3 workers). The research sample consists of 31 employees (managers, specialists, workers) who sent valid questionnaires.

4. Results

When the interviews were complete and after the data were processed, we can state that the company's leadership has: appropriate strategies and policies in the field of stress prevention and mitigation, in the opinion of 40% of the respondents, policies and practices regarding the health and safety of the workplace work, according to 100% of the respondents. However, 80% confirm that the company has not implemented and certified the occupational health and safety management system SMSSM based on ISO 45001:2018; programs to ensure the employee well-being by improving health and reducing stress at work, according to 60% of respondents. According to the information obtained after processing the general questions of the questionnaire, with answers of YES and NO, we identified the main categories of stress factors within the company: organizational factors according to the perception of 83.7% of the respondents; environmental factors according to the perception of 45.17% of the respondents; individual factors according to the perception of 77.42% of the respondents. In an in-depth analysis, we find that the most relevant factors, in terms of the recorded scores following the respondents' perception, are: the stability of the workplace (4.12); work requirements (3.86); working conditions (3.81); extremely limited time to complete work tasks (3.85).

5. Conclusions

Regarding the methods of preventing and reducing stress by the company's management, in the opinion of the respondents to the questionnaire, the most important ones, in the order of the importance given by the recorded scores, refer to ensuring: job security (4.09); skills needed by employees (3.88); clear and realistic performance objectives and standards for all employees (3.82); implementation of appropriate and effective occupational health and safety policies (3.80).

We believe that the company's management must implement and certify the SMSSM based on ISO 45001:2018, which will ensure a proactive, strategic approach to stress prevention and management issues. At the same time, occupational health and safety audits associated with risk assessments must be carried out, thus ensuring a comprehensive review of policies and practices linked to these important aspects of the organizational life.

The Company management must be concerned with preventing and mitigating stress through a socially responsible behaviour, in order to improve the quality of life in the organization. At the same time, managers must be more preoccupied with ensuring a working environment that could stimulate improved working conditions, while being preoccupied with the way of rewarding the employees, by creating a work climate based on trust, to which we can add the care for their well-being. At the same time, the measures for improving the work-life balance associated with the appropriate friendly policies can facilitate work after a flexible schedule. These policies can reduce absenteeism and improve low morale due to stressors.

We also emphasize the importance of the managers' treatment towards their employees, namely the managers' fairness, which involves to justly recognize them and also, their achievements. We consider that developing the culture of positive behaviour encouraged at work can be an important source of reducing organizational stress.

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DIGITAL SKILLS OF THE ROMANIAN POPULATION: STATE OF PLAY AND IMPLICATIONS FOR THE FUTURE

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Abstract: *Digital economy is possible if the level of digital literacy among the population is aligned with accessibility level of digital technologies. Digital skills refer to digital knowledge and capacities of individuals to effectively use digital technologies. The present paper aims to illustrate the current situation in Romania regarding the digital skills level of the population compared to other European Union (EU) countries and to highlight implications for the future in the given European and global context of digital transformation. The analysis of Eurostat indicators regarding the 'basic level' and 'above basic level' of digital skills of individuals show that Romania is placed at end of the European ranking. This implies several updates for the future public policy measures and strategies in the framework of the European Digital Agenda and also in the global context of the 5.0 Industrial Revolution.*

Key words: digital skills, digital transformation, digital economy

1. Introduction

The Pandemic of Covid-19 forced the entire society to adopt digital technologies in order to ensure continuity in day-to-day business and life. The lack of digital skills among population created difficulties in all areas of activity where the use of new technologies was required.

Digital transformation is growing now around the world and is influencing every aspect of population's life by using new digital technologies. Advanced digital skills need to be developed not only or those in a job where the use of IT technology is required, but also for citizens who intend to have acces to online available goods and services in a digitalised world. Moreover, given the global turbulent environment in the last years, an emerging concept is that of resilience of communities (i.e., Țiclău et al., 2021, p.127). It is worthy to mention that digital transformation would contribute to the increase of resilience of social and administrative ecosystems (Antonie, 2022).

As a member of the European Union (EU), Romania assumed its own responsibility to act in support of digital transformation of its economy and society and to increase their resilience, within the European policy framework.

The aim of the paper is to analyse the position of Romania regarding the digital skills of population, compared to other European Union states, based on Eurostat statistical indicators of the Digital Economy and Society, to identify possible causes and highlighting the implications for the future, given the European and global context regarding digital transformation.

2. Digital transformation and development of digital skills. The european context

The European framework of policies includes several strategies and action plans targeted to adapt European Union countries to the digital age. The general vision of the EU is reflected by the recent priorities of the European Comission: "A Europe fit for the Digital Age" and "Next generation EU". The target for 2023 is to attain a level of 80% of

EU population with basic digital skills, based on financial support provided through the Next Generation EU funding Programme.

The European Union has been responding to the challenges of digital transformation since 1994 with the Bangeman Report, which placed the innovation at heart of digital transformation (Burch, 2006). Digital innovation was identified as a driver of market development and included in the Lisbon Agenda (2000). In March 2010, the European Commission launched the Europe 2020 Strategy, one of its initiatives being the Digital Agenda, which set out its key role in achieving the 2020 strategy goals (European Commission, 2010). The Digital Agenda included over than 100 actions planned for the European Commission and Member States. One of them was the creation of the Digital Single Market. The EU strategy of Digital Single Market (2017) is built upon three pillars: access (more consumers and more companies to have access to digital goods and services); environment (creating the right conditions for the expansion of digital networks); economy and society (stimulating and maximizing the growth potential of digital economy).

The Digital Europe Programme for the period of 2021-2027 provides financial support for: high-performance computation, artificial intelligence, cybersecurity and trust, advanced digital skills, and use of digital technologies in economy and society (European Parliament and EU Council, 2021).

On 9 March 2021, the European Commission presented its vision for digital transformation for the 2030 horizon. The European Commission proposed a Digital Compass for the European Digital Decade, consisting of four cornerstones: skills, government, business and infrastructure (European Commission, 2021).

The "Digital Education Action Plan 2021-2027- Resetting education and training for the digital age" is a renewal initiative setting the vision of a high-quality, inclusive and accessible education, with two components: fostering the development of a high-performing digital education ecosystem and development of digital skills that are relevant for digital transformation. This Action Plan will contribute to achieve the goals of the "European Skills Agenda" (regarding skills for individuals and business meant to strengthen sustainable competitiveness, ensuring social fairness and building resilience to react crises) and the "2030 Digital Compass: the European way for the Digital Decade" (setting targets for skills, digital transformation of businesses, digital infrastructure and digitalization of public services).

In the European context the term of digital competences (knowledge, skills and attitudes) is defined in the European DigComp framework which includes five components: information and data literacy, communication and collaboration, digital content creation, safety and problems solving (Vuorikari et al., 2022).

3. Digital skills levels in Romania and the European Union countries

Based on Eurostat data, in 2021, the share of individuals with basic or above digital skills in the total population was between 27.82% (in Romania) and 79.18% (in Finland). Very close to Finland is placed Netherlands with 78.94%, followed by Ireland (70.49%) and Denmark (68.85%). Bulgaria registers a value of 31.18%, higher than Romania.

The average level of the European Union is 54.23%. Countries above this level are: Sweden, Czech Republic, Spain, Greece, France, Croatia, Estonia, Luxembourg, Malta, Austria, Slovakia and Portugal. Below the EU's average level are placed: Germany, Italy, Cyprus, Latvia, Lithuania, Poland, Slovenia, Hungary

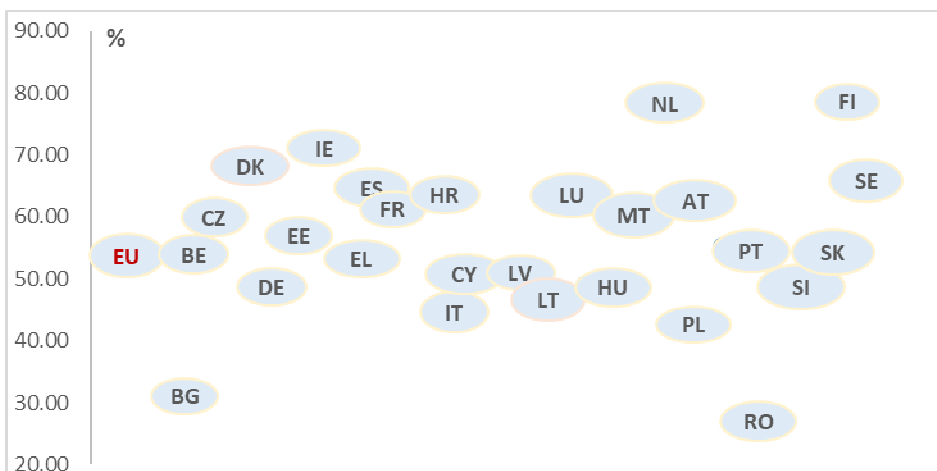


Figure 1 Individuals with basic or above basic overall digital skills (percentage of individuals), 27-EU countries, 2021

Source: Eurostat, [ISOC_SK_DSKL_I21__custom_8371612]

Eurostat data show also, that in all countries, the share of individuals with basic overall digital skills is lower than the level highlighted in Figure 1. The EU's average is 27.46 % compared to 53.92%. Countries above the average level are: Belgium, Czech Republic, Croatia, Denmark, Germany, Estonia, Ireland, Greece, France, Cyprus, Luxembourg, Slovenia, Slovak Republic, Austria, Portugal, Finland and Sweden. Under this mean, there are placed: Spain, Italy, Latvia, Hungary, Malta, Netherlands, Poland, Portugal, Bulgaria and Romania.

Regarding individuals with low level of overall digital skills, the highest share is recorded in Denmark (21.22%), followed by Latvia (20.71%), Cyprus (20.58%), Hungary (20.51%), Slovenia (20.48%) and Luxembourg (20.41%). In Romania, this level is of 16.53, close to the EU average of 16.93%. The lowest share of individuals with such digital skills level is recorded by Finland.

Romania ranks 27th in terms of human capital dimension in DESI 2022, at this moment it is facing a large lack of basic digital skills among the population. Romania scores well below the EU average in at least basic digital skills (28% vs. 54%) and above basic digital skills (9% vs. 26%). Also 41% of people in Romania have at least basic digital content creation skills, below the EU average of 66%. Romania scores below average in terms of the proportion of ICT specialists in employment, at 2.6% compared to 4.5%, with the percentage continuing to increase at a steady pace. In contrast, the number of female ICT specialists and the number of female ICT graduates remain high and have increased to 26% and 6.7% respectively, with peak scores. The share of enterprises providing ICT training stagnates at 6%, well below the EU average.

As we can notice, Romania is systematically placed at the bottom of all rankings measuring the progress on digital transformation path, this fact making it as a weaklink of the EU, although the potential to overcome this state of play exists, as it is highlighted in other studies (i.e., Antonie, 2022; Şandor et al., 2021). This potential refers to a well trained IT human resource and a population that can be mobilised to evolve along the path of digital transformation of the Romanian economy and society.

We can identify the following main causes of this situation: (a) the low level of citizens' trust in online services, probably caused by the low awareness of the digital transition in the context of global changes; (b) the gap between rural and urban areas regarding

the general educational outcomes and access to Internet and digital technologies; (c) the common behaviour of using mobile phone and device for the Internet access, which is beneficial for social connections and networking, and online banking, but for accessing public services and e-learning PCs and notebooks are needed; (d) the scarcity of appropriate and relevant investments in educational activities (i.e., few specific digital skills courses in the curricula); (e) the scarcity of training courses for workers/employers (mainly in sectors based low-skilled workers or rural areas); (f) an inappropriate understanding of the digital technologies (they are meant to increase the efficiency and effectiveness of the educational and operational goals, in accordance with the users' needs); (g) an appropriate approach of the "digital divide" at the decision makers' level, that should be transformed into "digital divide bridging" (meaning defining, describing, evaluating, preventing its growth and treating it, as all well developed states do).

4. Discussion and solutions

In the framework of European policies, Romania carried out several activities meant to improve the digital skills of the population. For example, within the 2023 European Year of Skills Initiative, several events were organised by the Ministry of Labour and Social Solidarity, such as: creating a national digital instrument for digital skills evaluation and training courses for developing digital skills of workers in the construction sector. In 2022, the Romanian Government adopted a decision for digital skills development, dedicated also to older people and their care staff. The National Agency of Public Servants is targeted in the National Plan of Recovery and Resilience (NPRR) with a specific investment in advanced digital skills of individuals working in public institutions (www.anfp.gov.ro). The main skills covered by such investment are: data base management, systems management, analysis of working processes, data analysis, programming. In spite of these plans, the level of access of public services remains low, mainly due to the low level of digital skills of the population. In a counterpart, there are also studies that notice the insufficient skills of public servants (www.anfp.gov.ro).

In the context of the 5.0 Industrial revolution, "population alongside with the workforce and business need to build their skills to generate the ideas of the future" (Crawley, 2022). This current revolution is dominated by artificial intelligence (AI), robots and automations, increasing the speed at which people are getting information and creating new jobs requiring new skills. In the vision of the European Union, the 5.0 Movement places "research and innovation in the service of the transition to a sustainable, human-centric and resilient European industry" (European Commission, 2023). It should be noted however that several skills that are included in the European DigComp framework are necessary to be developed in the industrial sector, such as: active learning, innovation, complex problem solving, logic modeling, systems thinking, communication and leadership (Manifesto, 2022).

Several solutions to change the state of play can be suggested given the real existing potential (human resources, a receptive population to digitalization, the large share of the "millennials' generation" ("Z-generation") in the population, and also, the dedicated governmental created structures (i.e., Authority for Digitalization of Romania, Ministry of Research, Innovation and Digitalization).

This state of play calls for targeted public measures, such as: (a) awareness raise of the population regarding the emergence shift to a digital economy, in order to keep pace with the changes taking place in European countries and in the world; (b) the inclusion of digital technologies as compulsory discipline in the curricula of the three

educational levels; (c) free training sessions and access to Internet for disadvantaged population (funded from public sources); (d) promotional campaigns organized by public and private organisations regarding the benefits of online services they provide for the general public, and clear and friendly guidance on how to use them.

Romania can also, take advantage of several opportunities to develop the digital skills of the population. One of them is the National Plan for Recovery and Resilience (NRRR), which aims to invest in digitalization of public services dedicated to business and citizens, as well as in digitalization of internal specific operations. Digital investments are needed mostly in the rural areas, focused on awareness raising on digitalization and also to train people to use the Internet and online public services. The already started investments in digitalization of education should be continued and expanded. An example is the opportunity to access the European Digital Education Hub, providing peer learning opportunities and resources to support digital education practitioners, access to communities of practice from Europe, development and upscaling of innovative solutions and sharing knowledge between European digital educators. On the other hand, business environment must be also empowered for digital transformation, meaning providing support for training courses dedicated to employees. Public servants are also a target group for NRPP, regarding advanced digital competences training. Public libraries from all over the country would become hubs for developing basic digital competences among the population. It is also worth to be mentioned that in NRRP is foreseen the adoption of a legislative framework for digitalization of education in Romania.

5. Conclusions and implications for the future

The conclusion is that, based on Eurostat data, Romania is the bottom of the rankings regarding the basic overall digital skills of the population (the value of the statistical indicator represents 69.51% of the EU average level).

This state of play has several implications for the future. The digital economy is found as a core driver of employment growth (Zhu et al., 2023), it has a significant impact on economic growth quality, upgrade of industrial sectors, structural reforms in economy, development of new business models (Wei, 2020), and also on living standards and life quality. The 5-th Industrial Revolution is emerging with a new concept of *fusion skills* (Daugherty and Wilson, 2019; Mitchell and Guile, 2021), which should be adopted in order to cope with this new wave of societal change, involving people, business and government. The emerging human machine hybrid activities where humans complement machines will require such skills: *rehumanizing time* (devoting more time to creative solution to address pressing problems), *responsible normalizing* (shaping the perception of human-machine interaction), judgement-integration (to decide the course of action when machine is uncertain to do), *intelligent interrogation* (of AI); *bot-based empowerment* (extend human capabilities with AI), *holistic* (mental and physical) melding (mental models of how machine work and learn), *reciprocal apprenticing* (on-the job training with AI); *relentless reimagining* (creating new processes and business models).

In other words, Romania should design effectiveness strategies to overcome the gap of the basic digital skills, to go further in making effective the already created governance structures and action plans on digital transformation, in line with European policies, strategies, initiatives and action plans, based on the national priorities, and shape the framework that could enable the development of *fusion skills*.

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DECISION TREE – THE BASIC MODEL

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Abstract: *In my doctoral research, my aim was to investigate the variables that contribute to someone becoming a defaulting debtor. My research involved many variables and many statistical methods, and my aim was to find the best method and the most significant variables. In this paper, my aim is to show which of the data in the Central Credit Information System are the ones that influence the factors that are then used to perform the analysis using a decision tree. For the analyses, I used a random sample of 500 items, reflecting the proportions of performing and non-performing loans in the population. Finally, I was able to categorize the transactions with 93% accuracy.*

Keywords: loan default; decision tree, random sample; classification; Central Credit Information System, ROC curve

JEL classification: B16; C38; C44

1. Introduction

It is important for financial institutions to lend to customers with a low risk of non-repayment. However, it is difficult to identify which customers become defaulters. This is evidenced by the fact that banks have a credit assessment method, but there are still many non-performing loans registered in our country.

There are a lot of research on predicting corporate bankruptcies over the last 100 years, and I have based my own research on this. In this research, my goal is to examine the confidence with decision tree can categorize defaulted loans, which variables are significant among the data recorded by the KHR.

2. Bankruptcy Methods

For bankruptcy forecasting discriminant analysis, logistic regression, decision tree and neural network are widely used. For this study I used only the decision tree.

2.1. Decision tree

This analysis is one of the classification methods. The resulting subgroups are called nodes. The basis for the prediction is the leaves, which are the part of the tree that is not further divided (Hajdú, 2008)

Its use in bankruptcy prediction dates back to the 1980s. The method combines univariate and multivariate analyses, as 1-1 splitting is done by one variable, but overall it includes more variables in the analysis. At each step, the algorithm tries to reduce misclassifications. The algorithm is an iterative process designed specifically for computers. There are several types of decision trees and I used the CHAID.

The great advantage of the analysis is that there is no restriction on the variables included, both metric and non-metric variables can be included.

An argument in favour of this method is that the conditions do not include a normal distribution of variables. It is easiest to apply when there are binary separations. As a result, a high proportion of the population is assigned the appropriate solvency classification, the exact classification data can be found in the classification matrix. The disadvantage of this methodology is that it cannot be used for forecasting purposes, as it is mostly specialized for the training database. However, the problem can be solved by using the method developed to control over-learning in artificial intelligence models, i.e. by dividing the data into a training and a testing part and examining whether similar results are obtained in both cases (Hámori, 2001)

3. Database

In Hungary, information on household creditors is kept by the Central Credit Information System, or KHR, which helps banks to share information on creditors, assist in credit assessment and reduce the risk of over-indebtedness. The KHR maintains a so-called complete list, i.e. customers who meet their obligations on time are also included in the register.

The necessary database for the analyses was provided by BISZ Zrt. The data were extracted on 30 September 2021, so the database contains the persons registered on that date. A unit in the database represents one loan transaction, so there may be persons in the database who are listed more than once with different loan transactions. Overall, on that date, the register contained 10.767.452 credit transactions and 21 variables. In addition to the original variables, I added more variables to the database. For the analysis the relevant variables are default, age, gender, loan maturity, repayment amount as a percentage of contract amount

Before starting the analyses, the first step was to clean the database and narrow it down to the research objectives; after that I had 2,887,470 cases in the database. For the analysis I used a database with 500 cases. For the sampling I used a random numbers generator and simple random sampling. This is a type of representative sampling.

I classified as default the loan transaction that had a default amount.

4. Empirical research – Decision tree I. model

Before starting the analysis, it is important to note that one of the disadvantages of the decision tree is its tendency to over-learn, which is also a risk in this case, as the sample is predominantly composed of good performing loans (93%).

In this case the algorithm had four explanatory variables, of which the ratio of the repayment to the contract amount proved to be a good discriminating variable based on the algorithm. For the analysis I used a training and a test sample.

This decision tree consisted of a level 0 and a level 1. Level 0 shows the entire database in one view and the distribution and item number of each category of the dependent variable. This is followed by an iterative process, the algorithm performs the analysis for each explanatory variable and then selects the one that has the greatest influence. In this case, this variable is the ratio of the repayment to the contract amount. If the algorithm then finds more significant variables, the tree is extended by additional levels, if not, the tree ends at that level.

Based on the analysis, it can be found, that in the case where the value of the variable is less than 5.9717, the number of non-performing loans is negligible.

Information on the accuracy of the classifications is provided by the classification matrix.

Table 1: Classification matrix

| Sample | Observed | Predicted | | |
|----------|--------------------|-----------|------|-----------------|
| | | 0 | 1 | Percent Correct |
| Training | 0 | 312 | 0 | 100,0% |
| | 1 | 24 | 0 | 0,0% |
| | Overall Percentage | 100,0% | 0,0% | 93,0% |
| Test | 0 | 144 | 0 | 100,0% |
| | 1 | 11 | 0 | 0,0% |
| | Overall Percentage | 100,0% | 0,0% | 92,9% |

Source: Own editing

For the training database, the model achieved a classification accuracy of 93.0%, but did not correctly categorise any of the non-performing loans. This is because the number of non-performing loans was too low in the sample, so the algorithm overestimated the classification of performing loans. A solution to this problem could be to design a sample with (approximately) equal proportions of performing and non-performing loans.

In addition to the classification matrix, I also used the ROC curve, the AUC value and the Gini coefficient to evaluate the model. On the Figure 1 can we see the ROC curve.

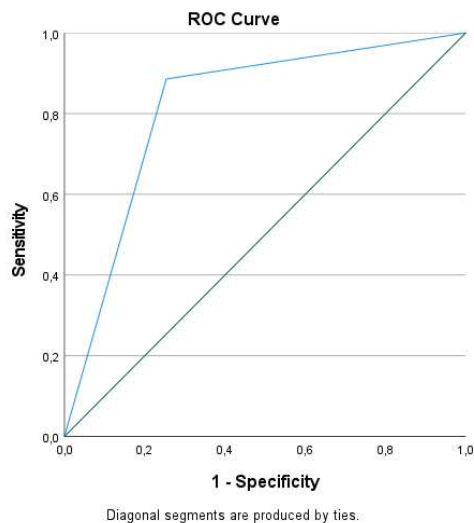


Figure 1: ROC curve for Decision tree I.

Source: Own editing

Based on the ROC curve can be the AUC (Area Under the CURCE) value calculated. The AUC ranges from 0 to 100%, where 100% is considered perfect. If the AUC is around 80-90%, it is considered outstanding. In this case, I achieved a value of 81.6%, so the model can be considered as outstanding.

One other method for the evaluation is the Gini coefficient, which can be calculated in several ways. The simplest way to calculate it is:

$$Gini = 2 (AUC - 0,5)$$

The maximum value of the indicator is 1. The value of the indicator for the model created is 63,2%. If the value is between 60% and 70%, the model is considered to be correct. If the value is above 70%, the model is considered to be good. (Engelman et al, 2003; Olawale, 2020)

5. Summary

In the analyses, I found that when using the decision tree, one explanatory variable was significant. It can be concluded that the most significant variable of the data recorded by the KHR in terms of loan defaults is the ratio of the repayment to the contract amount. There are significant differences in the evaluation systems. The reason is that in the sample the proportion of performing loans was higher and it is unfavourable for the selected method. The classification matrix showed that in none of the cases could the model correctly categorise the non-performing loans and the Gini coefficient value also indicated that the model is not the best.

There are several possible solutions to the problem. One option is to use a new sample that is more favourable to the analytical method. Another possible solution is to add new variables to the current sample that are not recorded by the KHR and that may be important in the borrowing process. But answering these questions will be the subject of another study.

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ADVERTISING MESSAGES FOR A FINANCIAL SERVICE PROVIDER: CREATION AND ANALYSIS OF THE EFFECTIVENESS

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Abstract: *The paper presents the process of creating and testing three advertising messages in order to select the most effective way to promote a non-banking financial company on a new targeted market represented by online retailers. As a result of a brainstorming session, three concepts were identified for the advertising message: satisfied entrepreneur, future concept, and the playful entrepreneur. Using each concept, three printed advertising messages were created. To test the advertising messages, a quantitative survey based on a questionnaire administered to a sample of 28 employees of the company was done. This survey evaluated five dimensions of the prints: identification, relevance, capturing attention, intelligibility, and creativity.*

Keywords: advertising testing, creativity in advertising, Facebook Ads testing, financial company advertising

JEL Classification: M310

1. Introduction

The purpose of this paper is to present the process of creating and testing an advertising message to promote a non-banking financial company in a new targeted market represented by online retailers. We presumed that a more creative advertisement will have better results with the audience, according to other scientific studies, and tested it. Additionally, we wanted to highlight the importance of research that can be applied in companies. The research data can be used to make better business decisions, leading to improved business results such as higher sales and profit. The research process consisted of the following steps: conception of advertising messages, testing of advertising messages, conclusions and recommendations.

2. Literature review

There is a constant debate among practitioners on the value of creativity in the advertising process. Some practitioners argue that creativity, defined as a unique, memorable, out-of-the-ordinary concept, is the success factor for the efficiency of an advertisement, while others support that the success factor of an advertisement is to 'give reasons' for why consumers would buy the promoted product, with or without a 'creative' concept.

As presented in the Introduction section, creativity does not have a unique, commonly accepted definition.

According to Reinartz and Safferd's (2013) study on creativity in advertising, the efficiency of advertising creativity can be measured (Reinartz and Saffert, 2013). Warner Reinartz and Peter Safferd used the Hierarchical Sales Response Model to

measure creativity on five dimensions: originality, flexibility, elaboration, synthesis, and artistic value. Eventually, the authors correlated the research results with the sales volume for the promoted products. Conclusions were that 1 Euro invested in the creative ad may double the sales volume compared to 1 Euro invested in a non-creative ad. Yet, the study reflects that the level of creativity has a different influence on sales volume for different types of products. For some products, a higher level of creativity may have a negative impact on sales if consumers want to understand how efficient the product is instead of how creative the ad is.

A similar study, with the purpose of identifying whether creativity counts in advertising (Dahlén et al., 2008), highlighted that the more creative an advertisement is, the higher the ability and quality of the brand were perceived to be, and the higher the interest of respondents was for the brand. The conclusion was that advertising creativity increases consumers' interest in the brand not by creating a new message but by presenting the same message in a different manner (Dahlén et al., 2008).

Heath et al. (2009) studied whether emotional creativity increases the level of attention for TV commercials based on an experiment using eye movement study. Results revealed that a high degree of emotional content is associated with a high level of attention; previous exposure to the same commercial led to a lower level of attention only for commercials with a low emotional level; the level of attention was similar for all categories of products (Heath et al., 2009).

From the various studies presented on creativity in advertising, we noticed that creativity is an important pillar for success. Yet, the concept incorporates various definitions and meanings. The complexity of the concept is undeniable. It is important that a concept is assessed on all creativity dimensions. Also, it is important to consider the coherence between creativity and the types of products to be promoted.

3. Conception of advertising messages

The purpose of this paper is to present the process of creating and testing an advertising message to promote a non-banking financial company in a new targeted market represented by online retailers (specifically, loans for eCommerce retailers).

The process involved the following steps: conception of advertising messages, testing of advertising messages, conclusions, and recommendations for the company.

The entire paper focuses on a particular non-banking financial company from Romania. In 2019, the company intended to enlarge the targeted audience for its offered financial products. In the context of 'digitalization,' the company's objective became to also approach eCommerce companies.

After a complex process, three concepts were proposed for research.

Concept 1: The satisfied entrepreneur - a client practicing eCommerce has a type of business that offers more time management flexibility, more free time, more pleasure with all the work to be done.

Concept 2: Concept of the future – our company is a company that opens new horizons in front of its clients. The idea is that clients should associate our company with an opened door to the digital world, full of opportunities.

Concept 3: The playful entrepreneur – a concept with the purpose to appeal to the audience in order to convince potential clients to look at the message; the image is just a marketing hook.

The concepts are presented below.



Figure 1: Concepts

3. Testing of advertising messages

In order to identify the best image for the advertising materials a research was conducted to choose the best one.

The *research* consisted of image evaluation on five dimensions based on employee interviews. The considered dimensions were:

- *Identification* – to what extent the target finds itself in the created image;
- *Relevance* – to what extent the elements of the advert are significant, useful, and valuable for the consumer (Smith et al., 2007);
- *Captivity* - to what extent the image gains attention;
- *Intelligibility* - to what extent the message is understandable for the audience;
- *Creativity* – a subjective dimension that incorporates elements such as elaboration, artistic value, originality, flexibility, synthesis (Reinartz and Saffert, 2013).

A comparison was made between the results to select the best image for business communication purposes.

Employee Interview

Method: the research involved 28 employees. The interview was conducted based on a guide consisting of five affirmations to assess identification, relevance, captivity, intelligibility, and creativity for each image. Participants assessed each advertising message through affirmations on a scale from 1 to 10, where 1 meant "I don't agree at all", and 10 meant "I totally agree."

Hypotheses:


H₁ - The image for the concept "The Playful Entrepreneur" is the most attractive due to unusual elements such as the man stepping out of the laptop, facial expressivity, and unusual glasses.



H₂ - The image for the concept "The Satisfied Entrepreneur" is the most relevant, as it clearly presents an important advantage for the targeted audience.

H₃ - The image for the "Concept of the Future" is the most creative due to graphical representation and complex ideas.

Hypotheses were formulated based on conversations with front office employees derived from their observations of the company's clients.

Tabel 1: Results of the first test

| Image (concept) \ Dimension (first test) | Identification | Relevance | Captivity | Intelligibility | Creativity | Average |
|---|----------------|-----------|-----------|-----------------|------------|---------|
|  | 7.6 | 7.6 | 7.3 | 6.9 | 8.4 | 7.56 |

| | | | | | | |
|---|-----|-----|-----|-----|-----|------|
|  | 6.2 | 6.1 | 5.6 | 6.1 | 6.9 | 6.18 |
|  | 5.2 | 5.5 | 7.0 | 6.7 | 6.6 | 6.2 |

The conclusions of the research are as follows:

1. The most captivating concept is not "The Playful Entrepreneur," as expected. This concept has an average score of 6.2 and is situated in second place after the concept "The Satisfied Entrepreneur."
 2. The concept "The Satisfied Entrepreneur" is considered to be the most relevant (useful); this is confirmed by a score of 7.6, 1.5 higher than the "Concept of the Future" and 2.1 higher than the "Playful Entrepreneur" concept.
 3. The "Concept of the Future" is not the most creative concept, as expected. This image had a score of 6.9, 1.5 lower than the image for the concept "The Satisfied Entrepreneur."
 4. The general hierarchy of the analyzed concepts is:
 - I. The Satisfied Entrepreneur – average rating of 7.56 on the five dimensions.
 - II. The Playful Entrepreneur – average rating of 6.20 on the five dimensions.
 - III. Concept of the Future – average rating of 6.18 on the five dimensions.
- In conclusion, the image for the concept of "The Satisfied Entrepreneur" is the best to be used for advertising materials for the intended audience.

4. Conclusions and recommendations

Based on the research that we conducted, we can conclude that, in business-to-business communication, the creative concepts that appeal most are those that are not overly extravagant. By extravagance, we mean an excess of creativity. Practically, the image considered to be less attractive proved to be the most creative among the employees of the company. The same concept recorded the best results in the Facebook Ads platform test in another research.

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 Concept 2 – Fusu G., design made by co-author
 Concept 3 – Gravante A, Alamy Stock Photo

TELEWORKING IN EAST EUROPEAN COUNTRIES – PAST, PRESENT, AND FUTURE

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Abstract: *The adoption of teleworking increased during 2020-2021 in the context of the COVID-19 pandemic, with more and more companies and, implicitly, employees, using this mode of work. This article aims to observe the evolution of teleworking usage among employees during the pre-pandemic, pandemic, and post-pandemic periods in the case of four Eastern European countries: Bulgaria, Hungary, Poland, and Romania. The descriptive analysis not only reveals significant differences between these countries and the average of more developed countries (e.g., Euro Area countries) but also differences among these countries. Finally, several hypotheses are raised concerning the possible reasons why teleworking is adopted in small proportions in Romania and Bulgaria.*

Keywords: telework; work from home; telecommute; Eastern Europe

JEL classification: J82; J21

1. Introduction

Although teleworking is now considered a new trend in terms of ways of working, it has been a topic of interest since the second half of the twentieth century (Bailey and Kurland, 2002). However, there has been a certain inconsistency in the definition of teleworking (Baruch, 2001) that has persisted to this day due to the fact that teleworking can vary from country to country, region to region, company to company „in terms of proportion, location, schedule, collaboration, synchrony, and autonomy” (Nicklin, Cerasoli and Dydyn, 2016).

According to the European Framework Agreement on Telework of 2002, telework is defined as „a form of organising and/or performing work, using information technology, in the context of an employment contract/ relationship, where work, which could also be performed at the employer’s premises, is carried out away from those premises on a regular basis.”

Also, Allen, Golden and Shockley (2015) in their research they established a sufficiently comprehensive definition for teleworking, namely: "a work practice that involves members of an organization substituting a portion of their typical work hours to work away from a central workplace—typically principally from home—using technology to interact with others as needed to conduct work tasks”.

2. Teleworking in the European Union before, during and after the pandemic

Even though teleworking has been a method of work used since the late twentieth century, the share of workers who teleworked at least sometimes was, until recently, quite small.

For today's EU Member States, however, there has been a modest yet consistent increase in teleworking among employees, with a rise of approximately 6 percentage points from 2002 to 2019 (Figure 1). This gradual evolution signifies the integration of teleworking into the routines of an increasing number of employees.

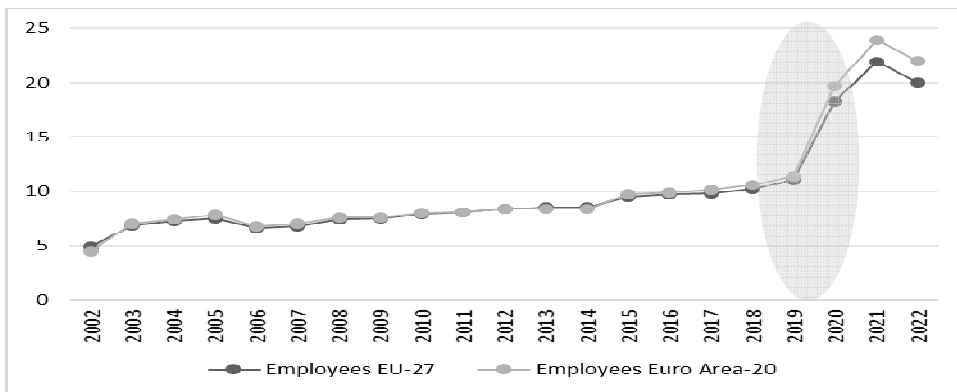


Figure 1: Share of employees teleworking sometimes or often in total employees (%)
 Source: own processing based on Eurostat database (lfsa_ehomp)

In the context of the COVID-19 pandemic, as more governments imposed social isolation measures, teleworking was swiftly adopted by companies and public authorities. Consequently, during 2020, the utilization of teleworking among employees nearly doubled in the European Union. Despite a decrease in the proportion of employees working remotely in 2022 compared to 2021, considering the trends observed in the pre-pandemic era, it can be argued that teleworking was not merely a short-term solution during the pandemic but will remain part of the way in which certain sectors of activity operate.

Based on research, it was determined that teleworking is primarily applicable to certain occupations. According to Sostero et al. (2020), Clerical and Support Workers, Managers, Technicians, and Associate Professionals constitute the main occupational groups with the highest potential for teleworking. Furthermore, teleworking is more readily implementable within specific sectors, such as the ICT sector. Consequently, it may not be realistic to anticipate universal implementation of teleworking across the entire employed workforce in the future. However, it is evident that a significant portion of employees will continue to work remotely.

3. Telework in four Eastern European countries

In May 2004, ten European countries, including Hungary and Poland, became members of the European Union. Less than three years later, in January 2007, Romania and Bulgaria also joined the EU. These four countries were specifically selected for this analysis due to their shared history under communist regimes in the twentieth century, leading to a somewhat similar socio-economic evolution.

The fluctuations in the adoption of teleworking among Eastern European countries follow the fluctuations recorded throughout the European Union (Figure 2).

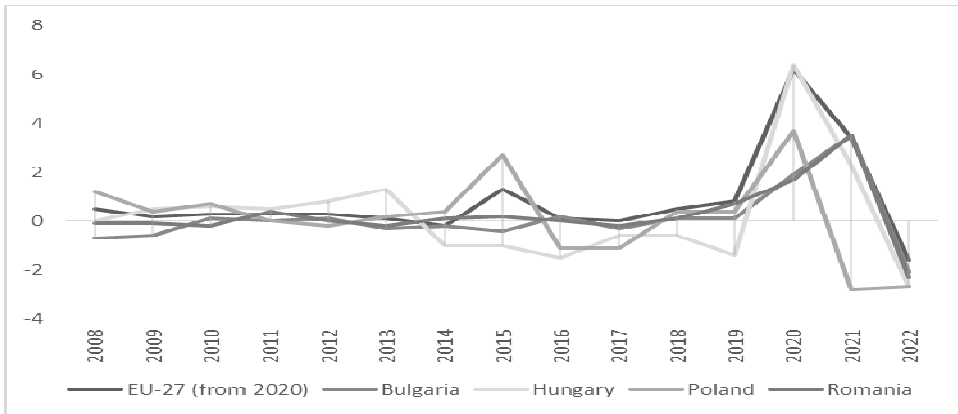


Figure 2: Annual change in the share of employed persons teleworking sometimes and often in total employed persons, percentage points
Source: own processing based on Eurostat database (lfsa_ehomp)

In 2022, the adoption rate of teleworking decreased compared to 2021. It should be highlighted that some employers have had to adopt teleworking quickly, without having a period of preparation for this transition. Many of these companies have never applied or have rarely applied teleworking, so the lack of experience, the speed with which the events happened and the unstable context were factors that can be considered to have hampered the process of adapting to teleworking and applying it in the most appropriate form for each business model. However, despite the cancellation of social distancing measures, the use of teleworking in 2022 remained at a higher level than during the pre-pandemic period.

There are significant differences between the use of teleworking in Euro Area economies compared to the four countries included in the analysis. This can be explained by the difference in the level of development of states, the economic development being associated with remote work (Suzuki Goshima, et al., 2023). Furthermore, significant disparities exist among the Eastern European countries included in the analysis, with the lowest rates of teleworking adoption found in Bulgaria and Romania, while in the other two states, teleworking is more than twice as common. (Figure 3).

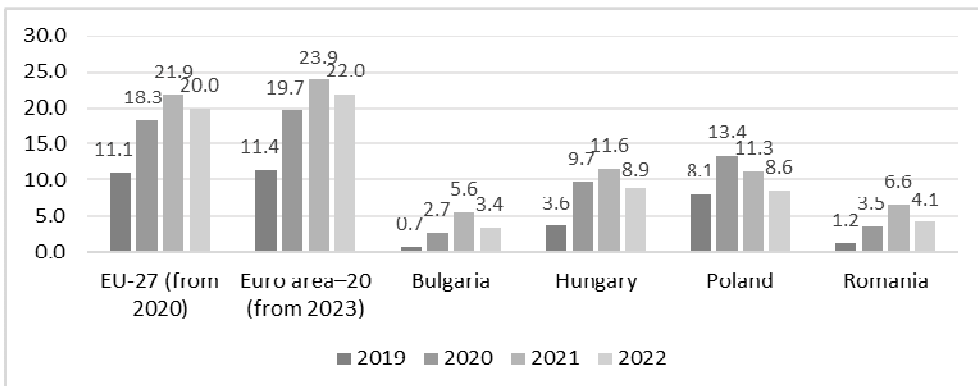


Figure 3: Share of employees who telework sometimes or often in total employees
Source: own processing based on Eurostat database (lfsa_ehomp)

4. Conclusion

Among the causes of disparities in the rate of teleworking adoption among employees, potential factors could include structural differences in employment, such as variations among major occupational groups and educational levels. Additionally, employee reluctance to work remotely and the attitudes of managers and employers toward implementing teleworking practices among their subordinates could also play a significant role. Further research is necessary to identify the specific factors influencing the deceleration of telework adoption at the national level.

However, it can be believed that the use of teleworking will gradually expand in these countries, influenced in part by the other economies and the presence of multinational companies in those countries.

Teleworking is expected to persist as a long-term work method and not merely as a temporary solution during the pandemic. Considering the limited adoption of teleworking in developing countries, particularly in Romania and Bulgaria, it is apparent that teleworking is still in a developmental phase.

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DETERMINANTS OF ENTREPRENEURSHIP: A LITERATURE REVIEW

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Abstract: *The nexus between entrepreneurship and economic growth is well-established in the scholarly community, with a consensus acknowledging the pivotal role of entrepreneurial activities in catalyzing economic development. This study shifts the focus from this established relationship to a deeper examination of the specific factors that facilitate or impede entrepreneurship within a regional context. By examining a multitude of theoretical and empirical studies, the research identifies and categorizes key determinants shaping entrepreneurial ventures. While favourable conditions such as professional support and R&D investment support entrepreneurship, barriers like funding shortages and stringent labor markets hinder it. Collectively, these studies offer a comprehensive overview of the regulatory determinants of entrepreneurship, serving as a guide for policy formulation aimed at enhancing entrepreneurial activity and thus economic growth.*

Keywords: Entrepreneurship; regulatory framework; business creation; business environment; barriers

JEL classification: L26

1. Introduction

There is a strong connection between entrepreneurial density, economic growth, and the progress of a nation, and the policies practiced by a state can decisively influence the increase of this density. Schumpeter was the one who identified the connection between entrepreneurship, innovation, and growth. In his book, "The Theory of Economic Development," Schumpeter (1934) emphasizes the role of the entrepreneur as the primary cause of economic development and argues that economic growth, in the long run, depends on the ability to utilize innovation, which has now become a routine. The creation of these innovations is generally considered the role of the entrepreneur, whom Schumpeter deemed a promoter of economic growth.

In the specialized literature, there are multiple empirical analyses focused on correlating entrepreneurial activity and economic growth, but that is not the subject of the current research. Most experts in the field draw conclusions regarding the impact of entrepreneurship on economic development based on the correlation of the number of newly created businesses with the proportion of the workforce employed by SMEs and with the revenues generated by SMEs in a particular sector or even with the GDP. Thus, the topic of interest of the present work is not linked to demonstrating the relationship between entrepreneurship and economic growth, as this has already been considered confirmed due to the large number of researchers and authors who have already analyzed this relationship. The question that arises is which are the factors which can influence the entrepreneurship at a regional level and how the business environment relates to them.

Identifying the factors that affect business creation and growth is a subject of major interest for both researchers and policy makers, as new businesses are considered vital for the economic growth and development of countries.

In this paper, I have conducted a literature review of the specialized literature to identify which factors influence the business environment and the evolution of entrepreneurship.

2. Literature Review

Although the literature on entrepreneurship and business regulation is relatively novel, an increasing number of researchers are concerned with analyzing the relationship between changes in business environment regulations and entrepreneurship.

Among the most popular indicators that measure how regulations support or hinder the starting and running of a business in different countries are the World Bank Group's Doing Business Indicators (2020). This study mainly evaluates the ease of doing business and covers twelve dimensions of business regulation, including: regulations on starting a business, managing construction permits, getting electricity, registering property, obtaining credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency.

The work of authors Chen & Cheng (2019) goes into further detail and adds to the analysis model the link between the effects of business environment regulations and the presence of corruption. This research presents a systematic examination of the effects of public corruption on new business launch activities in the USA. Based on the new institutional economics, the study explicitly tests three hypotheses regarding the impact of public corruption on entrepreneurship, considering the presence and potential mediating influences of excessive bureaucratic regulations.

Formal institutions set clear regulatory frameworks impacting the ease of entrepreneurial ventures, while informal institutions, rooted in social norms and cultural attitudes, subtly influence entrepreneurial motivations and behaviors. Together, these institutions dictate the entrepreneurial climate, either fostering or hindering business creation and growth. As highlighted in the research of Aparicio S., et al. (2016), the informal institutions exert a greater influence on opportunity entrepreneurship than formal ones do. Factors such as the control of corruption, confidence in individual abilities, and access to private credit are found to enhance the positive impact of opportunity entrepreneurship on economic growth.

The link between business environment regulations and entrepreneurship has been analyzed across 22 European countries by Roman A. & Rusu V. (2021). Their investigation results indicate that regulations concerning starting a business, property registration, and contract enforcement are the most significant factors influencing the establishment of new firms in the European countries studied. The paper emphasizes the need to improve business regulations to encourage entrepreneurship and, by extension, enhance the macroeconomic performance of countries. Substantial business registration reforms can lead to an increase in the number of newly created firms. The study finds that all three components of the business starting index would statistically and negatively influence the total rate of early-stage entrepreneurship. Therefore, an increase in the number of days, procedures, and also the cost will discourage the creation of new firms.

In another paper, Braunerhjelm P., et al. (2019), analyzed how differences in administrative tax burdens have influenced entrepreneurial behavior in OECD countries. The researchers argue that the effects are negative, but that they occur with

varying intensity, depending on the stage of the entrepreneurial lifecycle that is considered.

Dvoutěý (2017) conducted a quantitative analysis of the determinants in the Nordic region by quantifying the relationships between entrepreneurial activity, unemployment rates, entrepreneurial administrative barriers, GDP per capita, and the research and development sector. According to the study, during the period analyzed, a higher unemployment rate is correlated with a higher level of entrepreneurial activity, supporting the hypothesis that during times of higher unemployment rates, Nordic residents create jobs for themselves by engaging in entrepreneurial activities to generate income. However, as labor market conditions improve, individuals tend to withdraw from entrepreneurship due to better alternative opportunities in the job market.

The importance of diversity and contextual factors in entrepreneurial development was highlighted by the research of Guerrero et al. (2020). Key facilitators identified for entrepreneurial progression include professional support, the presence of incubators and accelerators, robust networking opportunities, and substantial investments in research and development. Conversely, impediments to entrepreneurial activities are found to be the scarcity of funding sources, restrictive labour market conditions, and inhibiting social norms. The paper is instrumental in defining a research agenda and offers strategic insights for policymakers and other stakeholders looking to foster entrepreneurship.

3. Conclusion

New enterprises emerge and flourish not solely because of the presence of talented and enterprising individuals who establish and grow them. The birth and growth of new companies also occur because they exist within an ecosystem comprising both private and public players who support and encourage entrepreneurial activities (Acs et al., 2017; Guerrero M. et al., 2020). This implies that to boost entrepreneurial activities within a country, efforts should be made to foster an entrepreneurial ecosystem conducive to business creation. Achieving this goal is highly challenging, given the multifaceted nature of the ecosystem involved.

Analyzing the specialized literature, I have identified conditions that can act either as drivers or as barriers for entrepreneurship around the world. Although relevant perspectives have been obtained, it is not yet clear which environmental conditions (policies, support programs, financing, culture, professional infrastructure, university support, labor market, infrastructure, networks, research and development, and market dynamics) exert an influence during the exploration, exploitation, and consolidation of entrepreneurial initiatives.

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STUDY ON IMPROVING QUALITY IN MEDICAL ASSISTANCE ORGANIZATIONS

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Abstract: *In today's dynamic healthcare landscape, ensuring the highest standards of quality and patient safety has become a paramount concern for healthcare stakeholders. This study delves into the critical imperative of enhancing quality within healthcare organizations. It underscores the pivotal role of creating a safe healthcare environment, aligning global healthcare quality principles with the unique dynamics of the Romanian context. The study emphasizes the significance of Continuous Medical Education (CME) in elevating the competency of medical professionals, thus elevating the quality of healthcare services. Additionally, it advocates for the adoption of "continuous professional development" as a multifaceted approach to building the comprehensive skills necessary for delivering healthcare services of the highest caliber. This paper tells a compelling narrative about the unwavering commitment to advancing healthcare quality and instilling patient trust in both private hospitals and medical organizations.*

Keywords: Healthcare Quality; Patient Safety; Continuous Professional Development; Medical Assistance Organizations; Quality Management; Healthcare Excellence

JEL classification: I12; I19; M19

1. Introduction

Over the past 20 years, numerous studies have been published in the specialized literature, providing evidence for the necessity of improving the quality of healthcare services delivered by medical organizations. These studies have highlighted the need for profound changes to ensure high-quality care for all patients and the creation of safe healthcare systems. An increasing number of specialists are urging action, identifying healthcare issues, and significant opportunities for quality improvement (IOM 2001, Chassin and Galvin 1998, Kohn, Corrigan, and Donaldson 2000). Patient safety has, for the first time, become a top priority for decision-makers, regulatory authorities, providers, and patients in the healthcare system. More and more specialists advocate for a safe healthcare system for all patients (Kohn et al., 2000).

2. Literature Review

The quest for improving the quality of healthcare services provided by medical organizations has garnered considerable attention over the past two decades. Numerous studies in the specialized literature have emphasized the imperative need for comprehensive transformations aimed at delivering high-quality care to all patients while ensuring the safety of healthcare systems. The importance of patient safety has gained prominence, signifying a critical concern for stakeholders in the healthcare sector. This growing awareness of patient safety has elevated it to a top priority for decision-makers, regulatory authorities, providers, and patients within the healthcare system.

This study draws from both Western and Romanian literature to shed light on the timeless concept of quality management. To maintain a competitive edge, industries in both manufacturing and services have persistently sought improved ways to meet customer expectations. Similarly, healthcare professionals have consistently adhered to the principle "primum non nocere" (first, do no harm), thereby prioritizing the discovery of new and enhanced patient care methods.

A notable framework for assessing the quality of healthcare services, introduced by A. Donabedian in 1985, emphasizes an analysis based on three fundamental dimensions: structure, process, and outcome. The author underlines the importance of crafting a comprehensive definition of quality that aligns with the priorities of all stakeholders, including patients, providers, and purchasers of healthcare services. Quality, as such, should be measured by the extent to which healthcare services align with existing professional knowledge. The Institute of Medicine (IOM) in the United States, in 2001, identified six dimensions of healthcare that warrant improvement and set the quality priorities for all stakeholders, namely safety, effectiveness, patient-centeredness, timeliness, efficiency, and equity.

The performance of healthcare institutions is assessed at the operational level using indicators such as patient satisfaction. For healthcare organizations to ensure quality as a hallmark of their effectiveness, their leadership must promote a shared value system across all staff. Quality enhancement in medical services necessitates the establishment of short- and long-term objectives. These objectives include evaluating external perspectives, using the patient satisfaction indicator, and addressing internal perspectives through the employee satisfaction indicator. Prioritization is a key element in managing healthcare organizations with diverse objectives, with an emphasis on delivering prompt services that meet patient demands.

Adopting a holistic approach, Total Quality Management (TQM) is pivotal in raising the quality of healthcare services to meet high standards. TQM, as defined by Kinicki, involves a comprehensive approach led by organizational leadership and supported by all employees, aiming for continuous quality improvement according to the expectations of various stakeholders. In healthcare, Quality Management Systems (QMS) play an essential role, requiring continuous improvement, employee involvement, listening to clients and employees, and the application of precise standards to identify and rectify quality issues.

The international standard ISO 9001:2015 outlines TQM principles for healthcare organizations, with a strong focus on patient and consumer satisfaction, leadership, staff commitment, process-based approaches, improvement, evidence-based decision-making, and relationship management.

Quality management practices within medical organizations continually evolve, often in response to external factors like regulatory changes and accreditation standards, as well as the need to control costs. Healthcare quality management draws from other fields, and strategies are frequently updated with emerging experiences. The science of quality management, once confined to business operations, has now become integral to healthcare organizations. While the specific rules and tools may change, the core principles of measurement, evaluation, and improvement remain constant.

These facets of healthcare quality management underscore the necessity of implementing quality management principles and Quality Management Systems in healthcare organizations. The foundation of quality management in healthcare is rooted in the ethical obligation of medical service providers to deliver the highest possible quality of care to patients. Moreover, the evolving healthcare market, involving state and private medical service providers, patients, drug and equipment suppliers, and competition among healthcare organizations, underscores the growing demand for

high-quality medical services. Implementing, developing, and maintaining QMS is instrumental for healthcare organizations to attract more patients and remain competitive in this dynamic landscape.

3. Method

The study aims to present the characteristics in healthcare quality by addressing major concepts forming the basis of quality delivery and clinical care issues to provide a strong foundation in leading quality improvement programs in this highly important area of healthcare to ensure patient satisfaction and increase trust in the healthcare system, which are the core objectives of QMS. For this purpose, a questionnaire was used, administered to 27 healthcare staff, and a semi-structured interview was conducted with 7 patients regarding the services provided by the private research clinic.

4. Results

Among the main questions asked during the interview were the patient's satisfaction level regarding the medical services received, waiting time, and the outcome of the recommended treatment. Thus, 48.15% of the respondents were satisfied with both the waiting time and the medical services received. However, only 37.04% were satisfied with the treatment outcome.

Based on these findings, it is proposed to analyze the need and opportunity for Continuous Medical Education (CME), considered as a tool to ensure the provision of quality medical services in line with patient requirements and society's needs.

Results obtained from questionnaire data processing show that continuous training of healthcare staff through CME courses at the research clinic is mandatory. However, 11.12% of the 27 respondents did not answer the questionnaire. Thus, 88.88% of the respondents from the medical staff provided an average score of 3.91, indicating their satisfaction with these courses. Among them, 16.67% consider them to be very useful, while 58.34% find them useful. The reasons for this satisfaction include their professional activity with an average score of 4.07 and personal activities with an average score of 3.93. A percentage of 70.84% of the respondents believe that they largely apply this information in their medical work.

5. Conclusions

In conclusion, we can say that the excellence of healthcare services is based on the perceptions and needs of patients/clients/consumers, and quality involves understanding their expectations and then creating a service that meets those expectations. Given the need to ensure the quality of providing medical services and increase patient trust and satisfaction, it is necessary to adopt the new concept of "continuous professional development." This concept, which is gaining ground, includes not only strictly professional but also managerial, social, and personal skills that go beyond the traditional boundaries of clinical medicine. This concept of "continuous professional development" ensures not only a wide range of competencies required for practicing medicine at high-performance standards but also the multidisciplinary context of patient care by providing healthcare services that meet their needs and expectations.

Healthcare organizations measure both aspects related to the quality of services provided and the quality of clinical decision-making. The latter is difficult to measure reliably and often involves uncertainty since many treatments could be effective and

efficient for a patient. Performance expectations, measurable by quality, can only be set for clinical care through clear evidence-based decisions or by consensus among highly experienced medical professionals.

To ensure the quality of clinical decision-making, clinical practice guidelines, or "medical protocols" developed by medical professional organizations based on current medical research and professional consensus can be successfully used. These are important for improving the quality of healthcare as they can reduce variations in processes and change physician behavior to promote the use of interventions supported by the best available evidence.

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INVESTMENT IN TRANSPORT INFRASTRUCTURE AND ITS IMPACT ON ECONOMIC GROWTH IN THE EUROPEAN UNION (EU) COUNTRIES

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Abstract: *The aim of this paper is to evaluate the correlation between the investments in the transport infrastructure and the economic growth in European Union (EU) countries. The importance of transport infrastructure has been noticed throughout history, hence some of the first Public Development Masterplans have been drawn by the Persian and Roman empires. Technologic advancement added three more branches to the traditional roads, namely, railway, navigable waterways, and air transport. The influence of the transport infrastructure development on the economic growth has been extensively debated and studied by researchers. Our study is based on data collected from the EUROSTAT database covering the period of 2002-202. We tested if the public expenditures on transport infrastructure are influencing the economic growth, measured by Gross Domestic Product per capita (GDPpc). We found a positive correlation between the two variables, and public investment on transport infrastructure as a significant influencing factor of economic growth. We conclude that it is recommended to further support such public investment, in order to stimulate economic growth at European and country level.*

Keywords: Romania; transport infrastructure; economic development; economic growth, investments.

JEL classification: F63; F68; L92

1. Introduction

The term "infrastructure" developed especially after 1875 to denote the ambition of European states to expand geographically and dominate the territories of colonies (Schouten & Bachmann, 2022). Beckert et al. (2021) emphasize the idea of infrastructure as closely related to the expansion of borders and the movement of goods in the capitalist economy. Infrastructure is seen as a form of power, which in Edwards' (2003) view differentiates the modern state from its predecessors. Cohen (2010) emphasizes that infrastructure is essential for the functioning, progress and development of a country or region. In other words, infrastructure expresses the interconnectivity and interdependence between economic sectors (Rinaldi, 2001).

The importance of investments in the transport sector and their influence on the economy has been debated in multiple studies over the years, their conclusions suggesting the existence of a close link between the development of transport infrastructure and regional and national economic growth. Investments in infrastructure represent an important category of national budgets, affecting the distribution of national financial resources. From this point of view, Barro (1990) and Myrdal (1969) evaluate investments in public services as productive government spending and a boost to economic growth. Herranz-Loncan (2007) studies infrastructure in Spain, his results confirming the existence of a positive correlation between transport

infrastructure investment and economic development, and Cascetta et al. (2020) report an Italian GDP growth of 2.6% over 10 years. Similar results were obtained by Saidi, Shahbaz and Akhtar (2018) for countries in the Middle East and North Africa Region. Also, Alotaibi et al. (2022) observe that the accessibility of transportation infrastructure has positive and significant effects on Saudi Arabia's GDP growth. The causal relationship between transport infrastructure and economic development has been studied in various working papers, the results reflecting the fact that transport stimulates economic growth (Pradhan & Bagchi, 2013; Bahrami, 2012), while other authors found that economic development promotes the growth of transport (Keho & Echui, 2011), and other studies conclude that there is a mutual influence, i.e. there is a reciprocal cause-effect interaction between transport and economic development (Njoku, et al., 2015; Saidi & Hammami, 2017). It is clear that there is a causal relationship between transport infrastructure and economic growth, but the degree of correlation and its intensity differ depending on pre-existing economic conditions. In the present study we aim to analyse the evolution of the public investments on the transport infrastructure and explore their correlation with economic growth in the European Union states.

2. Evolution of public expenditure on the transport sector and economic growth in EU countries. Analysis of Eurostat indicators

Using the Eurostat database, we calculated the evolution of the annual average of public expenditures on transport infrastructure, over the period 2002-2021, in the European Union. There is a 95% increase of expenditures during the analyzed period, thus suggesting the importance of this economic sector.

According to Eurostat data, Germany, Spain, France, Italy, the Netherlands, and Sweden are the countries with the highest level of public expenditures on transport infrastructure in the period of 2002-2021. Nevertheless, Romania recorded the highest increase (+754%) in throughout the considered period of time, followed by Latvia (516%), Bulgaria (382%), Poland (375%), Estonia (303%), Hungary (297 %) and Malta (270%). For a more fair and more relevant comparison, we calculated the ratio of public expenditures on transport infrastructure to the surface of each country, for each year. Analyzing the results, we can see that Romania is no longer in the first place, even if it has the largest investments in transport infrastructure by value. Countries such as: Malta and Luxembourg stand out because expenditures on the transport infrastructure have a higher value relative to their surface area. Romania also somewhat follows the European trend in terms of public expenditures in transport infrastructure investments, but we notice that generally, the countries from Eastern Europe are the ones sharing the highest values of these public expenditures, calculated as share of GDP.

We computed the correlation coefficients between the growth rate of public expenditures on transport infrastructure and that of GDP per capita for each EU country for the period of 2002-2021. The graphical representation of the resulted correlation coefficients values, in ascending order, is included in Figure 1.

We notice that the Baltic and Eastern EU countries that capitalized on the opportunity of European funds, infrastructure investment has a higher correlation with GDP growth per capita. We can also observe the fact that states with a smaller geographical surface area, with a more developed economy and that have been members of the EU for a longer time present a correlation with lower values due to the reduced needs for investment in new transport infrastructure. In contrast, Romania and other similar Eastern EU states have needed new highways in recent years, which entailed

considerably higher expenses even in relation to GDP per capita. Another conclusion of this analysis is that countries such as Lithuania, Latvia, Slovenia, Romania, Hungary, and Poland, have made significant investments in transport infrastructure and also experienced a sustained and strong economic growth. As a result, we identified a strong correlation between the two variables.

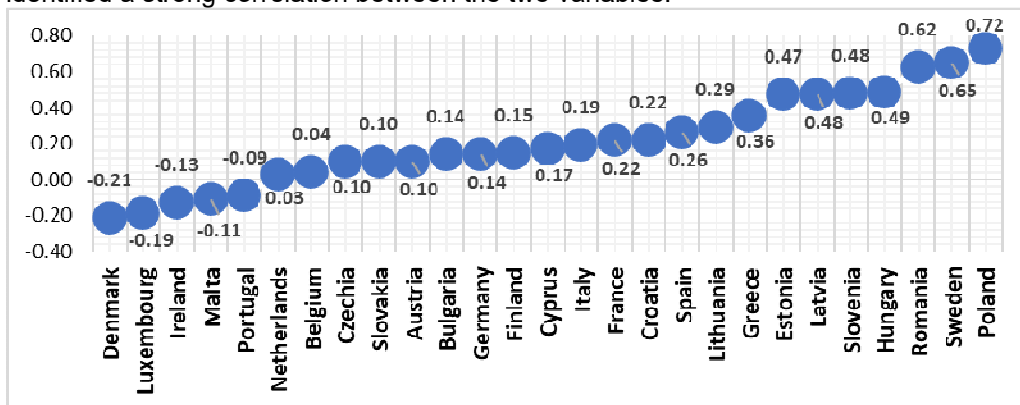


Figure 1. The correlation between the growth rate of public expenditure on transport infrastructure and the growth rate of GDP per capita in the European Union countries
Source: Processing from the Eurostat database (General government expenditure by function (COFOG) [GOV_10A_EXP__custom_5538892])

Our aim is to analyze the influence that public expenditures on transport infrastructure expressed, by CH_t , has on the EU economic growth, expressed by GDP_{vc} . Data cover the period of 2002-2021, as average values at European level (all 26 EU countries). The econometric analysis was carried out using SPSS software. The descriptive statistics show a homogeneous sample, each variable having 20 entries for each year considered in the analysis. As a result, we studied the correlation between the two variables by calculating both the Pearson and Spearman coefficient. The results support the existence of a strong and significant correlation ($p > 1\%$) between the two variables so in the next step, we checked if CH_t represents a significant predictor for the evolution of GDP_{vc} . In this view, we considered GDP_{vc} as the dependent variable and CH_t as the independent variable in the following regression equation:

$$GDP_{vc t} = \alpha + \beta \times CH_t \quad (1)$$

where: GDP_{vc} represents the Gross Domestic Product per inhabitant, α is the free coefficient, β denotes the coefficient of the independent variable, CH_t represent the public expenditures on the transport infrastructure sector.

The estimated equation is as follows:

$$GDP_{vc t} = -595.775 + 0.106 CH_t$$

Standard error (2189.230) (0.009)

Sig. (0.789) (0.000)

The results of estimation of equation (1) show that the model is valid and partially significant, due to the values of coefficient of determination ($R^2 = 88.9\%$). Hence, CH_t are a significant predictor for GDP_{vc} , the value of Sig. being less than 1%.

3. Conclusions

The analysis of the evolution of public expenditures on the transport infrastructure for the period 2002-2021 by EU countries reflects their growth. The upward trend is also

noted in the case of GDP per capita evolution. The values of the two indicators in the case of Romania follow the EU trend. The econometric study carried out at the European Union level reflects a significant correlation between the two variables (as average values for the considered period of time). It was demonstrated that public expenditures on the transport infrastructure are significant predictors of GDP per capita. The results obtained are similar to those presented in the existing literature and support the importance of transport infrastructure investment in ensuring economic growth and increasing the well-being of the EU population.

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EXPLORING THE PERCEPTION OF CORPORATE SUSTAINABLE DEVELOPMENT AMONG EMPLOYEES WITHIN THE ICT SECTOR

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Abstract: *Employees assume a pivotal role in driving corporate sustainable development (CSD). How employees perceive sustainability initiatives can exert a substantial impact on their subsequent engagement to implementing them. This paper endeavors to assess the overall level of employees' perception of CSD across the information and communication technology (ICT) sector. Variations in the perceived significance based on individual and professional characteristics among employees are additionally identified. The research methodology involves conducting Structural Equation Modeling (SEM) on the data collected from a questionnaire administered to employees of companies operating in the ICT sector within Romania's Western region. The findings affirm a direct, restrictive and positive impact of employees' socio-professional characteristics on their perception of CSD.*

Keywords: corporate sustainable development; employees' perception; economic, social and environmental dimensions; structural equation modeling

JEL classification: M12; Q01; Q56

1. Introduction

CSD refers to a progress achieved through favourable performance across an organization's economic, social, and environmental dimensions. Sustainability-oriented behaviours inherently revolve around an organization's responsibility to future generations, necessitating an abstract, long-term ethical perspective, which may require reconciling short-term advantages for one group of stakeholders with long-term benefits for another, as discussed by Bhattacharya et al. (2022).

2. Literature Review

Empirical research suggests employee influence on specific sets of factors defining the three dimensions of CSD. Within the economic dimension, the most important determinants pertain to economic performance and innovative capabilities, customer data privacy protection and procurement optimization (Ruiz-Pérez et al., 2021). In alignment with the principles of corporate social sustainable development, various factors such as occupational health and safety, employee well-being, organizational equity, employee training and development, and work-life balance have been established as essential elements in professional practice (Voegtlin and Greenwood, 2016). Organizational culture shapes employees' perceptions of sustainable organizational practices (Espasandín-Bustelo et al., 2020). Within the environmental context, the impact factors comprise the efficient utilization of resources and the mitigation of environmental repercussions stemming from processes, products, and services provided (Ruiz-Pérez et al., 2021). Adopting

sustainable management practices positively influences organizational performance (Wang et al., 2020). Furthermore, employees' perception of sustainable organizational practices enhances organizational performance by nurturing employees' intrapreneurial behavior (Luu, 2020).

Table 1: Determinants of corporate sustainable development

| Determinants of Economic Dimension | Determinants of Social Dimension | Determinants of Environmental Dimension |
|---|---|--|
| Financial Performance | Occupational Health and Safety | Circular Use of Resources |
| Optimizing Profitability | Employee Interactions | Environmental Impact |
| Customer Interactions | Human Capital Development | Sustainable Supply Chain |
| Quality of Products and Services | Work Schedule | Innovation of Products and Services |
| Pricing Policy | Organizational Culture | Renewable Energy |

Source: Own processing according to literature

3. Research Methodology and Results

Research objective: Determine the overall extent of employees' perception of CSD across the three dimensions – economic, social and environmental – and examine the variation in perceptions based on the socio-professional attributes of employees.

Research hypotheses:

H1: The socio-professional characteristics of employees have a direct impact on their perception of the economic dimension of CSD.

H2: The socio-professional characteristics of employees have a direct impact on their perception of the social dimension of CSD.

H3: The socio-professional characteristics of employees have a direct impact on their perception of the environmental dimension of CSD.

To achieve this objective, we conducted a quantitative analysis by reviewing the results of a survey administered to personnel employed by companies within the ICT sector situated in the western region of Romania. Subsequent to the examination of the collected responses, a dataset with 105 valid responses was confirmed. The distribution of the survey was facilitated through digital communication platforms (specifically, Google Forms), and the data collection occurred from February to March 2023. The survey is structured into four distinct sections, each of which comprises five individual items, thereby yielding a cumulative set of 20 questions. The items were formulated based on the specific determinants defined above for each dimension of CSD. Figure 1 illustrates the distribution of weights for the socio-demographic traits derived from the survey. A significant portion of respondents identify as male (76 %), falls within the Millennial generation (65 %), possesses professional experience ranging from 1 to 5 years (58 %), holds a graduate degree (56 %), and assumes an execution role (73 %).

This demographic breakdown mirrors the prevailing characteristics within the IT industry: predominantly male, comprised of the younger generation, a high workforce mobility in the sector, elevated employment standards, and customary hierarchical structures.

| Gender | | | Age | | | Professional Experience | | | Educational Level | | | Hierarchical Position | | |
|--------------|------------|-------------|----------|------------|-------------|-------------------------|------------|-------------|-------------------|------------|-------------|-----------------------|------------|-------------|
| | F | % | F | % | F | % | F | % | F | % | F | % | F | % |
| Male | 80 | 76% | 18 – 28y | 17 | 16% | 1 – 5y | 61 | 58% | BA | 59 | 56% | Exec. | 77 | 73% |
| Female | 25 | 24% | 29 – 43y | 68 | 65% | 6 – 10y | 26 | 25% | MA | 46 | 44% | Mgmt. | 28 | 27% |
| | | | 44 – 58y | 19 | 18% | 11 – 15y | 9 | 9% | | | | | | |
| | | | > 58y | 1 | 1% | 16 – 20y | 7 | 7% | | | | | | |
| | | | | | | > 20y | 2 | 2% | | | | | | |
| Total | 105 | 100% | | 105 | 100% | | 105 | 100% | | 105 | 100% | | 105 | 100% |

Figure 1: Statistics of respondents' socio-demographic characteristics.
Source: Own processing.

The robustness tests of the SEM model indicate a moderate model fit, as evidenced by the Comparative Fit Index (CFI) and Tucker-Lewis Index (TLI) values of 0.59 and 0.54, respectively. Furthermore, in more than 83 % of cases, the fluctuations in endogenous variables can be explained by exogenous latent variables, as illustrated by the Coefficient of Determination (CD), highlighting a strong link between observable and latent variables. The Cronbach's Alpha Test results affirm an optimal level of significance with a total scale value of 0.77, alongside no concerns regarding convergent and discriminant validity.

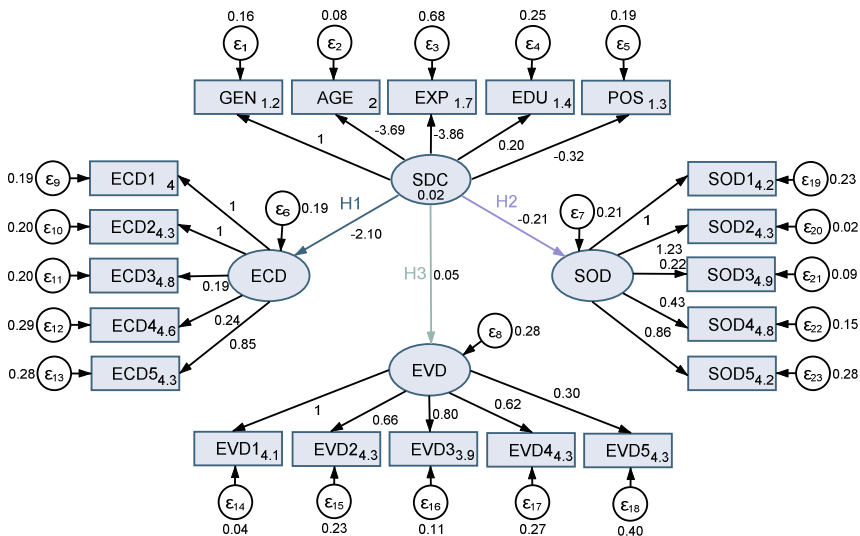


Figure 2: SEM Model configuration and results. Latent variables: SDC = Socio-demographic characteristics; ECD = Economic dimension; SOD = Social dimension; EVD = Environmental dimension. Source: Own processing in Stata 18.

Among the variables analyzed in the SDC construct, the variable „Gender“ stands out with a highly significant coefficient (GEN = 1***; $p < 0.001$). The variables „Age“ and „Professional Experience“ exhibit substantial coefficients and considerable statistical significance (AGE = -3.69**; EXP = -3.86**; $p < 0.01$), with the negative sign indicating an important inhibitory impact.

Conversely, „Educational Level“ exerts the lowest influence (EDU = 0.20; $p > 0.05$), while „Hierarchical position“ (POS = -0.32; $p > 0.05$) makes a minor inhibitory contribution within the construct, both lacking statistical significance. The SDC imposes a notable and constraining influence (coefficient = -2.10**), a direct but less inhibitory impact (coefficient = -0.21), and a more pronounced direct positive influence (coefficient = 0.05) on employees' perception levels of the economic, social, and environmental dimensions. Considering H1 outlined earlier, it is affirmed a direct and

significantly restrictive effect of employees' socio-demographic traits on their perception of the economic dimension, further validated by the strong statistical significance of the coefficient associated with the economic dimension (ECD; $p < 0.01$). Regarding H2 and H3, it is established that employees' socio-demographic traits have a direct, positive influence with relatively fewer restrictions on their perception of the social and environmental dimensions. However, H2 and H3 are only partially validated due to the limited statistical significance of the coefficients associated with the social (SOD; $p > 0.05$) and environmental (EVD; $p > 0.05$) dimensions of CSD.

4. Conclusion

The analysis of the results uncovered a substantial and constraining impact of employees' socio-professional characteristics, such as gender, age, and professional experience, on their perception of CSD. These factors notably contribute to the variation in perceptions regarding the significance of economic, social, and environmental sustainability objectives endorsed at the organizational level. Female employees typically exhibit a heightened perception of CSD. Older employees with substantial organizational experience perceive the importance of sustainable economic objectives more keenly. Conversely, younger generations display stronger tendencies towards the significance of sustainable social and environmental goals.

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TOURISM AND REGIONAL GROWTH. A CONCEPTUAL OVERVIEW

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Abstract: *The rapid growth of tourism in recent decades has fuelled enthusiasms consider this sector as a viable alternative to support economic growth, especially in less developed countries and regions, peripheral or deprived of the chances of industrial and post- industrial development. Tourism has been overloaded with expectations of individual and community prosperity, employment, revival of entrepreneurship, mitigation of social disparities, advances in infrastructure and provision of essential public services. Moreover, tourism was seen as a privileged way to enhance some lesser-known natural resources and cultural attractions, helping to knowledge and understanding between individuals and peoples, both at the local and regional level, but also internationally. Despite all these favourable premises, research and practice have shown that the relationship between tourism and development is not direct, and often involves various negative consequences, which must be carefully analysed and mitigate - damage to the environment, to social and community life, incomes leakage, uneven development etc. In this research we will review the main contributions regarding the understanding of the relationship between tourism and development, with an emphasis on the regional aspect, highlighting both the favourable aspects, but also the criticisms, challenges and precautions.*

Keywords: tourism, regional growth, challenges.

JEL classification: L83; O18; R11.

1. Introduction

Development challenges have always been considered to be among the most important issues in many countries of the world, and especially for poor and developing countries. Tourism is considered to be one of the major social and economic phenomena of modern times, and therefore it is not surprising that it is considered to be an effective tool for development. But because the term development can mean different things to different people (Todaro, 2000, p. 13), understanding the role of tourism in the countries of the world must be seen in a broader perspective of development, from theory to practice.

The tourism economy has experienced continuous growth in recent decades, reaching a record of around 1.5 billion international tourist arrivals in 2019, developed countries registering growth rates during the period 2014-2019 higher than the world average, accounting for 57% of global arrivals and around 61% of international travel revenues (OECD, 2020), (Trip, et al., 2023). International tourism export revenues reached approx. 1700 billion USD in 2019 (World Trade Organization (WTO), 2020) (World Tourism Organization, 2021), the tourism industry being considered the third largest global industry, after fuels and chemicals. Although heavily hit by the COVID-19 pandemic, "an unprecedented shock, challenges and an existential threat to the tourism sector" (UNWTO, 2020), with dramatic decreases in international tourist arrivals (overnight stays) of around 74% in 2020 and, respectively, of 72% in 2021

(UNWTO, 2023a), international tourist traffic, resumed its growth in a rapid recovery process. Thus, according to The World Tourism Organization (UNWTO), international tourism reached, between January and July 2023, 84% of the pre-pandemic level (2019), and the difference of about 16% is expected to decrease towards the end of 2023 (UNWTO, 2023b).

2. The literature

Tourism has become increasingly important through its contribution to the economic development process and will continue to attract widespread attention (Shaw & Williams, 2002). But despite the increase in tourist arrivals and expenditure, tourism as a development option has also attracted much debate and controversy (Jenkins, 1982).

The value of tourism as a booming industry was well recognized in the early 1970s by many researchers (Lickorish, 1980), but tourism researches have focused almost exclusively on its positive economic impact on local, regional and national economies (Wall, 1996), as a growing industry and a potential contributor to development.

There was an increased awareness of the economic importance of tourism in the 1980s and this results from a number of studies on economic development (Williams & Shaw, 1988), (Crouch & Perdue, 2015), foreign exchange earnings, balance of payments, income from taxes, job creation, economic growth and diversification, and a variety of other factors (Sharpley & Telfer, 2002).

Since the beginning of the 1980s, particular attention has been paid to the idea of sustainable development (United Nations Environment Programme (UNEP) and World Tourism Organization (UNWTO), 2012), (Badulescu, et al., 2022). The contemporary period promotes the relationship between tourism and development as a multi-sectoral relationship, with impact on the economy, society, culture and environment.

Tourism can prove to be a good catalyst for development at the regional, local or community level as well (Sharpley & Telfer, 2002), a means of improving the economy in destination areas and this perspective has become increasingly important for developing countries. Tourism brings regional benefits such as stimulating economic growth (Oh, 2005), strengthening rural and regional economies (Lankford & Howard, 1994), (Badulescu & Badulescu, 2017), (Kallmuenzer, et al., 2018), reducing economic vulnerability (Lee, et al., 2020), reducing poverty and improving living standards in local communities (Uysal, et al., 2016), (OECD, 2020).

3. Challenges and limits in regional development through tourism

Regarding the role of tourism in regional development, and especially in peripheral and less developed regions, although the results are encouraging overall, the attempts to develop tourism in rural and peripheral areas have led to very different results (Hall & Williams, 2020). According to Hall (2005), the focus on tourism development has often been seen as a last resort option by their communities lacking resources, except for the natural area that surrounds them and the cultural artefacts they possess. Tourism persists in regional development policies, but numerous researchers (Saarinen & Rogerson, 2021), advocate a more careful approach and the understanding that tourism growth is only a part of regional development strategies, and pushing the limits means, in the most at best a waste of resources and opportunities. Hall and Boyd (2005) argue that many peripheral destinations have little potential for tourism development due to a lack of capital, small and low-income populations, difficult access to transport networks, to information and political influence. The small-scale

tourism offer probably appears to be sufficient to the families of the entrepreneurs and partly to the local community, but it has a small share in the overall regional economy and practically does not have much chance to compete in the major markets, which makes internationalization difficult. Other researchers believe that the limits of regional tourism development, and especially in less developed regions, in peripheral and isolated communities, is not a problem of resources, promotion and reorientation of touristic flows, but rather one of education and encouragement of local entrepreneurship (Ateljevic & Doorne, 2000). Tourism businesses survive and thrive where many other businesses either fail to establish or stagnate (Sundbo, et al., 2007). Although a certain development of tourism is evidenced by an increase in employment and a revival of entrepreneurial interest at the community level, measuring the impact of tourism at the local, sub-regional and even regional level is quite difficult. Despite an effervescence of political debates and programs, there are few studies that have provided clear evidence on how and to what extent tourism contributes to regional development. That is probably why part of the attention of researchers and decision-makers is now directed more towards the empowerment of entrepreneurs in the local tourism economy (Cunha, et al., 2018), as factors of general economic and social progress, and less towards the exact weighing of some results in the form of "classic" indicators – share in GDP, revenues, added value, etc.

Finally, other contributions support the idea that tourism cannot sustainably increase incomes and regional well-being if it is not included in coherent and innovative policies and does not generate endogenous development alternatives (Laut, et al., 2021). Thus, policies that adjust their instruments only on subsidies and promotion, in fact it subsidizes certain non-tourism initiatives, far from regional and local interests, thus having an insignificant impact on local welfare and honest entrepreneurial initiatives.

5. Conclusion

During the last decades, despite many crises, tourism has stood out for its potential to expand globally, at high rates. This has fuelled the expectations of researchers and decision-makers regarding its use in boosting the economic growth of less developed and peripheral regions and communities. Throughout this period the research focus has evolved and expanded on multiple levels – from development and business opportunities, employment, foreign exchange earnings, promoter of peace and understanding, to the adverse impact on the environment and community cultural and social values. Nowadays, researchers insist on a sustainable development of tourism, which considers the aspirations of economic growth, opportunities for communities and regions, entrepreneurial spirit, but also the balanced use of resources, care for the environment and for the future generations.

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OPEN INNOVATION, CLOSED INNOVATION, WHICH ONE?

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Abstract: *In the 21st-century business landscape, organizations face a critical choice: open or closed innovation? This paper delves into the definitions, advantages, disadvantages, and the academic consensus surrounding these divergent approaches. It emphasizes that innovation is not a one-size-fits-all journey; it's a dynamic terrain where adaptability is key. The paper explores how open innovation encourages external collaboration, while closed innovation focuses on internal R&D and IP protection. Factors influencing the choice between these approaches include industry type, resource availability, innovation goals, organizational culture, leadership, and intellectual property considerations. Notably, the hybrid approach, combining elements of both open and closed innovation, offers a flexible strategy for success. Ultimately, the future of innovation lies in navigating this spectrum to meet unique organizational needs, seizing the opportunities of tomorrow.*

Keywords: Open Innovation; Closed Innovation, Intellectual Property (IP).

JEL classification: O36.

1. Introduction

In today's dynamic and competitive environment, the ability to innovate is not just an advantage; it's a necessity for survival and growth (Broekhuizen et al., 2023). Companies that fail to innovate face a risk of becoming obsolete, overtaken by competitors who adapt to change and seize emerging opportunities (Bers et al., 2009). However, the path to innovation is not a one-size-fits-all journey. It's a complex terrain with multiple routes, and companies must make a critical decision early on: should they embrace open innovation, closed innovation, or perhaps a blend of both? This choice can significantly impact their innovation capabilities, market position, and long-term success (Sanabria-Z et al., 2023).

2. Closed Innovation: The Traditional Approach

Closed innovation, in contrast, represents the more traditional approach to innovation (Yun et al., 2018). It follows a linear and closed-loop model where research and development activities are conducted internally, and the organization seeks to protect its intellectual property (IP) rights. Closed innovation assumes that all the necessary knowledge and expertise are present within the company (Dabić et al., 2023).

Historically, closed innovation has been the prevailing model in many industries (Ioannou, Makris, & Ornaghi, 2021). Companies like Apple, famous for its secretive product development processes, have excelled in this closed innovation approach. By tightly controlling their IP and maintaining a culture of secrecy, they aimed to maintain a competitive edge (Yun et al., 2018).

Closed innovation offers advantages such as complete control over the innovation

process and protection of valuable IP. However, it also has limitations. In today's fast-paced and interconnected world, relying solely on internal R&D can limit a company's ability to adapt to rapidly changing market conditions and capitalize on emerging opportunities (Nieto, Santamaria, & Bammens, 2023; Costa et al., 2023).

3. Understanding Open Innovation

Open innovation is a concept that has gained considerable attention and momentum in recent years. It challenges the traditional notion that all innovation should be generated internally within a company's boundaries (Nieto, Santamaria, & Bammens, 2023). Instead, open innovation advocates for actively seeking external sources of knowledge, ideas, and expertise. In essence, it's about opening the innovation process to external collaborators, partners, customers, and even competitors (Nieto, Santamaria, & Bammens, 2023; Cricelli, Mauriello, & Strazzullo, 2023; Sanabria-Z et al., 2023).

The principles of open innovation were popularized by Henry Chesbrough, who defined it as "the use of purposive inflows and outflows of knowledge to accelerate internal innovation and expand the markets for external use of innovation." (Bejarano et al., 2023). Open innovation recognizes that valuable ideas and technologies can originate from a wide range of sources beyond a company's walls.

One of the key elements of open innovation is collaboration. It involves engaging in partnerships, joint ventures, and alliances with other organizations, including startups, research institutions, and customers (Hall et al., 2001; Bejarano et al., 2023). These collaborations can take various forms, such as co-development projects, technology licensing agreements, or participation in innovation ecosystems (Si, & Chen, 2020).

4. The Hybrid Approach: Best of Both Worlds

While the choice between open and closed innovation may seem binary, some companies have found success by adopting a hybrid approach (Dabić et al., 2023). In this approach, organizations combine elements of both open and closed innovation to harness the benefits of both worlds. A hybrid innovation strategy recognizes that not all innovation activities fit neatly into one category. Some projects may require the internal expertise and IP protection offered by closed innovation, while others may benefit from external collaboration and open innovation principles (Srisathan, Ketkaew, & Naruetharadhol, 2023; Sanabria-Z et al., 2023). Here's how companies can leverage the hybrid approach:

- **Selective Openness:** Companies can choose to be selectively open in specific areas of their innovation process (Lappalainen, Aleem, & Sandberg, 2023). For example, they may collaborate with external partners for early-stage idea generation while keeping later stages of development and commercialization closed.
- **Open Innovation Ecosystems:** Building or participating in innovation ecosystems allows companies to tap into external resources, talent, and ideas while maintaining control over key aspects of their innovation process. These ecosystems create a structured environment for collaboration (Ismail et al., 2023).
- **Innovation Contests and Challenges:** Organizations can run innovation contests or challenges that invite external individuals or teams to propose solutions to specific problems. This open approach fosters creativity and can lead to breakthrough ideas (Costa et al., 2023).
- **Intrapreneurship:** Encouraging intrapreneurship within the company empowers

employees to act as entrepreneurs, developing new ideas and projects within the organization's boundaries. This internal innovation can coexist with external collaborations (Ismail et al., 2023).

5. Factors Influencing the Choice

The decision between open and closed innovation is not one to be taken lightly (Dabić et al., 2023). Numerous factors come into play, and each company's context is unique. Here are some of the key considerations that influence this critical choice:

- **Industry Type and Competitiveness:** The industry in which a company operates plays a crucial role in determining the suitability of open or closed innovation (Srisathan, Ketkaew, & Naruetharadhol, 2023). In highly competitive and fast-moving sectors such as technology and consumer electronics, open innovation is often favored due to the need for rapid adaptation and access to cutting-edge technologies. In contrast, industries with slower innovation cycles, like utilities or some manufacturing sectors, may find closed innovation more suitable (Si, & Chen, 2020).
- **Resource Availability and Company Size:** The resources at a company's disposal, including financial, human, and technological resources, influence its innovation strategy. Smaller companies with limited internal R&D capabilities may turn to open innovation as a means of accessing external expertise and resources. Larger corporations may have the capacity for closed innovation but can still benefit from open approaches to supplement their innovation initiatives (Srisathan, Ketkaew, & Naruetharadhol, 2023).
- **Innovation Goals and Risk Tolerance:** A company's innovation goals play a crucial role in determining its strategy. If the goal is incremental improvements to existing products or services, closed innovation may suffice. However, if the aim is to disrupt markets, create entirely new products or business models, or tap into new markets, open innovation may be more appropriate. The level of risk tolerance within the organization also matters. Open innovation often involves a degree of risk due to knowledge sharing and collaboration with external partners. Companies must assess their risk appetite and ability to manage and mitigate risks associated with open innovation (Si, & Chen, 2020; Bers et al., 2009; Dabić et al., 2023).
- **Organizational Culture and Leadership:** The prevailing organizational culture significantly influences the choice between open and closed innovation. A company with a culture that values internal expertise, maintains a strict hierarchy, and is risk averse may lean more towards closed innovation. In contrast, organizations with a culture that encourages collaboration, open communication, and experimentation are more likely to embrace open innovation. Leadership plays a crucial role in shaping and fostering the desired culture (Nieto, Santamaria, & Bammens, 2023; Cricelli, Mauriello, & Strazzullo, 2023; Ismail et al., 2023; Srisathan, Ketkaew, & Naruetharadhol, 2023).
- **Intellectual Property Considerations:** The nature of a company's intellectual property is a critical factor (Yun et al., 2018). If a company possesses highly valuable IP that must be protected at all costs, a closed innovation approach may be favored. However, even in open innovation, there are strategies to protect IP, such as carefully crafted agreements and legal safeguards.

6. Conclusion

In the ever-evolving landscape of innovation, the choice between open and closed innovation is not a one-time decision but an ongoing strategic consideration. While open innovation offers access to a world of external ideas and resources, closed innovation provides control and protection. The answer to "Open Innovation, Closed Innovation, Which One?" depends on every organization's context, goals, and capabilities. The most successful companies recognize that innovation is not a single path but a dynamic journey. They embrace a flexible approach, often combining elements of both open and closed innovation. The hybrid approach allows them to adapt to changing circumstances, leverage internal expertise, and tap into external networks.

Ultimately, the future of innovation lies in adaptability and a willingness to explore new frontiers. Companies that can navigate the innovation landscape, embracing the best of open and closed innovation as needed, are poised to thrive in an ever-changing business world. In the end, the question is not whether to choose open or closed innovation but how to navigate the innovation spectrum to best meet your organization's unique needs and seize the opportunities of tomorrow.

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SUSTAINABLE DEVELOPMENT THROUGH CROSS-BORDER COOPERATION BETWEEN ROMANIA AND HUNGARY

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Abstract: *The purpose of this article is to present some insights regarding sustainable development and cross-border cooperation, as a tool for achieving social and economic objectives. Sustainable development means the fulfilment of the basic needs of all individuals and granting the opportunity to satisfy their aspirations for a wealthier life. The cross-border cooperation and enhancement of neighbourly relationships between European regions foresees overcoming problems and fostering harmonious development of neighbouring communities. Our focus is on cross-border cooperation between Romania and Hungary, which benefited from European financing to improve their key conditions for common sustainable development. The main conclusion that can be drawn from this article is the fact that cross-border cooperation is an important factor that support sustainable development.*

Keywords: sustainable development; cross-border cooperation; Romania; Hungary.

JEL classification: O18; O19.

1. Theoretical considerations regarding sustainable development

In international literature, the definition of the concept of sustainable development is given by the Report of the World Commission on Environment and Development: Our Common Future (UN, 1987). In this report, it is stated that sustainable development is "the satisfaction of human needs and aspirations in the major objective of development...[and] requires meeting the basic needs of all and extending to all the opportunity to satisfy their aspirations for a better life".

The Romanian literature presents "sustainable development" as a synonym for "durable development". In this context, Dingă (2009) explains that there is a difference between these notions, while sustainability refers only to the economic environment, durable development includes the entire natural environment, which also includes the economic environment. In a similar way, Baig, Ahmad, and Straquadine (2010) state that sustainable development must refer to the raw material of a country, emphasizing natural resources and their exploitation over time.

Another point of view presents sustainable development as intentional or imminent. Morse (2008) found this differentiation and explained that intentional development is based on human influences that are felt throughout the development process, while imminent development can have a change of direction by a small group of people. Therefore, sustainable development will be predominantly achieved by intentional development rather than imminent development.

In this light, European Union proposes 17 Sustainable Development Goals having as main purpose „a life of dignity for all within the Planet’s limits that reconciles economic prosperity and efficiency, peaceful societies, social inclusion, and environmental responsibility” (European Commission, 2016). As can be seen, there are three key

dimensions that support sustainable development: economic efficient growth, harmonious communities and environment protection (Celac, et al., 2018). All member states included these goals in their national agenda.

2. Cross-border Cooperation

Cross-border cooperation has been an important tool for the European Union to achieve the objectives it has set in order to ensure the sustainable development, growth and cohesion among the regions of Europe. Moreover, cross-border cooperation has been used to attain the same objectives at the external borders of the European Union as part of the European neighbourhood policy.

Cross-border cooperation is a „concerted process of building neighbourly relationships between local stakeholders and authorities on either side of a border, with a view to overcoming such problems and fostering harmonious development of neighbouring communities” (Council of Europe, 2023). Cross-border cooperation (CBC) generally refers to „a more or less institutionalized collaboration between contiguous subnational authorities across national borders” (Perkmann, 2003) and is a complex process that requires much more time to produce measurable results than the process of cooperation between local governments within a country (Bufon-Markelj, 2010).

In the European Union, cross-border cooperation comprises two main forms:

- Cross-border cooperation: referring to cooperation between regions situated in the member states of the European Union and regions from neighbouring countries of the EU; and
- European cross-border cooperation which supports the cooperation between NUTS III regions from at least two different member states lying directly on the borders or adjacent to them (European Commission, 2023).

While cooperation between member states regions could be easier, the aim of both types of cooperation is the same: tackle common challenges of the border areas, ensure sustainable growth and harmonious development of the entire European Union and of the regions situated at its external borders. Although in some cases the physical borders still exist, border areas need to exploit in common and at full their potential.

There are several reasons why cross-border cooperation receives a great amount of importance in the EU policies for development. Among these reasons we herewith mention some statistical figures: more than 37% of the EU population lives in border regions, border areas tend to be less economically developed compared to regions situated inside the countries, border areas offer less economic opportunities thus tending to lose their population, and the potential of border areas is still not fully tapped.

In order to reduce these disparities and ensure the sustainable development and harmonious cohesion at the border regions of Europe, the European Union has been investing for the last 25 years in cross-border cooperation. While in the period 2014-2020, 6.6 billion EUR have been allocated to 56 cooperation programmes (internal as well as external), in the period 2021-2027 the sum did not increase considerably, only to 6.7 billion EUR, while the number of cooperation programmes have increased to 73.

3. Sustainable Development Through Cross-Border Cooperation Between Romania and Hungary

The border between Romania and Hungary started to benefit from cross-border cooperation programmes starting from 1999, and this cooperation was supported

initially from PHARE CBC funds. The eligible border area included eight regions in South-East and East of Hungary and from Western part of Romania.

In the period 1999-2006, a total amount of 63.259.404 EUR was allocated through Phare CBC programmes to the border regions of Romania and Hungary (Csoka, 2018). In 2007, the cooperation at the border areas of Romania and Hungary entered a new phase as Romania became a full member of the European Union. Two main priorities have been defined for this period: improving the key conditions for common sustainable development of the cooperation area and strengthening the social and economic cohesion in the border area. The total value of the programme was 275 million EUR, out of which 224 million EUR represented financing from the European Union.

This period was followed by the period 2014-2020 in which the funds allocated to the programme have been reduced to 232 million EURO, including the national co-financing, and six priorities have been defined: joint protection and efficient use of common values and resources; improve sustainable cross-border mobility and remove bottlenecks; improve employment and promote cross-border labour market; Improving health-care services; improve risk-prevention and disaster management; promoting cross-border cooperation between institutions and citizens (<https://interreg-rohu.eu/en/programme-overview/>).

The current period of financing, 2021-2027, brought new changes in the cross-border cooperation between Romania and Hungary. The new Interreg VI-A Romania-Hungary Programme has a total budget allocation of 175.940.025,00 EUR, out of which 140.752.020 EURO represents financing from the European Union through the European Regional Development Fund. Three main priorities have been selected for this period: a greener Europe, a more social Europe and better cooperation governance.

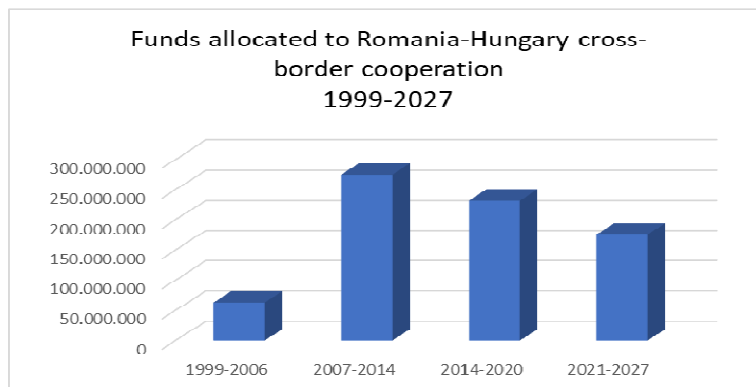


Figure 1: Funds allocated to Romania-Hungary cross-border cooperation 1999-2027
Source: Own processing of data obtained from <https://interreg-rohu.eu/en/programme-overview/>.

5. Conclusion

European cross-border cooperation can represent a great tool to ensure the sustainable development of cross-border regions, as shown by the cooperation between Romania and Hungary. While it is clear that only one cross-border programme of around 200 million EUR cannot tackle all the common challenges of the border areas, it is evident that the programme's contribution to the sustainable

development of the border regions is significant. Although the sums allocated to the programme have decreased, mainly due to the introduction by the cross-border programmes at the EU level, beneficiaries still have high expectations regarding the programme. One of the main advantages offered by the cross-border programmes is their flexibility and design according to the common real needs in ensuring the sustainable development of the border regions.

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SCALES FOR EVALUATION IN TOURISM

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Abstract: *The tourism system is a combination of intangible service products with tangible aspects. It has a reasonable number of laws and regulations to monitor tangible aspects of the industry, such as tourism service contracts, quality of products, and refund procedures. The objective is to study a few scales for evaluation of tourism, according with researches from nowadays. All the studies are related to the customer of tourism services, but keeping into account the background of the region, country and dimension of the tourism services where the study or research take place. Tourism is the most complex industry on a global scale, the whole society being involved in its service, being considered a barometer in terms of assessing the state of the society. Tourism is the most complex industry on a global scale, the whole society being involved in its service, being considered a barometer in terms of assessing the state of the society.*

Keywords: tourism, scales of evaluation, tourist roles, novelty, destination decision-making, tourism experiences, scale development

J.E.L Classification: Z32, M21

1. Literature review

In order to choose a travel destination, "*the recall of tourism experiences for tourists*" (Kim, 2022) is a crucial factor, for future behavior and decision making. "*Understanding the phenomenology of tourism memory can enable tourism organizations to enter a more competitive marketplace*". (Kim, 2022)

Quality in tourism services is focused on the opinion of consumers, and is characterized by what the consumer expect to be quality (Abdullah & Abdul Rahman, 2015). There are two variables that influence consumer perception, namely each customer's expectations and each customer's standards regarding quality. Expectations represent what the customer expects to obtain from the service provider before consumption. (Anwar & Shukur, 2015)

The results of the other researchers show up that at the top of the pyramid is the customer, and the second most important place is held by the staff from the front office, the reception (front-line) of the hotel, who receives, meets, serves and honors the customer's needs. The third place is held by the management middle management, whose responsibility is to support the employees in front of the customer, thus providing the expected quality of services. The last one in the pyramid is the top management which should support the middle management (Anwar & Balcioglu, 2016) An efficient market, including a market from the field of tourism, depends on the ability of a buyer to evaluate the value of a purchase, before, during and after the purchase process. The more complete and less expensive these evaluations can be, the more efficient the market is.

When the customer is faced with the challenge of deciding whether to choose the accommodation service to the same hotel or not, we can explore the focus design of the tourist market and the business plan that the hotel made before launching its accommodation services. Although it is necessary to examine the competition too. (Raynor & Ahmed, 2013).

The management of a hotel goes through a continuous process of increasing the quality of the services offered and the level of customer satisfaction, especially in an extremely dynamic and competitive market from nowadays, through analyzing the characteristics of hotel services beside with customer expectations,

The customer is required to be part of the hotel's processes (Anwar, 2017) This makes the difference between success and failure in the tourism industry, focusing on the needs and expectations of the customer, in real time, 24 hours a day, 7 days a week, but very important also next to human resources, alongside with empathetic employees. The role of the management is to look over and to enhance the assurance and reliability of the hotel in front of the clients and its employees. (Hameed & Anwar, 2018).

Researchers did examine multiple scales to evaluate tourism from: tourist role typology (Jenkins, 1982; Jiang et al, 2000), the perspective of tourist (Yixue Liu et al, 2020), tourism memory recall scales (Kim et al, 2022) and other scales.

Jenkins,(1982) did look over attitudinal scale was to measure the tourist role typology. In his research, he validated the role scale as a reliable one that properly identified three conceptual dimensions of international tourist typology and successfully provided measures of tourists' novelty-seeking preferences on the three dimensions. The study demonstrated, however, that the scale would measure the novelty-seeking preferences of international tourists more effectively if it were supplemented by other measures.

Yixue Liu et al, (2020) reveal in the article Evaluating Tourism Market Regulation and Tourists Perspective: Scale Development and Validation, that “despite the increasing attention given to tourism regulation in recent years, great ambiguity surrounds this concept and no valid and reliable instrument exists to measure tourism market regulation (TMR)”. It was developed a measurement scale of TMR from the perspective of tourists. Through these analyses, five dimensions are generated: regulatory oversight, truth in advertising, tourism contract compliance, fulfilling tourism contracts, and travel feedback processing. They also provide a useful tool for tourists and destination marketing organizations to measure and govern TMR in other regions/countries .

2. Recent theories

According with the author of the tourism memory recall scale, Kim et al (2022), the literature until nowadays, did emphasize to provide memorable tourism experiences. Bottom line, Kim et al, (2022), did develop Tourism Memory Characteristics Scale (TMCS). There are findings point to a seven-dimension scale consisting of accessibility, trip details, vividness, sensory details, valence, emotional intensity, and sharing. Tourism memory characteristics were found to support the scale's dimensional structure, validity, and reliability. It was also found that tourism memory influences revisit intention and word of mouth. Results present opportunities for tourism organizations to capture the fundamental characteristics of their products by using the TMCS.

Recently, the concept of a shared memory economy was proposed by Wood, (2020) who claimed that memories are “the most valuable commodity” that the tourism industry can offer. Given the importance of memory, tourism studies have advanced an

understanding of tourism experience and its link to memory in the following areas: memorable tourism experiences, tourists' emotional experiences, functions of autobiographical memory, autobiographical memory evocation, tourist sensory memory, shared memory and tourism autobiographical memory.

Jiang, (2000), hypothesized that there may exist a unique, separate dimension, which reflects whether tourists perceive themselves as mass or “demass”, which may help reveal the novelty-seeking nature of international

tourists in the nineties. He did demonstrated in his research, like Jenkins (1982), that the scale would measure the novelty seeking preferences of international tourists more effectively if it were supplemented by other measures.

Others researchers, Tang and Zang, (2021), did look over through Likert scale In the survey of tourism e-commerce user satisfaction, we used the scale survey method-Likert scale method, and used the telephone survey method to conduct a questionnaire survey. As a company, individuals cannot think that they have established a complaint and recommendation system to understand the satisfaction and dissatisfaction of internal customers fully. Practice shows that not all unsatisfied internal customers will complain. Therefore, companies cannot simply use internal complaints to measure internal customer satisfaction. Authors did conduct further investigations through questionnaires or test scales to obtain direct internal customer satisfaction.

According to other American researchers (Perreault and McCarthy, 1996), the price is a scale, “value pricing builds relationship and repeat purchases” and can be used a price scale. The list price depend on geographic pricing policies (country, region, domain).

3. Local small perspective

In Romania, in a tourism small research we can see the price of hotel accommodation net to occupation rate. The survey is on information collected from a hotel with 3 stars, in the north-west of the country, in the period of 2015-2023 year:

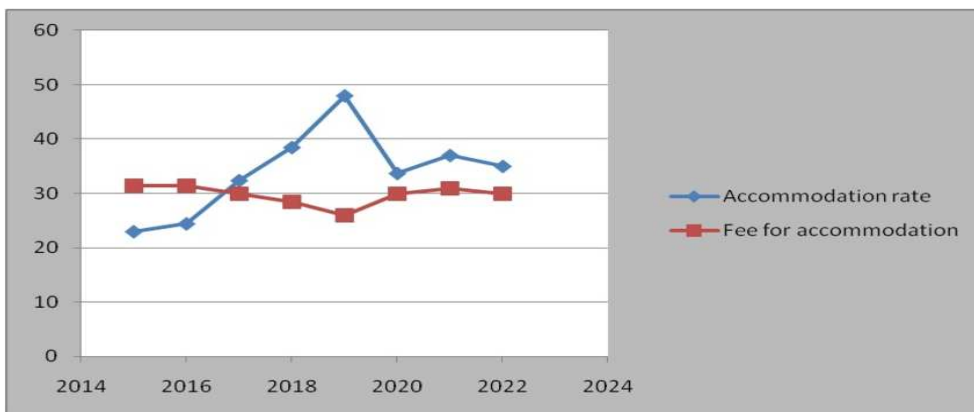


Figure 1: The report of accommodation rate per year to the medium annual fee for accommodation to a 3 star hotel from Oradea nearby
 Source: Data from a 3 star hotel from the nearby of Oradea city, near the cross-border between Romania and Hungary.

4. Conclusion

In conclusion, this scale for tourism evaluation needs to be supplemented by other measures and items, depending on the country, region of tourism services related to client typology and economic background.

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COMPARATIVE ANALYSIS CRYPTOCURRENCIES VERSUS FIAT CURRENCIES

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Abstract: *This article is based on the review and qualitative analysis of the specialised literature in which was found the association between cryptocurrencies and fiat currencies, as well as on the study of some trading platforms and the explanation, by comparison, of various common points or differences. Regarding the documentation used, were taken into account various specialised publications on the Internet, at international and national level, which address the concepts of interest on the proposed topic. The processing of the information consisted of presenting the data and information in a concise manner in order to gain a point of view on the topic at hand: comparative analysis of cryptocurrencies versus fiat currencies. The results present the authors' findings regarding the economic approach to the differences between cryptocurrencies and fiat currencies and offer some future directions for study.*

Keywords: crypto assets; cryptocurrencies; bitcoin; fiat currencies; bank; blockchain

JEL Classification: G15, G32, M40, O39, Q55

1. Introduction

The development of contemporary economic and financial systems is based on monetary and payment systems, which, along with the development of technology, are in permanent evolution (Kourmpetis and Gazis, 2022). The classic model where the central bank maintains monetary and financial stability can be contrasted with the new decentralised model based on the blockchain technology that supports cryptocurrencies.

The purpose of this paper is to highlight the correlations and characteristics that exist between cryptocurrencies and fiat currencies. The findings of the analysis highlight the similarities and differences between cryptocurrencies and traditional currencies. In this way, the authors want the article to contribute to the development of the study in this field and facilitate the understanding of investors and economic professionals.

2. Analysis of specialised literature

This paper follows the trend of discussing the extent to which cryptocurrencies can replace fiat currencies by comparing their characteristics.

2.1. Fiat currencies

Evolving from metal to paper or plastic, money or traditional currencies represented a means of physical exchange, transferable from one interested side to another. *The fiat currency* is a currency without intrinsic value, but whose declared value is recognised and validated by its users (Lukianchuk, 2022). In other words, fiat currencies represent

cash that is used as a medium of exchange. Going deeper, money is described by the English economist Jevons (1875) as having four functions: a medium of exchange, an unit of account, a standard and a store of value.

However, the current technological evolution that led to the existence of mobile wallets and various payment applications such as Apple Pay or Google Pay, directs the society towards an economy without liquid money, characterised by the term "cashless" (Lukianchuk, 2022).

2.2. Cryptocurrencies

Cryptocurrencies or digital currencies represent a class of digital assets that have been developed based on the blockchain technology and appeared in 2009, when bitcoin was launched on the market. These use cryptography as a method of ensuring security.

Cryptocurrencies can be divided into two main categories:

- *cryptocurrencies without support*, which derive their value from investors' expectations and usage, being characterised by volatility. They do not fulfill the fourth function of money mentioned by Jevons (1875), namely the element of storing value;
- *stablecoins* whose value is much more stable, because they are supported by assets that guarantee their value (Kourmpetis and Gazis, 2022).

Cryptocurrencies are based on the form of exchange that takes place strictly digitally, in online transactions. They are characterised by limitations regarding their transformation into cash, respectively a high degree of risk regarding value fluctuations. However, since they are not stable and determinable, they cannot represent a unit of account and a standard.

2.3. Differences between cryptocurrencies and fiat currencies

Initially, the interest in the purchase of cryptocurrencies was low, but in the following stages the value of digital currencies recorded an upward trend considering their recognition as a payment method by large online retailers. Thus, although fiat currencies and cryptocurrencies exist in two different systems, they can practically be used as a medium of exchange. However, certain properties can be observed between fiat currencies and cryptocurrencies, shown in parallel, in Table 1:

Table 1: Differences between the properties of cryptocurrencies and fiat currencies

| Property | Fiat currencies | Cryptocurrencies |
|-----------------|---|---|
| Control | Centralised to central banks and government. | Decentralised; not controlled by a central authority. |
| Supply | Available unlimited; central banks can issue as many currencies as they want. | Some cryptocurrencies are controlled and limited (bitcoin currency is limited to 21 million coins). There are newly created cryptocurrencies, but their rate is decreasing. |
| Protection | Due to anti-money laundering legislation and regulations, the beneficiaries are identified. | Poorly regulated. Secured by cryptography. Cryptocurrency transactions benefit from anonymity. |
| Immutability | Transactions with fiat currencies can be | Reversal of cryptocurrency transactions is not possible. |

| | | |
|--------------|-------------------------------|--|
| | reversed. | |
| Divisibility | Divisible into smaller units. | Allow micro-transactions. For example, in the case of bitcoin, the smallest unit, the satoshi, is equal to one hundred million bitcoins. |
| Volatility | Their market value is stable. | High volatility. |

Source: Adapted from Kourmpetis, S. and Gazis, A. (2022); Binance Academy (2022)

Analysing further, the distinctions between cash and cryptocurrencies, according to their functions mentioned by the European Central Bank (2022), are analysed in Table 2. From the studies undertaken by Bunget and Trifa (2023), an advantage of money in the form of cash would be the fact that cash can be used directly in making payments.

Table 2: Differences between cash and cryptocurrencies by functions

| Functions | Cash | Cryptocurrencies |
|------------------|---|--|
| Autonomy | Cash is the only way for citizens to hold money without access to equipment, internet or electrical power. | Cryptocurrencies can be kept in a private e-wallet. These transactions require access to equipment, internet and electricity. |
| Legality | Creditors and suppliers cannot refuse cash collections, unless they have agreed with their customers on another payment method. | Virtual currencies are not a form of exchange in the true sense of the term, as there are very few merchants willing to work with such payments. |
| Integration | Through the use of cash, opportunities are offered regarding payment instruments, respectively the possibilities to make savings. | The use of virtual currencies is possible only for people who have access to the internet and who have educated themselves for the purpose of using these trading tools. |
| Rapidity | Banknotes and coins allow immediate or scheduled payments. | Virtual currencies facilitate the automatic exchange of cryptocurrencies between accounts. |
| Safety | Cash is immune to fraud, counterfeiting and cybercrime. | Virtual currencies are unsupervised. The main risks associated with their volatility relate to suspected fraud or cybercrime. |

Source: Authors' projection from the European Central Bank (2022)

Figure 1 illustrates how traditional currencies are traded in comparison to cryptocurrencies. According to Islam et al. (2018), the authors state that in a centralised system, traditional currencies are issued by the government or central banks, and transactions between individuals are controlled. In contrast, cryptocurrency transactions operate in decentralised structures that allow the existence outside of central banks or governments. Each transaction must be validated by users in the network to avoid defrauding the system (Bunget and Trifa, 2023).

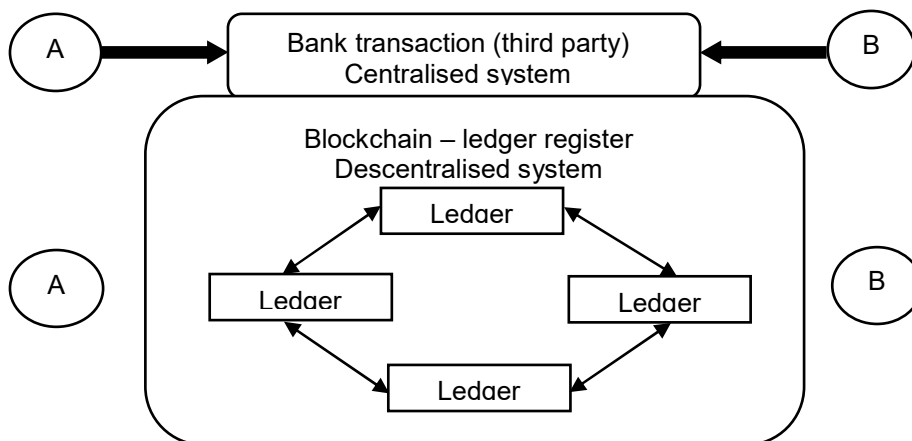


Figure 1: Comparison between cryptocurrency transactions and bank transactions
 Source: Adapted from Islam, et al. (2018)

3. Conclusion

In this article, the characteristics of cryptocurrencies have been exposed in parallel with traditional currencies, after consulting various specialised sources in the field.

As a result, money in the modern context can include cryptocurrencies which, although not monetary instruments, can be used as an additional option in transactions. Similar to Lukianchuk (2022), the authors believe that in the case of payment with cryptocurrencies, they will be converted into the main means of payment, i.e. the currency of the central bank, at the exchange rate valid on the date of the transaction.

The authors draw attention to the fact that unlike banking transactions with traditional currencies, which according to Kameir (2019), have a longer transfer time, transactions based on blockchain technology are final and irreversible, and the recipient can use the funds immediately.

In terms of suggesting directions for further research, these may consist of analyses of the correlation between cryptocurrencies and other assets that may be of interest to economics professionals and investors.

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THE ROLE OF EMOTIONS IN THE PERCEPTION OF COMPANIES' FINANCIAL PERFORMANCE

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Abstract: *Economic actors have several options when they are assessing the financial performance of companies. In efficient markets, the stock market prices can be a good indicator of company performance, which is followed by stock market participants. Various technical and fundamental analysis methods are well to develop an optimal trading strategy for the traders. Trading on the stock market is influenced by several factors, including the price of products, their demand, and other information about the company. Traders make their decisions based on these factors, but they also consider other factors such as their own perception and capital levels. These also influence their purchases through their decisions. The purpose of this paper is to summarise briefly one of the most important factors, which is influencing the behavior of stock market traders. This factor is the emotions, which play a significant role in the perception of the financial performance of companies.*

Keywords: corporate financial performance, stock market, psychology, emotions

JEL classification: G41

1. The role of the stock market in determining the value of companies

The stock market is a market, where securities, commodities, derivatives, and other financial instruments are traded. The transactions can be spot, futures, or options (Gumilar, 2011). If we talk about efficient markets, stock prices are a good indicator of the performance of companies, which stock market participants watch with interest. Traders make their decisions based on these factors but also consider other factors such as their own perceptions and their own capitalization. These influence their purchases through their decisions, their impact can only be eliminated by a strategy based on technical and fundamental analysis methods. If they adopt the right strategy, they will be successful, and they will also have a good perception of the financial performance of the companies.

2. The role of emotions in stock market investment and their influence on the financial performance of companies

Emotions play an important role in judging the financial performance of companies, and they can be best observed when people trading on the stock market.

For the outsiders stock market is only about prices, profits, losses, and trading, but in fact, its inner mechanism is linked to psychology too, because people who trade are also humans who think and feel (Gumilar, 2011).

Emotions play a significant role in the daily lives of people, even if they are not aware

of them. According to Jakobson (Domján et al., 1995, p. 99), "The essence of emotion is the emotional relationship between a person and a specific object or a specific set of phenomena. Emotion is always directed towards this or that object of reality." In addition to clarifying the concept, it is essential to explain how it works. Initially, the stimuli that reach our body are neutral and then pass through our neural pathways to our cortex and subcortical centres. There they are given a positive or negative emotional colouring. In addition, our cortex can both regulate and inhibit our emotional expressions, which is highly dependent on our nervous system and therefore the expression of emotions varies from individual to individual (Domján et al., 1995). However, we may ask how this exactly relates to stock market participants and, through them, to the perception of the financial performance of companies. Emotions make up a significant part of our unconscious, and permeate our activities, outlook on life, desires, and aspirations. Those are seriously influencing individuals who trade (Hornstein, 2003; Domján et al., 1995). Traders suffer from several emotional distortions, factors that block thinking and inhibit the ability to perceive information (Chandra, 2008; Hornstein, 2003). This is because not only our way of thinking but also our perception of information is highly dependent on our mood and emotional state (Rothkopf, 2003).

- For example, under the influence of negative emotions traders are less able to process external information and are unable to apply more complex strategies (Rothkopf, 2003).
- Also, under the influence of emotions, an actor may become overly attached to his decisions and only consider the information that confirms him (Gumilar, 2011).

In these cases, selective perceptions and excessive emotional states can lead to chaos, loss of capital, and perceptions of inadequate corporate financial performance. The only way people can avoid emotion-based trading is by using rules that require calm and common sense. The strategy dictates how to act in different situations. If traders follow this strictly, they will become more confident and in control of their emotions. However, emotions should not and cannot be completely excluded, because behind every action there is an emotion, even if it is not strong (Gumilar, 2011). The solution is to consciously change emotions, which allows one to develop an emotionally stable state that contributes to making better decisions without hindering the proper perception of the actual financial performance of the company (Schäfermeier, 2010).

However, if one does not set rules for stock trading and does not apply the above-mentioned, one may develop an emotional roller coaster due to excessive emotional influence and may constantly stray from the path of rationality (Vincze, 2013; Schäfermeier, 2010; Gumilar, 2011). For example, if a person enters a position because he or she wants to satisfy a certain emotion, his or her trading or trading will be affected by a host of emotions, including greed, fear, aversion, thrill-seeking, impatience, and others (Schäfermeier, 2010). The former has both negative and positive effects, but they affect trading and the perception of the company's financial performance only in a negative direction. Such emotional vulnerability can arise not only from a lack of rule setting but also from a lack of stock market knowledge (Hornstein, 2003). Once the ability to influence emotions is discovered, it is possible that one does not set up one's own strategy, but constantly suppresses them. For example, if someone buys a piece of paper on the stock exchange and it loses value after a while, the fear that appears will be suppressed. However, after a certain period, this leads to stress and frustration, which have a negative effect on this person. For this reason, it is important to find the root causes of our emotions and then eliminate

the problem. The same should be done when our emotions are negative or recurring because they want to draw attention to something (Scháfermeier, 2010). In such cases, they may have a positive effect, because they may be signalling something that could be crucial. If the market starts to fall and fear appears, for example, it may signal that we should sell the paper. If we do so and we see a further fall after selling, our emotions could save us from a significant loss. In such a case, there is nothing to distort one's perception and one can also correctly see the financial performance of the company in question.

3. Conclusion

In this study, we have looked at the impact of emotions that can affect the trading of stock market participants and, through them, the perception of the financial performance of companies. It is important to pay attention to this because different emotional states entail different actions and, conversely, different actions cause different emotional states. For example, if a person becomes overly attached to a position and it slides into a minus, it is possible that the person will buy it back because of his or her attachment. In doing so, he or she takes excessive risk because the attachment causes him or her to ignore certain information that would show him or her whether or not it is worth buying the product again, i.e., his or her perception of the financial performance of the company is distorted. In another case, it is possible that someone may regret their actions, for example because they sold too early. In the continuation of this research, we will focus on the role of hope and fear in stock market trading and their impact on the financial performance of companies.

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FACTORS INFLUENCING PRODUCTIVITY IN CASE OF BLUE-COLLAR WORKERS

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Abstract: *The paper introduces factors which influence the productivity of the blue-collar workers. The current study includes a few good examples of the findings of the academic literature which can provide a bit of thought provoking about the potential influencing factors and even the volume of their effects. My research will examine the role of the influencing factors in case of blue-collar workers. I am going to conduct research in order to identify the role of each factor, in addition, to investigate whether there are any significant relationships between the investigated influencing factors. The examination of this topic is significant from the perspective of company performance and the findings can generate appropriate information, methods and tools into the hand of company leaders to enhance the productivity level of their firms and can be a starting point of critical thinking over this important topic by the individual managers.*

Keywords: labor productivity; blue-collar workers; incentives; working hours; work-life balance; gender

JEL classification: J01

1. The productivity of blue-collar workers

The examination of this topic is significant from the perspective of company performance. The productivity of blue-collar workers influences the financial performance of the companies directly that is why the improvement of the influencing factors is the interest of the employers (Brambilla et al., 2017). However, blue-collar workers work in different sectors and the size of the company could also differ but there are several factors which affect their productivity independently of the sector and the size of the company they work for.

2. Influencing factors of labour productivity

In the current study, I am going to introduce the following influencing factors: incentive systems, effects of peers, working hours, work-life balance, gender related differences, and health. These are not all of the factors of course which can have an influence on labour productivity, my intention is to show a few out of many, maybe ones of the most influentials.

2.1 Incentive systems

Several studies investigated the relationship between measuring the productivity of the workers and the incentive system of organizations, in addition, changing the incentive system based on direct productivity measurements, moreover, some scientific papers investigate through experiments how incentives affect the behaviour of employees. According to the study of Lazear (2000), monetary incentives have a positive effect on the work performance of the employees, thereby monetary incentives support the firms in achieving higher performance. In addition to influencing employees' intrinsic

motivation, incentives can also have an influence on employee classification, which can explain up to the 50% of productivity increase.

Incentive systems also have an impact on productivity however, two main aspects have to be considered by the companies: time frame and performance dimensions. In relation to performance dimensions, measuring more dimensions at the same time would be preferred. In fact, if only one performance dimension is targeted, employees will focus on that one, which might even have a negative effect on performance overall, and thus on productivity. (Jacob & Levitt, 2003).

The time frame of the performance evaluation is important, because if the evaluation date is close, then the employees may increase their efforts and performance in order to receive a higher bonus, or they may decide to reduce their efforts if they are aware that they no longer have a chance to achieve a higher bonus or a bonus at all. If organizations use performance measures that have a higher frequency, such as daily or weekly performance measures, it could be understood better how individuals respond to incentives (Asch, 1990).

2.2 Effects of peers

The influence of peers is an important factor in relation to productivity, because the behaviour of individuals is influenced by their peers in all environments, including their workplace. This effect can be realized in several ways, either through social pressure or even the employee is learning from his colleagues, and in the course of learning, he adopts the habits and the opinions of his colleagues, which has an influence on his behaviour. In their research, Mas and Moretti (2009) examine how and why the productivity of an employee depends on the productivity of colleagues working in the same team. Based on their research, the authors identified that strong employee effects is associated with the introduction of high productivity in case of the workers who work in the same group or department. This effect mainly appears when a really productive employee enters the team. This effect is strong in occupations which require low qualifications and where the tasks are highly standardized – meanwhile, in case of creative occupations, like R&D or scientific research, this effect is not common. This finding is important from the perspective of wage determination. Hiring a highly productive employee has a positive effect on productivity both directly and indirectly: directly because he increases the productivity of the organization through his own high productivity, and on the other hand, he also affects his coworkers, and thus their coworkers will also be able to achieve higher productivity, so the return of a highly productive employee is greater than his individual contribution to the organisational productivity.

2.3 Working hours

Regarding the length of the normal working week, there are differences from country to country, but there might be differences even within a given country. There is only few information about how weekly or daily working hours affect productivity, but there are direct measures of worker productivity that can be used to draw conclusions about how the number of working hours and the changes in working hours affect the performance of the workers. (Brachet et al., 2012).

Shift work can change circadian rhythms, disrupt sleep cycles, and decrease performance. Disruption of circadian rhythms can lead to attention deficits and longer reaction times, resulting in increased error rates and decreased performance (Rouch et al., 2005).

2.4 Work-life balance

The workplaces highly determined whether employees are able to create a work-life balance, which is a prerequisite for employees to achieve their best performance and thereby achieve high productivity. At some level, work requires workers to reduce their time spent with family and spent with other social activities, and if the time spent at work increases too much while the time decreases a lot in relation to personal life, it can lead to job dissatisfaction and negatively affect the worker's performance and productivity (Balmforth & Gardner, 2006).

2.5 Gender based differences

The relationship between wage differentials and performance between females and males can be examined in the case of certain working conditions: if employees work on a piece-rate basis, the wage they earn is equal to their productivity on average, which also means that changes in wages for the same work performed at the same employer should reflect the changes in productivity (based not on the gender). The most clearly explanation about wage can be given in terms of productivity, in the case of time-wage work, the wage is independent of productivity. When examining the difference between the two genders, it is also important to mention that if workers are paid on the basis of piece wages, it is more difficult to discriminate on the basis of the gender than in case of time-wage work (Petersen et al., 2007).

Petersen et al. (2007) investigated whether the performance of women is worse than the performance of men in case of manual workers. Based on their results, the productivity of the women is lower than the men's to some extent, but this difference is not significant, so this cannot explain the large gender wage differences. The researchers investigated the reason that the productivity of women working is 1-3% lower than that of men in the studied countries. One possible explanation was that, in general, women have more responsibilities in the family than men.

2.6 Health

As Damen et al. (2023) stated the manual workers are less likely to participate in workplace health promotion programs than white-collar workers, so it is important to understand the factors that influence their participation in these programs. The participation of manual workers in these programs would also be important because they usually have more health problems than white-collar workers. Unhealthy lifestyles are more common among manual workers: in the United States, construction workers and mechanics are roughly twice as likely to smoke than those working in healthcare and education, and long-distance truck drivers are twice as likely to be obese and smoke than the average workers. Healthy lifestyle increases productivity, prevents incapacity for work, and also reduces the number of sick leaves, which is why it is necessary to motivate manual workers to participate in health promotion programs. However, it is still a challenge to reach employees who work in shifts, and even those who have not yet experienced health complaints.

Conclusion

In the past years, many scientific papers investigated the factors which influence the performance of blue-collar workers. There are some factors which affect the manual workers' performance only in case of some industries but there are many factors which have an effect on their performance in general. The current paper focuses on the following factors: incentive systems, effects of peers, working hours, gender related differences, and health. The effects of incentive systems are significant in relation to

manual workers' performance but it is important to consider both time frame and performance divisions. Shift work patterns affect the performance of the workers negatively. Gender can also have affects in terms of productivity. Wage differences also affect productivity, however, in some cases, wages reflect productivity if it is determined on piece-rate basis.

However, many factors have been investigated but I do not consider the literature review complete in relation to blue-collar workers. This topic is very broad, and the future results can have significant benefits for business leaders.

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THE OPPORTUNITIES OF THE TRANSITION TO THE GREEN ECONOMY

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Abstract: Renewable energy and sustainable development are connected with the main objectives of promoting environmental sustainability, economic growth, and social equity, while reducing the negative impact on the planet to a minimum. Starting from this premise, this article analyzes the connections between sustainable development and economic prosperity from the perspective of renewable energy. In this context, the countries of the European Union were selected to analyze the share of renewable energy in the final gross energy consumption from 2015 to 2021. Renewable energy is a key constituent of the Sustainable Development Goals (SDGs) and is in fact an essential factor for the energy transition and carbon neutrality in the target countries. Renewable energy is an important tool to combat climate change. In this sense, the investments made in renewable energy have taken a large scale in the last decades, thus contributing to sustainable and ecological development.

Keywords: green economy; renewable energy; sustainability; social equity.

JEL classification: O44; Q02

1. Introduction

Lately, climate change, environmental pollution, and global warming have become topics intensely debated by the population, but also very popular among decision-makers in most countries. The idea of green energy has gained momentum due to the fact that it makes the production process ecological and reliable, bringing added value to human development through health, education, and socio-economic conditions (Sardianou et al., 2020). Sustainable development has emerged as an opportunity to optimize the quality of life. Nowadays, people have evolved considerably on all levels, placing emphasis on increasing the standard of living. In addition to developed countries, emerging economies have also made considerable development progress, especially on the technology side. Therefore, nations make steady progress but pay the price of environmental degradation (Appiah et al., 2023).

The population's demand for ecological endowments has increased significantly in the last decade, thus accelerating the pace of economic growth. Most countries have adopted various environmental policies, ensuring the sustainable use of natural resources. Following these sustainable development policies, various ecological programs have been considered in the modern economy that have had successful results, such as green energy or the creation of a green economy, being easy to adopt and achieve (Ioremler et al., 2021). In addition, this transition to a green economy

increases job opportunities in both developed and developing countries (Mundaca et al., 2016). Green jobs are jobs that help preserve or restore the environment, both in traditional sectors (manufacturing or construction) and in newly created, emerging sectors (renewable energy) (Horne et al., 2016).

Considering the advantages of green energy, energy resources should be made available at a reasonable production cost to at least mitigate the negative impact on the environment and society. In addition, green energy can enable advanced manufacturing processes with minimal environmental impact compared to conventional energy processes used in manufacturing activities (Bhowmik et al., 2017).

The International Renewable Energy Agency claims that renewable energy is an important tool to combat climate change. In this sense, the investments made in renewable energy have taken a large scale in the last decades, thus contributing to sustainable and ecological development (International Renewable Energy Agency, 2017). Sustainable development and economic growth are a comprehensive area that aims to meet people's needs and increase social equity, taking into account the needs of future generations and the conservation of biodiversity. Therefore, finding a balance between prosperity and the environment is long overdue, with economic growth being closely linked to the massive use of resources.

2. Share of renewable energy in gross final energy consumption

The indicator called "Share of renewable energy in gross final energy consumption" is important because the increase in this share actually represents a high level of development based on a responsible use of renewable resources. This indicator includes the main sectors of the economy where energy production, trade, transformation and consumption are found (INSSE, 2020).

Table 1. Share of renewable energy in gross final energy consumption

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|
| European Union | 17,82 | 17,978 | 18,411 | 19,096 | 19,887 | 22,038 | 21,775 |
| Belgium | 8,06 | 8,744 | 9,136 | 9,472 | 9,929 | 13 | 13,014 |
| Bulgaria | 18,261 | 18,76 | 18,695 | 20,581 | 21,545 | 23,319 | 17,015 |
| Denmark | 30,469 | 31,715 | 34,387 | 35,159 | 37,02 | 31,681 | 34,718 |
| Luxembourg | 4,987 | 5,364 | 6,194 | 8,942 | 7,046 | 11,699 | 11,735 |
| Hungary | 14,495 | 14,377 | 13,556 | 12,548 | 12,634 | 13,85 | 14,115 |
| Romania | 24,785 | 25,032 | 24,454 | 23,875 | 24,29 | 24,478 | 23,596 |
| Sweden | 52,22 | 52,597 | 53,39 | 53,916 | 55,785 | 60,124 | 62,573 |

Source: Own processing of Eurostat data

Data series from 2015-2021 were extracted for analysis, the landmark being represented by the European Union. The unit of measure in the table above is the percentage, with the time frequency being annual. The data were extracted from Eurostat.

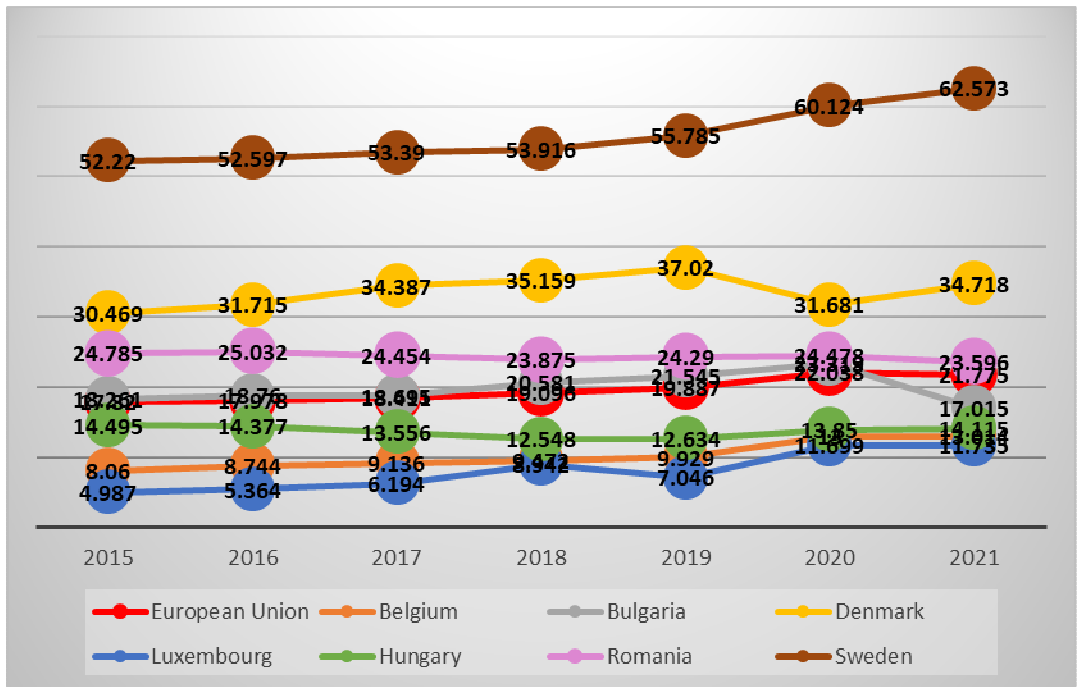


Chart 1. Share of renewable energy in gross final energy consumption
 Source: Own processing of Eurostat data

According to the graph above, during the period 2015-2020, a noticeable trend can be observed: a continuous increase in the share of energy from renewable sources in the final gross energy consumption. This trend reflects the promotion of renewable energy and the encouragement of its production from less-exploited renewable resources. Additionally, the graph depicts a percentage decrease in the indicator for the year 2021 in most of the cases presented. For the European Union, this marks the first decrease in this regard, at least within the analyzed interval. Moreover, Romania's share of energy from renewable sources is above the European Union average.

3. Conclusions

Considering the points mentioned above, we can conclude that green energy emphasizes sustainable economic activities that do not harm the environment and improve living standards while also being cost-effective for economic growth. Traditional economic processes affect the reliability of sustainable development and economic prosperity. To prevent a climate change catastrophe, the global energy transition needs to occur quickly. Sustainable development aims to conserve biodiversity and reduce carbon pollution.

There is a positive acceptance of green energy, which enables modern production processes with minimal impact on the environment. The primary objective of sustainability and sustainable development is to conserve the supply of energy resources for all future generations. Therefore, finding a balance between prosperity and the environment is long overdue, as economic growth is closely linked to the massive use of resources. Thus, green energy emphasizes sustainable and fair economic activities for all.

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THE IMPACT OF THE DIGITAL ECONOMY ON THE ACCOUNTING PROFESSION – A LITERATURE REVIEW

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Abstract: *Digitalisation has been accelerating at an amplifying pace and has had a major impact on public services, government policies, health, social relations and economy. The new economy is flexible and responsive, but are accounting professionals, who have always been closely tied to technology, as flexible and responsive to new changes? This paper is based on a literature review to determine the impact of the digital economy on the accounting profession. The aim of this analysis is to identify the state of knowledge and to find the main research directions for the future of the accounting profession in 2019-2023 in the context of digitalisation. In a digital economy only professional judgment remains the feature that recommends accounting professionals.*

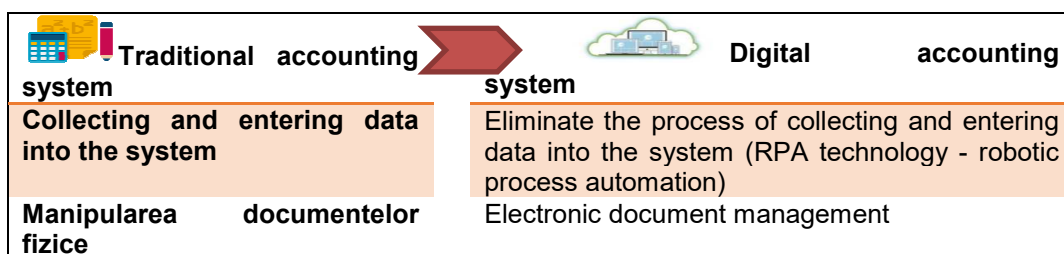
Keywords: digital economy, digitalization, accounting profession, future of accounting

JEL classification: M41

1. Background

Digitalisation is a phenomenon with far-reaching characteristics for all areas of activity, including the economy. Dakhaeva and Khatsieva (2021) found that the term digital economy provides a broad definition encompassing networked business, e-commerce, algorithmic decision-making, the use of digital automation technologies applicable in industry and precision agriculture. Bukht and Heeks (2017) have identified that software, hardware, information and communication technology products underpin the digital economy.

The evolution of the accounting profession (Pătrașcu, et al., 2017) is closely connected to the evolution of trade, industry, the emergence of money and the evolution of digital computing technologies. The accounting profession is at the forefront of the professions that are and will be most affected by technological change and globalisation (Arraou, 2016). The current technical advances due to the use of computers have changed the accountant's work in relation to its methodology and principles, and having digital skills is an imperative. This indicates that the digital economy promotes the importance of learning, innovation and globalization.



| | |
|---|--|
| Paper documents | Digital documents in the cloud associated with commercial transactions |
| Physical financial statements | Dashboards |
| Visits to the client's premises | 24/7 online data from any location |
| In-house accounting systems | SaaS accounting systems (software-as-a-service) |
| Filing tax reports and returns | Posting documents on online portals |
| Traditional software and bookkeeping | Improved budgeting mechanism and decision-making process |
| Bookkeeper | Financial Consultant |

Figure 1: Differences between traditional and digital accounting systems

Source: processing authors after Ionescu et al. 2014

Digitalisation (European Commission, 2023) influences the accounting profession, affects the accounting document cycle, ensures substantive control of documents, updates the digital archive in real time, simplifies the management of business transactions, monitors real-time economic and financial analyses and acts immediately to solve economic problems. The differences between traditional and digital accounting systems are shown in Figure 1.

2. Database and methodology

The objective of this paper is to identify the state of knowledge on the impact of the digital economy and digital technologies on the accounting profession, identify the study methods carried out and the results obtained. The literature review resulted in the collection of twenty relevant studies. The studies were selected from the two public platforms, Google Academic and E-nformation of the Anelis project (National Electronic Access to Scientific and Research Literature), according to the following selection criteria:

- publication period: 2019 - 2023;
- keywords: digital economy, accounting, digital technology, impact.
- document type: scientific paper;
- language of publication: English.

Following the applied filters, 20 scientific papers were selected on the basis of their relevance. Following the analysis of the papers studied, a significant focus on quantitative research was noted, namely using survey instrument conducted on representative samples of accounting professionals from several European and non-European countries.

3. Results and discussion

The complex observation of this literature shows that authors and researchers are concerned with this topic.

The results of a systematic review of the Web of Science database for the period 2015-2020 (Ferreira, et al., 2021) reflect the importance of having digital skills to remain competitive as accounting professionals in the digital economy. A determinant factor in the adoption of digital technologies, in addition to digital skills, is the availability of adequate resources and equipment (Abd Razak, et al., 2021).

A study of economics curricula in the UK and Northern Ireland (Kotb, 2019) shows that technological developments and digital skills are a relevant area for finance and accounting education. The implementation of information technologies and the

development of digital skills needs to be done by rethinking education and professional training programs (Guşe & Mangiuc, 2022).

The main technologies in the context of the digital economy (Moll & Yigitbasioglu, 2019) referred to in the reviewed papers are cloud technology, big data, blockchain technology, artificial intelligence and the internet of things (Ghorabani, 2019). According to the holistic technology acceptance model (AlNasrallah & Saleem, 2022), accounting professionals feel more motivated and inclined to adopt digital technologies when they perceive their relevance.

In general, accounting professionals are aware of the potential benefits of the digital economy, but also clearly identify the challenges that accompany the adoption of new technologies (Bouvet, 2021). However, among digitally active accounting professionals (Hinterhuber, 2021), the most engaged are accounting professionals with less experience and higher education.

Based on the neoclassical analysis of accounting (Priobrazhenskaya, 2019) it was concluded that the impact of the digital economy on the accounting profession is the automation of accounting work. Thus, such elements as: cryptocurrency revenues, crowdfunding services, digital financial assets, smart contracts and digital law should be taken into consideration. Bygren (2016) states that digitalisation of accounting activities means changing aspects of the business, key activities, value of services, relationship with partners, distribution channels, revenue streams, cost structure and resources.

Accounting professionals in Malaysia (Awang, et al., 2022) identify digitalisation of the profession as a support in doing complex work and as a factor in expanding time and space for work. In Portugal (Gonçalves, et al., 2022), it was found that the digital economy through public services can lead to the digitalisation of the accounting profession and economic activities.

Babakulova (2022) is of the opinion that in a digital economy, professional judgement is a key feature that defines the quality of services provided and their complexity. Andreassen (2020) argues that accounting professionals have an autonomous and free role in terms of identity, affirmation and value growth in the digital economy.

According to a study (Coman , et al., 2022), the positive consequences of the digitalisation of the accounting profession have been identified, which are:

- digitalisation ensures business continuity and eliminates the time lag between the generation and access of accounting information;
- digitalisation makes business management more efficient;
- digitalisation ensures that economic entities perform better.

In conclusion, the accounting profession will continue to be relevant in providing traditional services (Yigitbasioglu, et al., 2023), instead professionals will play an important role in testing and implementing digital technologies and additionally will be responsible for compliance with legislation and ethical requirements of data and economic transactions. The new direction of development for accounting professionals is the field of consulting and monitoring the economic and financial performance of economic entities (Rauramo, 2021).

4. Conclusions

The main conclusions highlighted in the analysis are:

- the impact of the digital economy on the accounting profession is summarised in the automation of repetitive activities;
- for the successful future of the accounting profession it is necessary to rethink education and training programmes with knowledge of digital technologies;

- the importance and relevance of digital technologies is the determining factor in the implementation of digital technologies by accountants;
- the digital economy is leading accountants into a consultative and supervisory role.

The implementation of digital economy technologies in accounting involves a change in the role of accountants, the role of bookkeeping and the role of financial and non-financial reporting.

The limitations of this study are due to the limited number of papers studied, the period of time analysed and the digital environment which is constantly developing.

There is a clear need for further research into how the digital economy is influencing the evolution of the accounting profession and the adjacent service area, the interdependent relationship between the digital economy and accounting professionals, and the factors that hinder the digitalisation of accounting activities.

In conclusion, accounting professionals are indispensable in a digital economy because they are the drivers of information and develop harmoniously with the economy.

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EXPLORING THE POTENTIAL OF DIGITAL PLATFORMS IN PROMOTING THE CIRCULAR ECONOMY

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Abstract: *A relatively current and important term, the circular economy is on everyone's lips today thanks to programs and initiatives related to protecting nature and resources and achieving sustainability. This paper aims to investigate the role of digital platforms in promoting and accelerating the adoption of circular economy. Additionally, it aims to explore the concept of circular economy and its potential for sustainable development. The paper will provide an overview of circular economy principles, highlighting its benefits and challenges. It will then delve into the various ways in which digital platforms can be employed to raise awareness, educate consumers, and drive behavior change towards circular economy practices.*

Keywords: circular economy; sustainable; digital marketing; social media;

JEL classification: Q01; Q56; M310

1. Background and significance of circular economy

The concept of circular economy is not so new in the literature because notions related to the circular economy process have been used since '60s and '70s in various specialized papers (Çetin, De Wolf and Bocken, 2021), but building a circular economy as a sustainable alternative to the traditional linear economic model has only gained increased interest worldwide in recent years (Ellen MacArthur Foundation, 2013). By prioritizing the reuse and repair of products, the circular economy offers a viable solution to the challenges posed by resource scarcity and environmental degradation (Stahel, 2016).

As an alternative economic system, the circular economy is based on principles such as: designing a good free of waste and pollution; maintaining the life cycle of the materials used and the products themselves as much as possible and disconnecting economic growth from resource consumption (Ellen MacArthur Foundation, 2013). Also, Bocken et al. (2014) proposed a framework that includes several key principles of the circular economy. These principles include closing the loop, conserving and enhancing natural capital, stimulating system efficiency.

Recent transformations in the field of sustainable development have opened up new opportunities for all stakeholders in the efficient implementation of the circular economy. The growing recognition of the importance of the circular economy in the management of natural resources has led to a structural change in sustainability initiatives (Awan, Sroufe, 2022).

To make the paradigm shift, so necessary in these times, innovative approaches and strategies are needed to effectively implement and scale circular economy practices across all sectors. One of these approaches is the use of digital platforms, which have

the ability to revolutionize the integration of circular economy principles into business models and supply chains. These digital platforms offer huge potential to facilitate the efficient adoption and scaling of circular economy practices (Ellen MacArthur Foundation, 2014).

2.Harnessing the power of digital platforms for circular economy awareness

Specialized literature highlights the need to inform the population about the concept of sustainability, specifically, an urgent need for communication strategies to improve people's behavior regarding the concept of sustainability (Kim et al., 2018). Furthermore, according to another article, social networks are very useful in communication because they can identify, analyze, and understand the sentiments expressed by users on various platforms, which allows for the creation of a highly effective communication strategy (Jiang et al., 2021).

Digital platforms can be characterized as interfaces that facilitate interactions between content creators and sellers, or between complementors and users, and these platforms are assuming a growing significance in the shift towards electronic commerce (Mukhopadhyay and Bouwman, 2019).

Stieglitz et al. consider that social networks can be a very useful tool for collecting data about circular economy, with a very low cost compared to traditional structured surveys. Among these platforms are: Facebook, Twitter, and others; all of these have transformed over the past decade into a channel for information, not just communication (Stieglitz et al., 2018). Social media platforms have evolved into spaces where cultivating broad public opinion on issues of politics and science is feasible. Consequently, through the use of social media channels, one can gain insight into people's responses to various socio-economic issues, but also an awareness and improvement of their behavior (Mastroeni, Naldi and Vellucci, 2023). Following the research conducted by Alhussain, Al-Rahmi, and Othman (2020), it was found that social media platforms greatly facilitate the exchange of educational information, and very rapid communication helps improve educational outcomes. More specifically, this study underscores that university students utilize social network platforms for both educational and non-educational purposes. According to respondents, Facebook, LinkedIn, Twitter, ResearchGate, and forums are commonly used for learning and knowledge sharing, with Facebook being the most frequently used for enhancing educational achievement. Wiki and YouTube are the preferred tools for sharing information among research students, positively impacting their learning performance (Alhussain, Al-Rahmi, and Othman (2020).

Today, digital marketing, especially on social media, is highly effective in reaching and influencing consumers, making it a key strategy for informing and shaping behavior (Turku, 2022). Social media platforms offer numerous tools that can be used advantageously to educate followers. Even though verifying the success of the education process is very difficult, sometimes even impossible, social platforms provide the benefit of conveying information to a very large audience (Ranginwala and Towbin, 2018).

The promotion and distribution of the concept of the circular economy, as well as informing as many citizens as possible about the positive effects of the circular economy and the need for its implementation, can be done through digital marketing. From the research conducted within the article titled "Digital marketing: best way to support circular economy" it emerges that a digital marketing campaign has a high social impact, the target audience can be segmented very well, and these techniques also represent a method of environmental protection because they do not use natural resources, unlike traditional marketing techniques. Other benefits of digital marketing

include: creating dynamic campaigns that present various information with reduced costs, the possibility of obtaining quick feedback, as well as analyzing this data, and the opportunity to involve the target audience in adopting behaviors beneficial to the circular economy by gaining the support of communities (Shehu, Sejfijaj and Memaj, 2023). For example, in a preliminary investigation of the Romanian market, it was found that the representatives of the company consider social networks as a vital means of online communication (Onete, Dina and Vlad, 2013).

An unprecedented aspect of the study conducted by Wynn and Jones is represented by the utility of social media platforms, specifically Facebook and Instagram, which have been used by various companies to support the circular economy. One of the analyzed companies viewed these networks as a means of social communication with consumers, especially on environmental issues, which have become highly significant. The second company utilized social media platforms to promote knowledge about the circular economy, as well as positive initiatives that people can take on this subject (Wynn and Jones 2022).

3. Conclusion

The concept of the circular economy is a very important and relevant one, especially for the future. It is of utmost importance to promote this concept, particularly among the younger generation.

Digital marketing proves to be immensely beneficial in promoting the circular economy, conveying precise information about the concept's true meaning, its potential impacts, and the necessity of participating in activities that endorse the circular economy. According to those listed in Chapter 2, the utility of social media platforms and of influencer marketing wields over users, whether it's for informative purposes or for driving behavioural change. Furthermore, social media platforms have numerous strengths, such as low cost, the speed of information transmission, the ability to collect feedback, and most importantly, the capability to convey a message to a broad audience. However, while digital platforms offer immense potential in promoting the circular economy, they also present challenges and risks that need to be addressed. Issues such as data privacy, cybersecurity, and the digital divide must be carefully considered to ensure that the benefits of digital platforms are accessible to all and do not exacerbate existing inequalities.

Digital platforms can revolutionize resource management and support the circular economy by enhancing resource allocation, encouraging collaboration, and promoting sustainability. Addressing associated challenges is vital for their effective and equitable use.

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EXAMINING THE IMPACT OF ESG PRACTICES ON BANKING'S FINANCIAL PERFORMANCE

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Abstract: *This research explores the relationship between Environmental, Social, and Governance (ESG) considerations and the financial performance of banks, shedding light on the implications for stakeholder value creation. Drawing from extensive academic research, this empirical investigation offers a comprehensive examination of the multifaceted connections between banks' ESG practices, their impact on operational efficiency indicators, shareholder value creation, and the broader financial landscape. The study emphasizes the growing importance of balancing profitability with ESG concerns, as stakeholders increasingly view proactive ESG initiatives as integral to their investment decisions. Additionally, the role of ESG innovation as a means to reduce banks' ESG-related costs and its potential to positively influence the financial sector are explored. This paper contributes to the expanding body of knowledge regarding ESG responsibilities within the banking sector, offering valuable insights that can inform strategic decisions, shape policy discussions, and ultimately lead to a more sustainable and responsible financial landscape.*

Keywords: banking; environmental, social, and governance practices; ESG; financial performance.

JEL classification: O16.

1. Introduction

The intersection of Environmental, Social, and Governance (ESG) considerations and the banking sector has become a pivotal point of focus in contemporary discussions on finance and sustainability. Against the backdrop of escalating global concerns related to climate change and environmental preservation, banks face intensified pressure to realign their strategies with these urgent imperatives. This paper embarks on an exploration of the intricate nexus between ESG principles and the financial performance of banks, elucidating the far-reaching implications for stakeholder value creation.

It becomes increasingly evident that harmonizing profitability with ESG concerns is paramount, as stakeholders progressively regard proactive ESG initiatives as integral components of their investment decisions. Moreover, the study delves into the role of ESG innovation as a mechanism for diminishing banks' ESG-related costs, emphasizing its potential to positively impact the financial sector. In this manner, the paper aims to enrich the growing reservoir of knowledge surrounding ESG responsibilities within the banking sector, proffering insights that can shape strategic choices, inform policy deliberations, and ultimately contribute to a more sustainable and responsible financial landscape.

2. Research Methodology

The research methodology is centred on an extensive literature review. A systematic and comprehensive analysis of relevant academic sources, including scholarly articles, reports, and studies spanning disciplines such as finance, ESG practices and banking sector forms the basis of this approach. The rigorous literature review provides the fundamental framework for the current analysis, enabling the synthesis of existing knowledge and the presentation of critical findings and insights. Through this methodology, the paper presents a holistic exploration of the relationship between ESG practices and financial performance within the banking sector.

3. Literature Review

ESG practices in the banking serve as a crucial mechanism for mitigating financial risk and reinforcing banks' commitment to sound governance and environmental responsibility (Chollet & Sandwidi, 2018). This, in turn, reduces financial uncertainties, facilitating greater engagement in Corporate Social Responsibility (CSR) initiatives. The financial performance of banks significantly influences management's long-term decision-making, with highly profitable banks better equipped to support CSR endeavours. Nizam et al. (2019) highlight that establishing ESG policies involves costs but offers benefits such as revenue stability, reduced business risks, positive performance impacts, and the addition of substantial value. Research, including Buallay et al.'s (2020a) study involving 882 banks, underscores the positive impact of ESG performance on both accounting and stock market performance, particularly in developing countries, supporting the value creation theory that emphasizes non-financial indicators encompassing corporate governance quality, risk management, and social and environmental performance. Shakil et al.'s (2019) research on 93 banks in emerging markets underscores a positive link between banks' environmental and social performance and their financial performance. Buallay et al. (2020b) observe the progress made by certain developing countries in contributing to global sustainability. In separate studies, Szegedi et al. (2020) highlight Pakistan's commitment to fostering a financial culture by adopting CSR practices.

In a 2018 study, Ehrenhard and Fiorito examined the ethical principles followed by the largest 25 European banks post-financial crisis. They found that integrity and customer-centric values prevailed but 15 banks faced controversies related to activities like money laundering and tax evasion. Interestingly, banks adhering to social principles like solidarity and equality avoided significant scandals. Furthermore, Buallay's 2019 study highlighted the influence of environmental practices on stakeholder decisions in EU countries, creating value for the banking sector, with European customers showing a more positive response compared to other regions.

Environmental conservation has become increasingly important for European banks, with Miralles-Quirós's 2019 study revealing their active efforts in reducing electricity, water, and paper usage. This aligns with legitimacy theory, emphasizing the importance of considering the rights of the public alongside those of shareholders. Multiple authors, including Buallay (2019), and Forcadell and Aracil (2017), have highlighted the enhancement of a bank's legitimacy through engagement in ESG practices, underscoring the connection between profitability and meeting stakeholders' needs and expectations. However, it's crucial to acknowledge that corporate social responsibility (CSR) activities can sometimes be contentious due to their associated high costs.

After the 2008 economic crisis, social responsibility has been pivotal in restoring the reputation of banks, as highlighted by Buallay et al. (2020) and Forcadell and Aracil

(2017). To maintain legitimacy, banks are encouraged to provide comprehensive disclosures about their engagements with stakeholders, emphasizing active stakeholder engagement as both a crucial strategic process and a reliable indicator of their commitment to corporate social responsibility, according to Venturelli et al. (2018). Meeting stakeholder needs positively influences profitability and reputation, as emphasized by Buallay et al. (2020a). However, the impact of CSR initiatives on financial performance varies, with the effectiveness hindered by improper presentation and costs. Cannon et al. (2020) stress the significant influence of CSR practice disclosure on debt placement decisions and financial performance indicators, such as gross and operating margins.

Corporate governance, as revealed by Zehri and Zgarni (2020), enhances earnings quality by increasing oversight and reducing earnings management. Esteban-Sanchez et al. (2017) demonstrate a positive correlation between governance quality and financial performance. Disclosure of corporate governance elements holds importance within the banking sector. Buallay (2019) finds adequate disclosure levels in high GDP countries' banks, although it's acknowledged that preparing such disclosures can be costly. Applying agency theory to the banking sector, Grove et al. (2011) anticipate differences due to the unique regulatory environment governing US banks. Their findings suggest that a comprehensive agency theory framework is required to describe the banking sector accurately. This could help mitigate agency conflicts in various scenarios and build trust in stakeholder relationships, drawing on stakeholder theory (Esteban-Sanchez et al., 2017).

Banks, acknowledged for their environmentally conscious practices within the sector, are facing increased pressure to align their strategies with the demands of shareholders and stakeholders prioritizing environmental sustainability. Although banks don't significantly contribute to pollution, there's room for reducing their environmental footprint, particularly in electricity, fuel, water, and paper consumption. Banks' loan considerations often focus on location vulnerability and waste management, overlooking complex environmental concerns. While various measures exist to assess environmental performance, there's a dearth of detailed studies on environmental conservation measures within the banking sector.

Past research consistently shows a positive correlation between environmental and financial performance, especially in emerging economies (Shakil et al., 2019). Funding environmental projects can enhance banking performance, and lower environmental costs have a more pronounced impact on financial performance in Europe and North America. A reduction in environmental protection costs is expected to yield results in operational efficiency indicators within one to two years. Positive correlations exist between environmental performance and shareholder value in emerging markets, but this is not significant in developed markets.

Buallay's (2019a) research reveals a positive link between disclosing environmental concerns and the enhancement of Return on Equity and Total Quality in banks, satisfying stakeholder preferences for profitability and environmental responsibility. In the French banking sector, Laguir et al. (2018) discovered a complex, mutually reinforcing relationship between environmental and financial performance. Scholtens (2009) notes that many banks integrate environmental risk analysis into their lending policies based on recommendations like the Equator Principles. However, the availability of energy-efficient or carbon-offsetting products is limited, with only a third of banks offering such options. Notably, some banks in countries like the Netherlands, Belgium, and the USA provide socially responsible financial products, including carbon-neutral credit cards.

In this context, it was considered that the use of resources and emissions, both components of the environmental pillar score, is not applicable to banks (Esteban-Sanchez et al., 2017), and hence these dimensions were not regarded as relevant in the development of the study's first hypothesis. Notably, environmental innovation represents a pertinent component of the environmental pillar for banks, an aspect not thoroughly analysed in prior research. However, corporate investments in environmental innovation technologies, such as those that reduce direct and indirect environmental costs, can have a positive impact on banks. The authors further note that these indirect environmental costs constitute the predominant portion of the total environmental costs borne by the financial services sector.

4. Conclusion

The exploration of the intricate relationship between ESG practices and financial performance in the banking sector underscores the increasingly crucial role that banks play in shaping environmental sustainability. The potential benefits of proactive environmental stewardship, the temporal dynamics of such efforts, and the distinctions observed between emerging and developed markets have been illuminated. The relevance of environmental disclosure and innovation has been highlighted, shedding light on their positive impact on financial metrics. Furthermore, the indirect influence banks wield over the environment through project financing decisions has been elucidated. This research contributes to a deeper understanding of the multifaceted interplay between banking, ESG practices, and financial performance, offering valuable insights for guiding strategies toward a more sustainable and profitable future.

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COMPLEXITIES OF CORPORATE GOVERNANCE: AN EMPIRICAL STUDY ON GLOBAL DILEMMAS

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Abstract: *This paper delves into the landscape of corporate governance, focusing on the myriad challenges faced globally. The research methodology is based on literature review, providing a comprehensive understanding of the dilemmas inherent in contemporary corporate governance. We underscore the dynamic nature of corporate governance, emphasizing the need for constant adaptation to meet the evolving demands of businesses and stakeholders. Furthermore, we emphasize the importance of strategic vision, risk management expertise, and remuneration structures aligned with performance in modern corporate governance. This study, while currently in the literature review phase, sets the stage for future empirical research involving qualitative and quantitative data collection. In essence, this research addresses critical issues in corporate governance and provides valuable insights into global governance dilemmas.*

Keywords: corporate governance; investors; stakeholders.

JEL classification: O16.

1. Introduction

The degree of compliance of companies with corporate governance principles can significantly influence the decisions of both national and international investors to invest in a particular company. Corporate governance revolves around two essential objectives: ensuring the honesty and integrity of management and aiming to maximize the value created for shareholders. These objectives can be achieved within the context of information transparency, effective risk management, and safeguarding the interests of those involved with or connected to the company. The actions of management can directly affect shareholders through the impact on their property rights, which prompted them to invest significant resources in establishing, developing, and expanding the company.

The primary motivation for establishing a company is to generate profit. Shareholders, by owning equity, hold the corporate property right to receive their share of the company's profit. Consequently, shareholders receive remuneration for the capital they invested shortly after the close of the fiscal year, should the company decide to distribute profits in the form of dividends. Dividends represent the compensation for the company's use of the social contributions provided by investors.

However, various factors, such as decreased demand for a company's products or services, declining trust in the company's operations and reputation, aggressive marketing policies, or inefficient business administration, can lead to accounting losses at the corporate level. In this case, the short-term remuneration of shareholders is no longer feasible. A similar situation occurs when deciding to reinvest profits, impacting the short-term interests of shareholders.

Effective collaboration between investors and company administrators and a clear

understanding of the roles, responsibilities, and rights of all stakeholders are crucial for the smooth operation of organizations. Investors commit their capital to establish and run the company but entrust managers with the mandate to lead. The managers are tasked with guiding the company to maximize performance through their activities. However, for significant investors, it is not sufficient to merely provide funds to the entity. They must also possess the appropriate knowledge and competence to provide an informed opinion regarding the management's performance, subsequently making informed decisions that contribute to the company's welfare. The concept of corporate governance is both current and intricate, encompassing the entirety of an organization's relationships with its collaborators, stakeholders involved in the company's activities. Furthermore, it defines the distribution of rights, as well as the allocation of duties and responsibilities among those concerned with the company, the company's development direction, core business principles, and objectives, among other aspects.

Corporate governance deals with issues stemming from the separation of ownership and control. This separation is characterized by the dispersion of ownership among all shareholders and the concentration of control in the hands of managers, i.e., the management team. While shareholders are not directly involved in the day-to-day affairs of the organization but focus on the company's long-term performance, managers are responsible for the daily administration of the company's resources. Corporate governance can also be characterized as the mechanism through which organizations commit to repaying capital invested by shareholders and attracting additional funding. Both the state's governance and a company's management share the common responsibility of conducting their operations in an equitable, impartial, and accountable manner, with a primary focus on serving the interests of those who have entrusted them. Corporate governance at the organizational level is established through the delineation of powers based on competencies. Moreover, the structural framework governing the functioning of a corporation involves the division of power, competencies, and obligations among the various entities within the organization, including the general shareholders' assembly, the board of directors, the executive management, auditors, and internal audit personnel.

2. Research Methodology

The methodology for this conference paper research involves an extensive literature review. It includes a systematic review of existing academic works and case studies on corporate governance dilemmas to provide a foundational understanding of these challenges. This study represents ongoing research focusing on literature analysis, with qualitative and quantitative data collection planned for future phases of research.

3. The Dilemmas in Corporate Governance

Globally, the effective implementation of the corporate governance framework faces challenges stemming from a lack of institutional and human resources and the blurred distinction between binding rules and regulations and non-binding legislative instruments (Bouchez, 2007). The application of the "Apply or explain" principle presents an issue in practice, as some companies tend to adopt a superficial and incorrect interpretation, often perceiving compliance with corporate management principles as entirely voluntary.

Conversely, proponents of the "Apply or explain" model argue in favour of its flexibility, which encourages companies to adhere to the spirit of the code rather than just the

letter of the law, promoting desirable and effective compliance with corporate governance principles (Arcot, Bruno & Faure Grimaud, 2010). The "Apply or explain" principle is considered a central component of most corporate governance models within the specialized literature (Seidl, Sanderson & Roberts, 2013). Additionally, this approach addresses the fact that adherence to corporate governance principles is not mandatory; instead, it is presented as a set of recommendations that are tailored and implemented according to specific circumstances at the state and company levels (Todorovic, 2013).

The field of corporate governance principles is dynamic and must evolve to align with the requirements of different companies and service providers (Bouchez, 2007). An effective corporate governance system necessitates efficiency, commitment, quality, responsibility, and accountability from all involved parties. Quality and effective management should encompass a vision for sustainable development and value creation through meticulous planning, resource-efficient goal attainment, and the assurance of managerial accountability. Offering remuneration without favourable financial or operational outcomes can detrimentally impact an organization's performance. It is advisable and crucial to revise the governance framework to place strategic vision and value generation at the forefront. Investors increasingly seek legal support to take action against company managers who fail to fulfil their management responsibilities. This highlights the importance of involving administrators with competence and experience in risk management.

Another area of public concern pertains to executive remuneration. To counteract potential abuses or excesses, measures such as establishing remuneration committees comprised of independent administrators or implementing performance-based remuneration schemes have been introduced. Consequently, long-term performance-based remuneration should consider factors such as liquidity, capital, funding sources, the quality of risk management, as well as the probability and timing of profits.

Good practice in the field of director selection involves the performance of the evaluation of the directors by the nomination committee or an independent consulting company. Albu and Girbina (2013) suggest that one of the difficulties of companies is shaped by agency problems. In the agency relationship, one party, called the principal, appoints another party, known as the agent, to perform a task. In the situation where both parties involved seek to maximize personal gains, the agent no longer carries out his activity exclusively in the interest and favour of the principal, a fact that will affect the transparency towards the shareholders, the productivity and the profitability of the company.

The complexity of corporate governance brings with it challenges, through the influence of numerous factors, among which: the mode of control over the activities of managers; globalization or the degree of dispersion of all types of capital; representing the interests of interested parties in the company's activity.

4. Conclusion

Corporate governance involves the way in which companies are managed and controlled, but also the relationship between shareholders, company management, the board of directors, and other interested parties. Depending on interests and other factors, each of these categories has its own expectations of how the organization should be run. In the context where divergent needs may arise among them, the probability of recording gaps between investors' expectations and the way the company is run in reality is high. This fact can lead to an increased informational need

of the shareholders, who will want to ensure the smooth running of the organization and the respect of their rights. To bridge the gaps, it is advisable to set up meetings and open discussions with the main shareholders to discuss elements of risk, governance, value creation and remuneration. Also desirable is a focus of shareholders and management bodies on the company's performance compared to its main competitors and on an effective management and control system. Another measure to strengthen investors' confidence in the way the company is run is the contracting of independent auditors to evaluate the efficiency and effectiveness of the corporate governance system, in the context in which they have the task of providing an unbiased point of view. Another challenge can be related to the lack of an adequate level of expertise to cover all the specialist areas needed at the board level or the absence of a sufficiently large number of independent members for the proper functioning of the committees and the lack of diversity at the level of the management structure. In order to keep the situations encountered in organizations under control, the regulatory authorities consider the development of matrices of precise skills, experience and specialized knowledge in the field of the company's activities.

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EVOLUTION OF HR CONTROLLING METRICS AT ONGROPACK LTD.

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Abstract: *The descriptive field study showcases how the HR controlling “Key Performance Indicators” of an industry leading company (Ongropack Ltd.) have evolved step by step from the state without professional history to the professional level. The milestones are presented in a clear tabular form. Finally I set up a simple, transparent and efficient dashboard version of the KPI structure, in the Appendix (with rarely published real company data). The sole source of the field study is the data collection from company databases and HR documents, according to the social constructionist research methodology (Easterby-Smith et al, 2015).*

Keywords: HR controlling; KPI; decision making; management report; field study

JEL classification: M50

1. A brief introduction to Ongropack

Ongropack Ltd. is a 100% Hungarian owned company with 93% export rate (worldwide). Main activities: PVC based plastics processing and trading. Average growth rate (sales volume+revenue+EBITDA average) over the last 10 years: 12%/year. Products: Folpack film for the packaging industry, blister film for the pharmaceutical industry, sheet & insulation for the construction industry, foam sheet for the advertising industry.

2. Development of the HR controlling indicator system at Ongropack Ltd.

| Date | Change in HR controlling metrics (Dugelova M.-Strenitzerova M., 2015) |
|-------------|--|
| 01/01/ 2009 | <i>The independent Ongropack Kft. starts its activity, legally separated from the parent company BorsodChem Chemical Co. The company is on a “growth path”. Number of employees: 138.</i> |
| 12/01/ 2009 | The weekly "Management meeting" system is launched; ad-hoc topics, running text descriptions, not even a separation by department. NO HR REPORTS . HR role is just administrative: taking meeting minutes and sending reminders. |
| 25/05/2009 | For the first time, a separate HR TOPIC REPORT appears among the mixed themes, marked with a "scoop"; thereafter, there are rare HR reports with ad hoc topical issues, including a lot of NON-PROFESSIONAL INFORMATION (e.g. cleaning tasks, state of buildings, tenders for machinery). In the 2nd year of operation of the autonomous company, HR topics appear only on the following dates: 26.02.2010, 29.09.2010, 13.10.2010, as ad hoc reports: e.g. English course starts, no priority, NO KPIs |

| | |
|---------------------------|---|
| 2014-2016 | <i>Acquisition of a new site territory and architectural design of the greenfield site</i> |
| 13/05/2014 | The Managing Director's "Personnel Assistant" takes over from HR the task of taking meeting minutes. |
| 05/01/2015 | <u>PERMANENT WEEKLY HR REPORTING</u> is launched according to the classic threefold thematic division of (1) headcount, (2) recruitment, (3) labour. The report chapters are written in a running text yet. Regular <u>MONTHLY LABOUR COST REPORT</u> is published at the first time! |
| 02/11/2015 | <u>DATA FOCUSED REPORTING</u> : no unnecessary words or phrases, only relevant data are reported. |
| 2016-2018 | <i>New greenfield project construction work under process</i> |
| 11/01/2016 | Measuring the rate of fluctuation (OP innovation: number of voluntary leavers / current annual statistical headcount / 52*current number of weeks). |
| 04/01/ 2016 | Recruitment_ Number of open positions are presented |
| 01/02/ 2016 | Recruitment_ Which plant are we recruiting to? |
| 04/04/ 2016 | Riport_Recruitment is a separate chapter, separated from the headcount chapter! |
| 02/05/ 2016 | Labour_Turnover rate of key staff ("know-how shareholders") (shown separately in the total turnover report) |
| 01/08/ 2016 | Labour_Number/percentage of inactive hours (inactive, unjustified, certified unpaid, leave) |
| 03/10/ 2016 | Key Performance Indicators are visualised by colour |
| 2017-2021 | <i>Relocation from Kazincbarcika to Szirmabesenyő</i> |
| 05/01/ 2018 | Riport <u>DASHBOARD!</u> , visualisation of the data of the last 12 months. Headcount_separate rehab separation (management needs to define as a new KPI), atypical employment will be reported separately: retired employees and temporary workers |
| 12/01/2018 | Headcount_statistical headcount, staff turnover Recruitment_number of active open positions |
| 22/01/2018 | the weekly report name has changed to <u>HR CONTROLLING REPORT</u> . Recruitment_number of successful recruitments in the latest week. |
| 29/01/2018 | Labour_previous year's headcount (KPI for public support) |
| 16/04/2018 – 4/04/2022 | Labour_headcount of persons employed in the new site / in the old site. |
| 27/11/ 2018 | Recruitment_changes in the open positions (dynamic analysis) from the beginning to the end of the week, number of positions filled |
| 06/02/ 2019 | Recruitment_job offer acceptance status: accepted or rejected by candidate, or under negotiation |
| 25/3/ 2019 | Statistical headcount_data of previous month also presented |
| 18/06/ 2019 | Headcount_separation: school cooperative (trainee and student work are separated) |
| 03/02/ 2020 | Headcount_separation: number of students in dual training |
| 04/03/ 2020 | <i>First COVID case in Hungary</i> |

| | |
|-----------------------|--|
| 23/03/2020-31/12/2020 | Temporary Covid report: out patient:0/ hospitalisation:0/ quarantine: 0/ suspected Covid: 3/ voluntary home quarantine:5/ set home from work:2, / Home Office: 8 |
| 14/10/2020 | Number of students_separation: headcount of training students (secondary technical school/higher education) |
| 02/2022 | <i>Russian-Ukrainian war breaks out, turnover rate spikes to 30%, newcomers suddenly drop out</i> |
| 29/08/2022 | Labour_new fluctuation indicator: number, rate of turnover within 60 days; follow-up by onboarding questionnaire |
| 01/09/2022 | Recruitment_job offer acceptance, by name: offer accepted: candidate x, rejected: candidate y, in negotiation: candidate z |
| 06/11/2023 | <i>Headcount: 319; Atypical employment 15%, Labour cost/ revenue: 8,5 %; Training penetration: 61%; Fluctuation: 28%</i> |

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APPENDIX

Suggested sample of the general HR controlling KPI system *_by the author*

| HR controlling system report matrix | | | | | | | | | | | | |
|-------------------------------------|---------------------------------|------------|---------------------------------|------|------|----------|------------|---|---|---|--------|--|
| What? | | | KPI (Key Performance Indicator) | | | | How often? | | | | | |
| Level I | Level II | Level III | Metrics | Plan | Fact | Variance | Y | Q | M | W | ad hoc | |
| Headcount | Daily HC | | number | 270 | 269 | 1,00 | | | | | x | |
| | Statistical HC | | number | 275 | 271 | 0,99 | | | | x | | |
| | Recruitment | Efficiency | open position / filled | 5 | 5 | 1,0 | | | | | x | |
| | Job classification (HAY levels) | | | | | | x | | | | | |
| | Fluctuation | Reasons | rate/ latest 12 month | 0,25 | 0,28 | 1,12 | | | | | x | |
| | Turnover | | Rate | 0,45 | 0,67 | 1,49 | | | | x | | |
| | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|-------------|---------------------------------------|--|------------------------|--------|-------|------|---|---|---|--|--|---|
| | Demography | Age, sex, residence, blue-white-collar, average length of employment, disabled | cross-sectional survey | 1 | 0,9 | 0,9 | x | | | | | x |
| Labour cost | Completed working hours | Cost / revenue (/employee) | number | 46980 | 40072 | 0,85 | x | | x | | | |
| | Inactive hours | Cost / revenue (/employee) | number | 7047 | 7399 | 1,05 | | | x | | | x |
| | Accidents | | cumulated number/year | 5 | 6 | 1,20 | x | | x | | | |
| | Number of hours lost due to accidents | Cost / revenue | cumulated number/year | 400 | 387 | 0,97 | | | x | | | |
| | Paid leave / holiday | | balance / day | 607,5 | 511 | 0,84 | | | x | | | |
| | Overtime | Cost / revenue (/employee) | number | 6443,6 | 9700 | 1,51 | | x | x | | | x |
| | Travel expenses | Cost / revenue | Amount (Mft) | 4,5 | 4,4 | 0,98 | x | | x | | | x |
| Training | Hard skill/soft skill trainings | of wich: internal / external; EU source | number | 41 | 35 | 0,85 | x | x | | | | |
| | Training hours | | cumulated number | 13500 | 11712 | 0,87 | x | x | | | | |
| | Costs | | amount (MEur) | 5,3 | 4,7 | 0,89 | x | x | | | | |
| | Company penetration | | rate | 0,25 | 0,19 | 0,76 | x | | | | | |
| | Skills | of wich: obtained in company | cross-section analysis | 0,3 | 0,3 | 1,00 | x | | | | | x |

THE HEALTH FINANCING SYSTEMS IN EU COUNTRIES. CHARACTERISTIC ELEMENTS

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Abstract: *Financing health throughout the European Union (E.U.) represents a complex system with particular approaches by each member state. A short overview on the four main types of healthcare systems found in the European Union reveals the particularities on the forms of funding available for healthcare. The four main types of funding are: universal government funding system, universal public insurance system, universal public-private insurance system and universal private health insurance. The present paper attempts to analyse health related spendings and also sources of expenditure taking as an example one country from each particular type of healthcare system identified in the European Union. Source: https://apps.who.int/nha/database/country_profile/Index/en*

Keywords: Healthcare funding, public hospital services, Healthcare systems

JEL classification: H51, I15, I18

1. Introduction

Financing health throughout the European Union (E.U.) represents a complex system with particular approaches by each member state.

The EU is committed to ensuring that all citizens have access to affordable and high-quality healthcare. The European Commission has set goals for health financing in the EU, such as:

- Achieving universal health coverage: This means that everyone should have access to the health services they need, regardless of their income or social status.
- Reducing out-of-pocket payments: This will make healthcare more affordable for everyone, particularly those with low incomes.
- Improving the efficiency and effectiveness of health systems: This means ensuring that health resources are used wisely and that patients receive the best possible care.

European countries use four main types of healthcare systems, according to the European Commission:

- Universal government-funded healthcare (single-payer healthcare) mostly used in Nordic countries, Italy, Portugal, Spain, Ireland, and Malta. The government provides healthcare to all citizens through a single fund.
- Universal public insurance used in Belgium, France, Luxembourg, the Czech Republic, Poland, and other countries. Citizens pay into a public insurance fund, which then pays for their healthcare costs.
- Universal public-private insurance used in Austria, Romania and Cyprus. Citizens pay into a public insurance fund, but they also have the option to purchase private health insurance for additional coverage.

- Universal private health insurance used in the Netherlands and Germany. Citizens are required to purchase private health insurance.

The European Commission also notes that healthcare systems in Europe are constantly evolving, and many countries are now adopting hybrid systems that combine elements of different types of systems.

1.1. Literature review

The literature on healthcare funding in the EU is extensive. There are several challenges depicted in the articles studied for this paper, such as: the increasing of private healthcare funding in more developed EU countries, the increasing demand for healthcare and at the same time the rising costs for healthcare services. Overall, the literature on healthcare funding in the EU suggests that the EU is facing several challenges, but that it is also taking important steps to address these challenges. Several papers concluded on a series of similarities and differences in EU countries in the context of health care systems. These paper's findings can help policymakers to better understand the factors that influence health care performance and to identify best practices for improving health care systems.¹

Regarding the Eastern-European Countries, before the fall of communism, all of them had publicly funded healthcare systems. After the transition to democracy and a market economy, these countries underwent significant healthcare reforms, which resulted in a shift away from publicly financed healthcare. The articles studied analyse the role of government and households in financing healthcare in these countries and the conclusion is that the government still plays a major role in financing healthcare, the role of households has increased significantly and made healthcare less affordable for many people, especially those from low-income or marginalized groups².

The EU also funds health programs and initiatives, such as the EU4Health program, which helps countries develop innovative and sustainable health systems³.

The main database used for this paper for statistic data is the one provided by the World Health Organization.

2. Methodology

The target of this analysis is to put an emphasis on some health related spendings and also sources of expenditure taking as an example one country from each particular type of healthcare system identified in the European Union.

Taking into account that the 4 types of healthcare systems each have their particularities and based on the available data, the research includes: Finland as a representative of the universal government-funded healthcare system, Czech Republic as a representative of the universal public insurance system, Romania as a representative of the universal public-private insurance system and Germany representing the universal private health insurance system. Also, based on the available data, the reference year is 2020.

¹ Halásková R., Bednář P., Evaluation of Selected Indicators of Health Care in the Context of Health Care Systems: Case of 27 European Union Countries, Scientific Papers of the University of Pardubice, Series D: Faculty of Economics and Administration 2021, 29(3), 1355. DOI: 10.46585/sp29031355

² Tambor M., Klich J. and Domagała A., Financing Healthcare in Central and Eastern European Countries: How Far Are We from Universal Health Coverage?, Int. J. Environ. Res. Public Health 2021, 18, 1382. <https://doi.org/10.3390/ijerph18041382>

³ https://health.ec.europa.eu/funding/eu4health-programme-2021-2027-vision-healthier-european-union_en

Table 1: Current health expenditure (CHE) per capita versus GDP per capita

| | Reference year | 2020 |
|----------------|----------------|----------|
| | CHE US\$ | GDP US\$ |
| Finland | 4.726 | 49.162 |
| Czech Republic | 2.120 | 22.142 |
| Romania | 810 | 12.907 |
| Germany | 5.930 | 46.249 |

Source: https://apps.who.int/nha/database/country_profile/Index/en

It is noticeable that percentages of the current health expenditures (CHE) in the gross domestic product (GDP) are the following: 9,61% - Finland, 9,57% - Czech Republic, 6,27% - Romania and 12,82% - Germany.

Table 2: Sources of Health expenditure in 2020

| Country | GT | SHIC | OOPS | VHIC | Other |
|----------------|--------|--------|--------|-------|-------|
| Finland | 75,34% | 6% | 16,41% | 1,87% | 0,37% |
| Czech Republic | 36,37% | 51,05% | 11,53% | 0,1% | 0,01% |
| Romania | 35,4% | 44,68% | 19,03% | 0,5% | 0,2% |
| Germany | 15,73% | 62,71% | 12,54% | 1,3% | 7,72% |

Legend: GT=Government transfers

SHIC=Social health insurance contributions

OOPS=Out-of-pocket spending

VHIC=Voluntary health insurance contributions

Source: https://apps.who.int/nha/database/country_profile/Index/en

The type of healthcare funding system reflects in the sources of health expenditure, as Finland having a universal government-funded system has a 75,34% GT, while Germany that has a universal private health insurance system has only 15,73%. The percentages for GT in the case of Romania and the Czech Republic are quite close although they belong to different funding systems. This may show that in Romania, for example, the option to purchase private health insurance is not widely used by the population mainly due to low-income levels.

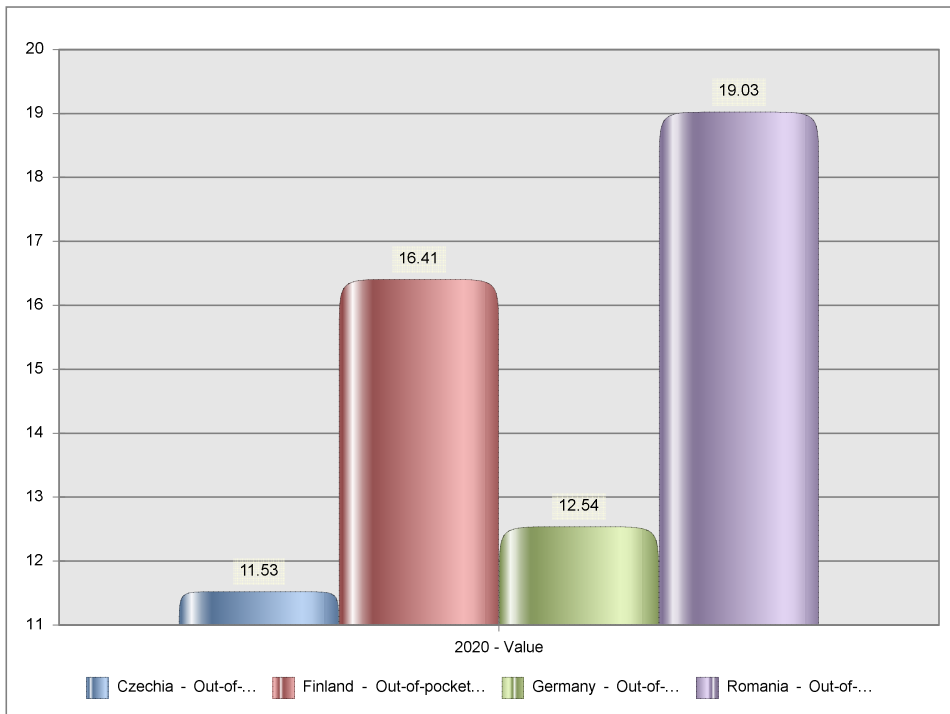


Figure 1: Out-of-pocket (OOPS) as % of Current Health Expenditure (CHE)

Source: <https://apps.who.int/nha/database/ViewData/Indicators/en>

Romania has the highest percentage of Out-of-pocket spending from the Current Health Expenditure indicator, followed by Finland, Germany and Czech Republic. This shows that while in Romania, the population pays almost 20% of the total cost of healthcare per capita, the Czech Republic managed to transition to a healthcare funding system that does not bare pressure on the population, protecting those with low-incomes.

3. Conclusion

Despite the differences between the countries analysed, there common characteristics shown by their healthcare financing systems.: public funding is the main financing source for healthcare, private funding being a secondary one. Social health insurance is the most common type of public health financing, provided by mandatory contributions from employees and employers and covering a wide range of health services. At the same time out-of-pocket payments made by patients for health services, such as copayments and deductibles, are the most common type of private funding found in the researched countries. Out-of-pocket payments can be a barrier to accessing healthcare for some people, particularly those with low incomes. As a future analysis it would be interesting to expand this research to all the countries of the EU searching for patterns in each type of healthcare funding system.

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SOCIAL MEDIA MARKETING: A CONTENT ANALYSIS OF THE IMPLICATIONS OF BOOK INFLUENCERS

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Abstract: *In an era of an increasingly digital society and the involvement of the Internet in economic processes, market changes are constantly appearing. Moreover, this evolution brings with it transformations in companies' marketing strategies, subsequently adapted to meet the demands of modern customers. Therefore, the present study wants to examine the influence and role of influencers in these online strategies and, as well, to observe the importance of such newly implemented techniques. It also aims at a specific analysis of micro celebrities in the book industry, namely bookstagrammers, the promoters of the 21st century. Thus, in order to understand this concept and to determine how these influencers contribute to the promotion and marketing of specific products, namely books, on social media platforms, a literature review is required. Therefore, the purpose is to identify the marketing of books in digital and, with it, the impact of micro celebrities on readers' preferences and decisions. This study reveals how influencers shape their presence in the virtual landscape and create the context for new trends and strategies used to attract and shape the behaviour of an online consumer.*

Keywords: social media influencers, bookstagram, book influencers, social media marketing, influencers marketing

JEL classification: M30, M31, M37, M39, E71

1. Introduction

Today, in a society focused on bringing digital into everyday life, the ways in which consumers are influenced are continually changing both in response to market demands and the environment that is created around the activities they undertake. Moreover, in order to ensure effective communication between potential consumers and companies, and also to almost influence the decision-making process of individuals completely, these companies are adopting new means. In other words, promotional techniques are being introduced to keep the market moving and thus increase sales in the digital environment. (Leparoux, et al., 2019)

In terms of various studies, it is stated that promotion processes introduced in brands' marketing strategies are improved by the use of social media. Therefore, 91% of adults use these social media platforms for both information gathering and direct communication with other users present on the social network. (Zhan, et al., 2018)

More importantly, the purpose of the present analysis is to better understand this innovative promotion method, where influencers are the transmitters of digital messages and advertisements to potential customers. Also, adding to the literature on book lovers is an essential trajectory for the current research, providing useful insights into book influencers.

2. Influencers' integration into the brand's marketing strategies

Digital processes continue to evolve from day to day, and this forces market participants to adopt new promotional strategies in order to remain active in the market. Therefore, the context of online activities and the desire of individuals to satisfy their needs leads to the implementation of influencers as a new promotional technique. In other words, these micro celebrities aim to make it more efficient to convince potential consumers of the advantages that the product being marketed has with the eventuality that the customer will purchase it.

So we are highlighting a new approach that focuses on building authentic and direct relationships with these digital users, marking in the same way the connection that the influencer has with their follower. To that end, the micro celebrity, in order to deliver maximum results in terms of its involvement in the marketing strategy of the respective brand, needs to know and be able to influence the target audience. Therefore, individuals are selected as people who are representative of the consumers and who are able to convey the company's messages in such a way that they are perceived as sincere and truthful in the eyes of the audience. In this way, the connection between brand and consumer is strengthened and the purchase process is stimulated by the positive impact the influencer introduces. (Martinez-Lopez, et al., 2020)

Micro-celebrities need a strong social media follower base to ensure their message is more visible to a wider audience. As the information influencers provide in the digital environment is considered accurate and trustworthy, it shapes them into reference points, especially for Generation Z, a target group of individuals who frequently research before purchasing products. Notably, approximately 44% of potential buyers turn to digital for guidance and by default, rely on micro celebrity recommendations and thus, their activity is directly associated with the brand present on that social media platform. (Pradhan, et al., 2022)

Having all these aspects presented, we also point out that influencers have shaped their digital actions and have gradually become an effective promotional tool in online marketing strategies. Respectively, they actively help to keep in touch with potential and actual consumers, to publish messages in real time and, to the greatest extent, to highlight a brand representative as a member of the target market itself. (Acikgoz & Burnaz, 2021) Micro-celebrity builds trust and succeeds in attracting users through the digital strategies used, posts and images embedded on their profile.

2.1. Book influencers

The potential for understanding and perceiving the tangible product, which is books, is fundamentally transforming as its consumers migrate to social media. As such, the digital medium offers 'reading formations' to highlight a new social dimension to reading. (Pinder, 2012) In this context, adapting methods of book promotion for the online environment, different from what has been done so far in the physical environment, is essential to remain relevant in line with the everyday life of the digital age.

For this reason, it has facilitated the emergence of a new category of cultural intermediary, namely a person who supports a certain behaviour. This is known as the bookstagrammer, or book influencer, and is a key element in influencing readers' perceptions of books. Also, the goal of these micro celebrities is to shape as the brand identity and ultimately attract followers through identified shared interests. (Marwick, 2017)

More specifically, bookstagrammers can be described as individuals who are passionate about reading and use the social media platform Instagram to interact with other readers and share their passion for books. (Reddan, 2022) To this extent, by

gaining attention and social status through their digital activity, the book influencer lays the foundation for a tight-knit community, providing the opportunity to shape the book buying process for consumers on Instagram.

3. Conclusions

Romanian readers are researching books and new reads mainly using social media and thus marking the digitized era we are in, where the Internet is the main pawn in a user's decision-making process. Given the rapid access to information, the impact of micro celebrities can be quantified through the number of conversions or existing followers, as various studies in the field point out. In addition, the influencers mentioned in this research can be associated with both a celebrity and a trusted source of information and providers of relevant recommendations. Moreover, taking into account these digital actions, the respective individuals have the ability to guide the consumer towards certain online behaviours with a preponderance on purchases made in this virtual environment. (Jimenez-Castillo & Sanchez-Fernandez, 2019; Balaban, Mucundorfeanu & Naderer, 2022)

Brands are also turning to influencers with large followings to ensure a wider reach to their target audience and, accordingly, to strengthen the new relationship between micro celebrity and consumer. Thus, the emphasis is on direct engagement with the target audience with the main aim of providing effective communication. (Jimenez-Castillo & Sanchez-Fernandez, 2019).

Taking into account the studies reviewed throughout this paper, we can point out that the micro celebrity serves as a link between the two parts of the economic process, reaching to influence buyers' opinions through its perspective on products and subsequently becoming the independent third party. (Freberg, Graham, McGaughey & Freberg, 2010)

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We would like to pay our special regards to associate Professor Adriana Manolică.

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SUSTAINABLE ECONOMIC DEVELOPMENT THROUGH THE CREATION OF GREEN JOBS

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Abstract: *The transition to a green economy can protect the labour market from the risks associated with climate change and create many new jobs globally, provided that government and business implementation plans are focused and geared towards both environmental goals and policies to support employees. Increasing consumer awareness of sustainability issues opens up new labour market opportunities. This paper builds on the previous work of a significant number of researchers and attempts to provide guidance on the identification of current definitions, as well as an overview of measures adopted by some EU member countries to promote and develop the skills needed to create green jobs leading to sustainable economic development.*

Keywords: green jobs, green transition, sustainability,

JEL classification: P50, Q01

1. Introduction

The green transition requires that our economies and societies have the required skills, while also making sure that those whose livelihoods currently depend on unsustainable commercial practices and whose jobs are in critical changing sectors are not forgotten. In all countries, concrete actions, activities, areas, and sectors of activity have emerged that depict a new type of economy, commonly known as a "green economy", in which an increasing number of individuals work on jobs that are referred to as "green jobs".

Green jobs can be created in any sector: agriculture, industry, services or administration. These include the types of jobs that ensure the protection of ecosystems and biodiversity, reduce energy, raw material and water consumption through high-efficiency strategies and thus will lead to lower carbon emissions in economies, as well as minimise waste and pollution (Azizov and Akinshina, 2009). Qualification is key to allowing for the transition, as the green economy will undoubtedly impact labor markets and employment trends in all affected industries. Without it, all aspects of this unprecedented global movement would face delays, overruns, and flaws, which is why qualification is essential.

2. The Role of Sustainability in the Transition to a Green Economy

To survive and benefit from local, national, and global economic systems, the company must have an economic sustainability that requires it to make a profit. A green economy is needed to gain economic sustainability.

This type of economy needs to create renewable resources when necessary, use non-renewable resources when renewable resources are depleted, and monitor the level of emissions that have a negative impact on the environment (Von Hauff, Kleine, 2009).

Ultimately, economic sustainability depends on the ability of natural ecosystems to obtain and store sufficient energy to sustain human life on Earth (Ikerd, 2011).

A green economy is defined as "one that improves human well-being and social equality while significantly reducing environmental risks and ecological deficit" by the United Nations Environment Program (UNEP).

This means that the green economy is not just about making money, but also about taking care of the environment and helping people. So companies, markets, investors and everyone in society need to work together to make sure we can continue to make money and also, to make the world a better place for everyone.

This means that companies or organizations that are kind to the environment by doing things like not polluting a lot will be called "green entities". The jobs they create will be called "green jobs" because they help take care of the planet.

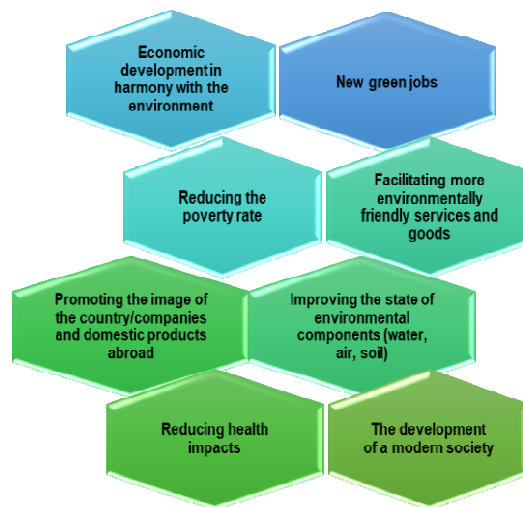


Figure 1: The benefits of the green economy (own processing)

Source: <https://www.eea.europa.eu/ro/articles/trecerea-la-o-economie-verde>

It is fully recognised that a successful transition to a green and resource-efficient economy will reshape labour markets. Therefore, a good understanding of the labour market implications is needed to anticipate and manage structural adjustments appropriately (Cambridge Econometrics, GHK and Warwick Institute for Employment Research (2011), Studies on sustainability issues - Green jobs; trade and labour, Study commissioned by DG EMPL).

3. Making Workplaces and Professions More Environmentally Friendly

Achieving environmentally sustainable social and economic development is dependent on the establishment of a green economy, the creation of green jobs, and the greening of industries, current production processes, and jobs.

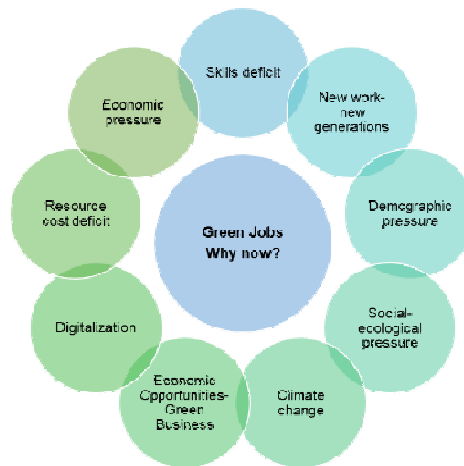


Figure 2: Green jobs. Why now? (own processing)

Source: <https://epale.ec.europa.eu/ro/blog/locuri-de-munca-verzi-si-orientare-ecologica-intr-un-context-international>

From an optimistic perspective, promoting the green economy in all its forms is the solution to many of humanity's global problems.

4. Skills Development Measures for Green Transition

The size and diversity of green economies vary widely across countries.

Figure 3 shows some EU member states and the measures they have taken to accelerate the transition to a green economy.

| | |
|---|--|
|  | <p>Estonia</p> <ul style="list-style-type: none"> Investing in green skills to upskill and re-skill in order to prepare a workforce with broader green economy knowledge and skills; New occupational standards will be updated and developed, specifying green skills learning outcomes. |
|  | <p>Sweden</p> <ul style="list-style-type: none"> The government aims to invest around €9.1 million in 2023 to boost climate skills; Sweden's innovation agency, Vinnova, is currently working on a proposal on how to design this. |
|  | <p>Spain</p> <ul style="list-style-type: none"> Specific training programmes are run for specialists in sectors and occupations where there is a high demand for green jobs. |
|  | <p>Romania</p> <ul style="list-style-type: none"> Support measures for the programme for the thermal rehabilitation of residential buildings and the programme for the replacement of old motor vehicles, tractors and agricultural machinery; Providing financial support for housing rehabilitation, dykes and roads destroyed by floods and landslides. |
|  | <p>Denmark</p> <ul style="list-style-type: none"> In April 2022 a package of measures worth approximately €13.4 million for green skills training and further training was adopted; All business and labour market training providers can apply for funding to develop and test educational pathways in climate change adaptation and green transition in 2022-2025. |
|  | <p>Austria</p> <ul style="list-style-type: none"> Klimaaktiv, the climate protection initiative of the Federal Ministry for Climate Policy, Environment, Energy, Mobility, Innovation and Technology introduces innovative content into existing educational programmes and now offers qualifications for specialists in the fields of construction, energy, green IT, energy saving; Initiatives to stimulate the participation of unemployed people in green skills training. |

Figure 3: Measures adopted for the transition to a green economy

Source: <https://add-energy.ro>

Green growth presents both challenges and opportunities for labor markets and **skills**, which are key drivers of green growth. This shift will bring fundamental changes to the entire economy and a wide range of industries: more jobs will be created, some occupations will be replaced, and others will be redefined.

5. Conclusions

In this case, a better focus on the organization of the process and labor market is necessary to create the necessary conditions to support green jobs and to fill skills and job vacancies.

Although the green economy will create new jobs and open new markets, European competitiveness, the capacity for innovation and production will depend largely on the availability of skilled workers.

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THEORETICAL PERSPECTIVES ON THE CONTRIBUTION OF CIRCULAR ECONOMY TO SUSTAINABILITY

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Abstract: *This article presents an overview of the Circular Economy concept as one of the alternatives for achieving sustainability. This concept is based on rethinking the life cycle of products and redesigning production cycles in closed loops. The circular approach to the economy helps to achieve the 3 dimensions of sustainability: economic, social and environmental. However, some voices discuss its limits, especially when it comes to the social dimension. The Circular Economy model, even if it has some common points with other concepts, like Green Economy and Bioeconomy, is differentiated by being focused mainly on recycling, remanufacturing, repairing, refurbishing and reuse.*

Keywords: circular economy; sustainability; resource efficiency; closed-loop cycle

JEL classification: Q01, Q50

1. Introduction

Transitioning to a more sustainable model for the economy must be the main goal of humanity these days. Problems such as water, air, or soil pollution, carbon emissions, resource consumption and climate changes should be solved for the sake of future generations. In October 2023 United Nations University, by the Institute for Environment and Human Security, published a worrying report about six interconnected risk tipping points: accelerating extinctions, mountain glacier melting, groundwater depletion, space debris, unbearable heat, uninsurable future because of weather-related disasters (United Nations University, 2023).

Everyone should be aware that the environmental problems of today are related to economic activity, resource consumption and the existence over time of a linear economy model, without taking into account the degradation of the environment. A linear economy model is based on converting natural resources into waste, via production (Murray et al., 2015).

These problems have been a preoccupation of the authors since the second half of the 20th century, the proof being for example the work "Limits to Growth" (Meadows et al., 2009), whose first edition appeared in 1972. Later it was revised following the evolution of economic growth in the conditions of limited resources and environmental problems. The authors also suggest possible courses of action for the transition to a more sustainable system, among which are technological or economic fixes.

Nine environmental problems should be addressed: climate change, ocean acidification, stratospheric ozone, global P and N cycles, atmospheric aerosol loading, freshwater use, land use change, biodiversity loss and chemical pollution (Rockström et al., 2009).

This article presents an overview of the concepts like circular economy and sustainability. We are trying to provide an answer to the question: Does the circular economy contribute to achieving sustainability? Some limits to be taken into account are also presented.

2. Circular Economy - defining the concept

We think that the answer for some of the problems mentioned above could be a circular model of economy. Consequently, terms such as circular economy and sustainability were mentioned more and more often in the academic literature, but also in the policies promoted by various countries (Geissdoerfer et al., 2017).

The concept of Circular Economy is constantly expanding. From over 114 definitions of the concept analyzed and based on an algorithm the circular economy was defined as an economic system that replaces the concept of "end-of-life" with the reduction, reuse and recycling of materials in production/distribution and consumption. Its purpose is to achieve sustainable development and at the same time protect the environment, economic prosperity and social equity, for the benefit of the current and future generations (Kirchherr et al., 2017).

The Circular Economy concept is based on the three Rs: Reduce, Reuse, and Recycle. This is the reason that most authors define the circular model as including the concept of cyclical closed-loop system (Murray et al., 2015).

Geissdoerfer et al. (2017, p. 759) provides an comprehensive definition of Circular Economy as "a regenerative system in which resource input and waste, emission, and energy leakage are minimised by slowing, closing, and narrowing material and energy loops". The same authors point the instruments that may be used like: long-lasting designs, maintenance and repair, reuse and remanufacturing, refurbishing and recycling. It can be observed that the main accent is put on rethinking the life cycle of products and waste management.

The Circular Economy promotes the adoption of closing-the-loop production patterns and aims to increase the efficiency of resource use, with accent on urban and industrial waste. The goal is to achieve a better balance and harmony between economy, environment and society (Ghisellini et al., 2016).

As a result the circular economy appears as an alternative to reduce the negative social-environmental impact generated by the linear production-use-disposal model. It acts at the level of 3 dimensions: economic, social and environmental (Terra Dos Santos et al., 2023).

These three dimensions are actually the three pillars of sustainability, which can only be achieved if there is a balance between them. Sustainable development mainly refers to methods and approaches that minimize humanity's impact on the environment and promotes development based on social justice and equity (Tambovceva and Titko, 2020). They can also be found in the Transforming our World: The 2030 Agenda for Sustainable Development of the United Nations since 2015. Consequently, there is a connection between the circular economy and sustainability (UN, 2015).

There are conceptual differences between the Circular Economy and other types of economy related to environmental issues, such as the Green economy or the Bioeconomy. D'Amato et al. (2017) shows through a bibliometric review this differences in the context of two sustainability pillars: social and environmental.

Table 1: Main aspect of Circular Economy, Green Economy and Bioeconomy

| Concepts | Sustainability dimensions | |
|----------|---|---|
| | Environmental | Social |
| CE | Recycling/re-use, efficiency, industrial symbiosis, greener supply chain. | Economy, development, utilization. |
| GE | Conservation, water, land, biodiversity, food, security. | Sustainable development; Green investments, tourism, business, employment, education. |
| BE | Biosecurity, crops, species, risk, yield, invasive. | Rural policies; Research and applications in health science. |

Source: D'Amato et al., 2017, p. 724

Analyzing Table 1, we notice that the Circular Economy is characterized more by aspects related to the life cycle of the products and the design of the production processes. The other two concepts have a much stronger foundation in aspects related to the environment. It could be said that the Circular Economy is a more pragmatic approach to the problems of our days and it has a direct relation with limited resource consumption. Also the contribution of Circular Economy to the social dimension of sustainability is characterized in the table by terms that lack depth.

3. The importance of Circular Economy in achieving Sustainability - between real contributions and limitations

There is no consensus regarding the contribution of the circular economy to the three dimensions of sustainability. Some are concerned about the missing of the contribution to the social dimension (Schröder et al., 2020). Murray et al. (2015) highlights the clear benefits for humankind of the renewal and reduction of finite resource use, but also emphasize the fact that there is no explicit recognition of the social aspects.

There are also criticisms of the Circular Economy, among the most frequently encountered being the insufficient theoretical foundation, the structural obstacles in implementation and its bases on an ideological agenda, which leads to an unclear contribution to sustainable development (Corvellec et al., 2022).

A completely circular economy is an unattainable goal due to its limits. Closed-loops in which waste no longer exists are almost impossible to achieve in the long term due to the fact that each circle of reuse/recycling leads to loss of quantity and quality of materials. To limit them, the injection of new materials and energy is needed (Cullen, 2017). This opens up new perspectives related to the need for new technologies in the field of recycling, remanufacturing, reuse and emphasizes the need for green energy in the future.

Therefore the very contribution of the circular economy to sustainability can be questioned. The fact that the circular model would be more sustainable than the linear one is in doubt. In this sense, Millar et al. (2019) believes that the circular economy model would lead to the same results as the linear one, only in a longer time.

4. Conclusion

Circularity is a model for approaching the economy based on the management of the use of resources, rethinking the life cycle of products and waste management. In the centre of this approach is the attempt to close the loops. Thus, the actions taken refer to production and consumption through tools such as: reuse, recycling, remanufacture, repair and refurbish.

The contribution of the Circular Economy to sustainability is still unclear, but most specialists support its existence. However, there are voices that question the role of the Circular Economy in achieving sustainability, especially with reference to its social dimension.

The issues of the contemporary world, such as the environmental problems and the limited resources of the planet must be highlighted and a new approach to them is necessary. The Circular Economy could be the solution.

The answer to the initially asked question is: The implementation of the circular model in the economy, even if not in a complete, ideal form, will certainly lead to the improvement of sustainability with positive effects on the aspects mentioned above.

The measure of this contribution may be the subject of future researches and with them the clarification of the concepts.

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BALANCING PEOPLE, PROFIT AND PLANET: UNPACKING THE ELEMENTS OF A SUSTAINABILITY STRATEGY

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Abstract: *The article delves into a literature review on various facets of business sustainability strategies. Given the imperatives of modern businesses to operate in a manner cognizant of both environmental and social repercussions, the article underscores three pivotal dimensions- the energy, the management and the innovation. The energy component discusses the transition towards more renewable sources and energy efficiency measures. The management segment sheds light on how leadership and organizational structures play crucial roles in sustainability adoption. Meanwhile, the innovation section discusses its dual role in offering solutions for current challenges and foreseeing potential future hurdles. Collectively, the paper offers a holistic overview, advocating for an integrative approach where these elements coalesce, ensuring businesses effectively balance people, profit and the planet.*

Keywords: sustainability strategy; sustainability; innovative solutions; business.

JEL classification: Q01; Q55; Q32; M14.

1. Introduction

A sustainability strategy should include elements such as adapting to a sharing economy, designing for a circular economy, utilizing biomimicry for innovation, and implementing strategies to address climate change (Nassos, 2021). It should also focus on developing a fundamentally sound strategy for achieving relative advantages over other organizations (Harmon, Bucy, Nickbarg, Rao, & Wirtenberg, 2017). Additionally, it should involve training and educating future businesspeople about sustainable thinking and preparing them with factual knowledge, practical skills, and responsibility towards sustainability (Kiet, Hong, Vo, Tuan, & Truong., 2023). The strategy should integrate socialist concern for community wellbeing, external strategies for expansion and global presence, and internal strategies that promote self-criticism, professionalism, creativity, and organizational learning (Moskovich, 2020). Furthermore, it should consider the multidimensional objectives of the firm, break them down to individual departments and business fields, and balance economic, ecological, and social performance factors (Oertwig, et al., 2017).

2. Research methodology

An in-depth understanding of the elements of a sustainability strategy is crucial for organizations aiming to align their business objectives with sustainable development goals. This research focuses on deciphering these elements, paying special attention to three vital components: energy, management, and innovation.

The scope of the research is to make a comprehensive study of academic journals, papers, case studies and other sources to derive insights into the essential elements of a sustainability strategy.

For our research we have set four main research objectives as follows:

- O1. To understand the broader context of sustainability strategies as discussed in the literature.
- O2. To identify the core elements related to energy that contribute to a robust sustainability strategy.
- O3. To explore management principles, practices and methodologies that drive sustainability initiatives.
- O4. To examine the role of innovation in enhancing, implementing, and maintaining a sustainable strategy.

The data was collected using a systematic search of databases such as Google Scholar, JSTOR and ResearchGate using relevant keywords related to sustainability strategies. A thematic analysis was used to extract insights, patterns, and relationships among the coded data.

3. Findings from the literature

3.1. The energy

The literature highlights several elements of a sustainable strategy that an organisation can adopt. The first element we found in the literature is "the energy". Many sustainability programmes focus on the energy used or produced within the company. So the most important areas are electricity, vehicle fuel and other fuel used in other processes. The source of energy also attracts a lot of attention, as burning fossil fuels is clearly unsustainable. The carbon emitted from burning "is added to the amount of carbon circulating in the atmosphere, oceans and biomass" (McBean, 2001). On the other hand, the burning of crop fuels could be seen as releasing carbon from the previous growing season into the atmosphere. Thus, the existing crop at the time of burning would remove approximately the same amount that was burned. Therefore, the less fossil fuels a business uses, the more sustainable it can be considered. So, as far as energy is concerned, a good strategy is to consume alternative or renewable energy, or even produce your own energy. Although these options are beneficial for both the company and the environment, in our research we want to find out how profitable it is for companies to use such alternative energy sources, given the costs involved in producing their own energy.

3.2. The management

Sustainable management plays a very important role in a company's strategy and should cover all departments and operations. Sustainable management contains a few elements and is a very complex process. Risk management is particularly important, as it is necessary to assess but also to prevent risks that might arise in relation to sustainability. Sustainability risks include both existing and potential environmental, social and governmental risks and can occur when "vulnerabilities are observed that could turn into financial, operational or reputational losses" (Asher Innovation, 2011). Social risks may arise from population diversity and displacement, lack of population access to health services or lack of availability of resources. Governmental risks relate to non-compliance with corporate policy, bribery or non-compliance with regulations. As "reputation is integral to firm performance" (Kucuk & Kucuk, 2010), reputational risk management is among the most important elements of sustainability management.

Given these aspects, it is mandatory for the firm to behave ethically and consistently contribute to economic development while improving the quality of life of the firm's stakeholders. Resource sustainability management is also very important as it must find solutions to save resources. Alternative energy sources such as solar panels or wind power have become increasingly popular among companies. Stakeholder management is a final element that we will refer to and is particularly valuable because it deals with the relationships with the stakeholders of the company: customers, suppliers, investors, employees.

3.4. The innovation

The successful development of an organisation is closely linked to innovation and the implementation of innovations in strategies already used and known by that organisation. Economist A. Schumpeter pointed out as early as 1935 that "technological innovation plays a crucial role in the development of enterprises". A study (March, 1991) on organisational learning shows that "the survival and prosperity of an organisation depends on a skilful balance between exploiting already known activities and exploiting new avenues". Thus, to survive in the era of climate change, organisations must necessarily innovate and adapt to the changes and social pressures placed on them in this context by bringing in innovation strategies.

The link between the sustainable development process and innovation has been mentioned by many authors such as Porter (Towards a Dynamic Theory of Strategy, 1991), followed later by Fussler and James who introduce the term "eco-innovation" or „sustainable innovation". Sustainable innovation is defined as "the market introduction of a new or improved technology, process, product, service or business model that, compared to previous versions, promotes environmental protection and social welfare throughout its life cycle" (Fussler & James, 1996). To link sustainable development to innovation, several terms such as "sustainability-oriented innovation", "sustainable innovation" or "sustainability-based innovation" have been introduced. Sustainable innovation is much more complex than traditional, classical innovation because of its multiple implications, referring here to economic, environmental and social implications.

To see the effectiveness of sustainable innovation, we can look at two dimensions: outcome and process. The first dimension, the outcome dimension, refers to the type of innovation. Although the importance of innovation is high, traditional technological product innovation is not sufficient to meet the demands of sustainable development, and additional types of innovation are needed to reduce resource use. In the literature "product-service" and "business model innovation" models are described (Booms & Luedeke-Freund, 2013). Regarding the process dimension, there are a multitude of elements involved in the implementation of sustainability such as the procedure itself, personal competences of the people involved, managerial culture and managerial support, organisational scheme, etc.

Regarding the relationship between sustainable development and innovation, as early as 1991 it was noted (Porter M., Towards a Dynamic Theory of Strategy, 1991) that "by implementing the concept of sustainable development at the level of a company or organisation, the innovation process can be stimulated, the two concepts being interdependent". A study (Porter & Kramer, Strategy and Society: The Link between Competitive Advantage and CSR, 2006) of Danish companies showed that "there is a link between sustainable (social or environmental) innovation and the economic performance of the company".

The integration of sustainable innovation in enterprises depends on several factors (Francois & Georges, 2012) which are represented by: „stakeholder involvement and

mobilisation, the resulting satisfaction and motivation, and their contribution in multiple resources”.

4. Conclusions

By focusing on the elements of a sustainability strategy, with a spotlight on energy, management and innovation, this research provides a holistic view of how organizations can align their operations with sustainable goals. The research found a link between sustainability strategies and a shift towards renewable energy sources. The transition from non-renewable energy sources serves as a foundation in most successful sustainability strategies. Moreover, management structures that promote agility, adaptability and continuous learning proved to be vital. In the end, literature illuminated that innovation serves a dual purpose in sustainability, offering tools and solutions to address current sustainability challenges and anticipating potential future sustainability threats.

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RISE AND DECLINE OF PUBLIC-PRIVATE PARTNERSHIP IN EUROPE

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Abstract: Collaborations between public and private have appeared in Europe since ancient times, presenting in different ways from one nation to another, and being the source of the current "public-private partnership" arrangement. This study aims to emphasize the significance of "public-private partnership" for a certain area. There is no standard definition of "public-private partnership" that can be found in all studies because there isn't one that everybody in Europe acknowledges. Presenting the development of "public-private partnerships" throughout Europe and emphasizing their rise and decline, is the primary output of this study. Additionally, this study aimed to demonstrate the current status of this kind of cooperation throughout Europe and the interest that European nations have shown in "public-private partnerships".

Keywords: Public-private partnership, Europe, Cooperation, Evolution, Projects

JEL Codes: O16, P45, R11

1. Introduction

The "public-private partnership" as it stands now does not originate from ancient times but has its roots in earlier types of "public-private sector cooperation" that first surfaced on the European continent several centuries ago. In contrast to conventional procurement methods, "public-private partnerships" have demonstrated the capacity to reduce whole-life costs, lessen the financial load on the public sector, enhance the management of risks and maintenance services, and foster long-term partnerships that foster transparency and responsibility. Because of the extended contractual period and collaboration among the public and business organizations, "public-private partnership" projects have more complex structures.

The United Kingdom, which has been one of the biggest global markets for "public-private partnerships", is one country in Europe where over time, "public-private partnerships" have been utilized in many different contexts. It has only been in recent years that France and Germany have surpassed the United Kingdom as the continent's top user of this kind of partnership. Across Europe, "public-private partnerships" can be found in several sectors, depending on the needs of the nations in which they were born, including transportation, defense, the environment, education, health, television, culture, and leisure. Using these collaborations with private actors, the European Union consolidates its resources to address Europe's most pressing issues, bolsters competitiveness to furnish superior employment opportunities, and stimulates higher levels of private investment in technology development and research (E.C., 2023).

2. Theoretical background

Determining the meaning of "public-private partnership" is challenging since it is a contextual concept that relies on the activity sector as well as the institutional and legal

environment. There are numerous attempts to define “public-private partnerships” in the literature; these definitions are united by the emphasis they place on PPP as a substitute for traditional long-term public service delivery methods. One of the earliest descriptions of “public-private partnerships” as they exist nowadays describes them as an agreement between two or more parties that permits them to collaborate toward mutually beneficial objectives and in which there is some degree of shared risk-taking, resource investment, authority, and responsibility-sharing, and mutual profit (Roehrich, J.K. et al., 2014).

“Public-private partnerships” aim to achieve is to apply creative resource usage and management expertise to obtain the best possible outcomes for all parties engaged in attaining their goals that would not have been possible without the other parties (DESA, 2016). The public sector’s duties and responsibilities change at different phases of the project involving public-private collaboration. The public sector’s first issue in a “public-private partnership project” is evaluating and choosing appropriate “public-private partnership” initiatives (Wang, NN et al., 2020). Contrary to privatization, which transfers responsibility to the private partner, “public-private partnerships” do not include a transfer of ownership; instead, the public sector continues to be accountable for delivering the public service (Nastase C. et al., 2022). In these kinds of “public-private partnerships”, the private sector participates in a couple of the several phases or aspects of the procedure used to make policy, such as establishing an agenda, negotiation, putting resources into place, monitoring, and/or enforcement. When public actors are unable to complete a task, private actors can complete it more quickly or effectively (Marx A., 2019).

3. Analysis and discussions

To analyze and interpret the global experience in implementing “public-private partnerships”, I employed the qualitative technique in this research. The technique worked well to illustrate how “public-private partnerships” have evolved in the European region.

According to the environment, culture, and legal system, “public-private partnerships” have developed as a form of cooperation in many European states (ENISA, 2023). As indicated by the European Center of Expertise “in the area of public-private collaborations, 1749 initiatives carried out through public-private partnerships, with a total value of 336 billion euros, benefited from financial closure on the European market of such partnerships between 1990 and 2016”. The market for “public-private partnerships” had a significant surge in volume before the global financial crisis, but a significant decline in new projects of this kind began in 2008 (ECA, 2018).

The European market for “public-private partnerships” saw alternating growth between 2012 and 2022, with a rise and fall in the number of projects., which is highlighted in Figure No. 1

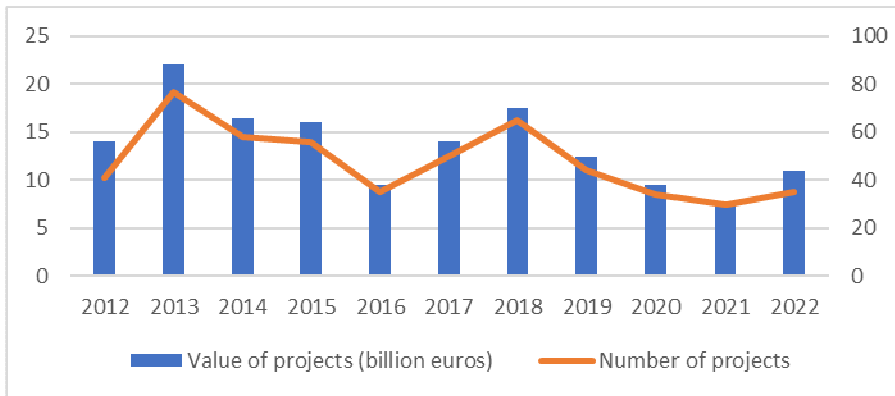


Figure 1: The public-private partnership market's development in Europe between 2012 and 2022

Source: own processing

Data source: EIB, 2022, 2023

By paying close attention to the “public-private partnerships” recent development, we can see that 40 transactions totaling 8.0 billion euros in value reached financial closure in 2021 (EIB, 2022), while 45 “public-private partnerships” deals with a combined value of 9.8 billion euros were completed financially in 2022 (EIB, 2023). The market's value fell by 13% in 2021 compared to 2020, about €9.2 billion (EIB, 2022). In 2022, however, the market experienced a growth of 17%, or €8.4 billion, over 2021 (EIB, 2023). Demand-driven “public-private partnerships” accounted for just 8% of deals to financial close in 2012; by 2021, demand/revenue concluded deals had climbed to 68% from 61% in 2020, representing a considerable increase (EIB, 2022). By 2022, 70% of all deals will be driven by demand or revenue and have reached a financial closure (EIB, 2023).

In Europe, “public-private partnerships” are mostly available in the United Kingdom, France, Spain, Portugal, and Germany, nations that have carried out projects with a combined value of 90% of the market from 1990 to 2016. 13 of the 28 EU member states have each implemented fewer than five “public-private partnerships projects”, despite some states carrying out a large number of these projects — the United Kingdom, for example, carried out over 1,000 projects worth roughly €160 billion during the period, followed by France with 175 projects worth roughly 40 billion euros (ECA, 2018).

The European market for “public-private partnerships” has seen a shift between 2018 and 2022. The UK fell out of first place, with Germany and France taking its place. In contrast to the previously examined time more of these partnerships were formed by nations like Lithuania, Poland, Serbia, and Croatia, whereas Spain saw a decline in these kinds of alliances, as shown in Figure no. 2

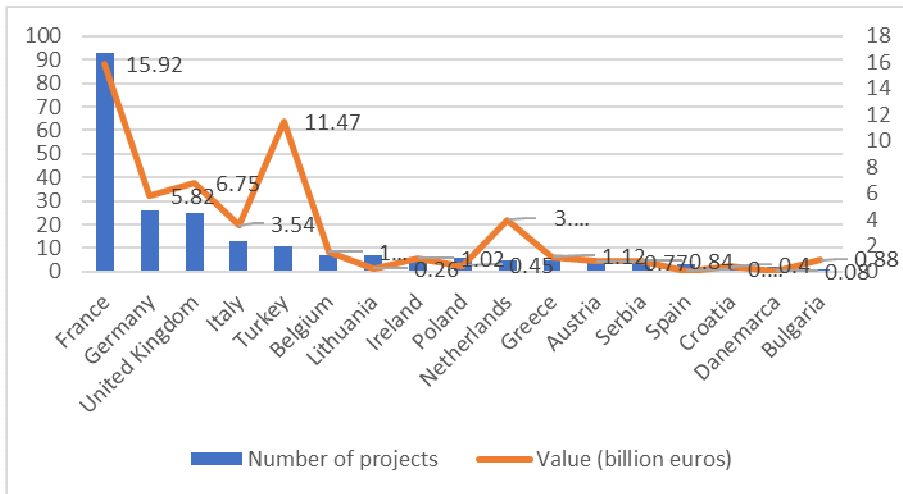


Figure 2: The development of public-private partnerships in Europe, broken down by nation between 2018 and 2022

Source: own processing

Data source: EIB, 2023

Regarding the total number of closed deals in the European “public-private partnership sector”, the United Kingdom and France have become the front-runners over the past five years (EIB, 2023). At least one “public-private partnership” agreement was completed in 13 different nations in 2021 contrasted with 11 in the year 2020, and five countries finalized at least two deals in 2011 as in 2020 (EIB, 2022). Nine nations completed two or more contracts in 2022, and fifteen countries completed one or more “public-private partnership” transactions (EIB, 2023).

France leads the group of countries with the most continuing projects in 2022 with 50, Italy comes in second with 32, and Greece comes in third with 28. Greece has established a strong network over the last three years, showcasing its ability to combine EU financing with initiatives involving public-private partnerships and its success in obtaining them.

4. Conclusions

Examining Europe's progress in “public-private partnerships” is pertinent because of the interest in “public-private cooperation” that has been on this continent since the Roman Empire's era. About this kind of cooperation, it should be mentioned that there have been instances where the “public-private partnership” has experienced a rise due to governmental and financial backing, as well as a decline. The market for “public-private partnerships” in Europe has been expanding gradually since 1990.

Despite the consequences generated, the influence of COVID-19 on the “public-private partnership” was not as profound as anticipated. Events that might affect how “public-private partnerships” develop in Europe include the uncertainty brought on by the possibility of a new financial and economic crisis on the continent and the instability generated by wars on a worldwide scale that also has an impact on the European market. Future studies on novel variables that may impact the growth or decline of “public-private partnerships” in Europe are therefore yet possible.

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ESTONIA'S PATH TO DEVELOPMENT: BETWEEN ECONOMIC FREEDOM AND DIGITALIZATION

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Abstract: *Estonia is a European country that inevitably arouses interest, and such interest is based not only on the country's geo-strategic importance (increasingly relevant today), but also on the Estonian government's incredible ability to adapt to new trends in digitalization, even though, economically at least, Estonia is far from being a regional power. So, if we define the Estonian state as one in which we find a vehement desire for transparency and digitalization, a deep anti-communist and liberal sentiment and a clear opposition to any attempt to integrate the Russian Federation into the European space, we will see an amalgamation of these elements that make Estonia a really interesting state to analyze, from an economical perspective and beyond.*

Keywords: Estonia, economic freedom, digitalization, financial stability, development, privatizations

JEL classification: O10

Introduction

We start from the premise that Estonia is one of the three Baltic countries that suffered after the signing of the infamous Molotov-Ribbentrop Pact, which de facto incorporated Estonia into the former Soviet Union, without the slightest wish of the Estonian citizens. So, in 1940, a dark road began for Estonians, who were forced to accept the wrath of the Soviet authorities. Estonia's democratic journey began in 1991, parallel to the collapse of the Soviet Union. Estonian anti-communism, in the shaping of Estonian democracy, had been visible since the early days of freedom, and Estonian citizens were very vehement about it. In this sense, once the Estonians had gained the freedom to choose their own destiny, they decided that the new government should be young and free of communist 'taints', giving the young Mart Laar (then only 32) the task of forming the first Estonian government after 1940.

1. Estonia's first steps towards liberalism

The Laar government was distinguished by the very low average age of its ministers (35 years average), but also by its clear opposition to the former communist nomenklatura and its attempts to influence new Estonian politics (De Carlos Sola, 2018). The anti-communist spirit, however, was not enough for the first Estonian government. The tragedy of the aftermath of a Soviet dictatorship, like any communist tragedy, is that there are inevitably economic consequences. Mart Laar was more than aware of this fact, which is why the solution that the Estonian Prime Minister inevitably finds is an unconditional focus on the market economy and the capitalist spirit.

Laar even takes full advantage of the economic freedom after 1991, introducing, for the first time in history, the famous 'flat income tax'. In addition to this, Estonia's main

reforms were also based on the privatisation of the country's main industries. If the late Margaret Thatcher will say that Friedrich von Hayek's famous book 'The Constitution of Freedom' is the book by which her government is guided (Brooks, 2013), Mart Laar said his government is based on the principles of another book, Freedom to Choose, by the liberal author Milton Friedman (De Carlos Sola, 2018). In order to better understand this Estonian attachment to the free market, however, it is necessary to take a closer look at Estonia's geo-political development, starting in 1940. In doing so, we recall how, by the time the nuclear arms race began, the Soviets had established the Estonian town of Sillamäe as a key uranium mining point. This, however, was to have two major negative consequences: environmental pollution, first of all, but also a massive influx of Soviet workers of other nationalities into the north-eastern part of Estonia, making Estonians even a minority in that area. The capital Tallinn was also starting to build factories for various types of machinery: factories for electronics and even factories dedicated to radio technology.

The context of the Cold War was certainly not in favour of Estonian citizens, as it was for all other Soviet citizens, on the other hand. In this regard, we note how Estonia's geographical position played a key role in shaping Soviet militarism on the Western flank, with Estonia marked by a Soviet presence in terms of both land, air and naval forces. The Soviets had also built four ballistic missile bases on present-day Estonian territory. Large parts of Estonian territory had been used by the Soviets for military purposes, including environmental pollution. Putting together all the historical information so far, it is easy to see how Estonians could not maintain some appreciation for all that their Soviet past meant, in the outburst of their desire for independence in 1991. This sentiment, as we have seen above, has guided Estonian politics since 1991, influencing, in fact, Estonia's entire democratic and capitalist course.

2. E-government: the key to Estonia's success after the soviet era

The desire for market liberalisation has been vehement, with even positive consequences for the Estonian state. For example, one of the first major areas to undergo post-Soviet liberalisation was the telecommunications sector, 49% of which was privatised in 1998. However, if we want to be more precise, we have to say that this privatisation was to be expected in those years, considering that as early as 1996, President Lennart Meri had presented the famous *Tiigrihüpe*, i.e., an ambitious four-year project that aimed to create a telecommunications system so efficient that every Estonian would be connected to the Internet (De Carlos Sola, 2018).

The Estonian authorities have finally succeeded in making their wishes for modernization a reality, and in 2000 the Estonian Institute of Human Rights proclaimed Internet access a human right. All these spectacular developments in Estonian technology are not unusual, however. It is well known that Estonia is one of the most technologically advanced countries in the entire world, and it is even possible for Estonian citizens to cast their votes online. How, though, did it get to this point?

The story of "Estonian technologization" is more complex than it might first appear, but we could summarise it in the concern of the Estonian authorities, after independence from the Soviet Union, about the "brain drain" that the country, like all other countries that experienced a communist dictatorship, was going through. More to the point, this Baltic country was very unattractive to young people, especially those with a high level of education, who were more likely to seek a future in Western European countries. In such an atmosphere, all the prerequisites are in place for the increasing digitalization of the Estonian public system, which goes by the name of "E-Estonia". First of all, the

Estonian authorities had prepared the legal framework for the huge digitisation process that was to sweep the Estonian state at the beginning of the new millennium. It is stipulated in this way: Personal Data Protection Act in 1996 and Public Information Act, Digital Signatures Act and Population Register Act in 2000. To these rules, we add the Electronic Communications Act of 2004. So, with a well-developed legislative framework, Estonian citizens were waiting for the big step that the Estonian authorities had been planning since the early years of democracy, namely the introduction of e-voting, concretized in 2005. (Vassil, 2016).

It can therefore be seen that Estonia is a country that has made notable steps towards e-Government, but nevertheless faced some economic difficulties, especially as a result of the Global Financial Crisis of 2008, considering that privatization in Estonia depended entirely on foreign investment, especially from Scandinavia. The main solutions, in such a situation, seemed to be twofold: either tax increases (following the "Mediterranean model" in this respect) or budget cuts. Knowing the political and economic culture of the Estonian authorities, and the fact that in those years the famous liberal Reform Party was in power, it is easy to understand why the Estonian authorities preferred the second option. This choice inevitably caused unemployment to rise from 3.9% in May 2008 to 18.5% in March 2010, the main targets being civil servants and citizens working in the public system. However, many of these citizens have managed to switch to entrepreneurship, particularly in the software and technology sectors, believing that the Estonian authorities have maintained tax benefits for entrepreneurs, even in the face of a global financial crisis (De Carlos Sola, 2018).

3. How economic freedom and digitalization affected Estonia’s development: a methodological approach

If we want to transform Estonia's economic development story into statistics, we can note the following:

Table 1: OLS Regression estimation of Households (with children) at risk of poverty (2000-2021)

| | | Unstandardized Coefficients | Standardized Coefficients | | | |
|-------|------------------------------|-----------------------------|---------------------------|-------|--------|-------|
| Model | | B | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | 54.504 | 12.501 | | 4.360 | 0.000 |
| | Economic Freedom Index score | -0.497 | 0.164 | -.562 | -3.040 | 0.006 |

Sources: own elaboration

Table 2: OLS Regression estimation of Households (with children) at risk of poverty (2008-2021)

| | | Unstandardized Coefficients | Standardized Coefficients | | | |
|-------|------------|-----------------------------|---------------------------|------|-------|--------------|
| Model | | B | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | 60.069 | 15.642 | | 3.840 | 0.003 |

| | | | | | | |
|--|------------------------------|---------|-------|---------------|--------|--------------|
| | Economic Freedom Index score | -0.449 | 0.228 | -0.421 | -1.969 | 0.075 |
| | EGDI Index score | -11.908 | 5.169 | -0.493 | -2.304 | 0.042 |

Sources: own elaboration

In the tables above we have tried to understand whether economic freedom has indeed succeeded in reducing poverty in Estonia. The results showed us that this was visible to a small extent, but if we add the digitalization of this country, then we can say that their variation (for economic freedom we used the Economic Freedom Index and for digitization we used the EGDI index)⁴, contributed to a negative variation of 64.2% of Households (with children) at risk of poverty (variable obtained from Statistics Estonia).

Conclusions

As a final conclusion to all that has been presented in this paper, we note how Estonia is a country which, despite the difficulties due to the Soviet past, has managed to take important steps towards a technological evolution worthy of consideration, towards the consolidation of a constitutional state with an incredible technological infrastructure and, last but not least, towards protecting its own borders from the "eternal threat from the East". Finally, it is natural to ask: can the Estonian development model be a model to follow? It depends. On the one hand, the Estonian rulers have always had the Russian threat at their gates, but on the other hand, they have taken advantage of the small size of the population to be able to develop a real e-Government system and also a functioning market economy. For these reasons, we can say that the Estonian model is certainly an admirable model, but the development of each country must be contextualised.

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⁴ The EGDI Index is elaborated each two years, so we made a mean for the odd years (2021, 2019, 2017, 2015, 2013, 2011 and 2009)

ASPECTS FOR THE DEVELOPMENT OF THE PROJECT ORGANIZATION OF THE 2024 EUROPEAN UNIVERSITY GAMES

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Abstract: *The international multisport event under research can be interpreted as an extremely complex project with significant impacts, one of the co-organizers of which is the University of Miskolc. The event is in the implementation planning phase, and the project organization is being formed. The purpose of the study is to identify essential elements that must be included in the project organization of the event. In the first step, I examine the international and domestic environment of the event: starting from the European sports pyramid, I outline the European university sports pyramid and introduce the project owners. Then I examine the project organization of a major event in Hungary, the 2022 European Handball Championship, and the 2022 European University Games in Poland. I obtained the information through document analysis, data collection and professional interviews. Finally, based on the collected information, I formulate aspects that I consider necessary to take into account when developing the project organization of the event.*

Keywords: project organisation, project management, international sports events

JEL classification: O22; L83

1. Introduction and classification of the examined event

Since 2012, the European University Sports Association (EUSA) has been organizing the European University Games (EUG) biennially, where athletes and sports teams from higher education institutions compete. In 2024, the event will take place in Hungary, specifically in Miskolc and Debrecen. The organizers expect approximately 5,000 participants, representing 450 universities from 40 countries, along with an additional 1,500 volunteers. The number of sports and participants are nearly equally distributed between the two locations.

Several specific circumstances can be identified, that require thoughtful project organization and project management. It is the third-largest international multisport event in terms of participant numbers after the Summer Olympic Games and the World University Games (formerly Universiade). This event is related to two areas: sports and higher education. The event's target group is highly valuable as it brings future leaders to Miskolc and Debrecen, expanding the range of available benefits. The usual stakeholders in sports are extended with the actors of university sports.

Görög (2001) refers to projects that are extremely complex, encompass multiple sub-projects, as super-projects. These sub-projects may include investment, research and development, and service sub-projects. According to Piskóti (2012), mega-events are unique or recurrent, time-limited events that, due to their uniqueness, receive global media attention and exhibit high attractiveness to visitors.

In the case of the EUG 2024, the number of visitors and the media attention are far below that of the Olympic Games, athletics, aquatic sports, or one of the major team

sports world championships and continental tournaments. However, the number of participants is outstanding, and the event is associated with cultural, scientific, and tourist programs (sub-projects). Its long-term effects can significantly shape Hungarian university sports and the life of the two organizing universities and cities. Based on all these factors, it can be considered a super-project or mega-event.

2. International and domestic context, connections

From a research perspective, I consider important to examine the international and domestic context of the EUG 2024. I start with the European sports pyramid, which can be found on the left side of Figure 1. Additionally, I have created the European university sports pyramid, indicating the connections.

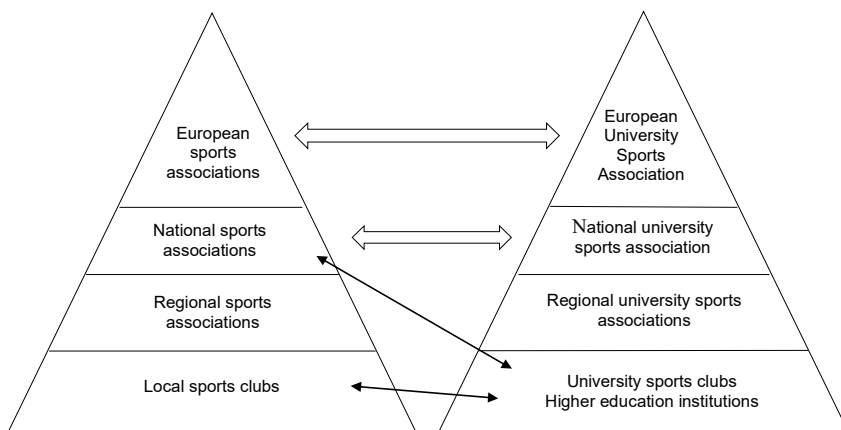


Figure 1: Pyramid of European sports and university sports

Source: Sipos-Onyestyák Nikolett et al. (2016), with additional annotations

At the top of the European university sports pyramid stands the European University Sports Association (EUSA). The EUGs and the European Universities Championships means the competition system of the EUSA. The member organizations of the EUSA are the national university sports associations, which in Hungary is the Hungarian University Sports Federation (HUSF). Although there were in the past, currently there are no regional university sports associations in Hungary, but in other countries (e.g. Poland) they play a significant role. Hungarian higher education institutions and university sports organizations are members of the HUSF.

Relationships between the European sports pyramid and the European university sports pyramid:

- EUSA collaborates closely with the European sports associations of each specific sport to design its competition system, maintaining formal connections.
- The national sports associations and national university sports associations maintain similar formal relationships (due to the national university championships).
- University sports clubs are members of national sports associations and are part of the lowest level of the European sports pyramid, considering them as local sports clubs.
- There is no such connection when it comes to regional associations. Typically, they organise or represent sports or university sports activities on a regional

basis within national sports associations or university sports associations, with varying levels of autonomy and authority.

- Higher education institutions participate in the competition systems of EUSA and national university sports associations, but they are not members of national sports associations and don't participate at their events.

As for the Hungarian context, HUSF applied for the organisation of the EUG 2024 (with government guarantees) in collaboration with the University of Miskolc and the University of Debrecen, with the support of the municipalities of Miskolc and Debrecen. Preparations for the implementation of the project began with the participation of these organizations. An important development, however, is that the Hungarian Government has established a new legal framework and organizational model since 1st January, 2023, by placing the preparation and implementation of major sports events and major state events under the responsibility of a state-owned economic company, the National Event Organization Agency (NEMA).

NEMA is in the process of establishing a three-level Organizing Committee, with which the partner organizations will be involved in the decision-making as follows:

- Presidency (top executives of NEMA, HUSF, the University of Miskolc and the University of Debrecen),
- Board of Directors (specialist leaders delegated by NEMA, MEFS, the University of Miskolc and the University of Debrecen),
- Operational Committee (coordinators of various organizing areas).

3. Study of benchmark events' project organizations

I examine the project organizations of two international sports events. The first one is the 2022 European Handball Championship. The event was a single-sport event, held in three locations in Hungary, with significant importance. To implement it, the Hungarian Handball Federation established an economic company with 100% ownership. I made an interview with the former CEO, Mr. Szabolcs Bíró, to understand the structure of the project organization. Under the CEO, there was an operational director responsible for various support areas (finance, accounting, legal, HR, purchase). The Office provided administrative support to both the CEO and the operational director and can be considered as the background organization. The project organization had three pillars, which could be further divided into sub-areas of organization and operated under the direction of the CEO. The first pillar included sports organization, communication, marketing, brand management, VIP handling, and ticket sales. Among these, sports organization was the most complex, including all services related to sports competitions, coordination of tangible and human resources (venue management, competition management, security, medical supervision, media centre, volunteers, accommodations, catering, transportation, etc.). Local representatives and teams were connected to these organizational sub-areas in all three locations (Budapest, Debrecen, Szeged). The second pillar was the event organization, which involved organizing preliminary and promotional events. The third pillar consisted of partner relations and services, overseen by a dedicated project manager.

The other examined sports event was the 2022 European University Games held in Lodz, Poland. Information was obtained through the analysis of the event's final report and email correspondence with Mr. Dominik Lezanski, who led the project organization. The organisers didn't establish a company or any other legal entity, the project organisation operated within the sports department of the Lodz University of Technology, specially created for the fulfilment of the event. It was structured into eight

areas: administration, accreditation, organization, marketing, brand and relations, sports programs, volunteers, and award ceremonies and protocol events. The basic team consisted of 54 persons, included employees who supervised the service subcontractors (catering, transport, cleaning company etc.). 46 additional persons from different departments of the university also worked on the project (accounting, human resources, PR, media centre and other service staff). From the University Sports Association of Poland, 35 persons worked on the event. Management and supervision were not shared, everybody worked under the leadership of the project organization's leader, only the financing was shared, some people were financed by the university, some by the university sports association.

4. Findings regarding the project organization of EUG 2024

For the EUG 2024, the NEMA provides the organizational framework, while HUSF, the University of Miskolc and the University of Debrecen participate in the decision-making as part of the Organizing Committee. Within the Organizing Committee, the Presidency sets the strategic objectives, the Board of Directors makes strategic decisions regarding the implementation, monitors and controls the implementation, and the Operational Committee is the executive level.

The organizational model for the European Handball Championship is more applicable in the sense that the organization providing the legal and economic background of the event is the NEMA, and the head of the project organization is not a person, but the Board of Directors.

The Operational Committee corresponds to the project structure presented for both events. An essential element of its structure should be a coordinating role that can be fulfilled by a Project Management Office with a project manager and administrative support.

The appropriate project organization structure can be developed by knowing which areas the Board of Directors wants to put more emphasis on, which is, of course, related to the goals and impacts formulated by the Presidency. However, it can be stated that the following areas should be managed separately, with a project-level coordinator, under whom also responsible persons from Miskolc and Debrecen are designated: sports infrastructure and sports programs, accommodation, catering, transportation, communication, medical supervision, security, accreditation, international relations, volunteers, ceremonies, VIP program and supplementary programs.

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ARTIFICIAL INTELLIGENCE CHATBOTS IN FINANCE

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Abstract: *The aim of this paper is to bring into attention the use of Artificial Intelligence (AI) Chatbots in the field of finance. Gaining more popularity in the last year, the uses of AI Chatbots in the field of finance include the help with many stages of the investment process, as well as being an interface with the public for financial institutions. The European Central Bank's publicly available chatbots, as well as solutions for the investment process are presented in this paper. Cutting down costs, saving time or increasing efficiency are AI Chatbots' advantages, while the quality of data and regulatory uncertainties can be some of the barriers.*

Keywords: Artificial Intelligence; chatbot; finance; stock market; investing; Machine Learning

JEL classification: C69, C89, G19, G29, G39

1. Introduction

Artificial Intelligence (AI) has recently been in the forefront of investment trends. This can be seen both in mainstream media, in the companies' product offerings, at the workplace, as well in the leading AI companies' stock price performance this year. And while AI as a field is broad and its applications can cover many domains from healthcare and energy, to education, manufacturing, or transport (Mou, 2019), this paper focuses on a narrower part of the AI spectrum – AI Chatbots and their use in the Finance field.

According to (International Business Machines, n.d.) a chatbot is a computer program that simulates human conversation with an end user. Though earlier versions of chatbots were more rudimentary and used basic logic and decision tree structures, contemporary chatbots make use of AI, Machine Learning (ML) or Deep Learning (DL) techniques, such as conversational AI, Natural Language Processing (NLP) or Natural Language Understanding (NLU) to better understand and adapt to the user's needs and provide answers to their inquiries (International Business Machines, n.d.). Although commonly used interchangeably, the term "chatbot" can refer to different types of chatbots. "Chatbot" is the most used terminology and refers to any software simulating human conversation. Whether being through a decision tree-like structure, or through AI techniques. "AI Chatbots" are chatbots that focus on accurately interpreting the user's intents and matching those intents with the most useful answer through AI techniques such as NLP or NLU. This type of chatbots use ML or DL techniques to improve themselves and become more accurate with each interaction. Lastly, "Virtual Agents" refer to AI-powered chatbots that besides improving over time using ML and DL techniques, they are enhanced with other AI techniques such Robotic Process Automation (RPA) to act on the user's input according to its intent (International Business Machines, n.d.).

In this paper, the term “chatbot(s)” and “AI chatbot(s)” are used interchangeably and they refer to all three types of chatbots presented above.

2. Research on Chatbots

A bibliometric analysis conducted by (Hamed Khosravi, 2023) including all published literature, including articles, conference papers, reviews, or book chapters on Scopus and Web of Science (WoS) from 1998 to 2003 made by 2 using the keywords “Chatbot” or “Chatbots” included 5839 (Scopus) and 2531 (WoS) documents with an impressive annual growth of 19.16% and 27.19% respectively. Several chatbots were mentioned by the researchers, including ELIZA, Cleverbot, SmarterChild, Mitsuku, Amazon Alexa, Google Assistant, Replika, IBM Watson Assistant, GPT-2, GPT-3 and ChatGPT.

Although adoption and usage of AI Chatbots is still currently low, that is not to say that it is not on the rise. One factor that could help the adoption, especially in the finance field could be the humanness of chatbots (Moses Sugumar, 2021). The human touch is very important to a user’s perceived trust of machines. While automation helps streamline and automate processes, in fields such as investing, the human touch is extremely important to financial services chatbot users. This is also confirmed by (Stefan Morana, 2020)’s study that argues that different levels of anthropomorphic design of chatbots and robo-advisors could make up for the lack of human involvement and positively affect the users’ trust and likeliness to follow its recommendations.

3. Chatbots as an interface with the public

While studying the impact of AI in the banking sector, (Arvind Ashta, 2021) have noted the importance of chatbots or virtual assistants. AI powered virtual assistants were seen to help institutions increase profitability and overall performance while decreasing the human dependency. One of the world’s preeminent financial institutions, the European Central Bank (ECB) is leading the way in the use and implementation of AI-powered chatbots to streamline its operations. Known as “ECBots”, the ECBs publicly available AI chatbots are addressing a diverse range of inquiries related to ECBs different operations. The subjects covered include monetary policy, banking supervision, the euro system, scams, and frauds and many more (European Central Bank, n.d.). Another ECBot is covering information about ECB’s recruitment processes and various career opportunities (European Central Bank, n.d.). While, on a more technical side, another ECBot is offering information on using the Centralised Submission platform – CASPER, which allows organizations and partners to submit structured data to the ECB (European Central Bank, n.d.). The fact that a public institution of this size successfully implemented AI chatbots into its operations can be seen as a positive sign of the AI chatbots’ advantages.

4. Chatbots and the investment process

The stock market and the investment side of it has not been ignored by chatbots. Whether acting as customer support for brokerages, or offering more complex advice to investors, AI chatbots can be used to offer information to investors in many different stages of their investment journey.

(Suraj Sharma, 2021) developed a conversational agent used to help retail investors with investing information in a user-friendly way. Investors can use this chatbot to query information on companies, retrieve general and financial overviews, as well as the most recent news and trading recommendations. Charts, live prices, technical indicators, and performance monitoring over time can also be outputted by the chatbot at the user's request.

(Anoushka Halder, 2021) used a Recurrent Neural Network – Long Short Term Memory model to predict stock market prices based on the closing value of stocks. The prediction and information were then presented to interested investors through a chatbot. Three different chatbot personalities were built by the authors to see which type have the users more trusting on the chatbot's advice.

Although offering promising results in terms of user satisfaction, both studies above can benefit from a larger number of participants to offer a more comprehensive view.

Whether being at the beginning of the investment process, helping with finding a broker, in the middle while screening and researching stock market companies, or at the end where the performance is analyzed, chatbots can efficiently help investors save time and streamline their investment processes.

5. Challenges

It was seen that with the popularization of more user-friendly chatbots, such as OpenAI's ChatGPT, that chatbots can be used in a plethora of fields by all sorts of users. Although not fully embraced by the public and institutions, I believe that it is only a matter of time and a few hurdles to overcome for the AI chatbots to have a more present role in our lives.

As with every AI model, the Natural Language Processors or Large Language Models of chatbots are very dependent on the data availability and quality. Poor data will result in poor results that could potentially do more harm its users, as well as those that did the chatbots implementation.

The regulatory uncertainties are also a factor to take into consideration when implementing such solutions. Although the regulatory framework is still not completed, it is only a matter of time until the regulatory bodies put forth the regulations that would govern AI and its uses. At that time, those looking to use AI chatbots for economic purposes will have a much clearer picture of the field that they enter, what is allowed, and what are the rules they must abide to.

While previously only experts could implement AI chatbot solutions, with the progress of technology, this technology has become more available to a wide array of users, as the costs have gone down, data became more available and solutions that require no coding knowledge have entered the market.

6. Conclusion

Being part of the bigger AI theme and gaining more popularity in the last year, AI chatbots are a great tool to implement in different domains, and finance is no exception.

Whether being conversational agents that talk to customers of a bank or users of a brokerage or being an assistant for investors throughout their investment journey, AI chatbots can be used to greatly cut down costs, save time or increase efficiency. These capabilities are becoming more available to a wide range of people and can be further enhanced by including ML, DL, NLP or NLU techniques.

The use and implementation of AI chatbots does not come without its downsides and uncertainties. While the data used with chatbots can greatly influence their performance and output, the regulatory uncertainties can also be a barrier until cleared. With proper data and ethical use, the positives far exceed the negatives. And as history has shown time and again, those that can adapt and innovate will be those that will thrive in the world of tomorrow, and the use of AI and AI chatbots are no exception.

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JOB COMMITMENT OF NURSES: A COMPARISON BETWEEN JOB COMMITMENT OF NURSES EMPLOYED IN NURSING HOMES VS. HOSPITALS.

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Abstract: *This paper examines the emotional, value and persistent commitment of nurses to their organization in the context that the employee is reluctant to leave his workplace, and his/her degree of identification with his/her organization. This study focuses on nurses working either in nursing homes or hospitals out of a desire to understand how they perceive the situation and the effect on the commitment to the organization in which they work. The study's findings show that there is higher emotional, value and persistent commitment of nurses employed in hospitals than nursing homes.*

Keywords: Job commitment; Nursing homes; Hospitals; Job satisfaction; Nurses.

JEL classification: D23—Organizational Behavior; J63—Turnover.

1. Introduction

In our world, the human resource is of great importance in any organization, especially in developed countries, where nurses are considered the largest and most important human resource in health organizations (Karami et al., 2017)

According to Meyer & Allen (1997), commitment to the organization can be divided into several dimensions. Emotional commitment is the most desirable commitment for an organization and it stems from the employee's sense of identification with the organization's values, goals and morals. The employee wants to remain part of the organization because he believes in the organization. Continuance commitment is a commitment that arises from the employee's personal considerations of costs versus benefits that the employee derives from leaving. The employee invests his time, efforts to promote the company and these are the investments. Leaving the organization though is giving up this effort. As long as the employee's desire of leaving the organization will be more expensive for him, he will choose to stay in it. Normative commitment is the moral component of an employee's sense of responsibility towards the organization. The worker lives according to certain environmental norms and is committed to them (Meyer and Allen, 1997).

In this work, we chose to focus on the dimension of organizational commitment of nurses in Israel employed in nursing homes vs. hospitals in the context of their commitment to remaining in the organization and reluctance to leave her/his workplace, her/his contribution to the organization and her/his degree of identification with the organization in which s/he works. The purpose of the study is to check whether there is a relationship between age, work style (for example work that requires performing ADL actions for the patient), satisfaction and salary to the commitment of nurses working in a nursing home compared to nurses working in a hospital.

Organizational commitment relies on four main elements: a strong belief in and complete acceptance of the organization's goals, a willingness to invest significant effort for the benefit of the organization, and an uncompromising desire to remain in

the organization (Shoorideha et al., 2014). Organizational commitment is multidimensional, which includes a degree of loyalty of employees to their organization, their willingness to invest effort for the sake of the organization, the degree of compatibility between their values and goals with those of the organization, and finally the strength of their desire to remain in the organization in which they are employed. In summary, there are three types of organizational commitment: emotional, persistent and value. On the emotional level, the findings of the present study reported a higher emotional commitment towards hospitals in comparison to nursing homes. Emotional commitment indicates a loyalty that means a certain level of identification and belonging of the employee to the organization. Employees for whom the emotional dimension is the dominant one, are reluctant to leave the organization. The more the organization provides its employees with a comfortable psychological feeling that conveys appreciation for their contribution and abilities and provides them with adequate opportunities to realize their expectations and goals, the more those employees are emotionally committed to it. That is, the level of emotional commitment relies on the degree of psychological reward as the employee experiences it.

2. Working in a nursing home

Nursing homes are often managed through a hierarchical structure that negatively affects the morale and satisfaction of the employees and is therefore expressed in high turnover. The nursing home staff takes care of the elderly and their contribution to the quality of life and well-being of the individual is extremely significant. Therefore, the management of the institution is obliged to have special knowledge and sensitivity towards the employees and must create motivation and job satisfaction among the staff (Harrington et al., 2012). Nurses in nursing homes believe in maintaining the health and nursing care of the residents, as well as helping them live with their disabilities. They have the largest representation among all certified professionals in nursing homes, therefore their influence on the residents is the greatest. In order to maintain the positive relationship with the elders, permanent nurses should be employed and their tendency to leave the institution should be reduced. According to many researchers, this can be achieved by increasing the employees' commitment to the organization.

3. Findings

The consequences of commitment to the organization include low levels of intention to leave, increased employee retention, increased attendance and high productivity at work (Karsh et al., 2005). The organizational commitment of the nurses is a necessary condition not only for the reduction of the negative consequences of conflicts, exhaustion and leaving, but also for the commitment towards the continuation of the patient's care. Organizational members who have high commitment to the organization tend to earn external and internal rewards such as job satisfaction to maintain friendships with co-workers, and to perform tasks directed at the organization. Low levels of commitment to the organization can lead to serious problems in the organization including leaving, absences from work (punctures), a decrease in the level of quality of care, harm in leading the organization to achieve its goals. An increase in commitment to the organization will be when the staff sees themselves as part of the organization if their managers give them this feeling (Sepahvand et al., 2017).

Table 1: T-test of difference in job commitment between nursing homes & hospitals

| | t-test | Reliability | Hospitals N=100 | | Nursing Homes N=100 | | Mean |
|---------------------------|-------------|-------------|--------------------|------|---------------------|--------------------|------|
| | | | Standard Deviation | Mean | Reliability | Standard Deviation | |
| Organizational commitment | 5.94** * | 0.807 | 0.47 | 3.64 | 0.889 | 0.34 | 3.31 |
| Moral commitment | 6.12** * | 0.931 | 0.55 | 3.65 | 0.841 | 0.56 | 3.19 |
| Emotional commitment | 3.68** * | 0.851 | 0.48 | 3.68 | 0.831 | 0.39 | 3.47 |
| Enduring commitment | 5.65** * | 0.855 | 0.77 | 3.53 | 0.921 | 0.53 | 3.08 |

*** $p < 0.001$

The findings in Table 1 indicate that there is a significant difference ($t=5.94$) between participants' job commitment to a nursing home ($M=3.31$) versus a hospital ($M=3.64$); there is a significant difference ($t=6.12$) between the participants' moral commitment to the nursing facility ($M=3.19$) and the hospital ($M=3.65$); there is a significant difference ($t=3.68$) between the emotional commitment of the participants towards the nursing home ($M=3.47$) versus the hospital ($M=3.68$); There is a significant difference ($t=5.65$) between participants' persistent commitment to a nursing home ($M=3.08$) versus the hospital ($M=3.53$).

The analysis in this paper indicates that the distribution of the participants' answers regarding organizational commitment in a comparison between a nursing home and a hospital indicate the existence of significant differences between the participants' job commitment to the hospital versus the nursing facility in all 18 statements of the questionnaire. The meaning of this finding is that the job commitment of the employees towards the hospital is significantly higher compared to the nursing home. The rate of organizational commitment of the employees towards the nursing facility was 66.2%, while the rate of organizational commitment of the employees towards the hospital was 72.8%.

4. Analysis of the findings

The purpose of this study is to examine the differences in the job commitment of nurses in a nursing home vs. a hospital. The findings of the present study showed that the same employees show a suppressed degree of organizational commitment towards the hospital compared to the organizational commitment they report with their hand towards the nursing home. It was found that this distinct difference in the dimensions of organizational commitment is true for the three components: emotional, value and persistent commitment.

The findings of the present study show that the persistent commitment of the employees towards the hospital is significantly higher than what they showed towards the nursing home. This type of commitment is defined as the desire of an employee not to abandon the organization, even to the high costs associated with the act of abandonment. The employee's losses from abandoning the organization can be expressed in the loss of the advantages s/he has accumulated over time, such as status, seniority and effort, or in the lack of immediately available employment alternatives. The more these benefits increase and become more significant, the

stronger the employee's commitment to the organization (David et al., 2015). Therefore, it can be argued that persistent commitment derives its strength mainly from the instrumental balance of profit-loss considerations and the degree of economic viability in abandoning the organization. The emotional side is not part of the persistent commitment that relies entirely on purely utilitarian considerations.

5. Summary of conclusions and recommendations

The current study examined and found that employees show a high level of job commitment towards hospitals as an employing organization compared to nursing homes, towards which they show a less high degree of commitment on its three aspects: value, emotional and persistence. The conclusion of the current study is that nurses tend to show more organizational, emotional, value, and also persistent commitment to hospitals than to nursing homes that employ them. This high job commitment to the hospital is influenced by a number of socio-demographic factors that include education and gender, but beyond that, it can be influenced by hidden factors of the prestige of the employing institution and the sense of belonging to it.

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THE LINK BETWEEN STRATEGY AND DIGITAL LEADERSHIP FOR ORGANIZATIONAL SUCCESS IN THE DIGITAL AGE. A BIBLIOMETRIC ANALYSIS

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Abstract: *This paper explores how digital strategy and leadership facilitate the generation of new business models by promoting digital transformation in organizations. The analysis used in the research was bibliometric in nature and validates the existence of a strong link between variables. The tool used was the VosViewer program which allowed the identification of new links. A digital strategy can ensure success if it is implemented effectively, promoting the process of organisational digital transformation and increasing performance and innovation. The strategy cannot be implemented without leadership adapted to the dynamic (digital) environment and digital leadership cannot operate without a strategy to support its digital transformation process. Two subsystems of digital strategy (digital transformation and digital leadership) and their variables have been identified.*

Keywords: digital leadership, digital strategy, digitization, digital transformation, digital technologies

JEL classification: O33; M1; L20

1. Introduction

Davenport and Westerman (2018) support the connection between the two variables under our analysis (digital strategy and digital leadership style) as together they manage the disruptions and obstacles generated by an increasingly complex digital environment. The 7S model of the consultancy company McKinsey, widely used, argues that there should be a univocal link between the strategy of the company and the leadership style of its managers. The leadership style is directly influenced by the strategy of the company and in turn, should fully support the development and mostly the implementation of the strategy.

Digital leadership (Bibu, Abrudan and Sivilca, 2023) is a dynamic process that is embodied in the social influence power of an individual (or group of individuals) to engage other members of the group in achieving set tasks and goals, over a period of time, in a specific organizational context (based on the widespread use of digital technologies). The need for a specialized digital strategy has also been promoted by Matt, Hess and Benlian (2015).

2. Digital strategy and digital leadership as a factor in generating organizational success in the digital environment

Bharadwaj et al. (2013) said that strategy related to the digital environment means: 'organizational strategy formulated and executed by leveraging digital resources to create differentiated value'. Digital leadership is more than needed (Araujo et. al., 2021) if organizations want to successfully overcome all the critical points generated by

the digital era and upgrade their strategy to fit the new business context. Digital transformation requires organizations to start the process of integrating structural changes, processes, and culture through flexible strategies that provide the necessary support and guidance (Türkmen and Soyer, 2020). Referring to the strategic positioning of an organization, digitalization has become a key determinant - hence the deeply transformative nature of digitalization.

3. Methodology

Bibliometric analysis was chosen as the method because it can increase the accuracy and clarity of the literature review (Zupic and Cater, 2015). The tool applied for the implementation of the research is VosViewer due to its ability to export a very large set of data and its qualitative visualizations (Zupic and Cater, 2015). The information extraction is done from the Web of Science platform. First, we used a series of keywords to identify relevant articles: digital leadership and strategy; digital strategy, building a co-occurrence network (van Eck și Waltman, 2010) with the role of highlighting the main and secondary synapses derived between notions. The main aim of the paper is to understand the relationship between the two variables and how they condition each other. The investigation questions are: what is the link between strategy and digital leadership, and what is the impact of this link on the digital transformation process? A total of 649 articles were used, and the authors' keywords (2282) were selected as the unit of analysis. Of these, the minimum number of occurrences of a term was 5, resulting in 60 words.

4. Discussion and conclusions

Following the analysis, the items were grouped into eight panels. The first one consisted of 12 variables (e.g., big data, digital, digital marketing, e-leadership, etc.). Panel number two has nine variables (e.g., digital culture, digital economy, digital leadership, digital transformation, digital maturity, dynamic capabilities, etc.). Panel three also has nine items (business model, change management, technology, transformation, etc.). Panel 4 also has nine items (artificial intelligence, digital technology, digitalization, information technology, transformational leadership, etc.). Panel 5 consists of 5 variables (industry 4.0, innovation, leadership, strategy, organizational culture, etc.). Group 6 has five component items (crisis management, sustainability, etc.). At number 7, we have the following 5 elements: digital strategy, business strategy, digitalization, organizational change, etc. Cluster 8 has 4 variables (communication, digital innovation, digital technology, etc.).

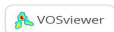
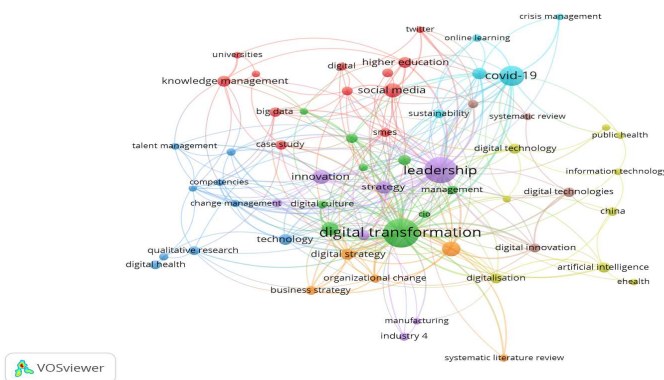


Figure 1. Bibliometric co-occurrence analysis of the two variables: strategy and digital leadership

Source: by the author, based on data collected and processed

In the digital leadership sphere, we can include: digital transformation, digital economy, organizational change, e-leadership (connection made through the common nodes of digital strategy and digitalization, leadership), digital culture, and transformational leadership (common nodes that ensure the connection are: digital transformation, leadership, and organizational change), etc. In the digital transformation subsystem sphere, we include: digital strategy, organizational change, industry 4.0, digital leadership, business models, big data, dynamic capabilities, digital innovation, digital technology, information technology, sustainability, innovation, etc. It can be noted that for digital strategy, there are variables that subsume the model (digital transformation, digital leadership). We can see digitalization as an organizational process that is part of the digital strategy, and digital transformation is a transformation process driven by the digital strategy (it plays a double role: a strategy in itself but also a result). Digital business models could not be implemented without the right digital leadership. At the same time, it also drives digital transformation within organizations (Wang and Yang, 2022). One of the fundamental traits of a digital leader is their ability to realize and effectively implement a digital strategy (Kane et al., 2018). Khaw et al. (2022) noted that digital leadership style positively impacts organizational performance, and they also highlighted the need for an established correlation between the new demands imposed by the digital economy and the digital strategy and digital leadership for successful transformation. Tareque and Islam (2021) say that digital leadership is the foundation of digital culture. Yusuf, Martani, and Rusfian (2023) view digital leadership as an independent variable, and the dependent variable is digital strategy.

5. Conclusion

In conclusion, our bibliometric analysis indicated that there is a biunivocal link between the digital strategy including various strategy types, on one hand, and the digital leadership style, and its various characteristics and forms, on the other hand. The organization's ability to adapt has become a prerequisite for survival, but so has the ability to digitally transform by introducing digitalization, the strategy of application of digital technologies. A first step in the process of digital transformation may be digitization strategy. Digital transformation is a broader process characterized by complexity, including digitalization as a strategic tool. Pratiwi et al. (2020) also support this. An organization that wants to achieve positive results needs to adopt a digital leadership style and adopt a new digital strategy to maximize its competitive growth capability. In our view, e-leadership is connected to digital leadership; it is a component of it. In today's digital environment, both e-leadership and transformational style are variables of a more comprehensive model of leadership: digital leadership

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PRINCIPLES IN PUBLIC PROCUREMENT

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Abstract: *Principles are the fundamental elements underlying any activity. Knowing, understanding and respecting them is the basic element in any public procurement process. This paper aims to make an analysis of these principles, their importance and the importance of their understanding and correct application in all stages of public procurement processes. By analysing different international institutions we will research successively the principles used in procurement by these institutions. Often, staff working in this field encounter difficulties in the correct application of these principles. Many complainants base their complaints on misinterpretations of the principles. A better understanding of these principles would lead to shortening procurement processes, reducing the number of challenges and increasing the performance of public institutions.*

Keywords: procurement; principles, non-discrimination, equality, money

JEL Classification: H57, H41

1. Introduction

Public procurement is a complex field encountered daily by all citizens of a democratic country. Although it is not often noticed, public procurement processes are the ones that allow all the services that the state provides to its citizens to take place. Often, public investment is delayed by the cumbersome running of these processes. On average, up to 15% of a country's GDP in the European Union is spent through these public procurement processes. Increasing this percentage leads to pressure from citizens to increase the efficiency of the system.

This study aims to support those involved in these processes and beyond in understanding the principles underlying these processes.

2. Analysis

The trade agreements of the 17th-19th centuries, when the United Kingdom reduced tariffs on imports and exports, led to the promotion of free trade and would later lay the foundations for the principle of non-discrimination in public procurement. Another approach to these trade agreements was the creation of free trade areas between some countries only, allowing free trade only between signatory countries. The signing of treaties establishing international organisations further led to the promotion of international trade, free movement of goods and open competition. Today, although there are many international organisations promoting these policies, the most important and relevant to public procurement are: The World Trade Organisation, the World Bank Group, the Organisation for Economic Cooperation and Development - OECD and the European Union

The World Trade Organisation (WTO) is in charge of regulating trade between states and is based on bi/plural-lateral agreements signed by over 164 member states, representing over 98% of world trade (WTO- Who we are, 2023).

The principles underlying the WTO agreements are: non-discrimination, open markets, predictability and transparency, fair competition, support for least developed countries, environmental protection, inclusiveness, partnerships and e-commerce. (WTO, 2023)

All these principles lay the foundations of the international trading system and contribute to raising living standards and creating new jobs.

Although at first glance this organisation contributes to increased competitiveness, increasing the level of trade, there are also criticisms of it, being accused of favouring rich nations, ignoring cultural and social factors. Although participation in the WTO is not mandatory, absenteeism indirectly leads to an unwritten embargo, this institution leading to economic globalization (Rodrik D., 2018) (Edelman, 2005).

In conducting its own procurement, the WTO applies the following principles: efficient and effective use of the Organization's resources, non-discriminatory, fair, impartial and open competition, transparency, best value for money, accountability (taking responsibility), integrity and compliance with the Organization's regulations and rules (Procurement at the WTO, 2023).

Some of these principles can also be found in Romanian public procurement legislation: non-discrimination, equal treatment, transparency and accountability. In Romanian legislation, best value for money is used as an award criterion, based on the same belief of giving value for money spent.

The Public Procurement Agreement imposes the principle of national treatment for all signatory parties, so member countries must give economic operators/products from other countries the same treatment they give to national economic operators/local products.

The World Bank Group (WBG) is a group of 5 international financial institutions (International Bank for Reconstruction and Development - IBRD, International Finance Corporation - IFC, International Development Association - IDA, Multilateral Investment Guarantee Agency - MIGA, International Centre for Settlement of Investment Disputes - ICSID). The Group brings together 189 member countries and works to eradicate extreme poverty and promote prosperity in a unified way (World Bank Group, 2023).

The International Bank for Reconstruction and Development provides loans for investment (purchase of goods, services and/or works in various areas) and development policies (financing for structural reforms). Borrowers must comply with the World Bank's Procurement Regulations in spending the funds they borrow, which are guided by the following basic procurement principles: value for money, economy, integrity, fitness for purpose, efficiency, transparency and fairness. To support the core procurement principles, the regulations provide more options for borrowers to design the right market approach (The World Bank, 2020).

Analysing the Treaty on the Functioning of the European Union, one of the founding treaties of this community, as well as the European directives, we still find a number of principles laid down.

From all these documents we can conclude that the principles underlying the European public procurement system are: free movement of goods and persons, freedom to provide services, equal treatment and non-discrimination, transparency, mutual recognition, proportionality, openness to competition.

With the accession to the European Union on 1 January 2007, Romania's public

procurement system was aligned with the European Directives in the field of public procurement. Emergency Ordinance No 34 of 19 April 2006 on the award of public procurement contracts, public works concession contracts and service concession contracts was an important step towards alignment with European procurement rules. The principles to be respected were: non-discrimination; equal treatment; mutual recognition; transparency; proportionality and efficiency in the use of funds.

As principles underlying the award of public procurement contracts, Law 98/2016 includes: non-discrimination; equal treatment; mutual recognition; transparency; proportionality and accountability.

It can be seen that the first 5 principles are common to both pieces of legislation.

Although one might think that, as this area is so important both in terms of the amounts transacted through public procurement (at European level between 11% and 15% of countries' GDP), the principles guiding these processes have found very little relevance in the research carried out to date. Most of the research that has addressed this area has focused on administrative aspects of the process itself or as reviews of legislation and its amendments (Patrucco et al., 2017).

3. Defining and explaining principles:

The principle of non-discrimination implies allowing any operator access to the competition, regardless of the form of organisation or nationality so that they have a chance of winning.

The principle of equal treatment refers to establishing the same rules and requirements for all economic operators, treating all bidders equally during the evaluation of bids, treating similar situations equally and different ones differently. It also involves providing the same information to all economic operators participating in the procedure.

Mutual recognition refers to the fact that countries may not prohibit the sale of goods from other EU member countries within the EU (European Union, 2023). This principle also refers in public procurement to the recognition of equivalent diplomas, certificates and attestations issued in other Member States.

Transparency means informing all potential bidders of the rules laid down for the procedure and complying with them during evaluation, in order to avoid favouring any economic operator.

The principle of proportionality means that the requirements to be met by tenderers must be in line with the needs of the contracting authority; it also means that the penalty applied must be proportionate to the error committed by a tenderer in order to avoid disproportionate penalties being applied.

The principle of assumption of responsibility implies the clear determination of tasks and responsibilities, the assumption by the contracting authority of the decisions taken during the public procurement process.

4. Conclusions

Any action taken during a public procurement process must relate to and be primarily concerned with compliance with these principles. It can be seen that most of these principles are common to the major organisations involved in world trade, which leads us to the conclusion that the free movement of goods is in fact a common goal for them, in order to contribute to the progress of mankind.

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BALANCING INNOVATION AND SUSTAINABILITY IN URBAN DEVELOPMENT - THE TALLINN MODEL

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Abstract: *The "smart city" concept has emerged as a transformative solution to the multifaceted challenges faced by urban areas in recent years. Often characterised by attributes such as innovation, competitiveness and experimental urbanism, the smart city represents a significant shift from traditional urban development practices on a global scale. While a universally accepted definition remains elusive, the smart city concept holds the promise of enhancing the quality of life, fostering sustainability and building resilient communities by leveraging information and communication technologies (ICTs). Employing a case study approach, this exploratory study delves into the experience of Estonia's capital, Tallinn, as it navigates the intricate realm of urban development. Tallinn's journey offers compelling insights into the coexistence of innovation and sustainability in the smart city paradigm, highlighting how the city has managed to strike a harmonious balance between these seemingly disparate forces. This paper underscores that innovation and sustainability are not mutually exclusive but rather complementary forces that can together contribute to the creation of urban environments that are forward-looking and environmentally responsible.*

Keywords: smart city, sustainability, green city, innovation

JEL classification: O18, O52, R11, R58

1. Introduction

In the 21st century, cities have become intricate systems that host growing populations, an array of interconnected services and vast infrastructure networks. They also serve as the primary engines of global economic growth, with more than half of the world's population residing in urban areas and contributing to over 80% of the global GDP (UN, 2022). However, urban areas face multifaceted challenges that extend to social, environmental and administrative issues and call for a thoughtful organisation and transformation that can help cities increase the prosperity, sustainability and overall well-being of their citizens. In this context, the concept of the smart city has emerged as a valuable tool for cities seeking to create innovative solutions.

The literature on smart cities provides various definitions that encompass a wide range of ideas and dimensions (Angelidou, 2014; Caragliu et al. 2011). Giffinger et al. (2007) introduced a benchmarking model with six pillars that define smart cities, including smart economy, smart mobility, smart environment, smart people, smart living and smart governance. Nam and Pardo (2011) categorised smart cities into three types based on their level of ICT integration: digital, intelligent and virtual cities, going beyond technology and emphasising the human and institutional dimensions. Albino et al. (2015) emphasise a holistic approach to achieving sustainable urban development

within the framework of smart cities. They argue that while technological advancements are crucial, they should be integrated within a broader context that also prioritises active involvement of citizens, transparent and responsive governance, as well as the promotion of social well-being.

Despite its current prevalence, this notion often appears vague and context-dependent, influenced by factors such as available resources, policy frameworks, administrative structures or financial capabilities (Bibri and Krogstie, 2017). Considering the transformations that Central and Eastern European (CEE) cities have witnessed in the post-1989 era, the smart city concept was not easily integrated into urban management practices (Sikora-Fernandez, 2018). Despite their commitment to digitalisation, the Baltic capital cities face common challenges reminiscent of their broader CEE counterparts, linked to their post-socialist legacies. These challenges encompass issues such as mistrust, a low level of citizen participation (Sikora-Fernandez, 2018). However, sustainability and e-governance have been incorporated into the core of urban development strategies across Baltic countries, underlining their commitment to creating more transparent and efficient urban environments (Akmentina, 2022).

As the smart transformation of CEE cities is a continuous and particular process, this paper seeks to provide an insightful examination of Tallinn's journey towards becoming a smart and green city, with practical takeaways and recommendations for urban planners, policymakers and researchers.

2. Methodology

This study employs a qualitative research design to investigate the innovative practices of Tallinn, one of the most developed smart cities in the Central and Eastern European region. The principal sources of data for this study will comprise documents related to Tallinn's smart city policies and practices. These documents will encompass official reports, policy papers, research articles and other publications related to the subject of innovation and sustainable development in Tallinn. Through content analysis of collected documents, certain themes, patterns and trends will be identified. It's worth noting that this study comes with certain limitations, including its reliance on secondary data sources as the accuracy and completeness of the collected documents are beyond the researcher's control. Furthermore, this study focuses exclusively on Tallinn and its findings may not be directly transferable to other cities.

3. Results

Tallinn, the capital of Estonia, is a dynamic and historically rich city, serving as both the country's political and economic centre and having a population of approximately 430,000 residents. The city is a significant driver of Estonia's economy, contributing to 51% of the country's GDP (Szpak, Modrzyńska and Dahl, 2023). Tallinn has earned a global reputation for its digital and technological advancements, while Estonia has embraced digitalisation as an essential component of its society. The country was the first in the world to declare access to the internet a basic human right and it introduced innovations such as digital signatures, online voting and a high-speed 5G network. These advancements have been instrumental in driving Tallinn's technological and economic development.

While Tallinn does not have a comprehensive Smart City strategy, its Tallinn 2035 Green and Global development plan outlines the city's vision for a brighter future.

Notably, Tallinn earned recognition as the 3rd smartest city in Eastern Europe and ranked 72nd globally in the Cities in Motion Index (IESE Business School, 2022).

Tallinn is celebrated as a smart city due to its innovative use of technology to enhance services and infrastructure for both residents and visitors. The city has launched various smart city initiatives with the aim of promoting sustainability, efficiency and a better quality of life (Ursache, Muñoz and Apostoaie, 2023).

Tallinn's journey toward digitalisation places its citizens at the heart of the transformation. The city's strategic approach hinges on three essential pillars: accessibility, user-friendliness and interoperability, all aimed at ensuring a seamless transition to a smart city (City of Tallinn, 2020). Furthermore, Tallinn's e-residency initiative allows people from across the globe to become virtual residents of Estonia. The key takeaway is that a strong, secure digital identity framework is foundational for smart and green cities, facilitating services, entrepreneurship and global collaboration (Szpak, Modrzyńska and Dahl, 2023)

The establishment of numerous startup incubators and accelerators, along with the presence of two technological parks within the city, has played a pivotal role in facilitating and igniting Tallinn's digital development (Intelligent Cities Challenge, 2017). Tallinn's focus on technological innovation is evident in projects such as Ülemiste City, a forward-looking urban environment that attracts talents from around the world. It is designed to foster innovation and knowledge-based industries and uses smart city technologies to create a conducive environment for business and creativity (Ülemiste City, 2023). Tallinn has also forged a close collaboration with the city of Helsinki and this partnership has resulted in numerous achievements in areas such as energy, transport and integrated smart city solutions (Intelligent Cities Challenge, 2017).

Sustainability and environmental consciousness are integral to Tallinn's identity. The city's commitment is highlighted by its recognition as the European Green Capital for 2023. The initiatives included in its strategy span across areas such as waste management, water quality, air quality, noise reduction, biodiversity preservation and soil improvement (Green Tallinn, 2023). Furthermore, Tallinn has championed numerous energy-efficient and eco-friendly projects. This includes the installation of smart lighting systems that adapt to natural light levels and the utilization of renewable energy sources to power public transportation. Additionally, the city has introduced a bike-sharing program and made substantial improvements to pedestrian and cycling infrastructure, promoting safer and more convenient alternatives to car travel. Collectively, these smart city initiatives aim to elevate the quality of life for Tallinn's residents, minimize the city's carbon footprint and bolster economic growth and sustainability.

4. Conclusions

Cities in CEE have made substantial progress in embracing smart city technologies and solutions, ushering in a new era of urban development. What sets them apart is their unique ability to seamlessly blend technological advancements with active citizen engagement, collaborative governance models and a steadfast focus on sustainability. Tallinn exemplifies a city that has effectively balanced innovation and sustainability in its urban development. Despite the distinct challenges it faces, its dedication to innovation and the adoption of smart city principles serves as a beacon for other urban areas aspiring to build more intelligent, inclusive and sustainable environments for their residents. The city's citizen-centric approach, combined with its digital initiatives and commitment to data-driven governance, positions Tallinn as a forward-thinking urban

centre that prioritises the well-being of its residents while promoting environmental sustainability.

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DIGITAL TRANSFORMATION IN THE EUROPEAN UNION: IMPACT ON ECONOMY AND SOCIETY

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Abstract: *This article explores the impact and the effects of digital transformation in the European Union (EU) on the economy and society. Important EU initiatives are examined, along with the opportunities and problems they present. Leading the way in digital innovation is the European Union (EU), which views this process as a way to boost innovation, optimise public services, and increase economic competitiveness. The European Union (EU) has started a digitization journey in recent years that aims to transform how businesses, citizens, and member states engage with the outside world. This article will examine the complexities of the EU's digital revolution while analysing its motivating factors and difficulties. Future prospects are also examined in the context of innovation and sustainable economic growth.*

Keywords: Digital transformation; Digital innovation; Digital Europe

JEL classification: O330

1. Introduction

The EU is undergoing a complicated process known as "digital transformation," which involves utilising digital tools like big data, the internet, artificial intelligence, and the Internet of Things to boost productivity, creativity, and competitiveness.

The markets have been significantly impacted by the digital transformation, which has also changed how businesses operate and opened up new economic opportunities. This shift encourages innovation within the Union and is directly related to making the European economy more competitive.

The impact of the digital transformation on the EU economy is significant. For instance, enhancing production procedures and producing goods and services with greater efficiency through the use of digital technologies can make European companies more competitive in international markets.

2. Initiatives for Digital Transformation

Several important EU initiatives demonstrate how the digital transformation is affecting the economy:

2.1. The Digital Single Market

One of the European Union flagship initiatives is the Digital Single Market, which aims to remove barriers to cross-border digital trade. This project brought about the harmonization of digital regulations, thus increasing economic opportunities for businesses (Dąbrowski and Suska, 2022).

The Digital Single Market is a major effort to create an enabling digital environment in the EU. It aims to remove barriers to cross-border digital trade. For example, by standardizing e-commerce regulations within the EU, it facilitates the sale of goods and services in the single market, thereby increasing economic opportunities for businesses.

A unified digital marketplace fosters economic growth by enabling businesses to reach a wider audience. Removing cross-border barriers and harmonizing digital regulations boosts trade and innovation. Consequently, the EU economy has been revitalized by a stronger digital market.

2.2. Digital Innovation Hubs

The EU supports digital innovation hubs in Member States, which provide resources, technical assistance and funding to innovative businesses. Digital Innovation Hubs are specialized centers that provide resources, technical support and funding for innovative businesses that want to adopt and develop digital technologies. (European Commission, n.d.).

Hubs support the development of new digital products and services by providing expertise, testing facilities and funding.

These hubs have become poles of digital innovation that contribute to economic growth. By supporting innovative businesses, these hubs stimulate the development of cutting-edge digital products and services, which improves the EU's economic competitiveness.

2.3. 5G and Connectivity

Investment in 5G networks and high-quality connectivity has had a significant impact on the economy. 5G provides an essential basis for the development of digital services, thus increasing efficiency in many economic sectors (European Commission, 2019).

The deployment of 5G technology is crucial to enhance connectivity and facilitate the development of digital services. From manufacturing to healthcare, faster and more reliable connectivity supports economic growth by improving efficiency and innovation. Investment in high-speed connectivity is essential to support the Internet of Things (IoT), autonomous vehicles and digitization of industries with a direct impact on economic sectors.

2.4. Data Protection and GDPR

The General Data Protection Regulation (GDPR) has transformed the way businesses manage personal data, with a focus on data protection and individual rights. This can help boost consumer confidence in the digital environment, opening up new economic opportunities (European Commission, n.d.).

GDPR has a significant impact on how businesses collect and use personal data. Consumer confidence in the digital world may rise as a result of the GDPR's increased protection of citizens' personal data. Growing trust may create new chances for data-driven business development.

3. Challenges and Opportunities

The digital transformation of the economy presents both opportunities and challenges.

3.1. Digital Divergence

In the EU, the digital divide is a serious problem. Economic and social inequality can arise from unequal access to technology and digital skills. In order to guarantee an equitable digital transformation, it is imperative to tackle this disparity (Hunady et al., 2022).

An imbalance in access to the economic opportunities brought about by the digital transformation may result from this phenomenon.

Encouraging equitable participation in the expanding digital economy requires expanding technology access and fostering digital skills development in less developed areas. It's still difficult to guarantee equal access to digital opportunities.

3.2. Cybersecurity

The EU economy is very concerned about the increase in cyber threats. Economic security depends on safeguarding data and digital infrastructure (European Commission, 2019).

The economy may be significantly impacted by the increase in cyber threats. To preserve the integrity and security of the economy, digital infrastructure and data must be protected. Businesses and institutions may suffer major financial losses as a result of a cyberattack.

The European Union is always striving to improve its cybersecurity protocols, safeguard vital infrastructure, and combat cybercrime. To preserve the integrity and security of the economy, digital infrastructure and data must be protected.

3.3. Data Governance

Data governance is a difficult task. Finding a balance between the right to privacy and the necessity of using data for economic development and innovation is necessary. Sufficient regulation is necessary to guarantee an equitable distribution (European Commission, n.d.).

Data governance is about how data is collected, stored and used. A challenge is finding the balance between individual data privacy rights and the need to use data for innovation and economic development. Adequate regulation is essential to ensure a fair balance. The EU faces complex data governance issues, including balancing privacy rights with the need for data-driven innovation and regulation of digital platforms.

3.4. Global Competition

The European Union competes globally with digital giants from other regions. This calls for creating and promoting European digital champions and supporting innovation to remain competitive (Mičić, 2017).

Competing with international digital giants presents both challenges and economic opportunities. Creating and promoting European digital champions can strengthen the EU's position in the global digital economy.

3.5. Lack of Skills

Addressing the digital skills gap through education and retraining is crucial to preparing the workforce for the digital economy (Dąbrowski and Suska, 2022).

The rapid pace of digital transformation imposes the need for a skilled and prepared workforce for the jobs of the future. Addressing the digital skills gap through retraining and digital education programs can ensure the availability of the skilled workforce needed to develop the digital economy.

4. Conclusion

In conclusion, digital transformation is a complex process that influences the economy of the European Union in many ways. This process brings a number of opportunities for economic growth, stimulates innovation and promotes economic competitiveness, but also significant challenges.

Digital transformation has become a central element in the evolution of the economy and society in the European Union, so it is crucial that the EU continues to invest in digital technologies, address the challenges and capitalize on the potential offered by digitization for innovation, economic growth and the improvement of society as a whole.

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QUETELET, THE POLYHISTOR OF THE 19TH CENTURY

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Abstract: *By the 17th and 18th centuries, two trends in statistics had developed: descriptive statistics and political arithmetic. The main representatives of descriptive statistics were the newly established statistical offices or organisations in the countries. The main task of this movement was to describe the status of the state. Political arithmetic concentrated on the observation of socio-economic phenomena that could be quantified and on the relationships between social phenomena. Adolphe Quetelet, who played a major role in many disciplines, was most active in the field of statistics. He was the man who united the two branches of statistics and one of the people who made statistics a science. He is associated with the founding of many statistical journals and societies, and worked tirelessly to establish international cooperation between statisticians, resulting in the regular International Statistical Congresses.*

Keywords: Adolphe Quetelet; the evolution of statistics; theory of statistics; Political arithmetic; Statistical congresses

JEL classification: C00

1. Introduction

Károly Keleti, in his speech at the Hungarian Academy of Sciences on 30 November 1874, said that Adolphe Quetelet "a hero of the whole head outstanding among those who have struggled in the field of statistics". The scientific work of Adolphe Quetelet (1796-1874) was extremely varied. A Belgian polyhistor, he achieved great success in meteorology, astronomy, mathematics, demography, sociology, criminology and the history of science. He created the body mass index, which is still used today. In 1828, he founded the Royal Observatory in Brussels, which he directed for several years, pioneering the study of meteorites. At the age of twenty-four, he was elected a member of the Belgian Academy of Sciences and was its President from 1832 to 1834, and then its Honorary Secretary from 1834 to 1874.

Throughout his life, Adolphe Quetelet was associated with many eminent personalities, including contemporaries such as Pierre Simon de Laplace, Simeon Denis Poisson, and André-Marie Ampiér. At the request of King Leo I of Belgium, he taught mathematics to the Dukes Ernest and Albert of Saxe-Coburg and Gothia, discussed population trends with Malthus, philosophical issues with Goethe, and census issues with James Garfield, the twentieth President of the United States. He was a close friend of Queen Victoria's husband, Prince Albert, and corresponded extensively with the German mathematician Carl Friedrich Gauss, the English physicist Michael Faraday, and the German naturalist Alexander von Humboldt. In recognition of his scientific work, Quetelet was elected a fellow of several prestigious

foreign institutions.

Although Adolphe Quetelet played a major role in many disciplines, his greatest contribution was in the field of statistics. He is one of those who made statistics a science. Károly Keleti clearly attributed to him the creation and dissemination of the idea of modern statistics. At the start of the 2006-2007 academic year, the new lobby of the Faculty of Economics and Business at the University of Ghent was named after Adolphe Quetelet, and a large meeting room at Eurostat in Luxembourg is named after him.

2. The scientific work of Quetelet

2.1. State Descriptive Statistics versus Political Arithmetic

By the 17th and 18th centuries, two trends in statistics had emerged: state descriptive statistics and political arithmetic. Contemporary professional literature used the term 'political' to mean information on the general development and state of society, the state or the economy, rather than the narrowed sense in which it is used today. Descriptive statistics was typically German, while political arithmetic was an Anglo-Saxon trend. The German school emerged from the work of Hermann Conring (1606-1681) and Gottfried Achenwall (1719-1772) as an indispensable body of knowledge for the practice of government. This trend made the description of the condition of the state its main task. Its representatives were concerned with the consistent systematisation of facts, in contrast to the English trend, political arithmetic, which traditionally emphasised the measurement of phenomena. Whereas the descriptive statisticians made little use of data or figures in their analyses, the political arithmeticians concentrated on the observation of socio-economic phenomena that could be quantified. Political arithmetic was an extension to the social sciences of a new approach which had already taken root in the natural sciences. (Bekker, 2011) The theory and methodology of political arithmetic was most influenced by the development of the calculation of probability and the formulation of the law of large numbers. For the representatives of this science, descriptions of the state and the population were not sufficient, but they began to investigate the causes that affect the material, spiritual, moral and religious relations of the members of society. They were looking for regularities similar to those of natural science, those that influence human actions. Social phenomena were not only described in quantitative terms, but also explained in terms of data and causal links were sought. Statistical activity has moved from a qualitative to a quantitative approach and measurement has become a central element of scientific research. The creators of political arithmetic, John Graunt (1620-1674) and Sir William Petty (1623-1687), were primarily concerned with questions of population movements.

In the 19th century, Adolphe Quetelet, who was primarily interested in political arithmetic, united the two schools of statistics. Until the 19th century, statistical activity was characterised by a predominance of enumerative methods. The most popular method was censuses, including not only censuses of the population, but also censuses of agricultural, commercial and other business enterprises. In the United States and German territories, sampling-based procedures were essentially banished from official statistics during this period. (Desrosicres, 1997).

2.2. The creation of modern statistics

The change in approach to official statistics from the 1930s onwards is undoubtedly due to the scientific work of Adolphe Quetelet, who was the first to successfully

reconcile the tasks of statistical officials and scientific researchers. Thus, the era of the creation of official statistical bodies was also an era of unity between practical statistical activity and its theory and methodology. The Belgian polymath was also influenced by German academic descriptive statistics, the theory describing the current status of the state apparatus, but he also recognised the potential of statistics, the mass of data that is essential for the development of society. Quetelet believed that without the availability of reliable, large-scale data covering the relevant areas of society, modern statistical activity cannot be successfully carried out.

During his studies in Paris, Quetelet became familiar with the theoretical foundations of probability theory, and with this knowledge, he successfully introduced into official statistics methods originally used only in the natural sciences, such as averages and distributions based on systematic observations. These procedures enabled him to project into the future the laws observed in the past. In his 1835 work 'Sur l'homme et le développement de ses facultés, ou Essai de physique sociale', Quetelet outlined the programme of social physics and described his theory of the 'average man', which he characterised by the average of measured variables following a normal distribution. With Quetelet's work of 1835, a new era of statistics began. On the methodological side, he formulated two key principles. The first is that "Causes are proportional to the effects they produce". The second principle Quetelet developed was that large numbers are needed to draw any reliable conclusion. Quetelet's scientific work had an impact in various fields of social sciences. The roots of demography, sociology, criminology, biostatistics and many economic insights can be traced back to Quetelet's ideas (Desrosières, 1997).

Quetelet thus not only assigned to statistics the task of aggregating and communicating data, but also recognised a much more important role. He saw statistics as a tool for the development of the state and society. He believed that by using long time-series data, statistics could provide a picture of the economic, social and cultural characteristics of a country, and that it could be used to draw appropriate conclusions and take appropriate action on the basis of the information available (Horváth, 2021)

Quetelet used statistical correlations as a model for meteorological forecasts, the results of which he used to "explain phenomena and warn individuals and governments what will happen as a result of the observations presented, and what they must do to change events, which have the appearance of strict regularity, for the benefit of society by means of reasonable measures" (Keleti, 1875, p.11).

3. International Statistical Congresses - Harmonisation of national statistics

In the first half of the 19th century, most European countries set up their own national statistical offices. The institutional form of the statistical services varied from state to state, but they had in common that the primary purpose of using the data collected was to measure the economic and social potential of the nation.

Statistics, after its institutionalization in the 19th century, became a widely accepted science, the main representatives of which were the newly established statistical offices and organizations of the countries, which collected, systematized, analyzed and published data on the functioning of the state and society. (Horváth, 2021)

In statistics, Quetelet, as was already common in the natural sciences, placed great emphasis on the issue of standardising methods of data collection and tabulation, and the presentation of results. The growing amount of data raised the need for international cooperation, standardisation of research methods and international comparability of data. Quetelet recognised the need to promote the development of an

international movement of statistical activity, the creation of comparable statistics and the standardisation of data collection, data processing and the system of indicators. At the Great Exhibition of London in 1851, Adolphe Quetelet, in consultation with a small group of experts from various countries, developed the idea of international statistical congresses. In recognising the merits of the inventors of these congresses, it is important to bear in mind that in the early 1850s the phenomenon of international congresses was still relatively new in the world. The few international congresses held during this period were mainly concerned with problems that threatened the whole world, such as the first sanitary congress held in Paris in 1851, which was convened to control and treat cholera epidemics.

4. Summary

Adolphe Quetelet opened a new era in the development of statistics. He gave statistics new goals and new tools to achieve them. His conviction that the scientific study of social life should be based on quantitative methods and mathematical techniques foreshadowed, as early as the mid-nineteenth century, the concept that has become the guiding principle of modern social research. The statistical methods that he pioneered and which he promoted in international scientific circles are as important and inescapable today as they were in his day.

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WHAT DO CONSUMERS BELIEVE ABOUT SOCIAL ENTERPRISES? AN OVERVIEW OF THE LITERATURE ON CONSUMERS' PERCEPTIONS OF SE

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Abstract: *Through a literature review of the most recent papers on the topic or closely related to it, this study seeks to uncover the major results on the perspective of social enterprise consumers today. In the past 30 years, the social economy sector has grown massively. It is believed to be a new and inventive industry that will develop in significance and impact over time, so a precise description of its terminology in the literature is needed, which this analysis obliquely offers. We have found and examined ten articles concerning the social economy sector, with a special focus on its customers and other significant players like the government and the commercial sector, after starting with the literature review. The results of the content analysis show that conversations about financial concerns, marketing, and government participation are the most often discussed themes associated with social enterprises. Professionals can gain significant insights from the data presented, which are valuable for specialists in the SE field.*

Keywords: social enterprise, perception, social economy, literature review, social enterprise products

JEL classification: M14, M30, M31, M37, O35

1. Introduction

The results of the recent literature show that conversations about money, marketing, and government participation are the most often discussed themes associated with *social enterprises*. This type of organization differs from traditional businesses in that they prioritize social impact over profit maximization, allowing their social impact to benefit people's lives (Dart, 2004). They are not charities; instead, they aim to strike a balance between the two by generating revenue that can be used to further the social/environmental mission. The concept of social enterprise emerged in the late 1990s, when Professor Gregory Dees published an article in 1998 that essentially laid the groundwork for what these organizations are today.

This article's goal is to summarize the main conclusions about how consumers perceive social enterprises, based on a review of the literature we did to shed light on the topic in the field of social economy. Saebi et al. (2019) asserts that the topic of social entrepreneurship is still unresolved because theoretical and conceptual discussions about it are still going on. Therefore, a review of the literature can give experts a better understanding of the knowledge that is available, particularly with regard to our focus—the SE consumer.

2. The context of the social economy sector

The European Union has prioritized the growth of the social economy sector over the last ten years, as evidenced by the adoption of the Social Business Initiative (SBI) in 2011. More than fifty million euros have been allocated by the European Union Commission to provide funding, support, and opportunities for entrepreneurs who aspired to make a positive difference in their community by establishing or bolstering social enterprises. Their strategy worked, as only social entrepreneurs possessing a SE contributed more than 8% of the EU's GDP in 2021.

Although a private company may also have an impact on society or the environment, this is usually not seen as the primary goal of the company. While private businesses usually use their profits to pay dividends to shareholders or reinvest in the company, social enterprises frequently use their profits to invest in their social mission. Over the past 20 years, public sector reforms and government welfare programs have given businesses in many countries access to new markets and opportunities (Kendall, 2000).

The way that social enterprise products are viewed can depend on a number of factors, including the target market, the specific product, and the level of knowledge and comprehension of social entrepreneurship. Consumers are generally more likely to think favorably of social enterprise products that are well-made, reasonably priced, and of excellent quality.

Customers might also be more likely to select that product over a similar one from a traditional company if the social enterprise's goal is clearly stated and aligns with their own beliefs or values. Even though social enterprises make an effort to meet the needs of their beneficiaries, their products may receive less positive feedback if customers perceive them as expensive or of low quality (Choi et al., 2013).

2.1. Decomposed theory of planned behaviour

The Decomposed theory of planned behavior (Ajzen 1991, 2002) is mentioned in one of the most pertinent literatures in the field and claims that we can assess *the perspective of the consumer* by evaluating three main variables: attitude, subjective norm, and perceived behavioral control. According to Mueller et al. (2018), there are two parts to subjective norms: the external influence (from the mass media or other professional opinions) and the interpersonal influence (such as advice from friends, family, coworkers, and so on). Prefactor variables for the development of attitudes include behavioral beliefs and their persistence, according to Fishbein and Ajzen (1975). Studies show that moral character and sense of ethical self positively influence consumers' attitudes and purchase intentions, especially when it comes to environmental protection and social morality. Additionally, studies have shown that ethical consumers are more likely to consistently act ethically and identify as such. Understanding the concept of ethical self-identity is necessary to comprehend consumer attitudes regarding social welfare-related product buying habits and corporate social responsibility.

Perceived behavioral control (PBC) is a component of the theory of planned behavior, a model that helps explain and predict people's intentions and actions. PBC, or a person's perception of their ability to control their behavior, is thought to be influenced by a number of factors, such as perceived control over the situation, self-efficacy, and past behavior. Since people with high PBC are more likely to engage in a behavior than those with low planned behavior, PBC is thought to be a crucial factor in determining a person's intents and behaviors, thus an important variable in analyzing the decision-making process when it comes to social enterprise products as well.

3. Conclusions

The content analysis concludes by highlighting the primary concerns of the social economy sector, which include legislative issues, the role of social entrepreneurs, the sustainability of their finances, and the motivation behind their establishment.

The financial stability variable is one of the challenges that social entrepreneurs face because their goal is not to maximize profits, but to support a specific community or group. Expert studies indicate that these groups may need to create business models and clearly define their marketing strategies in order to meet consumer expectations and become financially sustainable. In the articles under analysis, the Planned Behavior Theory is also mentioned as an appropriate tool for analyzing consumer perceptions of SE products and the influence of reference groups on decisions to buy products or services from social economy businesses. According to Lee, Zalani, and Rahman's (2020) article, businesses should concentrate on "providing more education to the consumers on the social enterprise products" in order to increase the likelihood that they will make a purchase. In this way, social entrepreneurs and marketers can create powerful marketing tools and strategies to exceed their social mission and goals.

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