

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

Proceedings of the 7th Conference of Doctoral Students in Economic Sciences

**UNIVERSITY OF ORADEA
FACULTY OF ECONOMIC SCIENCES**

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Contributions of Young Researchers**

***Proceedings of the 7th Conference of Doctoral
Students in Economic Sciences***

No. 4 - December 2016

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PREFACE

Scientific research in economics presently plays, 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 stimulation 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.

Now, we release the 46 papers selected from the scientific contributions of the PhD students, presented at the 2015 edition of the Doctoral Symposium Session and which received after the review process, the agreement for publishing from the Scientific and Editorial Board. The papers were presented, during the Doctoral Symposium, at five panels, dealing with topics related to Microeconomics and Economics of the firm, Entrepreneurship and SMEs, Tourism and services, Macroeconomics etc. We release the 4th issue of the journal *Emerging Markets Economics and Business. Contributions of Young Researchers. Proceedings of the 7th Conference of Doctoral Students in Economic Sciences* 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 Scientific Board, to reviewers, to the members of the organizing committee, and to all generous fellows who supported the Annual Doctoral Symposium held on 23rd of November 2016 at the University of Oradea, and thus made possible the release of this volume.

Oradea, December 2016

President of the Symposium,
Professor Alina Badulescu

REGIONAL ISSUES OF EMPLOYMENT

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Abstract: *At EU level there appears to be some differences between employment rates of workforce between Member States and regions. These differences are growing and lead to a polarization of the EU between its centre and its periphery. It appears, therefore, the risk of creating greater social imbalances on long term. From this point of view, we consider that is important to study the factors that lead to these differences. As a first step in this direction, the article presents an analysis of the issues relating to the employment in Romania in the context of the challenges from the last years. Thus, the evolution of employment both nationally and at the level of the eight regions is presented. It is also highlighted a comparative average number of employees, corresponding to the national economic activities. The information presented in this article can be a starting point for a further analysis in this field.*

Keywords: workforce, population, Romania, sustainable development

JEL classification: J6, R1

Romania is facing development gaps between urban and rural areas. As such, the rural population receives less access to education, health care, basic commodities and public services. Employment and social affairs have lower results in rural areas. The reduced and fragmented local administrative capacity can be a cause of these differences. Travel costs are high, public and private transport is limited and the transport infrastructure is underdeveloped. From an economic perspective, rural areas do not benefit from a high level of economic activities diversification. Under these circumstances, new challenges related to demographic changes and population aging appear. Nevertheless, in Romania, in 2015, the labour market conditions improved. The unemployment is low and the employment rate has been increasing. The long-term unemployment is below the European Union average (CEU, 2016).

When studying the aspects referring to the employment we have to take into account the information that some indicators can provide. In this regard, the civil employed population can be considered as a first indicator. Thus, the civil employed population includes all the persons who work for an income and whose work is usually done in one of the activities of the national economy, being defined as an economic or social activity, based on a work contract or a free-lance activity (self-employed) in order to get income such as salary, in kind payment, etc. (NIS, 2016). In Romania, during 2008-2015, the civil employed population had the evolution presented in Figure 1.

It can be noted that the civil employment population has registered a decrease after the beginning of the crisis. The period comprised between 2011 and 2012 is a period of recovery. The trend for the period 2012 - 2015 is defined by the decrease of the employed population. In 2015, the employment was about 4.7% less numerous than in 2008.

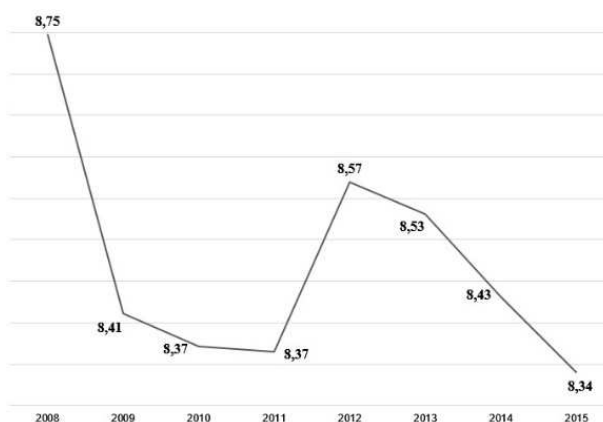


Figure 1: The evolution of civil employed population for the period 2008-2015 (millions of people)

Source: own representation using NIS data, 2016

Labour market inequalities are determined by a decrease and aging of the population. The evolution of these imbalances can be hampered by applying measures related to the correspondence of professional qualifications to labour market requirements. Thus, the offer of qualifications that can be achieved is increased through both initial training programs and continuing professional training programs.

In Table 1 it is shown the comparative situation of the civil employment population number, depending on the region of development, for the year 2008, respectively for 2015, in thousands of people.

Table 1: Comparison between the number of civil employment population for the years 2008 and 2015 (thousands of people)

Region	2008	2015
North West Region	1187.9	1176.0
Centre Region	1046.5	1026.6
North East Region	1248.9	1149.4
South East Region	1057.6	969.0
Sud-Muntenia Region	1201.0	1117.7
București-Ilfov Region	1281.7	1274.7
South-West Oltenia Region	867.0	787.7
West Region	856.4	839.5

Source: own processing data using NIS, 2016

In the data presented in the table we can observe that, in all regions, for the analysed period, the civil employment population has decreased. The most significant decreases are recorded for: the South West of Oltenia, the South East Region, the North East Region and South-Muntenia Region.

Another important indicator is the number of employees. At EU level, it is considered that an additional number of 16 million employed citizens is required in order to meet the 75% employment rate target in 2020 (EP, 2016).

There is some imbalance between the active and inactive population. These imbalances exert pressure on the social security system.

For the period 2000-2004, there was observed a decrease in the average number of employees, from 4.62 to 4.47 millions of people. After this period followed a period of increase for 2004-2008, to 5.05 millions of people. For this indicator, after the crisis, it is

observed that the values decrease. Thus, after the period of decrease (2008-2011), the period 2011-2015 registered an increase in the average number of employees. It can be noted that, in 2015, the average number of employees is similar to the one registered in 2000 (4.61 millions of people).

Table 2 presents the comparative situation of the average number of employees for the activities of the national economy, for 2000, respectively for 2015.

Table 2: Comparative situation of the average number of employees for the activities of the national economy, for 2000 and 2015 (thousands of people)

Activities	2000	2015
Agriculture, Forestry and Fishing	191.15	112.70
Mining and Quarrying	140.60	57.86
Manufacturing	1,546.31	1,122.32
Electricity, Gas, Steam and Air Conditioning Supply	126.52	55.45
Water Supply; Sewerage, Waste Management and Remediation Activities	80.64	99.31
Construction	316.99	354.71
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	565.85	767.53
Transportation and Storage	316.07	256.48
Accommodation and Food Service Activities	83.83	133.85
Information and Communication	84.55	143.27
Financial and Insurance Activities	71.40	88.42
Real Estate Activities	15.31	24.36
Professional, Scientific and Technical Activities	80.33	143.86
Administrative and Support Service Activities	89.51	259.68
Public Administration and Defence; Compulsory Social Security	147.07	194.09
Education	407.33	357.13
Human Health and Social Work Activities	298.28	331.79
Arts, Entertainment and Recreation	28.02	62.69
Other Service Activities	33.28	45.90
Total	4,623.03	4,611.40

Source: own processing data using NIS, 2016

From the data presented in Table 2, it can be noted that the largest share is represented by the employees that work in manufacturing field. On the second position are situated the employees that work in wholesale and retail trade fields. In 2015, compared to 2000, there was a significant decrease in the average number of employees in the following economic activities: mining and quarrying; production and supply of electricity, gas, steam and air conditioning supply; Agriculture, Forestry and Fishing. At the same time, were recorded increases in the average number of employees for the following economic activities: administrative and service support activities; arts, entertainment and recreation; professional, scientific and technical activities.

At the same time, the decrease in number of employees from one area of economic activity can lead to cessation of companies or reduction of their number of employees. Due to these developments, changes occur in the structure of the labour sector.

Rapid development of technologies, combined with other economic and societal developments have seen an increase in new forms of work and employment relationships that are transforming and creating an ever more complex labour market landscape.

Innovation and creativity are important in driving a sustainable and competitive social market economy (EESC, 2016).

In conclusion

Even though in 2000 and 2015, the average number of employees is similar, from the data presented can be observed a difference of the economic activities to which the employees were targeted.

Also, although the civilian employment is decreasing, the average number of employees has an upward trend.

There are needed further reforms in order to enable the compliance with the requirements of citizens in the employment and social fields (EP, 2016).

New forms of employment have the potential to create job opportunities, enable labour markets to function more smoothly, offering increased flexibility for both workers and employers, adding to the autonomy of workers and adaptability of work places, promoting skills development and offering increased scope to develop a positive work/life balance (EESC, 2016).

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HUMAN RESOURCES IN SUPPORTING SUSTAINABLE DEVELOPMENT

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Abstract: Reconsidering the environment and the values offered by sustainable development can lead to wealth insurance, growth and development. The framing of economic policies around the concept of sustainability can be considered the main result of these actions. Investing in human resources leads to economic growth and development. Besides the economic, environmental and social policies, the human resources policy is one of the strategic directions. Generally speaking, human resources policy takes into account the demographic evolution, education, culture, health. From this point of view, the article presents an analysis of aspects regarding the support that the human resources can provide to the sustainable development process. Thus, the evolution of labour resources and their employment rate is presented. A statement of registered unemployed by regions is also highlighted, as well as changes in the number of unemployed by finished studies.

Keywords: human resources, Romania, sustainable development

JEL classification: O1, J2

Eradicating poverty and increasing employment are areas towards which initiatives on sustainable development are headed. Nevertheless, economic policies should consider other sustainable development goals related to social fairness, strengthening livelihoods and environmental management, as well as support growth (PAGE, 2015). Sustainable development also requires the application of measures that support the acquisition of new skills and programs of education and training. Intending to achieve a more sustainable economic development, that favours inclusion, human resources training should represent basic actions (WTO, 2009).

Changing the terms resources are used can lead to significant improvement of the environment (EEA, 2014).

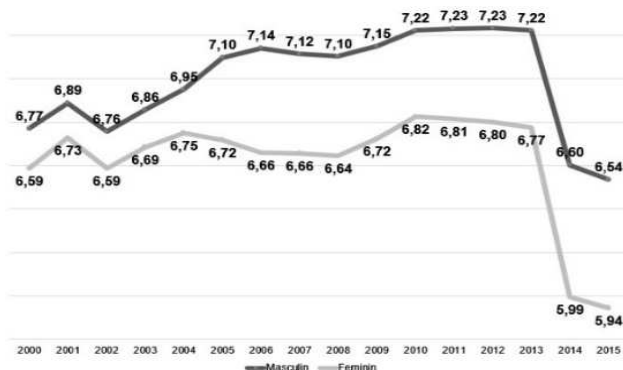


Figure 1: Changes in labour force, by gender, for the period 2000-2014 (millions of people)
Source: own representation using NIS data, 2016

The work resources are an important indicator of the labour force. Thus, they represent that category of the population with the physical and intellectual capacities to perform useful work in one of the economic activities.

Labour resources include: working age population able to work, as well as persons under and over the working age, but who are still working.

In Figure 1 we can see similar developments of values for females and males. Significant decreases recorded for 2013-2015.

Another indicator is the rate of employment of labour resources. Figure 2 presents the employment rate of labour resources for the period 2000-2014 (%).

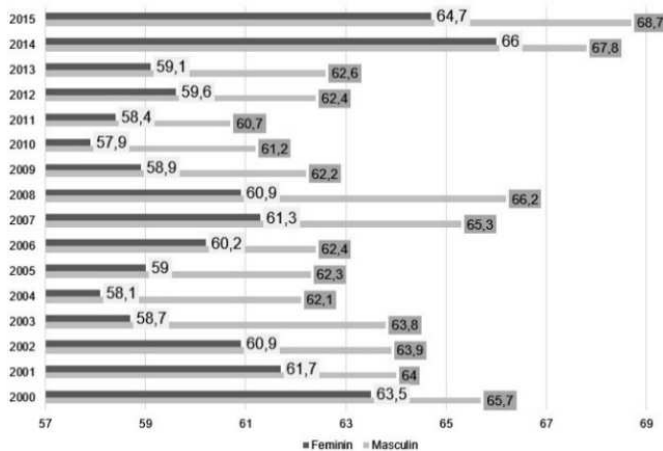


Figure 2: The evolution of employment rate of labour resources
Source: own representation using NIS data, 2016

For the period 2004-2008, there is an increase in the rate of employment for males. Due to the economic crisis, in the period 2008-2011, the figures drop. In the next period (2011-2015) the employment rate for males has an upward trend. For females, evolution is relatively similar, but in 2015 the employment rate for females has a downward trend. Table 1 shows the comparative number of unemployed in 1991 and 2015 respectively, for the regions of Romania, in thousands.

Table 1: The comparative number of unemployed

Region	1991	2015
North West Region	46.84	41.05
Centre Region	23.98	50.23
North East Region	80.17	77.79
South East Region	57.31	68.90
Sud-Muntenia Region	44.39	79.27
București-Ilfov Region	17.58	23.02
South-West Oltenia Region	40.76	70.35
West Region	26.42	25.64
Total	337.44	436.24

Source: own processing data using NIS, 2016

Significant decreases in the number of unemployed are observed in the North West. Increases were registered in the following regions: Central, South-Muntenia, South-West Oltenia.

To get a detailed view of the unemployed situation, we can make an analysis by educational level. Thus, Figure 3 shows the evolution of unemployed persons with primary, secondary and vocational studies (thousands of people).

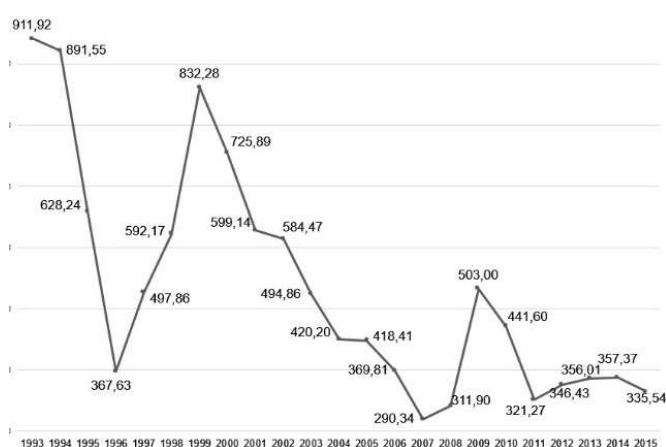


Figure 3: The evolution of unemployed persons with primary, secondary and vocational studies

Source: own representation using NIS data, 2016

For these categories of unemployed there is a decrease for the periods 1993-1996 and 1999-2007. Also, on the background of the economic crisis, there is an increase for 2007-2009. For the period 2011-2015, the values remain in the range 321.27 to 335.54 thousand people.

The evolution of the number of unemployed with high school and post-secondary is similar. There is an increase in values for the period 2007-2009 for this category of unemployed, as well as for 1996-1999. For the period 1999-2007 the number of unemployed with high school and post-secondary has been declining. We believe that these declines may be based on the requirements of the labour market for people who have skills specific to high school graduates.

For unemployed with university studies, the situation is shown in Figure 4.

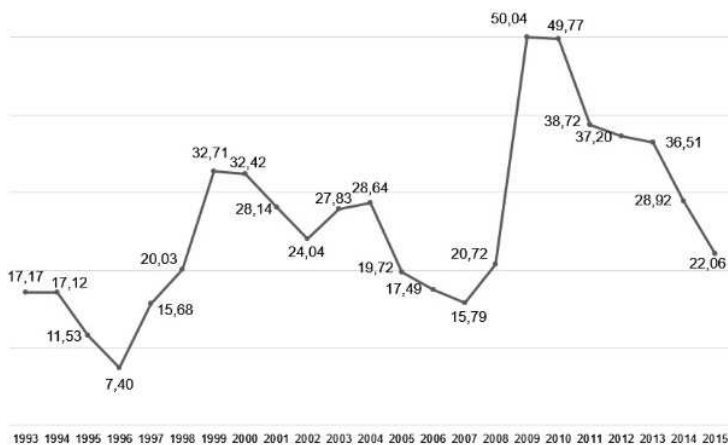


Figure 4: The evolution of unemployed persons with university studies

Source: own representation using NIS data, 2016

The crisis has affected this category of unemployed, as well. Thus, increases for 2007-2009 can be observed. After this period, namely between 2009 and 2015, the number of unemployed with university studies has been declining.

Unemployment reduction may be due to labour migration to more developed countries in Western Europe, as well.

Reducing the active population number adversely affects employment dynamics. Thus, a decrease in employment of labour resources results in a reduction of the activity rate. This reduction, coupled with an increased retirement, leads to increased economic dependency of the population.

In conclusion

For the period 2000-2015, there is a considerable decrease of labour resources, regardless of their gender. The decline began in 2010-2011 and was accentuated in 2013-2015. Nevertheless, for the period 2014-2015, the employment rate of labour resources is the highest in 15 years.

In terms of the evolution of unemployed, there is a decrease, regardless of the level of their training.

There is a need for new economic and social models that meet today's complex challenges. In order to ensure progress, economic growth and prosperity in Europe a transition to an economy based on innovation is necessary (EESC, 2016).

The green economy can be the key to sustainability. It can be considered that the green economy is a healthy economy based on social and environmental sustainability. Social sustainability can be expressed by reducing the gap between the rich and the poor. Environmental sustainability is based on reducing the intensity with which the earth's resources are exploited.

There is a need for measures that lead to attracting and retaining more people in employment, but also to the development of education and training.

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MANAGEMENT OF STRUCTURAL FUNDS AND ECONOMIC GROWTH IN ROMANIA

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Abstract: *In the European context of previous financial period, 2007-2013, Romania has encountered problems related to public administration, contracting and implementation of projects. By overcoming these barriers it creates better conditions to pursue economic development in the 2014-2020 financial period. The research methodology consists in comparing sets of data on structural funds in Romania With the launch of the first line of funding for Romania, many implementers of projects funded from grants failed due to poor project management. Most projects funded with grants in Romania are built in partnership. Considering implementation and absorption of EU funds in Romania, desired design and development of a management plan based on ontology activity in order to overcome problems related to inefficient projects based on European funds absorption.*

Keywords: management, structural funds, economic growth, absorption rate

JEL classification: D83, M14

1. Introduction

In the European context of previous financial period, 2007-2013, the economic situation in Romania was characterized by a number of difficulties in attracting and using structural funds, especially in the period 2007-2009 on the one hand the financial crisis and crises lack of money to co-finance projects or difficulties in ensuring the project's cash flow, and on the other hand because of problems with public authorities managing the structural funds.

After joining the European Union in 2007, it became the only system of project management and investment Primavera officially recognized by the government of all member countries of the European Union. This was possible due to mark Primavera OHIM - the agency responsible for registering trademarks in the European Union. As a consequence, it has become virtually a Community trade mark only project management system officially recognized by all EU institutions.

In 2009 local government budgets were smaller than before, this generates a significant interest by the European Union Structural Funds.

In 2009 local government budgets were lower compared with the previous period, this is generating significant interest to the Structural Funds provided by the European Union.

This article aims to identify the relationship between structural funds management and development of Romania. It will focus on Romania's situation compared to EU level. The research methodology consists in comparing sets of data on structural funds in Romania.

2. The impact on economic growth in Romania generated by projects financed by European funds, in the period 2007-2013

Management programs were created to help cohesion in terms of economic, social and territorial cohesion, acting as a financial tool to increase the EU, their main role is to reduce disparities between Member States and their regions. This is why, in the allocation of the

EU budget in 2007-2013, were allocated almost 350 billion euros, of which the main part was intended counting around 280 billion for the Structural Funds and another 70 billion euros for cohesion fund. These allocations for the 2007-2013 financial period accounted for 35% of the Community budget and placed in the second position of budget allocations. Distribution of financial allocations for this period is shown in the chart below because it reveals the main components of financial instruments properly with the main objectives of the European Union.

The distribution of financial allocations for this period is presented in the below graphic, as this reveals the main components of the financial instruments accordingly with the main objectives of the European Union. The analyze revels that in spite of the Romanian difficulties regarding the spending of the funds allocated from the EU budget, due to the lack of administrative capacity needed to manage and promote these funds, which were gradually reduced in each year from 2008 until 2013, and continue to be performed.

The following paragraph represents the particular situation of Romania regarding the submission and approval of projects, signing of financing contracts and execution of the payments to beneficiaries and the amounts reimbursed by the European Commission, compared to the EU allocation for 2008-2013 (19,21 billion Euros). In order to contribute to the Romanian economic and cohesion development for the seven operational programs dedicated to Romania, were submitted 45.070 projects, totalling about 76 billion Euros, of which approx. 49,80 billion Euros represents the EU contribution.

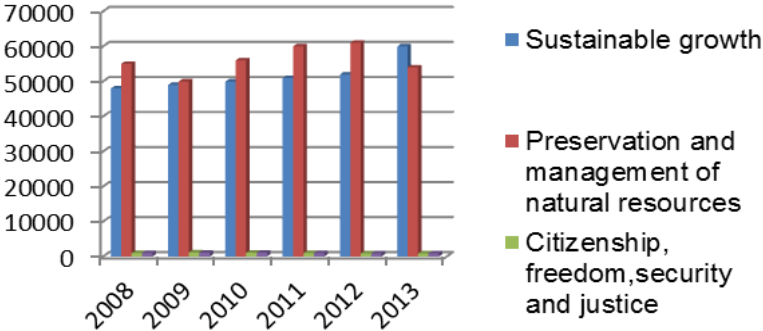


Figure 1: Financial distribution of financial instruments at European level in the period 2008-2013

Source: EU Commission – DG Budget using crawler for accessing data on 28 February 2014

3. Utility level of computer applications in the field of grant projects

According to a European Commission report said the EU Observer website, in Romania; the second poorest country in the European Union (after Bulgaria) recorded the lowest rate of absorption of European funds: only 14 percent of the allocated funds have been used. Bulgaria, however, has a double rate of absorption (28%). Romania has the lowest spending per capita in the region.

And that while the majority of studies conducted by western experts for years Romanian leaders indicate that one of the few areas where the country could have a real chance of success is the software. Romanian market is still immature. It is dominated, as the volume of sales administration. This (especially foreign financing projects, being it the World Bank or the European Community or other) is the main client market with over 50% of software purchases. So not only software market, but generally information technology is one of the lowest among the former communist countries.

4. In conclusion

Even though, Romania and most of its regions are in the process of development (except the region Bucuresti-Ilfov), these have a great potential in attracting and efficient use of the funds allocated in the financial period 2014-2020. Financing the economic growth throughout the EU structural instruments in the period 2014-2020 will lead Romania to develop and manage to absorb more structural funds, based on the experience obtained in the previous period and in developing strategic partnerships. These are the premises for a better economic development of Romania among the European countries, in the present financial period, 2014-2020.

So far after analysis developed, there was no project that uses Semantic Web and ontology's projects with grants. In this way the realization of such research project will open a new horizon in terms of writing and implementing projects with grants, for the financing period 2014-2020.

In projects with grant a nerve for their successful implementation is about the selection of partners, which should be made very carefully. This is due to the fact that partners will work together throughout the implementation period in order to succeed in reaching the project's goals. This work will be able to grant project implementers can prevent unforeseen circumstances in terms of collaboration between partners.

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THE IMPACT OF THE ECONOMIC CRISIS ON THE ROMANIAN LABOUR MARKET. POST CRISIS CHALLENGES.A STATISTICAL REVIEW

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Abstract: *In this work I present and summarize the negative effects and manifestations of contemporary economic and financial crisis both on the national economy and on society. The reason why I chose this topic is to take a close look at the economic crisis (started in 2008 in the US) – and its financial effect on contemporary economy. The purpose of this paper is to study and analyse the evolution of the Romanian labour market between 2000 and the first quarter of 2016 from statistical points of view based on the results of a comparison of the period before the crisis and after it. The theoretical background of my scientific research methodology used to accomplish this work is based on macroeconomic principles and theories, such as recent statistical data taken from the official website of the National Institute of Statistics, the Romanian National Bank, Ministry of Labour and Eurostat.*

Keywords: Romanian labor market, crisis, unemployment, evolution, statistical analysis

JEL classification: E24, E29, R22

1. Introduction

The economic crisis of 2008 has reinforced some existing imbalances on the Romanian labour market, requiring additional efforts to find solution for this problem. In the last 15 years the Romanian labour market has undergone profound changes. We can distinguish two stages regarding developments on the labour market in Romania after 2000. The first stage comprises the period 2000 – 2007, and is defined as a period of profound restructuring of the Romanian economy. The second period, from 2007 up to the present. is one that is characterized as a period of relatively high unemployment rate and efforts were directed primarily at limiting unemployment and its harmful effects on society. After 2005, employment development is moving towards a new crisis on the labour market, but its cause is not unemployment, but rather a decrease in demand on the labor market.

2. Statistical review of the evolution of the Romanian labour market

This article presents recent statistics in Romania with regard to employment, including an analysis based on the dimensions of socio – economics: statistics evaluating employment show significant differences by gender, age and area. The current financial and economic crisis has led to imbalances on the labour market that manifested more strongly in some economies.

3. Evolution of unemployment in rural areas – by age, between 2008 – 2015

The youth unemployment rate is significantly higher than the national unemployment rate. It recorded a peak in 2009 with a rate of 20.8%. In 2008, 17.5% of young people aged between 15 and 24 years of left school early. Therefore in the absence of urgent action to

mitigate dropout, Romania may face with an increased number of young unskilled labour force in the future.

Analysing the period between 2010 – 2015 the growth in the total number of young people between 15 – 19 years in urban and rural areas shows a rising tendency in 2011 over the previous year from 27.1% to 30.7%. In rural areas there is a tendency of decrease in the two periods analysed from 18.6% to 17.9%.

In 2010 the relative poverty rate in rural areas was 27.1% as compared to 9% that was registered in urban areas and to 17.2% relative poverty rate nationally. The spread between the two rates of unemployment was 0.9 percentage points (7.1% for men versus 6.2% for women), while the residential 1.9 percentage points (7.6% for urban areas compared to 5.7% for rural areas). The unemployment rate reached its highest level (24.1%) among the youth (15 – 24 years). From 2011 there has been a downward tendency, the lowest values were recorded in 2015 when the number of young people in rural areas was 23% and 27.1% in urban areas. In the absence of urgent action to mitigate dropout, Romania may face with an increased number of young unskilled labour force in the future.

4. Rate of employment in Romania on age categories between 2000 – 2015

We will present further developments in the employment rate in the age categories Romania between 2000 – 2013, the largest category recorded an occupancy rate of between 25 – 54 years, the employment rate is more than 70%. Age group between 55 – 65 years is on second place, registering an occupancy rate of about 50% between 2000 – 2001 and about 40% during 2002 – 2013. The lowest values were recorded in the period 2002 – 2005 when the employment rate was below 30%.

The evolution of the employment rate between 2009 – 2015 shows a significant downward tendency between 2009 – 2013, thanks to the negative effect of the economic and financial crisis. In 2014 the employment rate indicators begin to rise compared to the period under review, from the age group between 25 – 54 years to 77.1% respectively for the age group 55 – 64 years to 43.1% based on the total number of the employed population. 2015 shows a decreasing tendency on all age categories.

5. The evolution of the active population, grouped by gender between 2000 – 2015

In Romania the the number of the active population has decreased in the period between 2000 – 2005 with 1432 persons (12,7%). The employed population was reduced with 1361 persons and the number of the unemployed with 71 persons. It is important that the reduction of the active population was mainly produced in the rural environment (1445 persons) while the active population from the urban environment grew with 13 persons. The reduction of the active population was produced mainly among the female population (774 persons) – 54,1% from the total. As a consequence the activity rate (the percentage report between the active population and the total population) was reduced by 68,8% in 2000 and 62,4% in 2005. The employment rate was reduced by 5,9% especially in the rural environment, where the employment rate went down from 73,8% in 2000 to 61,6% in 2005. The unemployment rate had an oscillating tendency and in the period between 2002 – 2005 it was reduced from 8,45 to 7,2% this fact being explainable with the economic growth that took place in this period. Between 2010 – 2013 we can trace a sharp downward tendency in the total number of active population due to the negative effects of the economic crisis. In 2010 the total active population was 9.965 and between 2011 – 2012 this figure fell to 9,100 people of which 56% men and 44% women. In 2013 a certain level of economic regeneration was taking place that leads to employment growth with a value of 9.977. Analyzing the period between 2014 – and the first quarter of 2015 we see a downward tendency as compared to the previous year, from 9977 active people (2013) to

9,240 people in 2014 of which 56,58% men and 43,45% women (National Institute of Statistics, 2009).

As of the division of the employed population by occupation in 2012 indicates that the largest share in total employment was held by workers skilled in agriculture, forestry and fishing (28.8%). Between 2000 – 2003 the total number of active population started to decline from 11 283 to 9915 persons (of which 53% male and 47% female). Between 2004 – 2006 the number of active population began to increase as compared to the previous year from 9915 to 10 041 thousand, and from 2007 to 2009 is a downward trend from 9994 thousand to 9924 thousand persons (of which approximately 55% men and 45% women).

6. The sectors and regions most affected by the crisis in Romania

We can notice the continuous reduction of the employed population working in agriculture from 41,55 in 2000 to 31,9 in 2005 although agriculture has played an amortization role by absorbing the job losses from the rest of the branches. the growth of the employed population share in services from 31,2% to 39,15 and in constructions from 4,1% to 5,5% in 2005 is definitely a positive issue.

The analysis of the employment rate raises two important questions: the first is related to the high employment share in agriculture with a 7 times higher percentage than EU average (4,5%) and the second is related to the low level of the employed population in services as compared to the registered EU level – 39,1% in Romania and 66% in EU. The employment rate of the population between 15-64 in 2000 was 62,2% in the EU grew to 64,4%, in 2006 while in Romania it went down from 63,8% to 58,8% (European Commission).

7. In conclusion

Unemployment is a negative economic phenomenon characterized by the inability of a country's economy to provide jobs for all citizens able and willing to work. Unemployment in itself can be regarded as an economic phenomenon that is the result of an imbalance between labour offer and labour demand. In this paper I analysed statistically the evolution of indicators to determine the extent to which they have been affected by the economic and financial crisis.

By analysing the labour market in the period between 2000 – 2013 in Romania we can see that the total number of active population starts to decline from 11 283 thousand to 9915 thousand people. We can see that the number of active population declined more among men in that the economic and financial crisis has affected the fields where mostly men were employed, such as in construction, manufacturing, automotive, wood and fabric. Factors, such as, informal economy, international migration, high share of people working in subsistence agriculture, have maintained low rate of unemployment, in spite of low employment rate, because of the low activity rate. Education is one of the most important issues in order to increase the activity rate a more educated society will be more engaged and will contribute to growth of production and labour productivity, but also lack of some basic skills could lead to social isolation of individuals and it will decrease their contribution in the future.

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THE IMPACT OF FDI IN THE HOST COUNTRY'S ECONOMY

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Abstract: *In economics, we have two commonly used terms: spending and revenues. The objective of any economic activities carried is represented by maximizing revenue. Foreign direct investment is a positive cash flow for the economy of any country, so that all economies are directly interested in attracting them, trying to provide various facilities to investors to induce them to invest. Attracting foreign investment involves the use of specific techniques including distinct financial incentives, fiscal and other benefits. Unquestionably, investment plays a key role in any economy, on the one hand exerting a multiplier role on revenue of investors, be the investment in the production of goods or invest in activities service provider or execution. Following these, investments create jobs, diversify economic offer, thus stimulates consumption, leading to new investments directed both quantitative increase in production especially on diversification. Beside these positive effects, we have to consider all the other aspects: influences on environment, possible discrimination on favour of foreign investor in detriment of domestic investors.*

Keywords: Foreign Direct Investment, productivity, innovation

JEL classification: F510, F370, K220

1. Introduction

Investments generally play a decisive role in the economic development of a country and economic development worldwide. Without investment, we cannot talk of production of goods, services, offer, the consumer, in other words we cannot speak of the economy.

Revenues in an economic activity, has two ways that we can follow: consumption and investment. So, this term, investments, we can explain by use of revenue in order to obtain higher future income. To create "infrastructure" necessary to obtain these future income, investments can result in tangible or intangible assets. We can say that investment is giving up immediate consumption in favour of future consumption.

2. Measures to attract foreign investors

After talking about the positive effects of the foreign direct investments on the host country's economy it is obvious that the governments will search for different ways of attracting the investors to their countries.

For example, in Romania, such measures lead to simplification of registration procedures for companies with foreign participation and improvements of the legal and institutional framework should such as:

- unbundling which circumscribes freedom of movement capital, foreign investment policy, impact the economy national;
- creating a greater flexibility of action of bodies government negotiations with strategic investors;
- increase coherence with big investors by correlating various approaches of central and local institutions to ensure a "single voice" in investment relations with foreign investors;

- facilitating strategic investments through direct assistance to big investors in all phases (market research, negotiation, signature, his business).

Attracting foreign investment involves the use of specific techniques including distinct financial incentives, fiscal and other benefits.

Financial incentives offered generally in Western Europe and the US, including free grant money for capital investment, training, development, with the strict compliance with several conditions.

There is also a third category of incentives difficult to categorize, which includes a variety of forms, from the preferred sale price of the land, building access roads, providing schooling and assistance in recruiting staff, to providing access to sports for investors.

From the point of view of the decision to invest, providing incentives is important in two instances: when formulating project, draw up a shortlist of possible options for investment and in the decision phase.

The incentives to be granted to foreign investors may be particularly, several of which we can note: free equity participation up to 50% of the project, if the investor complies with several conditions, rental land and buildings with a grace period during which no rent is paid, the grant government guarantees, subsidized salaries of staff employed by the foreign investor, supporting the development agency of expenses related to transportation and installation of equipment and machinery, repair and modernization of existing buildings at the expense of development agency, funding training for employees of the foreign investor, achieving expense related to environmental protection.

Table 1: Changes in national investment policies, 2001–2015 (Number of measures)

Item	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Number of countries that introduced changes	51	43	59	79	77	70	49	40	46	54	51	57	60	41	46
Number of regulatory changes	97	94	125	164	144	126	79	68	89	116	86	92	88	72	96
Liberalization/promotion	85	79	113	142	118	104	58	51	61	77	62	65	64	52	71
Restriction/regulation	2	12	12	20	25	22	19	15	24	33	21	21	21	11	13
Neutral/indeterminate ^a	10	3	-	2	1	-	2	2	4	6	3	6	3	9	12

Source: UNCTAD, World Investment Report 2016

The table above sustain the hypothesis of governments looking after attracting of foreign investors, as we can see, over 90% of the regulatory changes adopted by governments were supposed to promote the foreign direct investments.

3. Effects of foreign direct investments

Investments play an important social role, increased investment resulting in the creation of new jobs, to increase employment and raise living standards. And also, have an important role in spreading and encouraging technical progress. This role is even more obvious in the case of FDI, thus leading to the spread of modern technologies between different states. On the one hand, foreign investors are directly interested to use the means that lead to reduced costs to achieve competitive advantage and thus will seek of the use of new inventions in a particular area of the country where they have located the investment. And on the other hand, will take over new technologies and processes used successfully in the host country and translating them in other locations.

Foreign direct investment is a positive cash flow for the economy of any country, so that all economies are directly interested in attracting them, trying to provide various facilities to investors to induce them to invest. FDI plays all the roles mentioned above, and as we

mentioned even with a strong effect in the propagation of technical progress and innovative spirit in general.

At the same time these investments come to stimulate and increase household savings, and these, together with surplus income of economic agents form free availability for new investment projects.

We can also remember the role of the investment multiplier and the light propagation upstream and downstream of the trader who initiated investment. Thus, following an investment project creates additional needs for acquisitions is leading to increased economic activity of suppliers, creating need for new investment and at their level. At the same time, by offering diversified and visibly improved economic agent initiator of investment, stimulated both people consumption and especially consumption of other businesses, which in turn will generate diversity to economic activity, integrating these new products / services offered on the market.

UNCTAD had made an analysis regarding the evolution of growth rates of GDP and GFCF, and it is revealed that the growth is more accelerated in the developing economies as compared with the growth rates of the developed economies, and this is confirming that the inflow of FDI coming from developed economies are bringing with them the innovations and good practices, so helping the developing economies to grow in an accelerate mode.

Table 2: Real growth rates of GDP and gross fixed capital formation (GFCF), 2014 – 2017 (Per cent)

Variable	Region	2014	2015	2016	2017
GDP growth rate	World	2.6	2.4	2.4	2.8
	Developed economies	1.7	1.9	1.8	1.9
	Developing economies	4.4	3.8	3.8	4.4
	Transition economies	0.9	-2.8	-1.2	1.1
GFCF growth rate	World	3.8	2.2	3.2	4.2
	Advanced economies ^a	2.8	2.5	2.5	3.2
	Emerging and developing economies ^a	4.5	2.0	3.8	4.8

Source: UNCTAD, World Investment Report 2016

On the other hand, there are some disadvantages that we must take in consideration when taking about foreign direct investments. There are some governments that can consider this as a form of modern colonialism, and they can feel vulnerable in front of the foreign investors. And another concern of the host governments is regarding the repatriation of the profits, that will become inevitable once the economic activity will turn on profits.

Other negative impact of FDI may lead to disappear of domestic firms because of the higher productivity and efficiency of foreign firms or because these foreign affiliates have better access to financial resources. The domestic firms can also suffer from the higher level of the wages offered by the foreign investors, they can either lose their best employees or they can try to copy artificially the level of the wages in order not to lose the employees, but this will affect their competitiveness.

As the FDI are needing good infrastructure the governments will try to invest in infrastructure by diverting resources from public investment, and as FDI are usually attract in the wealthy part of the country, the governments will end up investing in those parts in the detriment of the pour zones of the country. FDI can cause political, social and cultural unrest and divisiveness in the host countries.

4. In conclusion

The income maximizing role of the foreign direct investment is incontestable, and also all the favourable effects deriving from developing new production sites or new services companies. It is also important to have in mind the role played by the foreign direct investments in the innovation propagation. But beside these positive effects, we have to consider all the other aspects: influences on environment, possible discrimination on favour of foreign investor in detriment of domestic investors. It is very important to quantify all the effects and to make decision in the best interest of the country's economy.

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LABOR AND THE ROLE IN SOCIETY. INTERDEPENDENCIES BETWEEN LABOR AND EDUCATION

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Abstract: *This paper identifies and describes work functions (economic, social, cultural, educational, playful) and develops the interdependence between labor and education issues, through the mutual influence ascertained over time. Checking the specialty literature we noticed the importance of labor for all socio-economic and cultural as well as parallel evolution of labor and education, both in terms of organization and content. The conclusions of this paper highlight the need to explore new perspectives in the relationship between work and education for shaping policies and strategies conjugated in these two areas, required by the new socio-economic and demographic development globally.*

Keywords: labor, education, society, economy

JEL classificassion: J24, I21, I25

1. Introduction

Labor has always had a fundamental role in people and social groups existence. Labor status evolved in time, this being determined and influenced by the level of social, economic development and creative and social maturity of those who performed labor activities. In reality it was demonstrated that labor represents the fundamental value which characterizes life and human evolution through the different pahses of development by the means of scientific creativity, efficiency and morality.

Currently work is taking place within some more and more complex socio-economic structures. Labor general universe as well as its forms have made the object of reflections and various assessments. This is about the complex theoretical-scientific confrontations regarding an aspect or another of labor content and role as well as the doctrinal ideological confrontation with regard to what it is and what this process should represent in the present and future society.

The economists O. Giarini and P. Liedtke define work as being “an understanding between human beings and their environment having as a main aim autoconservation” (Giarini, Liedtke, 2001, p. 31).

Labor – the French economists J. Bremond și A. Geledan say – “it constitutes a creative activity of material goods and providing services, an activity which is supported by all workers who have the technical knowledge and are in a certain relationship with labor means” (Bremond, Geledan, 1995, p. 264).

In the philosophical sense, Academician Mihai Drăgănescu considered that “labor is a human action method necessary to integrate himself into material existence and the social one and to transform them, and the man himself ... labor is an essential operator specific to man and society, or in other words, this is a natural condition of human life.” (Drăgănescu, 1987,p. 161).

2. Labor and its functions: economic, social, cultural, educational, playful

The playful function of labor. Game, learning, labor and creation are specific forms of activity that we encounter in all stages of childhood. Their specific weight is different at

different ages. Kids from early childhood learn by playing. For preschool kids the game continues to predominate, but he begins to learn after a certain program and to fulfill some tasks given by parents, educators, even if learning and work especially turns into game. Schoolkids begins to learn and take it seriously. This is his/her main activity, and activity and play and not have subordinate role. Teaching is very specific work that prepares schoolkids for life and for the future. Besides the ability to comply with rules of the game there should also exist the will to achieve them. The game is often tedious, sometimes exhausting. Thus, far from being born out of laziness, the game will be born out of will. So there is a mutual respect between game and work. The game is the vestibule that leads to work, to an exercise. Game features are complex noticing a shift from functional games and exercise games to games with topic and games with rules (Tinca Crețu, 2009, p.185).

Cultural function of labor. Training and development of human personality as a potential „labor force” refers to the labor culture through spiritual values accumulated and validated socially in time and space. The cultural function of labor activity reflects the activity of knowing the nature and society, achieved through the cognitive perspective of the individual; it highlights the activity of “valuation” which implies the “fulfilment of knowledge” by reporting to the needs, goals, and aspirations of man, based on the work of creation, its own personality, capable of (self) training. (Cristea Sorin, Dicționar de pedagogie, (2000), Editura Litera). Through labor, man validates a certain system of values, strengthens some values, but can acquire new values or can even change his/her value terms of reference.

The social function of labor. Normally the work is divided according to the distribution of skills in society, and the more advanced the society is the harder it is that jobs match the personal skills of each individual.

To enable social efficiency and solidarity is not enough that each individual should have a task, but fulfilling it should be pleasing and motivating that individual; if the work is creating dissatisfaction, it is because social functions do not correspond to the distribution of personal skills. In simple, archaic societies, people can easily replace each other in their work (Durkheim, Emile, Division of social work, 1893). In the opinion of Durkheim "every member of society must be prepared at any time to do something else than what he was doing up to that time", something that contemporary studies reflect through continuous or permanent education (life-long education). A sociological argument also intervenes here. Note the job mobility phenomenon, increasingly widespread, both in terms of work place and the profession itself. The pressure to adjust is exerted on labor, as well as on learning.

The economic function of labor. Work is indispensable to economic life, being a production factor at its origin. No matter how perfected technology is, it fails to fully replace human labor, technology itself being a result of work.

3. Educational function of labor. The interdependence between work and education

A closer look at the evolution of work and education over time reveals a certain parallelism, but also an obvious interdependence.

Primitive work is associated with lack of education, at least in its formal meaning. When the need for education is acknowledged, it only benefits the children from wealthier families, education being done by preceptors which had to be paid. Middle Ages bring upon the stage of history schools as educational institutions, even if access to them is restricted for peasantry, which is why this class will be suppressed and kept at the edge of survival, while representatives of the upper classes, educated, have the organizational skills to manage ownership and labor, replicating the socioeconomic status of their parents.

Rational thinking and an emphasis on exact sciences in schools contributes to the technical and technological discoveries underlying mechanization and industrialization. This is the moment when the state assumes the education of young people through the establishment of state schools and instituting mandatory education at certain levels, driven by the need to provide skilled labor for the economy.

Today world of education and labor are intertwined. The current students are part of "Generation Y" and whose parents were part of the Baby Boom generation. They are the generation whose parents are too busy and allow children the opt for the virtual world to the detriment of the real world. They are a generation that communicates easily via the English language and means of communication ever faster and more efficient, is adaptable and pragmatic, a generation that lives the present intensely, is motivated by opportunities and challenges and less concerned with debt, and is deeply affected by routine and exhaustion (Generation Y Research, www.ashridge.org.uk, 2014). A generation with these features requires an educational approach and subsequent work organization that coordinates the needs of young people: fostering creativity, teamwork, programs based on communication, IT, modeling and simulation (Marin, DC, 2001; Negreț -Dobridor, I., Panișoară, IO, 2005).

As to mutual influences between work and education, they differed from one stage to the next during the evolution of the two fields: sometimes work meant the practical application of theoretical concepts acquired in school, at other times it was a source of theorizing, formulating rules and laws that have been the subject of study of some school subjects (Ștefănescu, 2010)

Another aspect of the interdependencies between work and education is represented by the necessity of adapting educational services need to labor market requirements, and imposing, through education, certain directions în the development of the labor market (Ștefănescu, 2013).

4. In conclusion

Modern education has completely changed priorities, compared to the tradition of the twentieth century, some of the predominant factors leading to this change being the economic and financial crises, and the advent of the Internet and its expansion, which lead to databases, online encyclopedias and an ever growing number of communication tools and distance learning programs. In these circumstances, there are a number of paradigm shifts in education and in terms of its interdependence with labor.

Modern education is centered on skills training, to prepare young people for labor in several directions: cooperation and communication, participation and involvement, practical and applied knowledge, foreign languages and skills to decipher the meanings of a message, respect towards the fragility of natural equilibrium and cultural values, analytical, sythetic, lateral, complex, dynamic and strategic thinking skills, skills for optimizing applied solutions, creativity and innovation, motivation and confidence in their own strengths, curiosity for the new, up to date knowledge of science and cutting-edge technology etc.

Modern education enables the creation of a completely new personality profile, that of the person adaptable to changes and ready to evolve in other directions by evolutionary or adaptive skills learned in school.

The impact of education on labor will be to improve the quality of labor, improving labor market integration or labor market development through inventiveness, creativity, positive motivation, collaborative and participatory spirit, social participation, respect for the quality of work well done.

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URBAN TOURISM. THEORETICAL INSIGHTS

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Abstract: *This article provides an overview of theoretical concepts existing in the specialized literature regarding urban tourism. The present paper summarizes the history of urban tourism and the definition of the concept. Besides these i highlight the relationship between tourism and urban space with its impact on contemporary society. Although urban tourism represent one of the news forms of tourism, it has experienced a spectacular development in recent years. It is estimated that the world's urban population will increase with 61% by 2030, also the volume of people living in cities will rise to 5 billion by 2030. This will influence urban tourism not only in cities development but also in their economy. Urban tourism can contribute to the development of communities through its elements, if they are used properly without damaging the environment of the community.*

Keywords: tourism, city, urban space, environment, culture

JEL classification: L83, Z31

1. Introduction

Tourism has become over time a phenomenon of the contemporary society witch is based on a broad dynamic, very different motivation as well as a variety of forms. This forms of tourism have evolved over the past 60 years due to the appearance of some preferences in tourist activities, so far tourism records several trends. The main trend is that more and more tourists want to recreate, to sport, to share in the adventure, to inform about the history, culture and environment of the area they are visiting. Therefore urban tourism, which can offer tourists this opportunities, occupies an important place in world tourism landscape.

Urban tourism represent a growing industry, it can generates economic and social benefits of a city, can contribute to income, creating new jobs and not least the urban physical environment can improve. Because of this benefits, cities have begun to develop strategies to attract tourists, strategies that plays a crucial role in terms of raising the touristic profile of the cities.

2. The concept of urban tourism

Although the term is relatively new, in terms of historical evolution, urban tourism has its origins since ancient times, when were practiced numerous trips between Greek cities on the Mediterranean Sea. Later, during the Middle Ages, there were recorded long journeys made by the young aristocrats who visited several european cities. The european continent is considered to be the birthplace of urban tourism. While other forms of tourism have had tremendous growth in the 60's - 70's, when the industry was associated with the movement of residents of urban to rural, urban tourism has developed during the 80's when it was more visible that cities have turned into major tourist destinations.

In specialty literature there is no universally accepted definition for the term urban tourism. According to Christopher Law (1996), the complexity of urban tourism can not be reduced to a definition, because the cities are too different in terms of size and existing features to

achieve a similar pattern of interpretation. Edwards et al. (2008 cited in Ashworth, 2010,p.3) state that tourism is one among many social economic forces in the urban environmnet. On the other hand, Shaw and Williams (1994 cited in Craggs, 2008,p.28) states that urban areas act as tourist destinations that have the potential to attract domestic and foreign tourists.

UNWTO states that urban tourism refers to the movement of tourists in cities and conurbations. The duration of these trips is usually short, one to three days (Tourism 2020 Vision, UNWTO 2002).

To understand better the concept of urban tourism, Stephen Page and Christopher Law have developed different typologies of city destination. Stephen Page (1995) identifies the following typology of urban tourist destinations:

- capital cities (London, Paris, New York) and cultural capitals (Rome);
- metropolitan cities and historical (York);
- great historic cities (Oxford, Cambridge, Venice);
- inner urban areas (Manchester);
- beachfront areas (London Docklands, Sydney Darling Harbour);
- industrial towns (Bradford);
- seaside resorts and mountain resorts (Lillehammer);
- integrated tourism resorts;
- tourist entertainment complex (Disneyland, Las Vegas);
- specialised tourist service centre;
- cultural cities, artistic (Florence).

According to Christopher Law (1996) cities can be divided depending on the extent and nature of its tourist industry:

- capital cities (London, Paris);
- industrial cities (Baltimore, Manchester);
- leisure cities (Munich, San Francisco);
- attractive cities (Florence, Miami).

At first urban tourism was considered a result of population movements for which the city was only a short break, now because of the changes and behavioral changes, the city has become a cultural center, a place of relaxation where people go shopping, meet friends but not least spend their leisure time. Therefore it can be said that urban tourism is not only a form of tourism, it is an integral part, traditional and characteristic of urban life.

3. The relationship between tourism and urban space

Over the time it was examined the relationship between tourism and urban space, so that were identified three categories of elements of the city in terms of tourism resources:

- primary elements that provide the main reasons why tourists visit cities;
- secondary elements includes urban facilities, which support and complement the tourist experience;
- additional elements such as transport, tourist information.

Table 1: Elements of urban tourism

Primary elements	Secondary elements	Additional elements
Cultural facilities (museums, art galleries, theaters)	Accommodation	Availability
Physical characteristics (interesting buildings, ancient monuments and statues, parks, green areas)	Catering	Transport
Socio-cultural characteristics	Shopping	Parking facilities

(language, cultural heritage, security)		
Entertainment facilities (casinos, clubs, festivals)	Markets	Tourist information (guides, flyers, maps)

Source: Ruetsche J., *Urban Tourism. What Attracts Visitors to Cities? Let's Talk Business*, 11, 2006, [Online], Available: <http://fyi.uwex.edu/downtowneconomics/files/2012/08/urban-tourism.pdf>

Due to existing global competition, cities must continually adapt to the preferences of tourists, to properly plan and manage urban space with its components.

4. The impact of urban tourism

Over the past six decades, international tourist arrivals have increased continuously from 277 million in 1980 to 528 million in 1995 and reaching 1,184 billion in 2015. According to World Tourism Organization the number of international tourist arrivals worldwide will reach at 1,8 billion in 2030. So every year will be registered with 43 million more international arrivals. The contribution of tourism to gross domestic product (GDP) is estimated at about 5 % worldwide.

The impact of urban tourism can be divided into the following general categories: economic, natural, social, cultural. Each category includes both positive and negative effects.

Table 2: Positive and negative effects of urban tourism

Positive effects	Negative effects
New jobs	Traffic and congestion
Improve living standards for locals	Air pollution, water pollution
Developing local human resources	Spread of disease
Revenue from local taxes	Distruction of cultural identity
Infrastructure development	Degradation of cultural heritage
Development of local industry	Increased crime

Source: Ashworth, G., Page, S., (2010), *Urban tourism research: Recent progress and current paradoxes*, [Online], Available: http://www.coris.uniroma1.it/sites/default/files/14.25.20_Urban%20tourism%20researchRecentprogressandcurrentparadoxes.pdf

Tourism can not solve the problems of a community, it is only one element of the community. On the other hand, it is noted that the community will not experience every impact previously mentioned.

5. In conclusion

Following the above, i can say that urban tourism is an important form of tourism that can influence positively the contemporary society if it is properly planned, developed and managed. From my point of view, practicing a quality urban tourism, it can contribute to sustainable development of urban areas, by improving business competitiveness, meeting social needs and preserving natural and cultural environment. Tourist destinations should adopt a holistic approach that focuses on tourist satisfaction and is based on principles of long-term development of a community. Because tourists perceive in a different way cities, they have to adapt continuously by developing plans and strategies.

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THE IMPACT OF GLOBAL CRISIS ON ROMANIA'S ECONOMIC DEVELOPMENT

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Abstract: *The world is passing through the most difficult economic and financial crisis in the history, which severely affects its stability in the long term, risking an uncontrolled slide into chaos and uncertainty. This paper presents the negative effects of the recent global crisis over all the countries of the world, emphasising its impact on the Romanian economy. Such unfavourable consequences are analysed at multiple levels: commercially, financially, the exchange rate, foreign direct investments or the wealth and balance issues. The economy of the European Union has left behind the downturn and is gradually recovering. Romanian economy is on the verge to experience a recession as the result of the spilling over of the effects of the international financial crisis.*

Keywords: impact, crisis, Romania, economic development

JEL classification: C5, D3, E2

1. Introduction

The acute adversity of the international financial crisis impact, we believe, lies not in the huge size of the losses it has caused (estimated at over USD 4,000 billion just for the financial system), but in the threat for the credibility of the development capitalist model, based on free market forces. Investor's confidence in the capability of markets to automatically adjust its dysfunctions has drastically fallen and the rise of unemployment and poverty as consequences of the global crisis could severely damage the political and social framework, particularly in the less developed countries. Revealing the close interdependencies existing between the countries of the world, the economic crisis began to extend its effects to Romania, also starting with the last quarter of 2012, thereby interrupting the economic leap undergone by our country, achieved in its efforts to meet the requirements imposed by the related organisms, in its standard as a member of the European Union. In Romania, the unfavourable outcomes have contracted in multiple ways: commercially, by the registration of a decreased rate of exports; financially, by foreign financing access restriction, also involving credit restriction, implicitly leading to difficulties relating to private external debt; from the perspective of the exchange rate, by the depreciation of the local currency; as regards foreign direct investments, by their abatement as a result of the decrease of the level of trust in the ascendant economic evolution of our country; and as for the wealth and balance effects, by the deterioration of the net assets of both the population and companies, due to the high weight of credit in foreign currency, correlated with RON depreciation, and as a consequence of the discount of movables and real estate assets having previously registered speculative, unsustainable levels.

2. Evolution of Romanian Foreign Trade given the Economic Crisis

The first negative impact was the sudden decrease of Romanian exports in general, and of those directed towards the European Union, in particular, considering that the latter

represented the main destination of the products produced on the territory of our country. During the first quarter of 2012, the current account deficit of Romania increased by 10%, representing about 11.8% of GDP, dropped in 2013, when it reached a level of 4.4% of GDP and in 2014, with just 4.2% of GDP. According to data provided by the National Institute of Statistics of Romania, the Romanian commercial deficit has decreased during the first quarter of 2014 with 13, 6%, compared to a similar period of 2013, mainly due to exports' increase with 19,4%, accompanied by an export leap of just 11%. The current account deficit was to be financed to a great deal in 2014, by foreign direct investments of non-residents, amounting to 3 billion EUR, lowered by 25.6%, compared to 2013, already diminished with 48,4% when compared to 2012. From the moment of adhesion and until the middle of 2013, exports destined for the EEC countries have amounted to 60 billion EUR, as compared to the imports totaling 93 billion EUR, therefore generating a commercial deficit in relation to the UE of about 35 billion EUR, under the circumstances according to which the weight of intra-community relationships in total relationships was 73% in 2013.

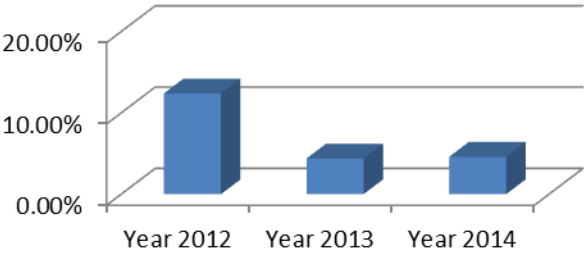


Figure 1: Current account deficit (%GDP) of Romania in 2012-2014
Source: INS

3. The impact of the global crisis on Romania’s economy

During the first quarter of 2013 the gross domestic product of Romania fell by 2.6% compared to fourth quarter of 2012 (adjusted data taking into account the seasonal variations) and 6.4% compared to first quarter 2012 (data not adjusted). The fourth quarter of 2012 witnessed a reduction of gross domestic product by 3.4 % over the third quarter. The second quarter of 2013 saw another decline of GDP, by 1.1% compared with the previous quarter and by 8.8% compared with the same period of 2012. So, according to the technical definition of a recession, a decline in GDP for two consecutive quarters, Romania has entered recession in 2013. The global crisis has seriously affected in 2013 the industrial sector, whose main branches are under the majority control of foreign capital and subsidiaries of multinational corporations, being more exposed to international markets.

In the first eight months of 2013, compared with the same period of 2012, the biggest fall in the industrial production was registered in manufacturing of basic metals, manufacture of other nonmetallic mineral products and textiles. Other manufacturing industries in decline were clothes, paper and paper products, chemicals and chemical products, rubber and plastics, petroleum products, furniture. Industries less affected by the crisis and where production has increased during the analyzed period (wood processing, publishing houses, printing and reproduction of recorded media, manufacture of electric equipment), even are not touching essential sectors of the economy, could see a more rapid recover. The drop in exports and imports has been caused by the effects of the global crisis, mainly of EU market, that has contracted both the external demand for the Romanian products and the international offer for Romanian imports.

The consequences of reducing the Romanian foreign trade must be taken into account on short, medium and long term, especially with regard to macroeconomic performance. Now Romania is opened to international markets, first to the market of EU countries, which means a very important role of the external demand for the development of the national economy that has become much more vulnerable to the cyclical movements in the international businesses.

Table 1: Exports and imports of Romania in the first eight months of 2012 and 2013
Source:INS

Foreign trade	January -		August	
	Exports		Imports	
	2012	2013	2012	2013
Intra UE 27	16290.8	14567.5	29065.7	18560.6
Extra UE 27	7569.4	5140.6	12450.6	7435.9
Total	23860.2	19708.1	41516.3	25996.5

4. In conclusion

Despite the negligible effects of the crisis on the banking system of Romania due to the limited exposure to the toxic assets, the measures for promoting the recovery of lending through the recapitalization of banks could help the rebound of the consumption credit support and the prevention of a too long recession. The impact of the global crisis which has contracted the external demand particularly affects the real economy. According to the decline in GDP over the first two quarters in 2013 Romania has entered into recession. Viewing the economy vulnerabilities caused by the accelerated deterioration of the current account in recent years mainly due to the growth of trade deficit, Romania's external financial position was on the edge of a crisis, which, in any way, would have rendered an external loan necessary to cover the financial gap.

Besides the negative impact on the Romanian economy, the crisis can stimulate the financial restructuring and reorganization, to develop new activities and gain new markets, taking into account the conditions of competitiveness and globalization, marked by challenges of the environmental crisis and the transition to a sustainable development. Because of the crisis impact on the state budget by cutting public funds, including for environmental protection investments, the government should promote strategies in order to develop high technologies for saving energy, for recycling and waste treatment, while respecting the environment parameters and the requirements of Romania's sustainable development.

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INTRAPRENEURSHIP - CHALLENGES AND OBSTACLES

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Abstract: *This article stresses the importance of intrapreneurship, the contribution and role that it has in achieving success. The research methodology consists in a brief and critical presentation of the conceptual framework of intrapreneurship as well as of the main challenges and obstacles. To remain competitive, modern organizations constantly need to innovate. For the challenging companies, employees are not simply a factor of production, their higher needs requiring the change of the traditional organizational practices. If a traditional organization does not offer its employees the chance to express their creative, intellectual and even managerial potential, they will either look for another organization, enabling them to fulfill their potential, or they will be setting up their own company to meet these higher needs (for self-realization). For a person to contribute to increasing organizational performance, it is necessary that the person (the intrapreneur) to be endowed with entrepreneurial spirit, to be able to overcome obstacles to the implementation of innovative ideas and to be able to lead projects to their end. The intrapreneur personality has a special importance for both the successful intrapreneurship and the organizational environment in which s/he operates.*

Keywords: intrapreneurship, entrepreneurship, organization, organizational environment

JEL classification: B30, L26

1. Introduction

What is the role of the intrapreneurship and how important is it for an innovative company? How does intrapreneurship contribute to a company's success?

Intrapreneurship means assisting the management of companies in terms of organizational development. The increased interest for intrapreneurship is determined by two factors. On the one hand, the new needs of employees as intrapreneurship ensures the capitalization of the desire to be enterprising of the people who are specialized and have managerial skills, on the other hand, the new needs of the organizations operating in a very competitive environment.

Behind every innovative company there are the intrapreneurs that have made possible the emergence of innovations. Intrapreneurship success lies in hiring and retaining the right people with growing potential in the company, as well as creating a reward system based on performance system that encourages and supports the initiative of the individual, the emergence and development of new ideas (Borza et al., 2012).

2. Intrapreneurship – the concept framework

Starting from the first definitions of entrepreneurship and intrapreneurship we find out that the origins of intrapreneurship are found in the entrepreneurship and the origins of the word entrepreneur come from the French word "entreprendre" which means "to undertake". Intrapreneurship known as corporate entrepreneurship is the practice of developing a new business in an existing organization for the exploitation of new opportunities to create

economic value. Entrepreneurship involves developing a business outside an existing organization (Parker, 2011).

The first use of the terms "intrapreneurship" and "intrapreneur" appears in a paper written in 1978 by Gifford and Elizabeth Pinchot. Pinchot used for the first time the concept of "intrapreneur" to describe someone in a corporation engaged to think and act like an entrepreneur. In 1982, this term saw the daylight in an issue of "The Economist". Later, in 1985, it became popular by publishing an article in "Time Magazine" – "Here come the Intrapreneurs", article inspired by the book of Pinchot "Intrapreneuring: Why You Do not Have to Leave the Corporation to Become an Entrepreneur " (Buekens, 2014).

After Pinchot, a number of other authors have expressed their opinion on this concept to refer to different aspects of corporate entrepreneurship and used terms such as intrapreneurship (Kuratko, 1990), internal corporate entrepreneurship (Schollhammer, 1982), corporate ventures (Ellis and Taylor, 1987) in (Churchill et. al,1987), and new ventures (Roberts, 1980).

3. Challenges of intrapreneurship

The biggest challenge for intrapreneurs is to face certain structures of the organisation such as bureaucracy, hierarchy, rules which are ment by their nature to oppress the intrapreneurial behaviour.

An intrapreneur who tries to start a new business in an organization, or an entrepreneur who starts a business establishing their own firm, most of the times face the same challenges. Qualities and personality traits needed to overcome these challenges are quite similar. The intrapreneur acts as an entrepreneur except that s/he operates in a corporation.

Morris, Kuratko and Covin (2010) have pointed out in their book, that successful entrepreneurs have some common qualities, these qualities can be found at intrapreneurs as well:

- a clear vision of the company, at any time being able to describe both the current situation of the company and its future one;
- they are aware that they cannot excel in all areas and they are thus surrounded by specialists, including co-founders, employees, mentors and investors.
- successful entrepreneurs initiate new business (start-ups) out of passion. If they do not like what they do, then their company will not survive.
- they pay attention to details and often go to perfection. Successful entrepreneurs do not limit to an overview of the company but they are attentive to the details that matter and have impact on the product, the brand, the customer, the quality of the team or the company culture.

The fact that the working environment of the intrapreneurs work is completely different, brings them some advantages and specific challenges (Buekens, 2014).

In his book "Intrapreneuring: Why You Do not Have to Leave the Corporation to Become an Entrepreneur", Gifford Pinchot (1985) describes 10 rules you need to follow to be a successful intrapreneur:

- to come to work each day willing to be fired;
- to avoid any provision which would prevent the implementation of innovative ideas;
- to make any work is required for the project to operate without considering the tasks described in the job description;
- to find people who can help them;
- to follow their intuition when choosing people to work and to choose the best ones;
- not to make their work known as long a period as publicity triggers the corporate immune mechanism;
- to rely solely on activities that they can control;

- to remember that sometimes it is easier to apologize than to ask permission;
- to be loyal to their goals but also realistic about how to achieve them;
- to appreciate the ones which support them financially.

4. The obstacles of intrapreneurship

Chamorro-Premuzic (2012) states that 70% of successful entrepreneurs have in common the fact that their business idea came to them while they were employed. Talented employees chose to leave because the environment they work in has not given an opportunity to implement their ideas or there is no intrapreneurship process that would enable them to do so. Another important aspect is that employees leave the company because they are dissatisfied with the work and the greatest dissatisfaction is linked to their boss. In this way, talented people have left to start their own business companies as the companies they worked for did not believe that intrapreneurship can be used as a tool for economic growth for the company (Chamorro-Premuzic, 2012).

Employees do not leave because better opportunities are outside, they leave because something goes very wrong inside; they were stranded in doing something. Their dissatisfactions must go above a certain threshold and lead them to leave a company in which they have made many friends and had greater access to technology (Buekens, 2014).

Even if the intrapreneurs operate in a different environment, freedom of action is just as important for them as for the entrepreneurs. In this respect, P. Drucker (Drucker, 2010) makes the following statement: "intrapreneurship process involves giving certain rights to the enterprising individuals within the organization, rights that are normally available only outside the organization."

An open organization creates an environment where employees' ideas are taken seriously, if presented properly, and then they are supported and recognized. The most innovative companies encourage their people they work with to come up with new ideas and no matter the place they have in the company hierarchy, as long as the idea is good and the benefits and risks associated with the implementation of these ideas are known. It must however, be always a process of approval of the business and this process must be efficient and transparent so as to be able to understand more clearly why the idea is accepted or not. There are times when it is better for enterprising people to remain in the company and other times when it is better for them to leave. This depends on how open the environment for intrapreneurs is and what gives them rewards (Buekens, 2014).

5. In conclusion

Competitive companies that want to continually offer new products and services should ensure a favorable environment that will enable the event, preservation and development of the intrapreneurs. In a dynamic economy, intrapreneurship is given particular importance as it can ensure the sustainability of companies.

To ensure the success of intrapreneurship, it is very important that, within the companies, an enabling environment should be created for talented people who could use their entrepreneurial skills, have the opportunity to innovate and the necessary resources for the innovation to transform itself into a product to be sold on the market.

Successful companies know how to find intrapreneurs, to develop and keep them within their companies because innovation is achieved through intrapreneurs. Many of the companies that have been successful at some point did not know how to keep innovative people in their companies, paying a very high price, sometimes even their abolishment.

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ECONOMIC CRISIS AND NONPROFIT ORGANIZATIONS

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Abstract: *This work presents the characteristics of non-profit organizations and their differences with social economy along with research options and constraints in the non-profit sector in Romania. It is also presented an evolutionary trend of non-profit organizations during the 2000-2007, the period before crisis and 2008-2010 period, that period when the economic crisis had a very strong effect to Romania economy. In Romania, the number of cases in which neither the state nor the private sector can not address, major increased in recent years. In this regard, nonprofit organisations are considered to be the best instrument to cover certain needs. Their number has increased from time to time with the development of these needs of the population. We believe, based on the idea that NGOs want to meet certain needs of the population, there is a close correlation between the passage of time, needs not covered by the private sector nor the public and the number of registered associations and foundations.*

Keywords: crisis, social economy, non profit organizations

JEL classification: M40, M20

1. Presentation of non-profit organizations

The term "non profit organization" first appeared in 1945 in the United Nations Charter and it was defined in several ways, each definition emphasizing that non profit organizations are independent, developing its own operational arrangements, but are externally controlled. Associations and foundations are the best examples to illustrate the features of non-profit organizations.

The evolution of the crisis and reforming social protection systems have been accompanied by a revival of the nonprofit sector. Since the 1970s, in almost all European countries, some of the existing nonprofit organizations and some new groups of citizens began providing social services, especially for groups more severely affected by the economic crisis and who are not covered by public social policies. The actions taken in this of nonprofit organizations was largely based on volunteer work.

The association arises according to an agreement between three or more people, who share with no right of return their material contribution, their knowledge or their work contribution in the development of activities of general interest, communitary interest or, where applicable, their private non-patrimonial interest. It is established by the free expression of people, which allows members to speak on matters of public interest for other members or for the community.

The Foundation is set up by one or more people who constitute an affected patrimony which must include natural goods or cash, the amount of which shall be equivalent to 100 minimum gross salaries per economy, at the time of formation. Heritage is permanently and irrevocably destined to fulfill a goal of general or communitary interest.

Non profit organizations are part of a sector characterized by the diversity of its management, organization, freedom and responsibility, having a distinct legal nature but aimed at public interest. Non profit organizations' activity is influenced by the environment in which they operate: political, economic, social, etc., a good example being the global economic crisis triggered in 2008.

The economic and financial downturn has made its presence felt in Romania fairly quickly. A major negative effect was the considerable leap that made the Euro rise from 3,5 lei to 4,2 lei, a leap which was felt by every citizen by increasing utility bills, rates on deposits and general consumer goods and services.

Since Romania is a member country of the European Union, the reference point in setting prices and tariffs is the European currency "Euro" and not the national currency - "leu", which led to lower purchasing power of the Romanian people. The Romanian state has not remained indifferent to the economic crisis and it explored ways to exit this impasse. But the austerity measures and economic constraint imposed by Romanian rulers have proved burdensome for ordinary Romanians who have had to deal with falling wages in the public sector with 25%, an increase of VAT by 5 percent and doubling the unemployment rate with the disappearance of several companies.

An important role in helping people in times of crisis, and not only, is the one played by the social economy, which we will detail in the lines below.

2. Non-profit organizations versus social economy

The social economy has been characterized lately by an unprecedented effervescence in terms of academic debates and public policies, but also in terms of the number of organizations and variety of component fields. Known as a reflection of the great community support activities that are implemented in order to meet a social goal, the social economy makes its presence felt in areas such as social protection, education and training, health, social services, sports, culture.

Whether it is about organizations aimed at professional integration of disadvantaged people, about social services providers or about the entity that organizes and helps increase performance of independent workers' activities, social economy means diversity and plurality of institutional forms, areas of activity or organizational goals. Institutional forms (of organization) of social economy are represented by cooperatives, associations and foundations, mutual societies and social enterprises aimed at defending and promoting the common interests of society.

As part of the social economy, non-profit organizations play a major role in ensuring the welfare of the community and boosts civil society. Nonprofit organizations make their presence felt among communities through actions to promote human rights, peace and environmental protection, combating discrimination, social groups supporting and protecting minorities, and last but not least the preservation of cultural heritage. However, they differ from the rest of

social economy entities, as shown in the table below.

Table 1: Differences between non-profit organisations and social economy

The social economy	Criteria for differentiation	Non-profit organizations
Some entities that are part of the social economy such as cooperatives or mutual societies, distribute their profits between their members (not-for-profit organizations);	<i>The criterion of non-profit</i>	Any non-profit organization must operate according to the principle of non-distributed profit between its members;
In general they are excluded from the non-profit social economy entities that do not respect democracy principles, with some exceptions;	<i>The criterion of democracy</i>	They have an important social role because they offer free goods or services to community members;
Goods or services of social economy organizations are for individuals, households or families.	<i>The criterion of serving people</i>	Goods or services of non-profit organizations can be offered to both individuals and legal entities;

Source: Author's processing

The harmonization of social economy with non-profit organizations is intended, but this process varies from state to state depending on the political, economic and social context. In Romania the nonprofit sector, known as the "third sector", witnessed a positive trend, indicating that a history of association can be observed in our culture.

3. Dynamics of nonprofit organization 2000-2010 period

The year of the onset of the economic crisis was in 2008, when the world economy, but also that of Romania, have suffered a decline. For social economy (called "third sector") the year 2008 represented a moment of affirmation in a period full of challenges, enjoying increasingly high recognition. The effects of globalization on the social state models, the models of capitalism, of intellectual paradigms of the society and Government of Europe, were also presented among the social and political processes that have led to an intensification of the economic crisis felt in Europe in recent years. In the context of economic problems and political financing under the siege of the financial crisis, the a increase was the accession in 2007 of Romania to the European Union.

Taking as a landmark the period between 2008-2010, during which the economic crisis has started (2008) and had the strongest effect, we presented in the table below the evolution of associations and foundations, which are considered the most representative organisations of the social economy. Also, we found it useful to present the evolution of associations and foundations instilling previous economic crisis in the country. For this reason, we presented the evolution of these organizations in 2000-2007.

From the table below it can be seen that the evolution of associations in Romania registered positive rate from year to year except 2003, 2004 (insignificant decrease from the previous year) and 2008. Regarding the 2008-2010 period devoted crisis economic, we can observe that the number of associations increased from year to year, from 42.309 to 45.995 and then 49.914 in 2010. Not the same can be said in the case of foundations. They have had a negative record rate over the period.

All the data presented can say that in spite of the negative recording where both associations and foundations, the total number of these organizations is positive and growing from one period to another. So, in 2010 in Romania a total of 66.804 associations and foundations conducted business compared to 58.852 in 2008 and 31.417 in 2000.

Table 2: Annual installments for the registration of associations and foundations: 2000-2010

Year	Annual records associations	Annual installments associations (%)*	Cumulative records associations	Annual records foundation	Annual installments foundations (%)*	Cumulative records foundation	% associations in total
2000	2,237	49,0%	17,448	919	-7,8%	13972	55,5%
2001	2,951	31,9%	20,399	486	-47,1%	14,458	58,5%
2002	4,131	40,0%	24,530	447	-8,0%	14,905	62,2%
2003	2,362	-42,8%	26,892	341	-23,7%	15,246	63,8%
2004	2,350	-0,5%	29,242	261	-23,5%	15,507	65,3%
2005	2,817	19,9%	32,059	260	-0,4%	15,767	67,0%
2006	3,475	23,4%	35,534	283	8,8%	16,050	68,9%
2007	3,607	3,8%	39,141	263	-7,1%	16,313	70,6%
2008	3,168	-12,2%	42,309	230	-12,5%	16,543	71,9%
2009	3,686	16,4%	45,995	196	-14,8%	16,739	73,3%
2010	3,919	6,3%	49,914	151	-23%	16,890	74,7%

Source: The atlas of social economy Romania 2012 * compared with the previous year.

Among the weak points of non-profit organizations, that do not allow their development and affirmation, we can mention the way of cooperation between organizations, where we can notice a strong individualism at this level in Romania. Improving communication between different types of non-profit organizations and community-oriented partnerships, identifying community needs, to the development of projects designed to help local development, would bring an added value to the sector level and would enhance credibility among community members.

The privations of the Romanian state are felt strongly at the level of the health system and the level of social services. This precarious situation generated by lack of interest and, moreover, generated by lack of investment in this direction, create a favourable framework for the affirmation of non-profit organizations supporting, investing and helping identify solutions suitable to support areas such as health, social services, and economic development. Although they cannot solve these problems entirely and cannot absorb such failures, nonprofit organizations are investing further in this direction is constantly adapting to the changes occurring on the social plan.

Affirmation of non-profit organizations can be achieved especially if the development of the following directions is taken into account:

- the provision of social services; It aims to improve communication between different types of non-profit organizations and it is targeted at developing offered services, through the development of partnerships in which each involved party needs to accomplish their duties and take responsibility for them;
- community development; nonprofit organizations must orient their actions towards rural and semi-rural areas, where socio-economic conditions are poor, and the needs of the community are emphasized. Community development projects in these areas will include activities supporting cooperation and community spirit;
- development of projects for environmental support and protection; being a field less exploited, nonprofit organizations must invest in this direction, to adopt and maintain certain international quality standards, develop various projects aimed at pollution prevention and to help create an environment more healthy and favorable for the development of the socio-economic community;
- development of civic spirit; because it finds itself in a less favorable economic situation which does not promise a positive evolution, Romania's population shows a disinterest in the public domain, so that nonprofit organizations must realize some information campaigns on the consequences that may arise as a result of this attitude;
- ONG activity should also switch to informal community groups, groups which can mobilize resources for economic development;
- disadvantaged individuals and groups (elderly, children, groups of poor, disadvantaged and marginalized groups);

From a national perspective, the involvement of non-profit organizations in specific activities of social economy is positioned in relatively early stages of formation and recognition in this form of economy.

4. In conclusion

Individual and social well-being and the elements included in the democratic culture of tolerance (different behaviors and attitudes of everyday life) are structures that characterizes civil society as a whole. These structures represent the junction of the private economy, the formal institutions of society and entrepreneurship. Thus it has outlined a well developed concept, which summarizes all aspects of the public sphere, completely independent of political and state structures, namely the non-profit organization.

The new social economy is emerging in the European Union as a pole of social utility in a plural economy system, alongside a public sector and a private sector for profit. The social

economy must meet the challenge to face the dangers of dilution or vulgarization of its characteristic traits that confer specific social utility. To this end, social economy actors must better understand the values that combine to create a common central core, and they must use all the social and cultural levers that consider these values to reaffirm their own institutional profile and to get a multiplier effect of their economic and social potential.

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CALCULATION OF REGIONAL COMPETITIVENESS IN ROMANIA USING “HARD” MATRIX

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Abstract: *The competitive potential of a country is not homogeneous. Regions of countries have different resources and capabilities to exploit. Measuring the level of regional competitiveness means calculating the speed of development in comparison with other foreign regions, surprising the performance and social economic indicators in certain regions. This paper proposes to determine the level of competitiveness of the Romanian regions by using the hard matrix, as a means of calculation. Proposed in 2007 to track the evolution of the Lisbon Agenda, the calculation method is suitable in relation to the objectives of Europe 2020. As a landmark, the data used are appropriate to 2013, which were fully available. The results show that Bucharest-Ifov region maintained the first place at a big distance than the other regions. Also, compared to 2007, the gap between West and East have increased, one reason being the large number of skilled migrants from the Northeast region. Southern regions experiencing high rates of poverty and unemployment, and are the poorest regions in the entire European Union. The conclusions of the paper propose other methods for assessing competitiveness which can be seen in more detail socioeconomic realities of the country's regions.*

Keywords: competitiveness, regions, method, matrix, Europe

JEL classification: F63, CO2

1. The “hard”- matrix method of calculating the regional competitiveness

To determine the level of regional competitiveness, we used the hard matrix method developed by the Applied Economics Group in 2007. Conceived initially in conjunction with the Lisbon objectives, the model remains valid through the accuracy with which it captures the regional macroeconomic level realities. Manual assessment of regional competitiveness (Applied Economics Group, 2007) uses the structural indicators of the Lisbon Agenda, grouped into general economic environment, employment, innovation and research, economic reform, social cohesion and environment. Subsequently, they were grouped into three main categories: economic indicators, social indicators and technological indicators.

Considering that the model is also suitable for Europe 2020, these indicators were calculated, as specified in the manual and recommendations.

Economic indicator (IE) comprises the following sub-following indicators: GDP / capita growth rate of GDP / capita, labor productivity, net exports and net income / capita. The share of each sub-indicator is: E1 GDP / capita - 10; E2 Growth rate of GDP / capita – 10; E3 Labour productivity – 30; E4 Net exports – 10; E5 Net income / capita – 20. Thus, the calculation of economic indicators (IE), E6 Gross fixed capital formation (GFCF) reported at GDP-20, is:

$$IE = (10E1 + 10E2 + 30E3 + 10E4 + 20E5 + 20E6) / 100$$

Social Indicator (SI) comprises the following sub-indicators: Dispersion of regional employment rates, overall employment rate regional, regional employment rate among women, life expectancy. The share of each sub-indicator is: S1 The dispersion of regional employment rates – 30; S2 The Overall employment rate Regional – 40; S3 Regional employment rate among women – 10; S4 Life expectancy – 20. The calculation of social indicators (IS) is:

$$IS = (30S1 + 40S2 + 10S3 + 20S4)/100$$

The technology indicator (IT) comprises the following sub-indicators: research development expenses as% of GDP, Employment in highly specialized sectors, specializing in tertiary education research. The share of each sub-indicator is: T1 research development expenses as a% of GDP– 40; T2 Employment in highly specialized sectors – 30 ; T3 Tertiary education specializes in research –30. The Technology indicator calculation (IT) is: $IT = (40T1 + 30T2 + 30T3)/100$

The Competitiveness indicator (IC) is calculated as follows:

$$IC = (40IE + 30IS + 30IT) / 100$$

2. Romania measuring regional competitiveness through the "hard matrix"

The analyzed indicators are corresponding to 2013, the last year with the necessary available data for each region. Some of these were manufactured, or obtained by application of the specific formulas (eg the dispersion of the employment rate) and were all related to the national average of 2013.

Table 1. The components of the economic indicators relative to the national average

Region	GDP/capita	Growth rate of GDP / capita	Labour productivity	Net exports	Net income / capita
North-East	0.62	0.97	0.65	0.04	0.9
South-East	0.89	1.7	1.01	0.1	0.86
Sud	0.78	1.45	1.11	0.16	0.94
South-West	0.73	0.66	0.71	0.06	0.92
Vest	1.04	0.61	0.81	0.16	1.05
North-west	0.86	0.85	0.75	0.11	1.01
Center	0.93	0.57	0.86	0.13	1.07
Bucharest Ilfov	2.34	1.17	1.67	0.2	1.3

Source: author's calculations based on NSI available by querying Tempo-Online
The data on the gross fixed capital formation was not available

Table 2. The components of social indicators relative to national average

Region	The dispersion of regional employment rates	The Overall employment rate Regional	Life expectancy
North-East	0.88	0.81	0.832
South-East	0.93	0.89	0.828

Sud	0.9	0.92	0.828
South-West	0.95	0.96	0.831
Vest	1.07	1.04	0.833
North-west	1.06	1.08	0.821
Center	1.03	0.99	0.844
Bucharest Ilfov	1.25	1.36	0.869

Source: author's calculations based on NSI available by querying Tempo-Online

Table 3. The components of technological indicator relative to national average

Region	The research development expenses as a% of GDP	Employment in highly specialized sectors	Tertiary education specializes in research
North-East	0.64	0.79	0.99
South-East	0.15	0.29	0.64
Sud	0.85	0.87	0.41
South-West	0.28	0.71	0.51
Vest	0.53	0.71	0.91
North-west	0.73	0.57	1.22
Center	0.3	0.48	0.88
Bucharest Ilfov	4.48	3.89	2.4

Source: author's calculations based on NSI available by querying Tempo-Online

Applying the formula for calculating the competitiveness indicators, $IC = IE + 40 * 30 * 30 * IT IS +$, the results are:

Table 4. The Regional competitiveness indicator – 2013

Region	I_E	I_S	I_T	I_C
North-East	0.53	1.05	0.79	0.76
South-East	0.58	0.88	0.33	0.56
Sud	0.76	0.89	0.72	0.78
South-West	0.54	0.92	0.47	0.63
Vest	0.63	1.02	0.69	0.76
North-west	0.6	1.02	0.82	0.79
Center	0.63	0.98	0.52	0.7
Bucharest Ilfov	1.13	1.22	3.67	1.91

Source: author's calculations

The highest score obtained in all indicators, including competitiveness indicator is obtained from Bucharest-Ilfov region. This was expected, as the region that includes the capital and / or metropolitan areas exceed national average performance. Regarding the economic indicator, the next score after Bucharest-Ilfov region is obtained by the Southern region (0.76), which is unexpected given the fact that the southern regions (East and West) recorded the lowest values (0.58, 0.60) after Northeast region. This can be explained by its

proximity to the capital, and thus the mobility of resources between the two regions. Over the Social indicator, the first score after the region that includes the capital, is registered in the Northeast region. Given the fact the observations over a larger period of time, contradict this outcome, we will ignore it. Considering that the Northeast region recorded the highest number of emigrants in 2013, this result can be validated, taking into account the overall economic region. The technological indicator captures Southeast and South regions with low values compared to the other regions. From this point of view the North West region presents the second score after the capital. This region saw otherwise, steady growth in the last 4 years by investing in technology and promoting technology transfer to industry.

3. In conclusion

These differences in ranking once again shows that determining the level of regional competitiveness should be guided by the objectives to which we refer. Otherwise, comparing competitive positions of the regions calculated by different methods or factors will lead to the same results, only to a small extent. From this point of view, we believe that effective variants of determining competitive regional force can be: Identify common competitive advantages and determine their level of competitiveness in the light; Identify the competitive advantages of each region and determining the level of competitiveness only through their prism for each territory.

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THE MIGRATION PHENOMENON AND THE STATUS OF ROMANIAN MIGRANTS IN THE EUROPEAN UNION

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Abstract: *This paper represents a theoretical research where are presented the migration and the status of Romanian migrants in European Union. The migration is a complex social process, and there are countless approaches, whether we consider migration flows and migrant stocks, migration forms, their motivations, the economic, social and cultural impact. In the new context of integration processes and of recent developments in international relations, migration has become a main topic, especially due to the economic, social and cultural impact, that migration has both on countries of origin and of destination. In literature, the concept has undergone multiple updates in terms of definitions and the migration process has undergone significant changes, both in flows and stocks. We can say that migration affects migrants but also their family and friends back home and the host country population. The process of migration cannot be considered a zero-sum game, in which only one side wins and the other loses. The net overall effect is positive, but one cannot deny the existence of winners and losers in the migration process.*

Keywords: migration, emigrant, immigrant, international migration, European Union

JEL classification: J61, J62

1. Introduction

Migration is a complex phenomenon consisting of the movement of people from one area to another, followed by relocation and / or employment in some form of activity in the arrival area (Rotariu, 1998). This definition does not refer to national borders, but the migration typology distinguishes, according to this criterion, between internal migration and external or international migration. Internal migration refers to the population movements within the borders of a state and can be 'intra-regional' in the same regions or "inter-regional" from one region to another.

Of these, the most important are rural-urban migration or rural exodus, urban-urban or long-distance migration. International Migration involves crossing a border, an official political boundary, regardless of the distance covered (Sandu, 1999).

International Organization for Migration considers migration the movement of a person or of a group of persons, either over an international border or within a country (OIM, 2014). Migration is a form of population mobility and it includes any displacement of the population, regardless of the duration, purpose or type. In this category are included: refugee migration, economic migration, and migration of people moving away for other purposes or under the influence of other factors, such as family reunification (Prelipean, 2009).

The following types of migration can be distinguished, according to criteria such as:

- territorial aspect: internal migration, where the movement is within the borders, or international migration, which involves crossing the border;
- time: permanent migration or temporary migration;

- motivation or reason: voluntary migration for work or for economic reasons and forced migration determined by natural disasters, political and religious persecution, or wars;
- means used: regulated or illegal migration (Chédemail, 1998).

Differentiating migrants according to their status or their motivation can be also difficult since there are many categories, often difficult to be distinguished. Overall, these are:

- Migrants admitted for education and training. Here we can distinguish foreign students, trainers or instructors.
- Migrants admitted for employment. Qualified migrants owning professional certificates represent an important and growing part of current migrants, corresponding to professions underrepresented in the recipient countries. Unqualified migrants coming from poor rural areas represent the most vulnerable category, being the first threatened by unemployment or expulsion although their work is exhausting, humiliating or underpaid.
- Migrants admitted for reunification or family reunion. This includes citizens or foreign residents' relatives from abroad already established in the receiving country.
- Migrants who have received the rights of establishment in the receiving country. The right of residence in a foreign country can be granted as a result of the economic activities they perform there, as a result of migrants' experience or qualifications in a given area, on the basis of family reasons or because of historical connections.
- Migrants admitted on humanitarian reasons. This category includes:
 - The refugees namely those who are persecuted in their home countries for reasons of race, religion, nationality or opinions on which they support.
 - The asylum persons who have made representations to receive refugee status and are awaiting a response, remaining in this situation until the case is adjudged (OIM, 2004).

2. Particularities of Romanian migrants after 1989

After 1989, when border barriers have fallen, migration reached its climax in Romania. It is known that our country was and is in the last decades a country of net emigration and this implies severe consequences at different levels: economic, social and demographic (Lăzăroiu, 2008).

According to the International Organization for Migration (IOM) factors underlying migration can be grouped into two categories namely: push factors - low living standards, poverty, lack of employment, ethnical problems and pull factors - higher living standards, higher level of wages, the possibility of finding a better job, social network experience, individual freedom (OIM, 2004).

Pull factors (branch demand) are concerned with institutional models and policies implemented in the host country, with factors determining expected costs and benefits of immigration.

Push factors (branch offer) refers to differential wages, to the existence of a higher living standard in the destination country, and of crises resulting from natural disasters, technological accidents or terrorism, or even from financial, political crisis and social conflicts. In addition to the economic factors, the non-economic factors can also be emphasized (the language, the cultural and geographic contingency traditions, history, former colonies) which also affect the decision of immigration and the selection of the destination country (Pârvu, 2013).

3. The status of Romanian migrants

The freedom of movement within the European Union is one of the fundamental freedoms of European citizens, which is based on building the European project. The 2004/38 / EC1 Directive brings together in a single instrument all the legislation on the right of entry and residence of EU citizens.

Its purpose is to simplify and reduce the formalities that EU citizens and their family members must meet in order to exert their right of movement and residence. The Europeans who work or are looking for a job have the right to stay in the respective country. If a European citizen lives in a state other than the native one, family members have the right to accompany or join him (Popa, Ungureanu, 2013).

The right to free movement is a fundamental right of the European Union enshrined in EU treaties. This is ensured through the area of freedom, security and justice without internal borders. Thus, from the right to free movement that EU citizens have, a number of other rights derive, such as : the right to look for a job in another EU country; to work in that country without needing a work permit; to dwell there; to remain there after expiration of employment; to benefit from the same treatment as the other citizens of that country regarding access to employment, working conditions and other social and tax advantages. According Migration Policy Institute in the year 2015 the main destination of Romanian migrants is Germany with over 97 000, United Kingdom 94 000, Italy with 90 000, Spain with 70 000, Austria and Belgium with nearly 14 000 11 000 with the mention that these are official data and the numbers are much higher unofficial in each of these countries (MPI, 2015).

EU Member States have approached rather a defensive attitude towards access to citizenship, imposing a series of tests and conditions for those wishing to obtain citizenship or excluding from their national legislation the possibility of granting citizenship, both by blood, and by birth in the territory. For a person, holding the citizenship is a proof of recognition as a full member of society, with rights and obligations associated with equal chances and opportunities, such as the others citizens of the host State (Bănulescu, 2012).

4. In conclusion

Globally, migration is a very dynamic phenomenon and the situations of forced migration (because of armed conflicts, the violations of human rights, climate changes) affect over 50 millions of people across the world.

According International Organization for Migration in 2014 there was 240 million international migrants and it is estimated that in 2050 there will be 405 millions of migrants. When properly managed, migration can bring great benefit to all involved, benefits that can greatly exceed the costs associated with the integration process.

For Europe, the issue of migration has become more complex especially because of the EU enlargement. The EU membership of countries with large numbers of potential immigrants who have been focused targeting developed European states, has led to questioning their status in relation to the targeted territory, and the regulation of the phenomenon and the counteracting of the negative effects of it. It is the case of Romania where, after joining the European Union, the movement of Romanian citizens is fully liberalized, and some have exploited this opportunity for the purposes of labor migration.

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FOREIGN DIRECT INVESTMENTS IN THE ROMANIAN BANKING SECTOR

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Abstract: *Foreign banks represent important channels for the transfer of productive resources, managerial and organizational skills and experience accumulated on international level, which led to increased competition in the banking market in Romania, which contributed to some extent to the profitability of the Romanian banking sector. The purpose of the current attempt of research is the analysis of the structural evolution of the banking sector in Romania, under the impact of FDI. Analyzing the structural evolution of the Romanian banking sector, we can observe that in 2015, over 85% of the total capital of the banking system in our country belongs to credit institutions with foreign majority ownership and to their branches. Regarding the origin of the foreign capital of credit institutions, it originates from the member states of the European Union (EU).*

Keywords: Credit institutions, market share, Herfindahl – Hirschman Index, profitability, structural developments

JEL classification: F21, G21, G31

1. Introduction

The purpose of the current paper is the analysis of the structural evolution of the banking sector in Romania, under the impact of FDI.

In the last decade, because of the globalization phenomenon and the growing financial integration, many foreign banks have entered the market of evolving countries. Although most foreign banks are coming from countries with a high income, recently the banks in developing countries have followed their example (Van Horen, 2007). Banks appear beyond frontiers also because economies differ in their endowment with production factors and in the efficiency of their banking sectors. From this perspective, international connections between banks played a crucial role in today's global economy (Niepmann, 2015). To the boost of FDI activity have also contributed the lower costs of the local credit and the increase of local competition between local banks in each country through the deregulation of the interstate banking (Kandilov et al., 2016). As foreign banks are more competitive than local banks, the entry of the foreign capital in the banking sector is important through its contribution in creating the competitive nature of the market (Mulyaningsih et al., 2015).

The paper is structured in the following sections: section two provides an analysis regarding the structural evolution of the banking system in Romania under the impact of FDI, while the third section of the paper presents the performance of the banking sector in terms of profitability, followed by the main conclusions.

2. The structural evolution of the banking system in Romania under the impact of FDI

By analyzing the structural evolution of the banking system in Romania, we can establish according to the Table 1, that the biggest share of the banking capital in Romania, 85.9% of the total capital of the banking system belongs to the credit institutions with a foreign

majority capital and to their branches. The foreign capital of the credit institutions originates from the member states of the European Union.

Concerning the degree of concentration of the banking system, the top five banks (Banca Comerciala Romana, BRD, Banca Transilvania, Raiffeisen Bank, UniCredit Bank), had a record of 57.9% on the market share by assets held on 31 December 2015, which shows a moderate level of concentration of the banking system. The concentration of the banking system calculated by the Herfindahl – Hirschman Index (HHI), recorded in 2015 a value of 861 points, up from 797 points in 2014 (NBR, 2015, p.93).

Table 1: Credit institutions as a share in aggregate capital

	Share/Endowment capital					
	2013		2014		2015	
	RON Mill.	%	RON Mill.	%	RON Mill.	%
Credit institutions with domestic capital, <i>of which:</i>						
– with majority state-owned capital	3507.8	13.9	3771.0	13.7	3539.6	14.1
– with majority private capital	472.8	1.9	697.0	2.5	458.6	1.8
Credit institutions with majority foreign capital	21308.6	84.3	23427.3	85.1	21281.3	84.6
I. Credit institutions, Romanian legal entities	24949.8	98.7	27198.3	98.8	24820.9	98.7
II. Branches of foreign credit institutions	324.1	1.3	323.4	1.2	321.9	1.3
Total credit institutions with majority private capital, including branches of foreign credit institutions	22105.5	87.5	24447.7	88.8	22061.8	87.7
Total credit institutions with majority foreign capital, including branches of foreign credit institutions	21632.7	85.6	23750.7	86.3	21603.2	85.9
Total credit institutions (I+II)	25273.9	100.0	27521.7	100.0	25142.8	100.0

Source: own calculations and data processed based on NBR (2014), p.76 and NBR (2015), p.94

Out of 36 credit institutions in Romania at the end of 2015, 30 banks had foreign capital (total credit institutions with a majority foreign capital including branches of foreign banks), with a market share of 90.4% (share in net aggregate assets), of which an amount of 10.8% belonged to branches of foreign banks. During 2015, the largest share of net

assets continued to be held by the credit institutions with Austrian majority (33.3%), followed by those with French majority (13.5%) and the ones owned by Greeks (10.6%) (NBR, 2015, p.94).

3. The performance of the banking sector in terms of profitability

The quantification of performance is important because the profit is a way of protection against unforeseen losses, capital consolidation, and last, but not least, to increase profits by reinvesting it. In terms of performances recorded in 2015, the value of profitability indicators according to assets or return on assets (ROA) and the return based on ownership equity or return on equity (ROE) was positive.

The profitability of the Romanian banking system after a loss of RON 4667 million at the end of 2014 has come to its self, so that 2015 ended with a net profit of RON 4474.7 million because of the reduction of the cost covering the credit risk and the positive influence of merger operations. Against this background the ROE indicator, determined as a ratio between the net income (after taxes) and the total of equity calculated on an average amount, recorded a value of 11.8% in December 2015, while the ROA indicator, calculated as ratio between the net income and the total of banking assets on an average amount, stood at 1.2 % at the end of 2015 (NBR, 2015, p.100 -102).

In 2015, the top ten banks in the banking sector of Romania held 71.6% of the assets (Table 2), while the remaining 26 banks held a share of only 28.4% of the market.

Table 2: The top 10 largest banks in Romania in 2015

Rank	Bank	Net assets (RON Mill.)	The market share in terms of assets in 2015 (%)
1	Banca Comercială Română	59460.9	15.8
2	BRD – Groupe Société Générale	49192.9	13.0
3	Banca Transilvania	47382.9	12.6
4	Raiffeisen Bank	31443.1	8.4
5	UniCredit Bank	30611.8	8.1
6	Alpha Bank	15005.9	4.0
7	Bancpost	11386.9	3.0
8	Garanti Bank	9580.8	2.5
9	OTP Bank	8588.4	2.3
10	Piraeus Bank	7093.0	1.9

Source: data processed according to NBR, Annual Report (2015), p. 101

Banca Comercială Română, BRD - Groupe Société Générale and Banca Transilvania are in 2015 the main banks in the Romanian banking system, with a major market share.

4. In conclusion

In the last few years, we can distinguish the recording of a new trend, the market shares held by foreign banks have grown making against the domestic segment and also continued to dominate the structure of the banking system in Romania, thus triggering a strong competition between credit institutions. Regarding the high share of banks with foreign capital including branches, over 85% of the total capital of the Romanian banking sector, it can have beneficial effects on one hand but on the other hand, it also has risks.

In terms of benefits, foreign banks represent important channels of transfer of productive resources, managerial and organizational skills and finally yet importantly, the international experience accumulated internationally, thus contributing to increased competition in the banking market in Romania.

In terms of risks, we believe the impact may have effects considering that the highest share of capital in the Romanian banking system is owned by foreign shareholders, and in these conditions, the banking sector becomes dependent on the economic situation in the countries of origin, context in which, there is a risk to our country's economy through the so called "contagion effect". Another downside can be noticed through the fact that in case of withdrawal of foreign banks, it can have significant negative effects as a result of the exit of capital in our country, which would lead to significant imbalances in the local market.

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ROMANIA'S DEVELOPMENT IN AN INTERNATIONAL CONTEXT, IN TERMS OF HUMAN DEVELOPMENT INDEX

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Abstract: *The Human Development Index is a concept used for the first time in 1990 by two economists: the Pakistani Mahbub-ul Hag and the economist of Indian origin Amartya Sen, but it came to get some improvement according to the HDI Report in 2010. Before introducing HDI, the economy of development was concerned with calculating the development of economy only as far as GDP was concerned. The concept of human development was born as a result of important events caused by geo-political transformations, having as result a positive impact upon monitorizing the countries all over the world. Taking into consideration the international economic environment the basis were laid for a measurement index, classifying the countries through HDI which ensures with some certainty the aspects of people's life quality, but also having the task of ensuring the stimulation of countries towards further development. All this will lead to ensuring individual welfare through creating a healthy economic, social and educational environment even with the help of reciprocal he offered to the developing countries. Knowing that any intellectual or physical effort can be measured through the Index of Human Development, the work describes not only the theoretical components of HDI, but also a compared analysis of Romania with some of the total of 187 countries for which UNDP yearly updated the HDI. The conclusions show some aspects that can be improved in the future so that our country may be placed higher than the 52nd position within the classification published by ONU.*

Keywords: comparative analysis of economic systems, economic development, health and economic development, human development, comparative studies with other countries

JEL Code: P51, F63, I15, O15, O57

1. Introduction

The Human Development Index (HDI) „was introduced in the first Human Development Report in 1990 as a composite measurement of development that challenged purely economic assessments of national progress. The HDI in the 2013 Report covers 187 countries and territories. Data constraints precluded HDI estimates for eight countries: Marshall Islands, Monaco, Nauru, the People's Democratic Republic of Korea, San Marino, Somalia, South Sudan and Tuvalu. HDI values and rankings are calculated using the latest internationally comparable data for health, education and income. Previous HDI values and rankings are retroactively recalculated using the same updated data sets and current methodologies. The HDI rankings and values in the 2013 Human Development Report cannot therefore be compared directly to HDI rankings and values published in previous Human Development Reports. 2013 Human Development Report also assesses the long-term progress of the 187 countries and territories according to the Human Development Index (HDI), a summary indicator of people's well-being, education and GDP per capita. 2013 Human Development Report also assesses the long-term progress of the 187 countries and territories according to the Human Development Index (HDI), a summary indicator of people's well-being, education and GDP per capita". HDI (2013) „ *Countries around the world have registered a higher level of human development*"

(<http://www.md.undp.org/content/moldova/ro/home/presscenter/pressreleases/2013/03/14/2013-human-development-report-higher-levels-of-human-development-achieved-across-the-world/>) accesat la data de 26.10.2016. According to the Report, the HDI values of Romania in 2011 amounted to 0.786, positioned the country at 54 in the category of countries with medium human development (above the average of 0.758 the group of countries with IDU), but in a continuous growth reaching 2014 on position 52 with a value of 0.793.

2. Economists promoters of the Human Development Index (HDI)

„The origins of the HDI are found in the annual Human Development Reports produced by the Human Development Reports Office of the United Nations Development Programme (UNDP). These were devised and launched by Pakistani economist Mahbub ul Haq in 1990, and had the explicit purpose "to shift the focus of development economics from national income accounting to people-centered policies". To produce the Human Development Reports, Mahbub-ul Haq formed a group of development economists including Paul Streeten, Frances Stewart, Gustav Ranis, Keith Griffin, Sudhir Anand, and Meghnad Desai. Working alongside Nobel laureate Amartya Sen, they worked on capabilities and functions that provided the underlying conceptual framework. Mahbub-ul Haq was sure that a simple composite measure of human development was needed in order to convince the public, academics, and politicians that they can and should evaluate development not only by economic advances but also improvements in human well-being. Sen initially opposed this idea, but he was helped by Haq in order to develop the Index. Sen was worried that it was going to be difficult to capture the full complexity of human capabilities in a single index, but Haq requested him that only a single number would shift the immediate attention of politicians from economic to human well-being" Fukuda-Parr, Sakiko (2003).

The Human Development Index (HDI) is a composite statistic of life expectancy, education, and per capita income indicators, which are used to rank countries into four tiers of human development. A country scores higher HDI when the lifespan is higher, the education level is higher, the GDP per capita is higher, the fertility rate is lower, and the inflation rate is lower. „The first Human Development Report in 1990 opened with the simply stated premise that has guided all subsequent Reports: "People are the real wealth of a nation." Development Programme (UNDP) to establish a new concept: the concept of human development,, defined process that contributes to widening the range of possibilities that offers each person". (UNDP, Millennium Goals (www.undp.ro), accessed on 09.09.2016). Human development is measured using a composite index, which comprises three elements: longevity, training (education), standardized life (level of income / capita). New method (2010 Report onwards) Published on 4 November 2010 (and updated on 10 June 2011), the 2010 Human Development Report (HDI) combines three dimensions: a long and healthy life (life expectancy at birth) , education index (mean years of schooling and Expected years of schooling, a decent standard of living: GNI per capita (PPP US\$).

3. Romania's position in the international framework of the Human Development Index

Orving to the necessity of improving the explanatory ability of HDI, as I have described in the box above, according to HDI' s report from 2016, their calculating method has changed. As a consequence, HDI is calculated as the geometric mean of the component indicators, where education plays an important role in the setting of the DHI of a country. „As far as the education component of HDI is concerned the rate of the adults literacy was replaced with the indicator of the expected years of schooling and the rate of the school

inclusion was replaced with the indicator of the average schooling years". (Majerova, 2012).

We can say that this aspect offered an advantage to Romania, by the growth of HDI. Nowadays, Romania, is situated on the 52nd position among the 187 countries. In the chart below, J gathered the results belaboured by the UNDP, results that show the countries with the highest rate of HDI and the countries which have similar results to our country.

Table 1: Comparative analysis between Romania and countries in terms of HDI

Nr.	Country / the Position	Public expenditure on education 2015	Human Development Index (HDI)	Mean years of schooling	(GNI) per capita (2011 PPP\$ 2013)
1	Norway 1	6,6	0,944	12,6	64,992.3
2	Denmark 4	8,7	0,923	12,7	44,025.5
3	Finland 24	6,8	0,883	10,3	38,694.8
4	Grecia 29	4,1	0,865	10,3	24,524.1
5	Hungary 44	4,7	0,828	11,6	22,915.8
6	România 52	3,1	0,793	10,8	18,108.0
7	Uruguay 52	4,4	0,793	8,5	19,283.5
8	Oman 52	4,2	0,793	8	34,857.7
9	Bulgaria 59	3,8	0,782	10,6	15,595
10	Ukraine 81	6,7	0,747	11,3	8,178.1
11	Moldova 107	8,3	0.693	11,2	5,223.0
12	Cuba 67	12,8	0,769	11,5	7301

Source: conducted by the author based on data (<http://hdr.undp.org/en/content/expenditure-education-public-gdp>) accesat la data de 26.10.2016

According to the chart above, we can observe that on the 6th, 7th, 8th positions are countries like: Romania, Uruguay, Oman. According to classification made by, UNDP these countries are situated on the 52nd position. Although in 2014, Romania allocated the lowest percent 3,1% from the GDP for the education, the mean schooling years of Romania is 10,8, being over Uruguay's and Oman's results.

The same chart shows that the Finns allocated double of the GDP set for the education and the indicator representing Romania's mean of schooling years are higher, so 10,8 compared with 10,3 of the Finns. On the last row of the chart is situated Cuba, which although it allocated 12,8% from its GDP for education, has the mean schooling years 11,5 according to UNDP, but its HDI is lower than Romania's. One aspect is easily observable with that of Greece, which missed spends one percent of GDP more than just education that ranks 29 and 0.865 HDI is close to that of Finland.

4. In conclusion

The Human Development Index represents the two economists' way of thinking: Pakistan Mahbud Haq and the Indian Amartya Sen. Even Though he has been challenged by economists like:Henrik Wolff, Howard Chong both in the issue of the calculating formula and also in the issue of the reviewing of the dates, HDI has become a compared analyze landmark for those 187 countries wich have their HDI updated every year by UNDP. If HDI through its components, reflects with a certainty a major interventionist inclination towards the governments of the analyzed countries.

We can utter that there is an intention to provide the people's wellbeing by the growth of the people's life quality. According to the compared research between Romania, Oman and Uruguay we can observe that our country made great efforts on the educational side, fact that plays an important role in the ONU classification. If our country allocate a higher percent from the GDP for the education and carries out a procedure to reduce the dropout, offers facilities (tax deductions) for job training in collaboration with the private sector, Romania can gain a higher position in the classification of UNDP comparing with the current year 2016.

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BEHAVIOUR OF THE BRICOLAGE CONSUMER

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Abstract: *The increasing complexity (Alden,2006) of the economic life led to the need to know the mechanism of economic human behavior that becomes larger and more complicated, which requires separate study of both intrinsic components: human behavior as a producer of goods and services and their behavior as the consumer. For contemporary society, the technical and scientific progress tends to replace in many areas the manufacturer with mechanical producer; it becomes very important and significant to study of consumer behavior, the more scarce the resources with alternative uses that human society has to provision requiring production, only those goods and services that meet the needs in the quantities needed. Therefore, understanding and explaining the consumption and buying behavior has become a necessity, ignoring the manifestation of it, causing serious imbalances. The study of consumer behavior became a concern of marketers, as they can learn how buyers choose the goods and services to satisfy the multiple needs, which are the stimulus, factors influencing their choice.(Catoiu and Teodorescu,2003) Regarding the consumer behavior, it can be observed that, in general, older people are more sensitive to prices. It can also be observed that for classic groups of products the behavior does not vary much, while for groups of new products there is a more diversified behavior.*

Keywords: consumer behavior; bricolage market; purchasing decisions; qualitative study.

JEL classification: M31.

1. Introduction

The biggest challenge for consumer analysis is that in recent years consumer needs and preferences have changed depending on society. The consumer behaviour development has been described as an interaction; as a dynamic of ideas and perception, conduct and common natural occurrences through which an individual directs the changes in his own life (Blythe, 1998).

According to Solomon et. al. the consumer not only wants to meet its basic needs, but he also defines his image through them, express their personality and reinforce their status in society (Solomon et al, 2010, p. XIV). Besides classical factors that influence consumer behavior, such as culture, social groups, family and personality (Kotler, Bliemel, 2001), the world consumer behavior is increasingly more influenced by globalization. Internet access, mobile communication and more efficient transport means increased amount of information that a consumer has.

Consumers who have a complex buying behavior are heavily involved in the acquisition activity. They perceive significant differences between trademarks or when the product is expensive, risky, and rarely bought and to some degree it reflects in the status of the person who possesses it.(Tecu 2013). Typically, the consumer do not know much about the product in question, however, the buyer will scroll through a learning process, will form the first beliefs and attitudes about a product and then will take a purchasing decision knowingly.

Market operators, as (Kotler, et al 2001) call them, need to understand how consumers process information about products and then evaluate their usefulness. These operators, the authors claim, should help buyers know the product class attributes and their importance. Media coverage of these product attributes is made through advertisements. These are designed to form positive attitudes towards the product or brand and influence the final decision.

Marketing research(Datculescu, 2006). is "the formal activity through which, by means of concepts, methods and techniques of scientific investigation, is systematically done the specification, measurement, collection, analysis and interpretation of objective marketing information designed for management in order to be able to understand the environment in which the company works, identifying opportunities, evaluation of marketing actions alternatives and their effects "

Qualitative research(Lefter,2004) is performed in the initial phase of studying a problem, their main purpose being to clarify the nature of this problem and provide qualitative information. The main objectives of these types of research are: outlining the main aspects of the problem to be researched and diagnosing the situation; identify the hypotheses for future descriptive or causal research; exploring the reasons, attitudes and values; testing product concepts; identification and analysis of alternatives; identifying new ideas for products or services or improve existing ones. The qualitative approach is all the more justified as the study seeks to explore "how" certain experiences or activities are conducted, how certain decisions are taken, how to record and how to learn from them.

The choice proves all the more appropriate because the the notion of consumer behavior is little explored in terms of research. Thus, it was aimed at obtaining data, rich and comprehensive descriptions, offering the possibility of identifying potential dormant subjects, so far unidentified, subjects that were not evident in the beginning of the study.

2. Factors that influence consumer behavior

The diversity of consumer behavior can be explained by various factors that directly or indirectly influence the purchasing decision-making and consume process.(Bratucu, 2008) Consumer behavior can not be explained except by knowing the system of factors that act in close contact and interrelation, but the way they act and especially the place and role that they have in the system, are viewed differently and therefore in the literature can be found various classifications of these factors.Dubois and Jolibert -op. cit. p.83-193 group the factors that influence consumer behavior:

- Individual factors, which include: personality, cognitive style, lifestyle and perceived risk;
- Environmental factors, which include: socio-demographic factors - curve family life, social classes, reference groups, family, economic environment;

Consumer behavior is analyzed by (Ph. Koller, G. Armstrong,2008) who begins with the analysis of the conditions which influence consumers grouped into:

- cultural conditions represented by: culture, subculture and social class;
- social conditions which include: reference groups, family, roles and statuses;
- personal circumstances which relate to: the age and stage of life cycle, occupation, lifestyle, economic circumstances, personality and opinion of himself;
- designated by the psychological conditions: motivation, perception, learning, beliefs and attitudes.

Although each author tries to group according to its own opinion on the concept of consumer behavior or the purchasing decision process and criteria it sets, essential factors of influence can be found in all this.

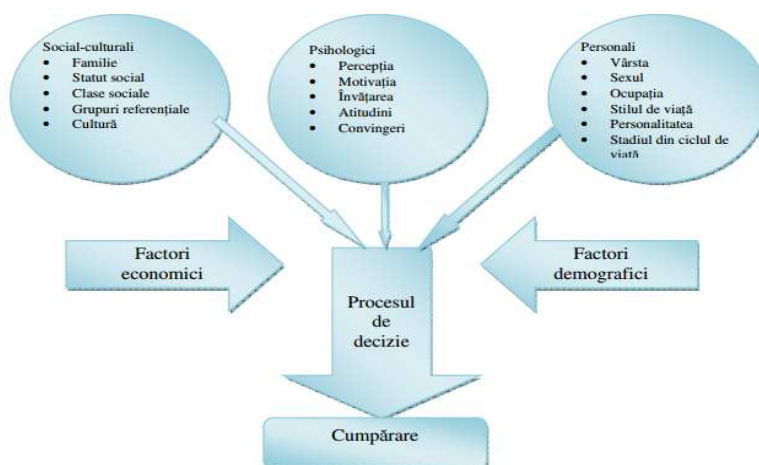


Figure.1. Factors influencing consumer behavior
Source: Bratucu, 2008

3. Qualitative study on consumer behavior on the DIY market

Qualitative research results reveal knowledge of the general aspects, the DIY¹, of the main categories of DIY products. For example, respondents associate the concept of bricoalage with non food, construction materials, articles of garden ancillary products that helps man to carry out daily activities. Though there was a precarious knowledge of specific elements related to the concept of "do it yourself" and numerous terminological confusions.

Most respondents said that until now they had at least one experience in various DIY centers in the county of Brasov, they purchased various categories of products such as construction materials, articles for interior design, gardening products, electronics. They argue that most DIY retailers that operate in this market, currently offer quality services and products. From among the general DIY retailers the most famous participants include: Dedeman, Praktiker, Hornback, Brico Depot, Arabesque, Leroy Merlin.

The Internet is by far the most popular source of information and the first choice for those seeking the latest news, surpassing media with a much longer history: television, newspapers and radio. More than half of respondents said they had heard of DIY stores on the internet. Another way of gathering information is the broadcast via television commercials and other means of information such as radio. Also an important part is played by street posters and outdoor advertising are frequently defined as street advertising and recommendations from friends.

The qualitative research results in a set of criteria that are highly important when choosing a brand of DIY. Respondents senses that a very important criterion in choosing a brand DIY pertains to the quality of products. Another very important criterion for participating products is the price.

Thus, if in the past was the main deciding factor was design, DIY products buyer today is focused primarily in terms of value for money spent on the products.

The diversity of the product range is another criterion that respondents consider it very important as it may cause dissatisfaction among customers when they can not find the products they want to purchase. Customers should also benefit from an extensive array of

¹ DIY-Do it yourself- term that refers frequently to the acronym "DIY" is a term used by different communities that focuses on the fact that people can do things for them without needing the help of professional services that must be paid.

services such as expert advice, ideas for landscaping and decorating inside and outside the house, freight services at home, or rental service tools and equipment.

There are notable differences in vision among respondents when it comes to assigning a word to each DIY retailer. For the Dedeman store they have been assigned the following words: quality, superiority, offers, and promotions, cheap. Respondents consider that the retailer Dedeman offers clients extremely generous demand coverage for building materials to the interior design. The superiority of this shopping center is given on the one hand the quality in the services offered, and on the other hand the promotions found in this shop, participants also believe that prices are very good.

Instead the general opinion regarding the retailer Praktiker is that it specializes in gardening articles, it is an accessible store in terms of location. Praktiker is perceived as an expensive store with high prices. Arabesque is perceived as a specialized deposit for specific items like plumbing and building materials. Brico Dépôt is a appears to be a specialized warehouse for building materials.

In terms of promotional methods used, respondents consider that for obtaining the objectives, DIY companies must use all promotional activities: advertising, public relations, brand, promotional events and sales force.

It is noticed the common interest of the respondents in terms of their main grievances against existing stores DIY market, which refers to personnel, some low quality of products, transport, high price.

The recent years have put their mark on purchase the behavior, many have given up visiting DIY stores, but also the furniture or long use articles sores and segments related to the do-it-yourself sector. In addition, pressure on prices skyrocketed, as many customers have begun to focus on deals and promotions.

Under these circumstances, we gradually returned to classic DIY segment (tools, materials, etc.), to the detriment of the "home improvement" and home arrangement. Consumers bought items for the renovation actually subtracting interest in innovative decorations or items purchased to keep up with the latest trends fitting. On the other hand, the medium and long term, it could produce a maturing of the consumer to move ever more towards the Western Europe customer profile, geared much more towards the acquisition of finishes for home and gardening products".

4. Conclusion

The fear and tomorrow's uncertainty is more and more obvious as the customers pursue and manage their spending better. They become more rational in terms of the purchasing decision and are more attentive to product to its intrinsic qualities, giving greater importance to emotional and aspirational part of its brand. Also they allocate more time searching for information and orienting themselves towards cheaper products in smaller quantities. There are more inclined to the prospect of postponing some purchases. Spend more time searching for durable goods and is more inclined to delay purchases and to buy less.

Considering all these features, the strategies of traders and producers have to be adapted to the needs, preferences and consumer behavior. Therefore, the consumer behavior analysis is a key element for the success of the companies involved (Dabija, 2011).

Regarding the consumer behavior, it can be observed that, in general, older people are more sensitive to prices. It can also be observed that for classic groups of products the behavior does not vary much, while for groups of new products there is a more diversified behavior.

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ALTERNATIVE FINANCING OF SMES THROUGH BUSINESS ANGELS

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Abstract: *When we talk about market economy, we should take into consideration small and midsize enterprises (SME), which is the most predominant sector of market economy. This is the most populated sector having the largest number of employees, which also stimulates innovation and creativity. Financing SMEs is one of the most difficult issues, due to high risks, lack of regulations and guarantees. Even though self-financing and bank credits are the main financing resources of SMEs, this paper is an attempt of presenting another financing source, namely through business angels. This is the most successful financing source in the USA, Great Britain and other countries from the European Union.*

Keywords: small and medium size enterprise; financing; business angels.

JEL Classification: D21; G21; L20; O10.

1. Introduction

The enterprise is an organization that performs economic activities. It is the heart of any national economy. The largest percentage of the companies from Romania and the European Union is made up of SMEs. Peter Drucker said that, 'small enterprises are the major driver of economic growth' (Drucker, 1999). 'The Small Business Act' (SBA) initiative for Europe reflects the political purpose of the European Commission to recognize the central role of SMEs in the EU's economy. The ground rule promoted through the Small Business Act, 'think small first' aims specifically to improve and encourage entrepreneurship in the EU's member states. In order for SMEs to operate and develop in accordance with the existing market changes, they need financing. Financial institutions considers environment in which the SMEs to be competitive and uncertain compared to large enterprises (Badulescu, 2010). Thus, the lack of financing is the most difficult step that SMEs are facing, as well as the reluctance of private investors, banks and other financial institutions. To a certain extent, all of these slow down SMEs development and improvement and may even prevent their emergence on the market.

2. Innovation in SMEs

Besides finding financing resources to develop and broaden the economic activity of most SMEs from Romania, another obstacle that hinders their improvement is the lack of innovations. Romanian entrepreneurs that are leading and running current SMEs lack innovative ideas or do not implement them consistently. When we talk about innovation, we thinking and innovation in finding new ways of financing.

According to the Romanian Statistical Yearbook, innovation means an introduction in the company's work process of a new or a significantly improved product (or procedure), or new management and marketing techniques. The innovation must have new characteristics or new application methods which should demonstrate significant improvement of the processes within the enterprise. In this way, a higher level of activity is assured. The innovation must be carried out only for the enterprise or for the market.

Innovation-oriented SMEs can implement solutions to create new products, new processes, to find new ways of organizing the work activities and to apply new marketing

techniques, to find and implement alternative financing methods. All these procedures should lead to activities with a higher economic impact that increase the efficiency, productiveness, and profitability of the enterprise.

Between 2010-2012, the innovation-oriented SMEs represented only 8,74% out of the total number of Romanian SMEs.

According to the European Innovation Scoreboard for 2016, released by the European Commission, Romania scored last and ranked along with Bulgaria in the category of `poor innovators`. In 2015, Romania's performance regarding self-innovating SMEs decreased by 17% over 2014. These facts prove that Romanian SMEs do not have a large capacity of self-innovation or even if they have it, they do not implement it.

3. Financing of SMEs

The survey regarding the financing of SMEs published by the National Council of Small and Medium Enterprises (CNIPMMR), shows that over 82% of SMEs financing activities were based on self-financing. The 1st chart indicates the financial resources of SMEs in Romania between 2014-2015:

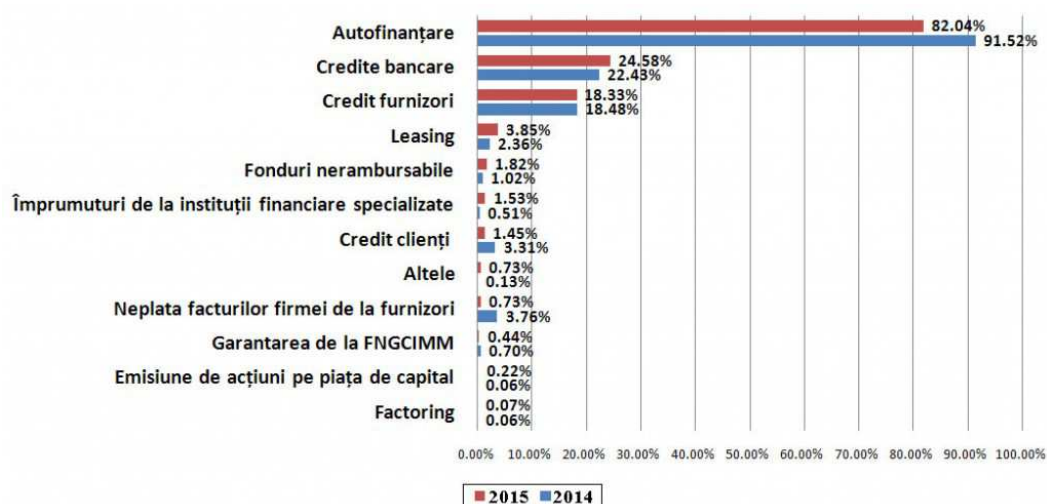


Figure 1: Financial resources of SMEs in Romania between 2014-2015

Source: <http://cniipmmr.ro/2015/07/09/caracteristici-ale-finantarii-immurilor-in-2015-si-2014/>

4. Business Angels

Besides all the forms of financing provided in the chart above, there is another type of financing that started to be used with remarkable success, namely business angels (angel investors or providential investors). This type of financing started to emerge on the market in the late `80 in USA, aiming to support start-ups and innovation-oriented SMEs.

“Business angel” stands for a rich individual or a businessman who invests money, ideas and acquired experience in developing start-ups or developing SMEs, which need financing in exchange for share capital of the company. The main role of a business angel is to finance a small business plan of a start-up or SME, which cannot support itself financially or cannot easily access another type of financing. These business angels (investors – sponsors) expect to get a return on their investment of at least 30% per year. They can actively be involved within the SME they invested in or just counsel on issues regarding the business.

In the USA, the market of business angels increased in 2015 by 1,9% over 2014, reaching to annual investments of \$24,6 billion (Sohl, 2016). 71.110 businesses were financed through business angels, and the number of investors increased to 304.930.

In the European Union, business angels are the major investors of start-ups and new ventures. The investments increased to almost 6,1 billion euros in 2015 as stated in the statistics presented by EBAN – The European Trade Association for Business Angels, Seed Funds, and Other Stage Market Players. In 2015, the number of investors was 303.650 and this led to financing of 32.940 businesses, especially in Great Britain, Spain, Germany, and France.

Due to the decrease of innovation within SMEs and difficulties in accessing funds for business development, Romania has approved laws that support business angels' activities (providential investors). Therefore, in June 2015, the Law 120/2015 regarding the stimulation of individual investors – business angels was enacted. This law regulates the legal framework by which a person can become an individual investor – business angel. The amount of money a person can invest to benefit from the advantages provided by this law must be between 3.000 to 200.000 euros. The investor cannot hold more than 49% of the share capital of the company, but he also benefits from tax concession.

According to the site www.angel.co, in 2016, Romania has 42 registered business angels who made investments within the country. The Business Angels Community from Romania has 50 active investors.

5. In conclusion

SMEs and start-ups that want financial support from a business angel are supposed to have a creative, innovative and well-structured business plan. The entrepreneur who appeals to business-angel financing not only receives financial support, but he also benefits from other competitive advantages. Compared to a SME that considers financing through a bank loan, the entrepreneur of the SME supported by a business angel benefits from the knowledge and experience of the investor and his network. In conclusion, business-angel financing brings more advantages to the SME, not only financial resources. On the other hand, the disadvantage for the owners of the company is that they must give shares from their company's capital.

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PROSPERITY RESULTED FROM THE USE OF NATURAL CAPITAL

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Abstract: *During the research that is done, we scratched the surface of what creates the sustainability criteria for economic development and realized that it is founded on the communion between nature and human activity, so our research path is paved with underlining the structure of natural capital and the influence had by human activity on it and viceversa. During our research we noticed and highlighted all the components that form the natural capital, going from functional biodiversity, extractive resources, water, air quality, land and soil towards marine wildlife and economic benefits had from the efficient and sustainable interaction between nature and humans.*

Keywords: macroeconomic policy; biodiversity; sustainable; natural capital.

JEL classification: O13; P28.

1. Introduction

Academic research outlined on natural capital converge to provide more or less functional work mechanisms, but all the research done is mostly in theoretical models that qualifies certain components of the whole based on the strategy of sustainable recovery and assessment of resources and services produced by natural capital in the context of globalization.

Noting the problems encountered in the current context of globalization by deepening social disparities, we can bring to the forefront as a result from the last economic and social crisis, the case of Great Britain, that by choosing through referendum the activation mechanism for leaving the intra-community space, they outline their position and show new strategies to work for sustainable and available resources and sustainable strategy for their use. Studies conducted in 2000 shows that the problem is not the strategy or the use thereof, but the purpose intended through delivery mechanisms and poor communication on the proposed strategies in intra-community working groups (Dinu et al, 2016). Brownen in 2006 claimed that for decades, the survival and the sustainability of the European model is based on project design, delimitation of those actively involved in management of projects and processes, developing marketing strategies and communication supervision offered throughout mechanism by trans-departmental workflows of governments and involving competition proposals for efficient completion of work. All these having and taking as final aim to protect and strengthen the concept of natural capital and its sustainability.

2. Ecological prosperity

Our prosperity and economic wellbeing depend on our natural capital, including ecosystems that provide us with a flow of essential goods and services - from fertile land and increased production from fresh water and clean air to pollination, flood control and regulating climate. Many of these ecosystem services are used as if they were unlimited. These products are considered "free", their economic value is not properly accounted for in the market and therefore they are still depleted or polluted, threatening the sustainability

and resilience to environmental shocks. 65% of the Earth's ecosystem services have been degraded in the last 60 years. In the EU, 88% of fish stocks are exploited beyond maximum sustainable yields and only 11% of protected ecosystems are in a favorable state.

Ensuring long-term supply of essential ecosystem goods and services require properly valuing our natural capital. Investing in natural capital - like green infrastructure - often brings higher returns than constructed or manufactured alternatives, with low initial costs. In continuation of this research we present natural capital components and their functionality broadly in the phenomenon of globalization.

3. Beyond natural wealth

Improving the efficiency of natural resources, such as metals and minerals, is a key issue in terms of resource efficiency. Specific risks thereof, including security of supply, are addressed in the Raw Materials Initiative, as well as policies on climate change and energy, according to flagship initiative on resource efficiency.

As we move towards a genuinely consumption based economy, sustainable management of materials or "circular" ecological and economical flows, where waste becomes a resource will result in more efficient use of minerals and metals. The measures taken will have a direct impact on the efficiency of mineral resources and metal through measures that take more account of the life-cycle impact by avoiding waste, reuse and recycling broader strengthening research and innovation and other measures to improve market structures.

3.1. Water, air, land and marine resources

Water is a vital resource for human health and an essential element for agriculture, tourism, industry, transport and energy. The low water availability has a critical impact on hydropower and cooling of thermal and nuclear power. Good environmental status and citizens' health depend on the quality and availability of fresh water. However, they are decreasing. It is expected that climate change will cause increased water scarcity, and the intensity and frequency of floods. Many river basins in Europe were affected by water abstraction, land drainage and dams, leading often to poor water quality and ecological effects particularly harmful, possible health effects and limited space for natural habitats.

Between 20% to 40% of the water in Europe is wasted and water efficiency could be improved by 40% only through technological improvements. An improved approach for the sustainable management of water resources requires close coordination with agriculture, transport, regional development and energy policies as well as effective and fair water pricing, in accordance with the Water Framework Directive (WFD). Changes in ecosystems, land use, in production and water consumption and reuse practices could reduce the deficit and less costly ensure water quality.

Clean air is a precious resource. Several air quality standards are widely exceeded in densely populated areas, in particular the issues pollutants such as particulate matter, ground-level ozone and nitrogen dioxide. Despite significant efforts to reduce polluting emissions, current concentrations of fine particles cause half a million premature deaths each year in the EU and in the immediate vicinity. Other studies have shown that the number of working days lost due to diseases caused by air pollution is higher than the working days required to pay for additional measures to reduce emissions.

Significantly, ecosystems and agriculture also suffer, damage due to atmospheric impacts such as acidification, eutrophication and ozone, which affects vegetation. In the year 2020, the annual economic costs were estimated at EUR 537 billion (Brandt, 2011).

Better enforcement of existing legislation and new standards that are science based would help to combat these issues and innovation orientation would improve yields. With adequate deadlines, they can ensure improved air quality through the transition to a low-

carbon dioxide and other actions that is implemented at global level, for example by reducing waste by production methods more efficient, and by taking agricultural policy measures in the transport sector.

In the EU, every year, over 1000 km² is covered as "employment land" for housing, industry, roads or recreational purposes. About half of this surface is actually "waterproof" (Prokop, 2011). Availability of infrastructure varies considerably between regions, but overall, every ten years is being built on an area equivalent to Cyprus.

Land use is almost always a compromise between social, economic and environmental needs, for example: housing, transport infrastructure, energy production, agriculture, nature protection. Decisions taken for land use are long term commitments which are difficult or costly if revoked. Currently, these decisions are often taken without proper prior analysis of the impact, for example through a Strategic Environmental Assessment. Reforming EU policies in agriculture, energy, transport and cohesion will provide an opportunity to establish the framework and incentives for public authorities and land owners to achieve or improve this objective.

The marine environment holds economic opportunities in a wide range of sectors such as minerals extraction, pharmaceuticals, biotechnology and energy. Marine provides also key ecosystem services like the natural regulatory functions that help combat climate change or to slow coastal erosion. Pressures on these systems, including the discharge of pollutants in fresh water into the sea, are still severe, even if in some cases declining. There is no coherent management of sea space which is already affecting our possibilities to benefit from maritime activities. Using spatial tools in marine areas would contribute to resource efficiency.

Depletion of fish stocks has serious economic and social consequences for coastal zones and contributes to loss of biodiversity in the sense of deploying a disorder in all systems, while marine pollution and climate change are other challenges. Politics created through EU's Common Fisheries Policy and Integrated Maritime Policy in the EU puts sustainability at the center of their objectives, to ensure efficient and sustainable use of marine resources by all operators in the value chain.

4. Conclusion

A sustainable strategy for a world based on resources that are used rationally and sustainably shows the need for the development of entities created for supervising environmental management systems through regular evaluation of the impact of operations (Ryazanov, Voronikov, 2003), building specific targets for performance with continuous improvement and also managing all operations (Andrews et al., 1999). To integrate in a balanced manner and also create functionality to reduce social disparities we must understand that the environment we build must be shaped to achieve the needs of the goals seen from a social, economic and environmental perspective, outlining a sustainable strategy for potentiation of services that are outlined and resources resulting from the natural capital (Milanovici, 2016), and the process is accelerated by globalization. Meanwhile environmental rehabilitation of the urban environment should be done through new technologies, all under strong rules developed on cost control and noncreative use of high carbon footprint (Carneiro et al., 2016). At European level the process is highly characterised by procedures that help, but also block evolution for the economy of European Union.

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UNTOLD FESTIVAL INFLUENCE ON TOURISM IN CLUJ NAPOCA

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Abstract: *There is a connection between music and tourism? Of course, this connection would not exist without tourism sector. Musical tourism is a form of tourism which is a very profitable industry for some regions. Those people belong to this category are the true fans that follow their favourite artists at festivals or concerts they support. These festivals can have a real contribution to the local communities where it takes place. Most participants spend significant sums of money for accommodation, meals, beverages, fuel and other expenses related to certain amusement that can take part on festivals. Such an important festival for Cluj and for Romania is Untold. This Festival has only two editions but is already known nationally and internationally. Well known artists who were invited to both editions have attracted young people from New Zealand, Australia, Ecuador, Colombia, Mexico and many other countries from Europe. The number of young people has reached 10,000. With a good promotion, future releases could attract a much larger number of young travellers who would like to participate to such an event.*

Keywords: Untold festival; musical festival; musical tourism; tourism on the economy; music influence on tourism.

JEL classification: L83.

1. Introduction

In the tourism sector we find the connection between geography and music, which otherwise would seem nonexistent connection between this two areas. Tourism is a phenomenon that arises from people's desire to experience and get to know new places where they spend their everyday lives. Most true fans traveling from one side or another in order to take part in some concerts or musical festivals, be it about certain world-renowned festivals or just about a single concert who want to attend. Musical tourism is a form of tourism which is very profitable industry for some regions. This industry refers to those individuals or groups of people traveling to a particular area in order to participate in a festival or a musical. When purchasing tickets for that festival, especially for a festival they have to travel, they spend a larger sum of money in the local economy, especially for gasoline for the car, accommodations, food and others.

Among the segments with the highest growth of tourism in the world, are festivals and events. In any society place certain kinds of events, even if they are fairs, festivals, parades, celebrations, anniversaries. Festivals and events are important parts of the tourism industry. They can serve as powerful tools for attracting tourists during the low-season. Also produce obvious benefits in economy and tourism.

Musical festivals are usually held over two or three days and include the participation of several bands, so that will increase the chances that fans of those bands want to participate. Are large events that usually take place outdoors giving those taking part the opportunity to camp, varied dishes, drinks, games and various entertainment facilities and many other attractions.

2. Untold Festival in Romania

Untold Festival is considered to be the biggest music festival in Romania, although this year is the second year in which it is conducted. It takes place every year in Cluj Napoca, on Cluj Arena. The first edition of this festival was held from July 30 til August 2nd 2015. In 2015, Cluj Napoca was designated European Youth Capital. In those four days the festival was held, attended by over 240 thousand people. Pay with Blood was called a campaign to promote the event, so that those who donated blood at some mobile caravans in Cluj or Bucharest, will automatically receive a free ticket valid for one of the four days of the festival.

This promotional campaign was noted internationally and is considered to be a very good marketing decision because of association of Vlad Tepes, blood donations, Transylvania and vampires. The number of those who donated reached about 600 people. They managed to collect 275 liters of blood transfusions for that two centers in Cluj and Bucharest. This promotional campaign received two Silver awards. Most international artists who participated in this first edition were very impressed by the atmosphere created, wishing to participate at the 2016 edition. Untold 2015 edition managed to collect a total of 240.000 people which spend on average about 100 euros per person for food, accommodation and various shopping so gathered 23 millions. Tickets for the second edition has been available for sale since 23 October 2015. They could be bought for 222.

The second edition of the festival was held also in Cluj, between 4 and 7 August, 2016 and taking place on ten scenes from Cluj Arena. This edition was attended by about 300 thousand people in the four days of the festival. This edition was promote as the World Capital of Night and Magic. The organizers have managed to attract this form of promotion, but also because the artists who performed, young people from New Zealand, Australia, Ecuador, Colombia, Mexico and many other countries in Europe. The number of young tourists come to this festival was about 30.000. Second edition has generated a flow of 30 millions for the local economy of which 6 millions were used for a better organization of the festival. They worked in Untold production over 5000 people of which 1200 were volunteers.

These kinds of events or concerts generate income for small businesses around the place where this event take place. Or for those who have stalls with various products in the space of the event. Such a festival can help our country to develop in terms of tourism because Romania has a strong potential which deserves to grow.

3. Conclusion

From my point of view these festivals bring a real contribution to the communities in which it is conducted. Promoting these festivals should be more intense in order to attract as many people to attend. If officials and the media should help promote more such events would allow Romania to reach a much higher level of tourism for young people. Most young people are attracted to such events. Due to the large number of participants in the two editions of the Untold festival, accommodation in Cluj were filled to 95%. A good organization and a pleasant atmosphere can motivate a person to participate in future editions of an this kind of event. As can be seen, the number of those who participate in 2016 increased by 60 000 compared to the number of people who attended the first festival in 2015. In the first edition gathered 20 millions. At the second edition 25 millions. Tickets for the 2017 edition can be pre-ordered. They are extremely important and artists invited to such an event. They are the ones that attract large numbers of people.

Also, these large scale festivals have more economic benefits:

- Money spent for air tickets, train or fuel;
- Money spent for food;
- Money spent on shopping;

- Improving the image on a given area. Cluj image that became known in countries like Colombia, Mexico, New Zealand, Ecuador and many other countries of the world;
- Increasing consumption and opening up tourism jobs during the event;
- Increase local pride and community spirit;
- Increasing international recognition of the destination.

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UNDERGROUND ECONOMY: THEORETICAL GUIDELINES

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Abstract: *Understanding the determinative factors of the underground economy represents an issue of major concern in the economic development due to implications, as well as its effects on the performances of an economy. The underground economy – in one form or another, to a greater or lesser extent – is present in all countries. The hereby paper has in view to study the manifestation forms of the underground economy, typologies, dimensions and the impact that it has on the Romanian and UE economy in connection with the extent of taxes and charges, as well as of legislative provisions. I reason the fact that the political environments, the development degree of an economy, the social polarization, as well as the legislative provisions (particularly the high taxation degree) touch the collection degree of the taxes and charges and, implicitly, the ability of the governments to fight the underground economy. The survey contributes to the understanding of the practices within the underground economy according to the legal provisions, political environment and social polarization for the purpose of improving the policies and measures meant for fighting the underground economy.*

Keywords: underground economy; informal economy; licit activities; fraud; tax evasion.

JEL Classification: A14.

1. Introduction

The underground economy has become one of the most conversed upon subjects. The governments and the public opinion focus on the market operators' disobedience as regards the payment of taxes and charges. This disobedience related to the payment of taxes and charges towards the state generates phenomena as the fraud, tax evasion and working under the table, having as consequence the prostitution and sexual exploitation, smuggling with goods (products, fuels, medicines and vehicles), weapons and drugs trafficking, influencing the prices of the products transacted on the market, as well as the diminishing in the encashment to the budgets of the countries touched by these phenomena, with implications in the social fields and public safety. The income generated by the licit and illicit activities is reintroduced in the economy through money laundering methods, thus reaching, in certain cases, to finance the terrorist activities. The business environment is contorted by the tax dodge-related practices: the committing of acts of fiscal fraud produces a difference between the taxpayers' payment capacity and the quantum of taxes paid by these persons. This difference is represented by the resources obtained by the taxpayer, without bearing the costs for the financing. Regardless of the type of tax evasion committed by the taxpayer, it is also produced an unfair competition between the entities within the economy. It is important to understand the factors influencing the persons' behaviour and the reasons why these factors engender such behaviour. Among the factors influencing this behaviour, we could name a few key factors that are linked to aspects relating to public administration and legislation from the taxation field, such as: fiscal pressure exerted by the taxes, charges and national insurance contributions, the simplicity and complexity, as well as the arbitrariness of the fiscal system, extent of the bureaucracy and regulations, as well as the incidence of corruption.

2. Definition and concepts

The phenomenon of underground economy is known to have a multitude of definitions and denominations, such as: illegal economy, unreported economy, informal economy, hidden economy, invisible economy, black economy, black market, etc. There isn't a sole and highly extended definition that would comprise all the carried out activities, this one depending mainly on the purpose of the phenomenon. Generally speaking, we could say that the underground economy represents an activity hidden to authorities for the purpose of avoiding the payment of taxes and which unfolds within the limits of criminal, social and fiscal laws. The purpose of this activity is to maximize the income that cannot be controlled by the state. The underground economy can be considered as a development source in the case of underdeveloped economies. For the underdeveloped economies found in the stage of the so-called wild capitalism (the capital accumulation stage), it can represent a subsistence source, an escape from the outskirts and capital accumulation. Among the various identified types under which the underground economy manifests itself, I wish to advert to the following:

Illegal economy which represents the activities forbidden by the national legislation of a state. It can differ from one country to another, depending on the goods or services that are declared illegal in that country.

Unreported economy resides in non-declaring the income from sales of goods to the authorities, as well as the unreported work, having as outcome their non-taxation.

Unregistered economy lies in the non-registration of the income obtained from the carried out economic activities.

Informal economy represents the shadow economy which takes place in the absence of determinations and formal institutional settings. For a better understanding, as an example, we can mention the investors who can buy shares from companies that are not publicly listed.

3. Theoretical guidelines

In terms of the above mentioned, we can note that the underground economy has a commercial and non-commercial constituent.

3.1. Commercial underground economy

3.1.1. Monetary – Licit Activities

Fraud. This comes under different shapes between the member states of the Union (VAT illegal reimbursements). Through fiscal fraud it is understood the fraudulent evading from the declaration, payment of taxes or omitting deliberately the accomplishment of tax liabilities, on the terms set by fiscal laws, whether it was intentionally hidden a part of the sums subject to taxation, whether it was organised the insolvability or it was illegally impeded the payment of the tax. The fraud involves two mandatory elements: a material element which resides in breaking the fiscal law and an intentional one consisting in the desire to dodge the tax.

The elements of the fraud system are the following: Missing Traders which form an integral part of a carousel comprising end beneficiaries, pipe companies and front companies; Tax havens used for transferring the income or the non-repatriation of income obtained abroad and Money laundering.

Tax evasion. It represents the act of evading from the payment of the imposed taxable element to the state. The tax evasion can be “legal” or tolerated, this supposing certain fiscal facilities through which the “taxpayer” wishes to benefit – to a much more extent – by the advantages allowed by the fiscal norms, and the “fraudulent” tax evasion which lies in the commissive and omissive acts committed by the taxpayers (breach of the fiscal provisions) which lead to negative financial and criminal consequences. The taxpayers can be situated in three areas. These areas are: white area in which the correct taxpayers are included; black area for the incorrect ones and the grey area where we found the taxpayers that elude the fiscal law.

The working under the table which represents the work provided outside or within the limits of legal provisions. It is influenced by the social legislation (pension, occupational accidents, unemployment, etc.), fiscal legislation (taxes afferent to wages, national insurance contributions, etc.) and by the work legislation (work provided by women and by children, normal working hours).

3.1.2. Monetary – Illicit activities

The illicit activities consisted of sales of stolen goods, drugs, weapons and prostitution. Another component of illicit activities is represented by the corruption. From the point of view of fiscal policies, the corruption manifests itself at the level of public financial resources, at the level of distribution of budget expenditures and quasi-fiscal activities. Likewise, the high level of poverty and the fiscal burden are determinative factors of the level of corruption.

3.1.3. Non-monetary

In this category, we can identify both licit activities consisting of barter with goods and services, and illicit activities such as: sale of stolen goods, drug production for personal use.

3.2. Non-commercial underground economy

It lies in activities provided within one’s own household that have as outcome goods used specially for one’s own usage. The impact of this type of economy on the GDP is smaller in comparison with the one of the commercial underground economy.

4. Measures for Fighting the Underground Economy

From the point of view of the Romanian economy, it is being raised the issue regarding its convergence and integration in the European economy concerning the economic performance, institutional monetary and fiscal integration. The integration degree of the Romanian economy in the European one leads to the diminishing of the underground economy. Because the fiscal policy of the European Union has as subject only the indirect taxes (the value added tax and the harmonised excise duties) – the policies referring to direct taxes that are left up to the national authorities – a large part of the measures for fighting the underground economy are in the control of the member states.

These measures (without being strictly limitative) are:

1. As far as possible, the tax administration must develop a communication policy meant to send to the citizens the necessary nature of fiscal law, the connection between the budget incomes and the public services and the main results obtained in the prevention and fighting of tax evasion;
2. The inspection remains the main instrument for fighting the fiscal fraud. It must be made step by step, depending on the seriousness of acts and their repetitiveness. The inspection must have precise objectives and definite procedures in order to be able to avoid the arbitrariness and not to breach the predictability principle;

3. The reform of tax administration by limiting and, where possible, eliminating the interaction between the civil servants and the economic agents;
4. The fiscal policy, the policy for administering the state income, the social policy and the one concerning the circulation of goods must be conceived in such a way as to be able to eliminate, as much as possible, the legislative interpretations and to avoid the tendency of individuals and economic operators to not observe the law.

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MEDICAL TOURISM MARKET - TRENDS IN THE CONTEXT OF GLOBALIZATION

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Abstract *In accordance with tourism form classification depending on journey reasons recommended by World Tourism Organization, one of the main groups is for “medical treatment”. Tendencies such as: increase of patient flow at cross-border level, new medical technologies, cross-border investments, simpler regimen related to travel visas, liberalization of transportation or increase of income and of people’s hope of life have generated new models for medical service consumption and production for the last decades. An increasing significant element in medical service trade is patient circulation at cross-border level with a view to obtaining necessary health services; this circulation generated a new phenomenon, namely medical tourism. The countries that decided to promote this niche tourism are aware of the huge economic benefits brought by this. The medical tourism is both a generator of currency income for the receiving countries and a multiplier of two economy branches: health and tourism. Why is the medical tourism placed in the context of the global economic development? Is medical tourism an activity implying only medical service trade, a singular economic activity or a modern combination of specific activities of two sectors having economic and social importance in global and international context?*

Keywords: medical tourism; globalization; medical travel; health travel; tourism patient; niche tourism.

JEL classification I150; Z320.

1. Introduction

Having millenary history, this tourism form is strongly developing at global level and offers attractive perspective of scientific research. Starting 4000 b. Chr., the Sumerians built a place for healing around a thermal spring, visited by many travelers for its healing properties. In India, there have been Yoga and Ayurveda healing techniques for 5000 years, attracting thousands of persons looking for health improvement and in Japan people have travelled for over 1000 years for medical purposes to the “Onsen” mineral springs. Other information about medical tourism appears in Greece, where pilgrims used to travel to Epiduria, considered “Sanctuary of the healing God – Asklepios”. Starting the 16th century, Europe became a destination looked for medical tourism, due to roman baths or spa. In the 1900, USA and Europe became medical centers of major interest, but only for rich persons, who had the possibility to travel in order to take care of their health. In the 80’s –90’s travels for aesthetic surgery and dentistry occurred. These tourists became clients of medical tourism receiving countries especially due to low costs, taking into account that in the supplying countries these services were not covered by insurance policies.

2. Concept and definition

Medical tourism is a part of health tourism, together with wellness tourism (Stephano, R, 2016).

The difference between the two forms of health tourism is that: medical tourism implies existence of a sufferance, of a medical disorder that needs to be investigated, diagnosed and treated by certain medical procedures, being considered reactive, while wellness tourism is proactive (Stephano, R, 2016), implying preventing or maintaining health using alternative procedures, without implying specialized clinics, specialized medical personnel or invasive procedures.

At the 9th National Health Conference having taken place in Rostock/Germany in 2013, medical tourism was defined as a branch of health and tourism industry contributing to maintaining and recovering health in general and wellness in particular, using authorized medical services. Medical tourism is not only a journey in order to improve health, but it is an economic activity implying service trade, representing a merge of at least two economic sectors: tourism and medicine (Bookman and Bookman, 2007).

3. Factors Influencing Medical Tourism

The rapid development of the medical tourism is influenced both by factors specific to the countries exporting medical services and by factors generating patients' interest for medical tourism.

3.1 Factors Influencing Increase of Medical Tourism Offer

The global increase of the medical tourism receiving countries is generated by factors such as:

- Private and state investments in the infrastructure of the health system
- Interest for international certification for medical services
- Existence of an international patient flow
- Lower costs of medical procedures
- Political and social stability
- Excellent touristic infrastructure
- Good reputation about clinical excellence
- Proofs for the history of medical achievements and innovations
- Successful implementation of best practices and of newest medical technologies
- Existence of highly educated medical personnel

3.2 Factors Generating Patients' Interest for Medical Tourism

- The cost for medical services is lower in developing countries
- Medical procedures are not totally covered by health insurances,
- Waiting time – the waiting lists whose time can exceed one year generate patients' migration to countries where the requested services are provided earlier
- Availability of medical services and procedures. Certain countries promoted services and procedures recognized as top medical technology in medical fields such as: stem cell therapy, gestational surrogacy, organ transplant, determining the gender of the unborn child etc. (Horowitz and Rosensweig, 2007)
- The geographical context implying acceptance to travel to countries geographically close to the residence country
- Possibility to combine a pleasure journey with satisfying medical needs

4. Medical Tourism Market

According to the World Health Organization, medical tourism has an ongoing increasing trend, having wide economic implications. The *"Patients Beyond Borders"* publication defines the medical tourist as the person travelling outside the borders of his/her country, in order to benefit from medical services. This category does not include expatriates, medical emergencies and companions of medical tourists or patients having multiple visits

as a result of some episodes related to the initial visit. The same publication estimates a market of USD 45.5-72 milliard, based on approximately 7 -11 million cross-border patients, spending at global level approximately USD 3.800-6.000 per visit, including here expenses related to medical services, transportation, visas, accommodation. There are no official statistics at global level yet and the numbers on the medical tourism market forecasts differ from one research to another.

Table 1 Estimates of the medical tourism market

Year	Research company	Estimates
2016	Medical Tourism Association	\$100 billion and could grow to \$3 trillion by 2025 (Source unknown)
2016	Patients Beyond Borders	\$38.5-\$55 billion (Source unknown)
2015	Patients Beyond Borders	\$45-\$72 billion, growing at 15-25% (Source unknown)
2015	Allied Market Research	projected CAGR growth from 2015 of 15.7% to \$143.8 billion in 2022 (Proprietary source/report)
2014	RNCOS	In Asia CAGR growth of around 22% during 2014 to 2018 (Proprietary source/report)
2013	SRI International	\$50-60 billion (Source unknown)
2012	Transparency Market Research	\$10.5 billion, growing at CAGR of 17.9% to \$32 billion in 2019 (Proprietary source/report)
2008	Deloitte	\$60 billion. In 2011, the company projected annual growth of 35% for American medical tourists (Proprietary source/report)
2004	McKinsey & Co	\$40 billion to \$60 billion in 2006 and projected to \$100 billion by 2012 (Proprietary source/report)

Source: Munro, (2016) Available on <https://www.mtqua.org>

5. Medical Tourism Destinations

In 1997, within the United Nations Conference for Trade and Development (UNCTAD) it is mentioned for the first time that for the developing countries, service trade, including medical service trade, can be beneficial. These countries have labor force, invested capital, knowhow and offer incentives for medical tourism (Bookman and Bookman, 2007). The most famous destinations for medical tourism are: Thailand, Singapore, India, Malaysia, Philippine, Cuba, Costa Rica, Argentina, South Africa, Jordan, Turkey, where we can add countries from the former Soviet Union, countries in Eastern Europe (Hungary, Poland, Romania) and their number continues to increase, every year.

6. In conclusion

Medical tourism explosion would not have taken place if the "globalization phenomenon had not made world seem smaller" (Bookman and Bookman, 2007). Transportation liberalization led to lower tariffs and created accessibility for far away destinations, the revolution generated by internet development made information available for those interested, opening the way to real time communication and information sending, increased flexibility for touristic visas, incentives for foreign investments, development of telemedicine; all these are factors generating the development of medical service international trade. One report developed by the World Trade Organization (quoted in Bookman and Bookman, 2007) stipulates that globalization is a multidimensional process

including economic, social, cultural, political and technological components. This is the current environment, defining the development of medical tourism services in international context. Medical tourism is an opportunity for economic growth for still developing countries that fully exploit the favorable international context and invest in creating and promoting a competitive medical touristic offer.

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THE IMPACT OF REGULATIONS ON COMPETITION MARKET ELECTRICITY IN ROMANIA

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Abstract: *This article addresses the issue of regulation of the electricity market in Romania. The author tries to capture some weaknesses in the regulatory framework on the Romanian electricity in the competition and, more specifically, restricting access to the network of suppliers and lack of transparency for consumers. From a macroeconomic perspective, there were significant theoretical and empirical evidence suggesting that liberalization of the electricity generate positive effects on the energy industry in terms of lower prices and better service. But the law of competition in the European energy sector, transposed at national level is not always correctly applied, and consumers are discouraged about the implementation of the legislative and regulatory framework. In accordance with competition law in the energy sector in Romania, consumers must end distributors of electricity contracts with transparent terms, which are notified once the connection to the supply. But in some cases, companies may resort to abusive practices to customers, especially non-household customers.*

Keywords: abuse of dominance; commitment; contractual relations; directive; regulatory.

JEL classification: M 38.

1. Generally Introduction

Europe's electricity system is in the middle of a period of profound change.

In the context of intensifying global challenges interconnection growing economies of the world, the need for coercive measures of global finance, the challenges of climate and resources, requiring drastic action, the strong interdependence of the economies of EU countries. The European Commission published on 24 November 2009 a working paper on the future strategy "Europe 2020", a project that has become the EU's economic strategy for the next 10 years, called strategy Europe 2020. This strategy takes into account the specificities of each Member State, while pursuing a reform agenda consistent with the overall aim of increasing the competitiveness of Europe, building on the strengths of the EU - the single market, common currency, common policies.

2. European regulations for the internal market in electricity

2.1. Regulations regarding the electricity market in the European Union

During 1990, the European Commission began to challenge the existence of monopolies and exclusive rights in the gas and electricity industry on the grounds that made impossible the existence of an integrated European market. However, at that time there was no real chance to get the agreement of all or a qualified majority of Member States to liberalize energy at Community level. For this reason, the Commission decided to use articles of the Treaty relating to competition law and rules on free movement by forcing Member States to abandon these monopolies (Jones, C. and Webster, W., 2006, p.2).

The legal basis for this process has been designed by the European Commission as a series of legislative packages in fact sets of European Directives and Regulations related to.

The term liberalization refers to Article 3, paragraph 1, item b of the Treaty on the Functioning of the European Union (TFEU), which states that "the Union has exclusive competence [...] establish the competition rules necessary for its operation".

Microeconomic theory suggests that liberalization and competition would benefit lower prices and better service (Directorate General for Enterprise and Industry - Small and Medium Enterprises Observatory of., p. 9).

The first package (Directive 96/92/EC concerning common rules for the internal market in electricity and Directive 98/30/EC concerning common rules for the internal market in natural gas) produced an opening nascent domestic markets for gas and electricity.

First Directive did not provide effective regulation, did not require the designation of a regulatory authority nor has publicly set prices. Instead, with the introduction of competition in the supply phase, she tried to address these vital issues, offering general objectives continue without specifying how they were to be achieved (Jones, C. and Webster W., p. 10). They were followed under Directive 96/92/EC, the obligation of non-discrimination (Article 3) general obligation to preserve the confidentiality of commercially (Art. 9), a general obligation to negotiate (Art. 20).

The directive was replaced in 2003 by a second legislative package (Directive 2003/54 / EC) on the entry of new suppliers of gas and electricity markets of Member States and allowed consumers (industrial consumers as of 1 July 2004 households from 1 July 2007) to choose their own energy suppliers. A second directive requires the Commission and national regulators to crack dominant companies and requires them to take measures to mitigate their domination. They just report on 'aspects of market dominance on (Thomas S., 2005, p. 13).

In April 2009, it was adopted a third package, which amends the second package and seeks further liberalization of the internal market for electricity and gas.

By adopting Commission Decision 2003/796 / EC was founded the regulator ERGEG 2005. This led to the launch of a major regional electricity initiatives at EU level (ERI), in early 2006, which will accelerate the development of a market European single.

Electricity Directive (2009/72 / EC) repealing Directive 2003/54/EC and Gas (2009/73/EC), repealing Directive 2003/55/EC regulates the ownership of transmission networks by ensuring a clear separation between the activities of supply and production activities from network operation through three models of organization: total separation of ownership, network operator independent (in charge of maintenance of the networks, assets are still owned integrated company) or operator independent transmission (a system of detailed rules ensuring the autonomy, independence and necessary investments in transportation). The role of governments, instead of decreasing by transferring important decisions for clients and other market participants actually increased (Littlechild, S., 2010).

According to Karova (2012) increased the level of transparency in relations between national governments and companies, as well as conditions for access to regulated market.

After three directives, we can say that the European model of liberalization of the electricity market reforms did not follow the sequence as expected.

Markets production and retail supply were open to all Clients before finalizing restructuring of industry and cooperation even before regulators have (Karova, R., 2012, p. 47).

2.2. The regulation of the electricity market in Romania

The liberalization of the electricity sector in Romania started in 1998 by complete separation of the business of generation, transmission and distribution and, in parallel, the establishment of the regulatory authority in the energy sector, followed by the gradual opening of markets to competition. Must be acknowledged good progress made from electricity market fully enclosed with a single supplier of electricity, as a state monopoly in adopting a model of restructuring and market in accordance with EU standards, improving

the legal and institutional energy sector. These advances have placed Romania in a leading position among the states in Southeast Europe energy sector reform.

Romania's energy policies have seen a remarkable evolution towards liberalization of the early 2000s and until immediately after EU accession. It was a considerable degree of separation between production capacities, transport, distribution and retail, both in the electricity market and on the gas (Leca, A. et al., 2013). Moreover, a significant amount of electricity is traded through the Electricity Market Operator (OPCOM), which operates as an exchange of electricity.

To fulfill this role in Romania operates the National Regulatory Authority for Energy ANRE develops, establishes and monitors the application assembly nationwide mandatory regulations required for the operation and electricity market sector.

However, some of Romania's energy regulator currently seem to be opposite spirit TPE.

According to Law no.123 / 2012 for electricity and natural gas distribution service of electricity can be achieved only on the basis of the distribution license granted by ANRE distribution operators will hold, under any title, an electricity distribution network, compliance with obligations under the license and related conditions.

Electricity distribution service is provided by distribution licensees and operators is to ensure the transmission of electricity, in terms of efficiency and security between two or more points of distribution network.

Whereas the distribution of electricity mainly consist of commercial exploitation by a single operator distribution networks for electricity distribution existing in a given area, and the service is provided to all users on a defined territory, distribution service electricity is a natural monopoly (Competition Council, Report 2015).

3. Materials and methods

Under the Treaty on the Functioning of the European Union (TFEU), Article 194 states that, in the energy sector, the EU internal market requires the removal of numerous obstacles and trade barriers, harmonization of policies and fiscal measures and pricing in terms of norms and standards, and the adoption of environmental regulations and safety. The objective is to ensure a functioning market characterized by fair access to the market and a high level of consumer protection as well as adequate levels of interconnection and production capacity.

According to Article 102 (ex Article 82) TFEU, it is incompatible with the internal market and prohibited in so far as it may affect trade between Member States, any abuse by one or more undertakings of a dominant position on the market or in a substantial part of it.

Article 102 only prohibits the abuse of a dominant position, not just its mere existence.

Excess concentration may favor situations where a company is abusing its position dominant, manifested by an incorrect manner or on the basis of prices (too small or too large), marketing conditions or the way they treat consumers.

In 2011, in Romania, on the electricity market, restrict access to the network of suppliers and lack of transparency for consumers were the main problems encountered in the field of regulation and competition representatives from Romania.

According to Competition Law in Romania (Law 21/1996) Art. 6, "prohibited the abuse of a dominant position by one or more undertakings on the Romanian market or a substantial part thereof, by anti-competition actions, which have as their object or result in impaired activity economic or prejudice consumers ". Therefore, electricity consumers must be protected from abusive practices by supplier companies.

In accordance with Article 9 of Regulation 1/2003, the Commission may take a decision commitment. This is a quick way to restore effective competition on the market. In accordance with the decisions of commitment, the Commission does not have to prove an antitrust or impose fines. It voices its concerns and parts may present commitments to address these issues. If the Commission, after consultation with market participants,

considers that these commitments are sufficient, it takes a decision to make them legally binding.

4. Results and discussions

Commitment is a procedure used in Europe, which is used in certain situations, so to stop an anticompetitive practice, and to prevent the occurrence of similar practices, it offers fast and efficient (re)introduction of market competition.

Commitments are usually valid for a certain period of time, but if they breach their companies can be fined.

During this investigation the Competition Council was consulted ANRE to ensure that the proposed undertakings are consistent with the regulatory framework in the field of energy. These commitments represent an important step in the adoption of rules on the one hand to protect consumers from abusive practices and, on the other hand to offer companies the possibility of eventual recovery of receivables.

After analyzing the comments on the electricity market in Romania, the Competition Council may request the amendment proposals and decide to accept or reject commitments.

If the undertakings are accepted, they will be monitored for a period determined by the decision of the Competition Council, checking their fulfillment is achieved by the competition authority or by an agent appointed for this purpose.

Commitments for failure, the company can be fined up to 10% of turnover. During the proceedings, the Competition Council may reopen on request or on its own investigation if it finds irregularities.

The starting point of the fine is the percentage of the company annual sales of the product concerned in the infringement (30%). This is then multiplied by the number of years and months how long the breach. The fine may be increased (for example, repeat offense) or low (e.g limited involvement). The maximum fine is limited to 10% of total annual turnover of the company.

5. In conclusion

Achieving a competitive and functioning internal market in electricity, according to the legislation on the Third Energy Package and the Treaty of the Functioning of the European Union is a very complex process.

Constrained by the Commission, the Member States of the European Union exceeded slowly reluctance to open energy markets and were restructured, introducing competition to obtain cheaper electricity and improving the efficiency of public services. However, at the end of the process, not delivering the expected results liberalization.

According to EU rules, competition policy is not an end in itself but a necessary condition for the internal market. So the aim is to enable the establishment of a system to ensure that, within the internal market, competition is not distorted.

In Romania, recent years have brought profound changes in the electricity sector materialized through: restructuring, liberalization, regulation, privatization.

Romanian electricity law establishes the regulatory framework for activity in the electricity sector, in conditions of safety and quality at reasonable prices, the optimal use of primary energy resources and environmental compliance.

Electricity consumers must be protected from possible abuse on the part of suppliers in relation to non-household customers, both in terms of work distribution and contractual relationship.

A firm that was engaged in anti-competitive conduct may be subject to fines imposed by the Commission under Regulation 1/2003.

The existing regulatory framework provide a regulatory framework and functioning of the electricity market sector in terms of efficiency, competition, transparency and consumer protection.

There are some risks and difficulties to be taken into account in the implementation process and can have serious economic and social importance, especially in Romania, because of existing malfunctions institutional, legislative, economic and social.

Lack of customer information, the short time allotted negotiation between providers and non-domestic customers, the lack of regulation are elements premeditated, which gave a dominant suppliers of electricity in 2011 in Romania.

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GENEROSITY AND PROSOCIAL BEHAVIOR IN MIDDLE SCHOOL. THE RESULTS OF A SURVEY IN BIHOR COUNTY SCHOOLS.

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Abstract: *This article presents a social investigation of generosity in 147 schools from Bihor county. We tested three hypotheses concerning generosity: peer effect hypothesis, gender effect hypothesis, the social class and status effects. To test our hypotheses we used a data set of a survey carried out in the spring of 2011 for the County Center for Educational Resources. 4451 pupils in 8 grade (age 14-15) were asked to fill out a questionnaire, which was design to measure their involvement in prosocial behaviors. Further, we investigate the relationships between prosocial behavior - generosity and socio-economic backgrounds. The result showed a significant positive correlation between this two factors. There was also found that generosity is more strongly related with the school - it seems that pupils who studies at the same school tend to have similar score at generosity scale. Also, our study concluded that girls are more generous than boys, at least declaratively. This results are important for understanding the predictors of prosocial behavior and how generosity, altruism can be explained among pupils.*

Keywords: generosity; prosocial behavior; altruism; helping.

JEL classification: A14.

1. Introduction

Relationships are the basic aspect of human functioning and it is extremely important to both society and the individual. Even if the study of pro social behavior, as a specific kind of relationship, is relatively new, a big preoccupation of studying the good and evil in human social life has been in the centre of his interest for thousands of years (Eisenberg & Mussen, 1989). Similarly, morality has been a basic issue in many passages of various religious documents, including both the Old and New Testaments. This preoccupation for morality has its roots in the fact that humans are highly social beings and his behavior has a strong social component Even if the major concern of human is the control and elimination of negative behaviors, a lot of researches were made for understanding positive relationships, that are essential for human well-being. Generosity, as a prosocial behavior, is the topic of our study and its results contributes to understanding how adolescents develop positive relationships in schools.

2. Pro social behavior

People often act to benefit other people, such behaviors may come in many guises like: helping others, sharing with others, sacrificing, volunteering, donating, cooperating to achieve common goals, etc. All these kind of acts are found under the term of "pro social behaviors" (Schroeder & Graziano, 2015). *Pro social behavior* refers to "voluntary actions that are intended to help or benefit another individual or group of individuals" (Eisenberg & Mussen, 1989). The pro social behavior is a social behavior intended to benefit another person or group or the entire society (Smith & Hart, 2002). As recent studies showed, *prosocial behaviors* is driven by a combination of egoistic and altruistic motivations, by a series of internal - preferences, altruistic motivations, emotions, etc.; and external factors -

including norms, reputation systems, social environment, etc. (Simpson & Willer, 2015). A pro social behavior is made voluntary and in time fosters positive traits that are benefits for the human and for the entire society (Batson, 2011).

2.1. Generosity

Generosity is a unique variant of pro-social behavior and can be defined as “the disposition of freely giving one’s possessions, money, time, attention, and acts of kindness (the small acts of generosity that often go unnoticed) and more to others” (Rojas, 2014). Its specific is that it is situated in the individual rather than the act, is a unilateral disposition - emanating from an individual. It refer to helping individuals or group and can support reciprocity, cooperation, and benefit the common good. Given that generosity is a rather a disposition, is not restricted to acts (organizational citizenship behavior), goods (philanthropy), service (volunteering), or group behavior (cooperation), and applies to any of those categories (Collett & Morrissey, 2007). The main characteristics of generosity are: is a learned character trait that involves both attitude and action; is therefore not a random idea or behavior but rather, a basic, personal, moral orientation to life; is also involves giving to others not simply anything in abundance but rather giving those things that are good for others (Rojas, 2014).

2.2. Other studies. Predictors of generosity

Numerous studies tried to emphasize various causes of pro social behavior, forms, consequences of pro social actions or differences regarding positive social acts in specific groups. For example scientists suggest that preferences for altruism appear to differ across groups: Czechs are more altruistic than Americans and men more altruism than women (Anderson, DiTraglia, & Gerlach, 2011). It was also found that usually in a society men and women are expected to behave differently regarding pro social acts, moreover, women believe that women are more generous, men consider that women are as generous as men (Aguilar, Brañas-Garza, Cobo-Reyes, Jimenez, & Miller, 2009). Another research indicate that in a society we find a real gender differences: most women are more generous than men also in terms of the amounts donated (Schnepf & Piper, 2008).

A study made in 2013 suggest that peer effects in reciprocity are organized by social approach (Gächter, Nosenzo, & Sefton, 2013). It also was find that generosity of parents correlate with generosity of adult children’s charitable giving (Wilhelm, Brown, Rooney, & Steinberg, 2008).

Another research examined whether education and training affect pro-social behavior. The study showed that police cadets, who go through an education where teamwork and cooperation is promoted, become more cooperative and pro-social after their completed education (Ahmed, 2008).

Usually lower social class (or socioeconomic status) is associated with fewer resources, greater exposure to threat, and a reduced sense of personal control. Given these life circumstances, one might expect lower class individuals to engage in less pro social behavior, prioritizing self-interest over the welfare of others. The results showed by contrast, that lower class individuals oriented more to the pro social. Mediator and moderator data showed that lower class individuals acted in a more because of a greater commitment to egalitarian values and feelings of compassion (Piff, Kraus, Côté, Cheng, & Keltner, 2010).

Based on the above results our hypotheses regarding generosity among teenagers will be: 1) *peer effect hypothesis*: generosity shows significant intergroup variance; 2) *gender effect hypothesis*: girls show more generosity than boys; 3) *the social class and status effects*: the higher the social status and social class the more generosity one displays

3. Method

To test the three hypotheses we will use the data set of a survey carried out in the spring of 2011 among students in grade 8 (age 14-15) in Bihor county. The database conceived include self-completed questionnaires from 4451 students from 147 schools. The survey was done by the County Center for Educational Resources and directed by Adrian Hatos, Cristina Avrigeanu (Mang) and Rareş Crişan.

3.1. Variables

Generosity was measured as a summated scale of answers to 6 Likert (4 levels) items: *I usually help those who really need it; When someone ask for my help I do not hesitate; I feel good when I help somebody in need; I like sharing things with other persons; I like making donations for the needy ones; I would like to have a job that would make me help as many people as possible.* Alpha Cronbach for the scale is 0,81.

Social status was measured using a dummy for tertiary educated mother and another dummy for highly educated fathers.

Social class was measured via a proxy for affluence, a count of 10 expensive household and cultural items.

3.2. Procedure

The peer effect hypothesis was tested by measuring the Inter-Class Correlation Coefficient (ICC) for generosity between schools - as collectivities in which peer effects are expected - and individuals. All other hypotheses were tested using a multilevel regression (mixed models with schools as subjects) in which the effects of the independent variables have been introduced as fixed effects.

4. Results

Test of Hypothesis 1 (peer effect). The test of variance components of the intercept for generosity showed an ICC (Inter Class Correlation) of 0,15 which indicates a significant within school homogeneity of declared generosity. Thus, our results sustain the peer-effect hypothesis, though other explanations could be brought too.

Table 1: Results of multilevel regression

Parameter	Estimate	Std. Error	df	t	Sig.
Intercept	17.974	0.191	472.544	93.923	0.000
Affluence	0.239	0.030	3763.445	8.050	0.000
Ed. Status mother	-0.492	0.176	3874.844	-2.790	0.005
Ed. Status father	-0.109	0.191	3856.777	-0.569	0.569
Female	0.992	0.102	3887.569	9.765	0.000

Introducing in the two-level regression the four fixed effects is improving the fit of the regression (by a decrease in 2Log Likelihood of 150units) through significant effects from all independent variables. The only exception is in the case of *Father's education* which is non-significant being a confounded variable of Mother's education.

To sum up, all three hypotheses are confirmed by our large data set: the more affluent and educated on teenager's family is, the more generous the offspring is. In other words, more status and material resources make people more willing to share (Mathew Effect), though one may combat this interpretation saying that generosity is part of a legitimizing status culture. In addition to this, it is confirmed that girl are more generous than boys, at least declaratively.

5. Discussion and conclusions:

The study of generosity is important because it is a concept that rests deep in our value systems, influencing the decisions and actions we implement in our lives. People by acting and receiving generosity they have a peaceful existence, they build commitment and they are more satisfied. The manifestation of generosity has a lot of benefits also for those who give, but also for their community and for society as a whole. We have tested several hypotheses concerning generosity on data from a self-completed survey with 4451 8th graders from Bihor county in 2011 and all our three hypotheses were confirmed. The most important and intriguing result is the relative homogeneity of schools concerning the generosity practices declared by our subjects, a result which we attribute, at least partially, to peer effects. Moreover, we concluded that gender, social status and class are also good predictors of generosity, with girls and those rich in material and educational resources more ready to share. Our results are important for a better understanding of how prosocial behavior can appear among pupils and what social predictors can be considered in generosity explanation.

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CLIMATE CHANGE VERSUS SOCIAL DEVELOPMENT IN EMERGING ECONOMIES

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Abstract: *This paper is a clear research on the influences had by natural resources, especially oil, on climate change and economic development from the social perspective. The paper highlights how the economy develops by using resources and also by recovering from the last financial crisis. Also during the research paper we tried to underline all possible paths valid in the idea of climate change and its strong, but faded connection with the social development of emerging economies. The social development of emerging economies help in nuancing the evolution of real life deployments of the social and ecological function of the economy.*

Keywords: oil; social pressure; economic growth; sustainable development.

JEL classification: O13; P18.

1. Introduction

Over the last decade, companies have become increasingly aware of the pressures is social and business environment facing. Many scientists, managers and consultants have argued that these new requirements offer good opportunities for progressive organizations and innovation is one of the principal means by which companies can achieve growth / sustainable development (Hart, 1995). Companies that ignore these pressures do it on his own responsibility, but the reality is that managers had considerable difficulties to deal with the pressures of sustainable development. In particular, their innovation strategies are often insufficient to accommodate highly complex and uncertain nature of these new requirements.

2. Climate change versus social development

It is a strategy that integrates innovation and sustainable development objectives. Unlike conventional innovation based on the market. Innovation for Sustainable Development (ISD) added constraints must incorporate social and environmental pressures, and to consider future generations. ISD is therefore usually more complex (because there is usually a wider range of stakeholders) and more ambiguous (as many of the parties have conflicting requirements). Moreover, sustainable development pressures may be determined by science, which has not yet been fully accepted by the scientific community, political and managerial. Amid such uncertainties, innovation for sustainable development is often difficult and risky. However, faced with increasing pressure to take into account sustainable development, many organizations have revised their business models, and these changes are often highlighted in the reports of sustainability and pages web (Funk, 2003). For example, DuPont Co. said publicly that will reduce emissions of greenhouse by two thirds while holding annual energy use to 1990 levels (intensive technology).

To achieve these objectives need to invest in innovation, and represented an attractive argument for improving both environmental and economic performance - the so-called win-

win situation. Some observers say that sustainable development can generate a round of what economist Joseph Schumpeter called "creative destruction" that provides opportunities for new entrants and potential threats to put pressure on incumbent firms. Others argued technologies radical, products, processes, business models and innovations environment are needed to change the current designs for sustainability. According to this argument, incremental innovation to increase proficiency is insufficient to meet the pressures of Sustainable Development. Instead, it requires competence to destroy radical innovation, which will likely create new capabilities that will eventually cause the actual practice of business of the next century.

With these arguments aside, few companies have invested heavily in innovation for sustainable development. The problem is that although radical change could be good by means businesses can achieve to achieve sustainable development in practice difficulties are considerable, and paradoxes are no barriers to implementing such a strategy. Moreover, current approaches to innovation management are insufficient to meet the additional requirements of sustainable development.

3. Private sector influencers

Suncor Energy Inc. Canada is a major producer of energy, and TransAlta Corp., a large electric utility, and they have initiated innovative alternative approaches to sustainable development. Rather it was based on "creative destruction", the industrial technologies that can be controversial 's companies focused on acquisition and exploitation of new technologies not only for the company but also the capabilities in dealing with secondary stakeholders (Westley, Vredenburg, 1991). In the future, this approach may become a *must have* in the business model necessary for companies in this industry. Suncor and TransAlta have been driven in part by concerns about energy security, sustainability and, in particular, climate change - an area that creates major pressures for innovation, especially for countries that have ratified the Paris Protocol to reduce greenhouse gas emissions.

Canada is one such country, and its challenges are especially daunting. It is one of the largest energy users and producers in the world - and an important generator of greenhouse gas emissions. Canada is also heavily dependent on the US economy - which is another trading partner and Canada is one of the largest external source of energy for the US. Partly because the United States has ratified the Paris Protocol, Canadian companies may be placed at a disadvantage in their major markets. Canada and the energy sector have much at stake. To complicate matters, there is considerable controversy because, like many issues of sustainable development, climate change not yet a coherent debate in the scientific community.

For Suncor and TransAlta, concerns about climate change and energy security is a potential wave of creative destruction and Schumpeterian. Both companies core business which are not viable - extracting oil from large known reserves and production of electricity from coal cheaper. However, both organizations have found effective solutions to increase their business in - a sustainable way.

In 1991, Suncor's Canadian subsidiary Miss Sun Oil Co., headquartered in Philadelphia, USA, which operates a chain of gas stations (Sunoco), producing around 50,000 barrels per day with conventional exploration and production in western Canada. She was also a business that grew outside government initiative sponsored in 1967 by forming the "Great Canadian Oil Sands" to exploit extensive areas of oil sands in northern Alberta. The company was owned by Sun Oil Co. 75% and 25% by the Government of Ontario. With oil prices at \$ 15 per barrel in that period, Suncor has brought new technologies using rotary bucket as tape technology to produce synthetic oil from what were then called tar sands, at about \$ 20 per barrel. Morale was low and both owners were willing to go out of business. Today, Suncor is independent of its former owners and Government and it is one of the

pillars of the energy sector in Canada. Since 1991, it has grown to quadruple production to 225,000 barrels per day, and with the ICI invest \$ 3.4 billion in Millennium Project, a project based on cheap extraction of sandy soil, represents a turning point for oil-rich sands in Alberta, becoming the largest source of oil in North America. Incremental technological innovations increased operational efficiency, bringing down the cost of production of \$ 20 to around \$ 11.50 per barrel. The company has accumulated also skills in the manufacture of synthetic oil. Unlike Convention national oil companies, Suncor is known to supply more than 60 years of feedstock and is therefore far more of a producer than an explorer. In fact, its traditional technological skills (exploration and production of oil and natural gas) have become largely obsolete. Reconfiguration of Suncor was covered extensively in the stock market: the price Suncor Act offenses increased by more than 1,000% since its initial public offering in 1992.

Suncor's technological successes are only part of the story. Over the years, the company was able to develop political skills by successfully lobbying the royalty reduction from the Canadian government (Tural, Abbasov, 2016). Even if the oil sands were originally economically unviable, the government considers the development of their strategic importance for national energy security and industrial growth. Learning how to lobby and to exploit certain public policy issues effectively, Suncor was thus able to develop important skills for stakeholder management side.

It took time to develop these capabilities Suncor, and there were obstacles along the way. Projects in the sands rich in oil is the largest source of energy on the continent, and they have an enormous impact on the environment as the biggest producer of greenhouse gases in Canada. In the mid 1990s, ecological projects keep threatened with costly delays. A group behind this effort was Pembina Institute for Development, which was founded in 1986 in Drayton Valley, Alberta in the heart of oil country. Pembina has expanded its coverage throughout Canada and is now recognized as one of science-based environmental groups with the highest efficiency in the country. They have earned a reputation as an organization with technical meanings and the desire to be an opponent for the industry but also being prepared to work constructively with companies and improve - and practices.

At first, traditional skills in the oil and gas industry may seem incompatible with those needed for wind power. For this reason, alternative technologies, such as wind power are often considered disruptive for oil and gas in the exercise. However, skills acquired in dealing lobby and stakeholder policy facilitated a better understanding of innovation non dimensions - techniques that allow Suncor to engage in what would otherwise be a technology disturbance. Suncor has also been able to recognize the importance of secondary actors and solve their problems of strategic importance.

4. In conclusion

In an effort to gain insight into the possible nature of the world oil production peaking in a number of regions and countries that have mature oil fields have already switched to advanced analysis on the subject. The areas that had significant oil production, with peak reached and not encumbered by major political changes or actions cartel were Texas, Canada, Britain and Norway. Three other countries, which are also passed peak production, but whose maximum production was lower, were Argentina, Colombia and Egypt.

Examination of these real cases showed that in all cases, it was obvious that production was about to reach the peak year before the event, namely, that the evolution of production before peaking has not given range warning during desired. In most cases, the tops were sharp, they do not vary slightly or create a platform, as is hoped by some researchers. Finally, in some cases post-peak production fell rather quickly, we can give UK as an example.

It is not revealed methodological how to produce a peak oil world, but if it follows the models presented by these regions and countries, the world will have more than a year of warning measures and precautions.

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MARKETING BIG DATA: THE BEAUTY AND THE BEAST

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Abstract: *Big data generally means just as it sounds: a context from which structured, useful data will be extracted at a later time. The fine equilibrium between cluttered data and clean information is an important goal in every data collecting activity. For this to happen, a constant pursue of quality must be ensured. The information comes in various forms, with different lifespans and subjective dependencies of the source. What is the final purpose of data collections? Segmentation of the market? New products development? Every marketing strategy needs this strong foundation which is information. But is the data reliable? Was the quality of the collected information influenced by the medium or the gatherers? The marketers must be aware, at any point in data collection, of the possible biases and hidden defects the information comes with. Even the questions have to be questioned... For every database the goal is to find relationships, correlations and even causations. Is present data biased, skewed, deformed in any way? Everything starts with the consumer, then continues with the data collections, the clever algorithms and then back to the consumer, through a marketing strategy. Convergence of big data technologies is paramount: the speed and accuracy of the information transmissions are based on it. Any method to ensure that we have the right data, the useful one, must be used. Otherwise, the big data beauty becomes the big data beast.*

Keywords: big data; information; marketing; strategy; decision.

JEL classification: M31.

1. Big Data: the Beauty

Nowadays, the collections of data – rightfully gathered and used – are a powerful force in marketing. The exclusive use of intuition or personal experience as the grounds for marketing decisions is clearly a bad strategy in the new digital era. The effective strategy must be a mix between data analysis and rational thinking.

Gord Hotchkiss (2013) stated that: "There are no absolutes in marketing; there is just a lot of mushiness in the middle. We need hedgehogs for the "big ideas" that make great marketing great. But we also need foxes to help us navigate through the middle successfully. In fact, the more time I've spent in marketing (trying assiduously to avoid becoming an "expert"), the more I've realized that the middle is where all the action is: between quantitative and qualitative, between strategy and big data, between creative branding and direct marketing, between science and art."

2. Big Data: the Beast

Information is the base of marketing decision, but there is a fine line between data based marketing and data drown marketing (or, worse, data corrupted marketing). For a fair use of databases, several vintage points have to be considered.

- As Philip Kotler said, marketing means "meeting the needs of your customer at a profit"; therefore, the distinction between tools and goals is especially important: the consumer is a goal, the information is a tool.
- Not all data is born equal: there is information about almost anything (the amount of available data is simply enormous, as seen below). Important here are the criteria used for data selection (Redman 2008), which have to be the relevance and the truthfulness. Otherwise, the data collecting activity will be the one leading to a bad marketing strategy.

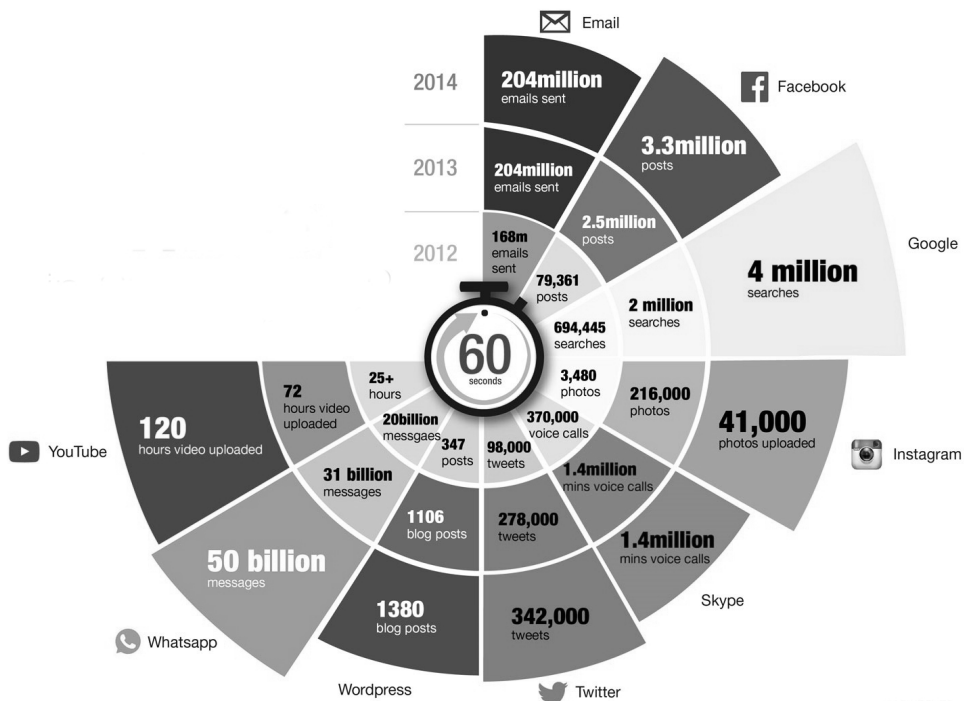


Figure 1: The internet data transmitted in 60 seconds

Source: Vocational Training Council, Hong Kong, 2014 (Kimmorley 2015)

- Data is all about the past: information is only about what happened, about the history of people and things. Data collections can teach us, allow us to make predictions, extrapolations and forecasts. Many times, the predictions are very close to the reality, but only if the overall conditions are similar. The world is constantly changing and the information itself has half-life, too.
- Databases are incomplete: regardless of the quantity of collected data, there is never all the information we need. One rule that can be used is to choose a market considering not the sheer dimension of the information collected, but the degree (percentage) of available data collected.
- The data collections can be falsely objective: usually, data is not subjective, but collecting, recording and interpreting is. Somewhere, along the road, someone decided where, what and how everything is stored. As long as the data selection process (Leonard 1994) is not very well known, there is a possibility to work with corrupt information.

- Data tells stories: but the choice of the story can be difficult. The same set of information can be linked to specific circumstances or could be interpreted in a whole new way (Hammersley 2005). The precision of the analytical thinking will influence the decision based on the data collection.
- The standard of causality is the experiment: correlation means not causation. For a strong and permanent relation to be proven, a test is necessary in which the other variables to be kept constant (Prantner 2013). In this way a true causality is revealed.
- Data is perishable: the fact that information is rapidly and easily collected have nothing to do with its expiry date (Arbesman 2012). Some data can be old no later than six months.
- The information has, generally, a purpose: exploration ("why?") or confirmation ("what?"). Therefore is important to know the initial purpose of the data collecting activity, to use it in the right way.
- The model is not the reality, the map is not the road. George E.P. Box said: "Essentially, all models are wrong, but some are useful." If the field data contradicts the historical data, the situation has changed.
- Data collections are attractive, but can be used (with or without an evil intention) to distract or to convey a specific, intended message. The presentation and the deducted correlations can lead to a false state of reality.

Therefore, data collections, like many other marketing tools, prove themselves as competitive advantages as long as they are rightfully collected, interpreted and used.

3. Big Data in Action

One example (Duhigg 2012) of the power of big data is the story of an angry man that entered one of the Target's store outside Minneapolis, USA, demanding to speak with the manager. He was angry simply because his teenage daughter received, in the mail, coupons for baby related purchases. The manager apologized and tried his best to calm the man down.

The truth was that Andrew Paul, one of the Target statisticians, previously created and implemented an algorithm which, crawling through previous purchases data, was able to identify (based on a list of 25 specific products) a customer "pregnancy prediction" score (and even to predict very closely the due date!). The teenage girl received those coupons based on that algorithm.

The end of the story? A few days later, when the store manager called again to apologize, he received this answer from the girl's father: "I had a talk with my daughter. It turns out there's been some activities in my house I haven't been completely aware of. She's due in August. I owe you an apology."

4. Conclusion

The use of big data becomes more and more important for any business: the quality of information process grows as vital, too. Today, data collections are at the heart of the company and a strong and healthy heart will be the same with years and years of profitable business. Big data improves forecasts and wins clients. Technology is cheaper every day - and when is about big data, Karen Lamb said it perfectly: "A year from now you will wish you had started today."

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CEM VERSUS CRM IN THE BANKING SYSTEM

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Abstract: *We can notice these days a different approach in the Romanian banking system, when banks are interested in their clients' opinions about the quality of the services that they offer or whether they will purchase a product /service again in the future. They do this directly, in a face-to-face interview, or indirectly, in surveys. Since clients used to be called by the banks only for marketing reasons, or to report some information, we have conducted a qualitative research in the market in order to find the answers to the burning questions like: "Why is client's voice important now?", "What happened in the market?", "How can these information help a business, a bank in particular, that is a highly strict and reglementated organization?". Three main conclusions emerge from the research. Firstly, we are facing a new era in marketing, which is not B2B or B2C, but H2H (Human-to-Human), where people are more connected to each other and better informed, thus their good or bad opinions can spread immediatly. Secondly, there have been too much money already lavished on customer relationship management (CRM). Thirdly, managers tend to include in their decision making proces, the experience information they gather.*

Keywords: Customer Voice; Customer Relationship Management; Customer Experience Management; Human-to-Human Era; Banking.

JEL classification: M30.

1. Introduction

It used to be that marketing was segmented into two categories: business-to-business (B2B) or business-to-consumer (B2C), but that's not valid anymore. We live in a remarkable, revolutionary time where humans are more connected to technology than ever before. With technology comes the constant influx of information thrown at consumers on a daily basis. This has, in turn, forced businesses to reevaluate their approach to marketing. With humans so attached to their technological counterparts, businesses must find ways to reconnect with consumers on each device and each social platform they use, but in a way that enables those consumers to actually feel connected to the business on a more human level than was previously ever required.

As opposed to the Industrial Era where big businesses cast a shadow on their audience with power, authority, and demanded respect, the Human Era, that we live in now, urges businesses to be a *peer* instead of a *superior*.

Only by individualizing an audience and building authentic connections will a business thrive in the Human Era.

B2B and B2C set forth an unnatural language for marketers. The fact is that businesses do not have emotion. Products do not have emotion. Humans do. Humans want to feel something. People want to be a part of something bigger than themselves. People want to be included. People want to understand. But people are also humans, and with that comes mistakes and failures.

As humans, it's in our nature to say the wrong thing, get embarrassed, and not realize the consequences of our actions. The rise of social media has given a digital platform to the

dark side of anonymity, both as individuals and as crowds. The delightful side of humanity holds with it empathy, understanding, and forgiveness, and when remembered in our communication, it ties us together as a common group. Communication shouldn't be complicated. It should just be genuine and simple, with the humility and understanding that we're all multi-dimensional humans, everyone of which has spent time in both the dark and delightful parts of life. That's Human-to-Human. That is H2H.

Since businesses do not have emotions, but people do, we have conducted analysis further on, by observing the Romanian Retail Banking System since is very challenging to addapt a very strict type of business that is highly legalized to the demanding New Human Era.

2. Customer Relationship Management (CRM) versus Customer Experience Management (CEM)

As resulted from the analysis, in the past 3 years, major changes have happened in the Romanian Banking System. Banks used to call clients only for marketing purpose, or to inform them about the credit due date, or to report any kind of suspect activity in the accounts and now we can see on ordinary basis face-to- face interviews directly in the banks or surveys via telephone, email, or in the touch points placed in the banks for tracking clients' opinions about the quality of the banking services. Not to mention that if we go to a supermarket we will be asked whether we were happy or not with the store. It's everywhere.

Succesful banks are now in a changing process of addapting their business to H2H Era by carefully cultivating customer satisfaction and loyalty through customer care programmes and with this approach the benefits reflect on the customer who receives superior quality services and is placed in the center of everybody's attention.

2.1 What Customer Experience and Customer Relationship are

Customer experience is the internal and subjective response customers have to any direct or indirect contact with a company. Direct contact genrally occurs in the course of purchase, use and service and is usually initiated by the customer. Indirect contact most often involves unplanned encounters with representations of a company's products, services or brands and takes the form of word of mouth recommendations or criticisms, advertising, news reports, reviwes, and so forth.

On the other hand, Customer Relationship captures what a company knows about a particular customer: his or her history of service request, product returns, and inquiries, among other things, whereas customer experience data capture customers' subjective thoughts about a particular company. (*Andre Schwager, Christopher Meyer, 2007*).

Customer Experience Management (CEM) and Customer Relationship Management (CRM) differ in their subject matter, timing, monitoring, audience and purpose.

	WHAT	WHEN	HOW MONI-TORED	WHO USES THE INFORMATI-ON	RELEVEN-CE TO FUTURE PERFOR-MANCE
CEM	Captures and distributes what a customer thinks about a	At points of customer interaction: <i>"touch points"</i>	Surveys, targeted studies, observa-tional studies, <i>"voice of</i>	Business or functional leaders, in order to create fulfillable expectations and better	Leading: locates places to add offerings in the gaps between

	company		customer ² research	experiences with products and services	expectati- ons and experience
CRM	Captures and distributes what a company knows about a customer	After there is a record of a customer interacti- on	Point of sales date, market research, web site click through, automate d tracking of sales	Customer facing groups such as sales, marketing, field service, and customer service, in order to drive more efficient and effective execution	Lagging: Drives cross selling by building products in demand with ones that aren't

Figure 1 CEM versus CRM

Source: Harvard Business Review- Feb 2007

Although banks have started to measure customer satisfaction and have plenty of data, these data don't tell how to achieve customer satisfaction and ultimately, the loyalty. But each bank have to develop its own program of customer care adapted to the niche they are address to and to it's business strategy.

The most common way to measure customer satisfaction is through NPS survey which rates "**How likely is it that you would recommend the product or service to a friend or colleague?**" (Fred Reichheld, 2003)

In a typical Net Promoter survey, customers are given a 0-to-10 scale on which to rate their likelihood of recommending the company. Marketers then subtract Detractors (those who gave a 0 to 6) from *Promoters* (those who gave a 9 or 10) to arrive at the **Net Promoter Score (NPS)**.

Customers who rate the brand with a 7 or 8 are deemed *Passively Satisfied* and are not included.

This system is used worldwide from 1996 and twenty years later, we can talk about it, on early stage, in the Romanian Retail Banking System, too.

3. In conclusion

Although everybody values the significance of customer experience, and the tools used to collect, quantify and analyze it, it becomes difficult to adequately appreciate what those tools can reveal.

Too much money have been spent on CRM software so far and money should be spent more over for tracking customer experience too, since only by combining the data that those two systems offer, a bank can develop its business on a mature market.

Customer experience does not improve until it becomes a top priority and a bank's work processes, systems and structure change to reflect that. When employees observe senior managers persistently demanding experience information and using it to make tough decisions, their own decisions are conditioned by that awareness.

Although banks know a lot about customers' buying habits, incomes and other characteristics used to classify them, they know little about the thoughts, emotions, and states of mind that customers' interactions with products, services, and brands induce. Yet, unless banks know about these subjective experiences and the role every function plays in shaping them, customer satisfaction is more a slogan than an attainable goal.

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ACCESSING FUNDS THROUGH THE ROP 2014-2020 – BETWEEN SUCCESS AND FAILURE

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Abstract: *The present article aims to emphasize the difficulties which influence the process of application for eligible projects within the Regional Operational Program 2014-2020 and envisages a series of recommendations meant to improve the access to funds by means of this program. In order to identify the constraints and difficulties which the beneficiaries encounter, we conducted a comparative analysis of the regulations in regards to the same key area of interest: tourism, for the two financial exercises: 2007-2013 and 2014-2020. The analysis distinguished significant differences regarding the process of evaluation of conformity in the project proposals, as well as the conditions of eligibility, differences that were reflected in the percentage of the projects proposed for the next evaluation stage (technical and financial eligibility).*

Keywords: European funds; absorption capacity; rejected projects; tourism.

JEL classification: A19.

1. Introduction

The objective of the analysis consists in the identification of the difficulties affecting the submission of projects eligible under ROP 2014-2020, by carrying out a comparative analysis of the adjustments allowed in an administrative assessment stage.

Public administration approach in terms of management (Rosenbloom et. al, 2014) emphasizes the efficiency, effectiveness and economy of resources. Thus, the measurement of institutional performance can be achieved by reference to the objectives (OECD, 1996)-in the situation, the institutions involved in the management of the structural funds have been attracting financial resources allocated (reference indicator: rate of absorption).

2. Financial exercise 2007 - 2013

For the 2007-2014 financial exercise, Romania was allocated 19,057 billion Euros for the operational programs - 19% for ROP. At the end of October, 2016, a current rate of absorption of 80.16%, respectively an effective rate of absorption of 77.54%. At the end of May, 2016, The North-West Regional Development Agency reported a level of absorption of 90.30% of the allocated funds, the highest rate of absorption on the national level.

We conducted a comparative analysis of the conditions regarding the administrative evaluation and the projects eligibility for the two financial allocations; for the 2007-2013 we reported to the applicants guide specific conditions for the call of proposals ROP/5/5.2.

Creation, development, modernisation of the tourism infrastructure for sustainable valorisation of natural resources and for an increase in the quality of tourism services:

- "the clarification of aspects regarding the implementation and preparation of the grant application form is assured by the information help-desk" (pg.78);

- The Intermediary Organisation may demand, no more than twice, clarifications regarding the grant application form. the clarifications may regard aspects of form (signature clarifications, stamps and so on) but also information or documents;
- According to Annex no. 4 – The check grid of the administrative conformity and eligibility - it is stated that *one may request clarifications regarding any aspects regarding the grant application form and the accompanying documents (approvals, budget, etc).*

At the beginning of 2011 the situation of the projects was, as pointed in Table 1:

Table 1: The situation of the projects in the North-West region on the 31st January 2011

Call of proposals	applied	rejected	% rejected	contracted	% contracted
POR/1/1.1 PC	5	0	0.0%	3	60.0%
POR/1/1.1 PDU	28	8	28.6%	In evaluation	does not apply
POR/1/1.1 CU	49	13	26.5%	In evaluation	does not apply
POR/2/2.1	23	4	17.4%	8	34.8%
POR/3/3.1	22	5	22.7%	8	36.4%
POR/3/3.2	55	18	32.7%	14	25.5%
POR/3/3.3	1	0	0.0%	1	100.0%
POR/3/3.4	98	26	26.5%	24	24.5%
POR/4/4.1	32	15	46.9%	4	12.5%
POR/4/4.3	733	254	34.7%	62	8.5%
POR/5/5.1	21	7	33.3%	6	28.6%
POR/5/5.2	24	11	45.8%	3	12.5%
POR/5/5.3	52	15	28.8%	4	7.7%
Total	1143	376	32.9%	does not apply	does not apply

Source: <http://www.inforegio.ro/ro/>

One may notice from the above table the significant rate of rejection of the applications from the evaluation stage 1 and 2 (evaluation of the administrative conformity and eligibility) as well as in the stage of technical and financial evaluation, resulting in a significantly lower number of projects contracted in comparison with the applications, not included are the applications afferent to the requests in the stage 3 of evaluation.

3. Financial exercise 2014 -2020

For the financial exercise 2014-2020, Romania was allocated 30,619 billion Euros, out of which 6.298 million Euros for ROP (Partnership Agreement 2014-2020).

To create a comparative analysis for the two reference financial exercises, regarding the conditions of the process of administrative evaluation and eligibility of the applications for the financial allocation 2014-2020, we relied on the Solicitor guide specific conditions for the call of proposals ROP/2016/7/7. 1/1 *Supporting a favourable growth of the occupation in the work force, by developing the endogene potential as part of a territorial strategy for certain areas, which should include reconversion of the industrial regions in decline, as well as enhancing accessibility and developing the specific natural and cultural resources (Investments in the touristic infrastructure)* where we identified the following aspects regarding the clarifications which the institutions require from the financier:

- The applicants may be assisted in clarifying certain aspects regarding the filling-in and the preparation of the application form at the information help-desk existing on the premises of Regional Development Agencies (RDA) (pg.2);

As a result of the modifications operated in the General guide on October 13th 2016:

- Section 8.1. Administrative conformity and eligibility from the Applicants Guide general conditions: "The intermediary organisation/ AMPOR may solicit a single clarification regarding the criteria of administrative conformity and eligibility ... the rejected grants ... may be applied for again within the call of proposals where they were initially applied" (pg. 57 – 58).

Still, it has to be emphasized that on the 13th of October 2016, the regulations were the following:

1. The intermediary organisation/ AMPOR may solicit a single clarification regarding the criteria of administrative conformity and eligibility (deadline for getting an answer within 3 working days) exclusively for the following situations: wrong numbering, omission of numbering certain pages or numbering in pencil of the application form or the afferent addenda; wrong organisation of the summary; lack of stamping on certain pages of the application form and its addenda/ lack of handwritten mentioning “certified for no change” and of the legal representative’s especially on certain pages of the application form and of its addenda; lack of mentioning “according to the original” where necessary; lack of the signature of the solicitor’s legal representative on one or more pages, except the forms for which the signature is especially required, according to the solicitor’s guide; lack of correspondence between the original of the application and its PDF version; lack of pages from the compulsory addenda filed in. (pg. 56- 57)

▪ The clarifications may not concern the filling-in of the application form, the handing in of any supplementary documents, even in the situation when these existed on the date when the application was submitted.

At the near end of the year 2016, the situation of the projects submitted for evaluation is the one presented in Table 2:

Table 2: The situation of the projects in the North-West region on the 31st October 2016

Call of proposals	Opening call	Closing call	applied	Rejected/withdrawn	% rejected/ withdrawn
POR/2/2.1/1	26.05.2016	27.01.2017	245	The applications were not evaluated	Does not apply
POR/3/3.1/A/1	15.03.2016	16.11.2016	17	16	94%
POR/5/5.1/1	25.03.2016	25.11.2016	21	11	52%
POR/5/5.2/1	25.03.2016	25.11.2016	2	0	0%
POR/6/6.1/1	15.03.2016	16.11.2016	1	1	100%
POR/7/7.1/1	01.04.2016	02.12.2016	1	1	100%
Total			287	29	Does not apply

Source: <http://www.nord-vest.ro/Noutati-POR/Situatia-depunerilor-de-proiecte-pe-programul-REGIO-2014-2020-in-regiunea-Nord-Vest--eID1977.html>

Between the 15th of March 2016 and the 31st of October 2016, in the North- West region there were 287 submitted applications, out of which 42 were *administratively evaluated* and 29 of them were *rejected/ withdrawn*. From the above table, one may notice that the number of applications submitted during the mentioned period is extremely low, and the percentage of the applications which met the administrative and eligibility conditions is 30.95%, except the applications submitted within the call ROP/2/2 which did not have this stage of evaluation.

The situation of the applications submitted in the North-West region is comparable to the general situation of the applications within ROP 2014-2020 up to present, for example: in the Centre region, the percentage of the applications which reached the stage of technical and financial evaluation from the total number of the applications submitted is 21.95%, in similar conditions.

4. Conclusions

For the financial year 2007-2013:1/3 of the project have been rejected and the first data relating to the assessment occurred at 3 years after launch. For the financial year: 2014-2020:2/3 of the projects were rejected and the first data emerged two years after its launch. Compared to other operational programmes 2007-2013 ROP presented a higher level of performance by reference to the value of the indicator absorption rate registered at

national level (October 2016:77,54%), most of the reference pointer value was reported in the Northwest region (90,30%).

The lessons learned by the Management Authority have generated an enhanced attention to details in order to avoid financing certain projects which further, at the implementation stage, proved impossible to realize and achieve within the terms and conditions imposed by the financier.

The potential beneficiaries, not having the same perspective over the negative aspects which might influence the correct access of non-reimbursable funds, are not yet prepared in respect to the imposed rigours in order to access the current funds.

The authority of management of ROP understands this aspect and brings forward at least three efficient tools: information conferences; informing the potential beneficiaries about possible errors and recommendations for improving the application form inserted in every letter of rejection of the application form. Moreover, from the modifications brought to the General guide on October 13th 2016 one may notice that the rules have become more permissive, offering even the possibility of applying again although in the initial version, a rejected application from the administrative point of view could not be submitted again.

The recommendations for the Management Authority are: reintroducing the Help-desk service in order to avoid presence at the headquarters; maintaining the documents afferent to a call of proposals for the entire period of application; the list of eligible expenses should be detailed to the maximum level of eligibility and the terminology used should be as precise as possible and responses to requests for clarification should be sent to potential beneficiaries within 10 days.

The recommendations for the potential beneficiaries are: juridical reglementation of the property of lands/ buildings which are envisaged to be the object of investment of projects; an increased attention paid to the legislation regarding the issue of the state aid; the elaboration of the entire documentation following step by step the grid for administrative evaluation and the grid for technical and financial evaluation.

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SOCIAL ECONOMY VS LIBERAL ECONOMY

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Abstract: *The paper describes the economical context of the emergence of the social economy, its main characteristics and dimensions; it identifies its similarities and differences amid the social economy and the liberal economy in particular. As a descriptive-explanatory paper, it develops on the technical literature in order to highlight the importance of this sector within the ensemble of the market economy, the difficulties that it confronts with as a competitive actor and the chances of insuring the sustainability of social enterprises. The conclusions of the paper point to the idea that the sector of social economy has availability of development by itself representing an opportunity of increasing the occupational degree by inserting the disadvantaged groups on the labor market.*

Key words: social economy; liberal economy; similarities; differences.

JEL Classification: L31; L33.

1.Short introduction to the economical evolution

As it is generally known, the economical life has over time evolved sinuously with growth, dulness and downturn, on long term nevertheless recording a constant improvement. This was on the one hand possible due to the evolution of the society and implicitly of the technology, and on the other hand necessary, given the needs of continuous growth and diversity of each new generation. To John Stuart Mill, “there exists a progressive movement which has been transmitted without historical interruption from year to year, from a generation to another, an increase of wealth, an increase of what is named material prosperity. The main factors of the efficient improvement of material and human resources have been and still are the free initiative of capitalist entrepreneurs, of micro economical actors and of the competitive market” (Mill, John Stuart; Principiile economiei politice, in Mark Blaug, 1992, p. 254).

The economical growth and development have sometimes been slow and of lower dimensions, some other times sudden and spectacular; the latter have been stimulated by real “revolutions” which produced essential changes to the organizational and functional modes of the economical life. Such “economical revolutions” were: the Neolithic revolution, determined by the discovery of fire and manufacture of metal tools, a revolution that transformed the man from being a mere harvester and consumer to a producer of goods that are necessary for ensuring the existence and who put the basis of the agricultural sector; the industrial revolution (although we can discuss about industrial revolutions related to several remarkable technical discoveries), based on the discovery and use of steam, the machine construction, a revolution that propels the industry to a main economical sector; the informational revolution, generated by the informational technologies, a revolution that places the third economic sector on the stand of the biggest consumer of manpower.

The effects of these revolutions are found within the increase of human well-being, of their standard of living: the former will bring people more and better food, the second will transfer a great part of the human physical effort to machines, giving way to a more intense intellectual effort, and the latter will facilitate the almost infinite access of people to

information and services. At the same time, it can be ascertained that the effects of each economical “revolution” create the premises for transiting to the following one.

2.Social Economy vs Liberal Economy

The social economy has been initially constituted and functioned as adjective to the liberal economy, performing several functions, partially incompatible to the latter; a prominent social function consisting of cooperation, reciprocal help, an ethical function representing orientation to employees, beneficiaries, collectivity for choice, and less to profit, as well as an economical function, that of occupational growth of disadvantaged groups (women, gypsies, people with disabilities, etc.). There is also added the charity and solidarity function, because often the income from social economy enterprises is used to this purpose.

Given the fact that the definitions of the social economy, also entitled by scholars or national, European or global specialized organisms as “solidary economy” (Eme, Laville, 2006), “social and solidary economy” (Canfin, 2008), “the third sector” Defourny, 2004), are considered perfectible, we suggest a definition of the same by reference to the liberal economy.

Münkner distinguished between the two types of economy by using five dimensions: the engine of economic development, the decision makers, the prevailing factor, the role of the capital and the intended purpose (Münkner, 2010, p.57). However there can be identified other criteria that distinguish between social and liberal economy and that allow formulating a coherent and graduated definition:

Table no.1: Criteria that differentiate between social and liberal economy

<i>Criteria</i>	<i>Social economy</i>	<i>Liberal economy</i>
Goals	Social goal	Economical goal
Means of decision making	By the participation of all members	The power of decision depends on the invested capital
Employees	Disadvantaged groups	Selected people depending on the enterprise's needs
Means of constitution	By free adhesion	By private initiative
Form of organization	Cooperatives, associations, mutual companies	Trading companies, limited liability companies
Means of obtaining and use of profit	Non-profit activity, use of profit for development	Activities of profit maximization, grant of dividends, reinvestment of profit
Field of activity	social protection and social services, health, banks and insurances, agriculture, handicraft, proximity services, education and formation, culture, sports and leisure (Charte Européenne de l'Economie Sociale, 2002)	Industry, agriculture, commercial, touristic, banking activities, etc.
Founding principles and values	Self-promotion, democracy, freedom, solidarity, equality, equity, honesty, transparency,	Predominantly economic principles and values: low costs, high

	social responsibility, care for the others (Résolution de l'Alliance ... Manchester, 1995).	productivity and profit, competitiveness through quality and price, as well as social responsibility
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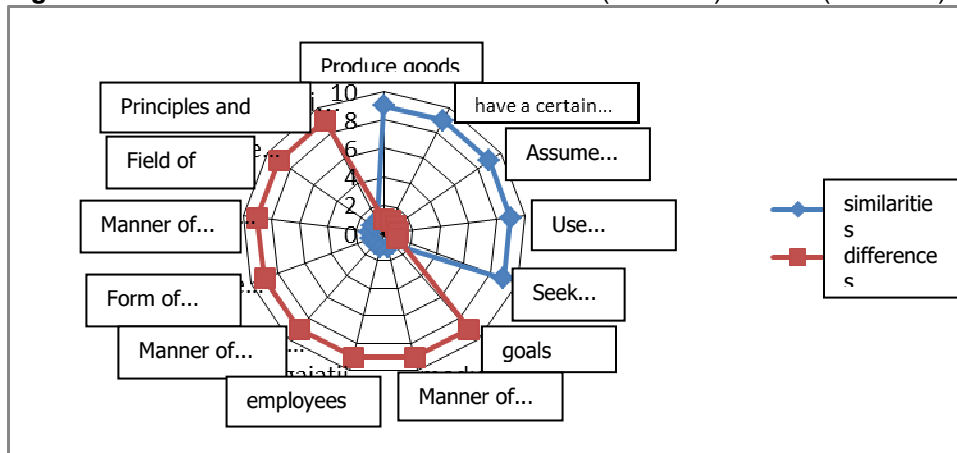
Source: Own adaptations

Given all these criteria, we could define social economy as being the economical form of organization and functioning having a social goal, oriented towards non-profit, social cultural, educational and mutual help activities and towards disadvantaged groups, resulted in cooperatives, associations, mutual companies constituted by the free adhesion of its members which participate directly in decision making, founded on moral principles and values.

Despite certain facilities provided by the legislation that regulates the organization and functioning of social economy enterprises, today it competes with the liberal economy in terms of the same resources and the same market. They both produce goods and services, they have a certain degree of autonomy, they assume economical risks, they use paid labor, they seek market openings for product sale; all of the above represent similarities between the two types of economy.

In conclusion, the charter below illustrates the similarities and differences between the social and liberal economy.

Figure no.1: Similarities and differences amid ES (social ec) and EL (liberal ec).



Source: Own adaptations

3. Conclusions

The social economy appeared and developed complementarily to the liberal economy, or as a response to the permanent trials of the same to maximize profit and to marginalize the human factor and the social dimension of economy. Under these conditions, the social economy has gained specific characteristics that differentiate it from the liberal economy, but despite this aspect they compete on the same market in terms of resources, market shares, financing. This is the reason for which the social economy is specifically regulated and supported by the state.

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THE EVOLUTION OF CRISES GENERATED BY NATURAL RESOURCES SHOCKS

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Abstract: *The main vantage point of the research paper is biased on the idea of how economic shocks are seen from the asymmetrical information point of view' developer and that could evolve into real financial hurricanes, mostly when they're started from political, economic and financial perspectives and that could generate on the long run a shock on supply for those resources especially when it comes to natural resources. We could forecast future crises by using the lesson offered by the past. In order to emphasise this factual situation, we should agree on the fact that crises are self-aware and could be generated from all functional perspectives and aggravated by shocks on the demand, but especially on the supply side,*

Keywords: economic downturn; scarcity; natural resources; macroeconomics.

JEL classification: O13; P48.

1. An estranged point of view on crises

Financial crises are moments of stagnation, inflation and unemployment, all merged into a destabilizing mix that does not offer good prospects in the future even leading to economic collapse. Reinhart and Rogoff (2009) made a classification of various types of economic crisis. They considered that there are seven types of crisis, four of which are defined from a quantitative perspective, and the other three types depending upon the occurrence of a specific event.

Three types of crises are crises of inflation, deterioration of the currency and currency collapses - these are cases where the purchasing power of a currency is experiencing a steep decline. Prices skyrocket due to the crises marked as "price bubbles for goods", and that banking crises are cases that expose declines of low value goods, which may be a decline in the price of a particular capital or a decline in the net asset value of banking as a whole. Two other types of crisis - the crisis of foreign debt and domestic debt crisis - refers to budget deficits and state debts.

If we need to group these seven types of crises by their nature, they are made up as follows: currency crises, banking crises and crises of foreign debt.

2. Most common crisis – the currency crisis

Currency crisis is represented by a strong devaluation of the national currency. The degree of impairment varies according to the degree of development of the country. In the case of developed countries will see a depreciation of 10% - 15% although it will be considered high, while the data on a country whose economy is developing, a depreciation of 20% - 25% is considered ample. From the point of view of Frankel and Rose (1996) we may bring into question the existence of a currency crisis when the national currency will have higher depreciation of 25% in a year. Thus, it is considered that currency crises are costly because of the implications and economic costs that it triggers. A stronger exchange rate

change effects on the real economy: the growth rates, unemployment, real investment, external debt expressed in real terms.

Currency depreciation results in a decrease in the current account deficit through the mechanism of cheaper exports, although the amount of debt contracted from abroad will increase. Observe the transfer of wealth from the country that is in full development mode to developed countries that are most of the time the creditors for the emerging countries. Eichengreen and Hausmann (1999) used the phrase "original sin" to explain developing countries unable to borrow in their own currency. In their view, this inability is underlying structural problems of the economies of many countries in the developing world. Because of the original sin, even macroeconomic decisions that should be a palliative solution to problems (devaluation) can have adverse effects.

Debts incurred by the countries that are being developed are mostly denominated in foreign currencies (US dollar, euro). Lenders who belong to developed countries, fearing a devaluation or inflation phenomenon that might arise in the countries in which they invest, emphasize the denomination of their claims in the currencies of countries in which they belong. Instead, the industrialized countries can borrow in their own currency. For example, Italy's debt is denominated in the euro, US dollar and Japanese yen. If these countries that may hold foreign currency receivables and debts in its own currency are in an advantageous position. If the US would be affected by an asymmetric adverse shock to the aggregate demand then it will create a downward trend in the global demand for goods that are produced in the country, but the balance would be restored by the weak dollar. This eliminates the occurrence unemployment impairment and depreciation (Dinu, et al., 2016).

Economic crises are conducted on so many levels, affecting all sides of economic activity and extend like a snowball. The origin of such crises may lie in a sudden stop (the exit of capital) in the currency market (for example: a speculative attack) or weaknesses in the banking system, according to the specifics of each economy.

It can record various types of shocks. These may affect the stability of the national currency. For example, rising oil prices, the neighbors of that country can be in unfavorable circumstances, partner countries in terms of trade or even the country itself. A country that has adopted a fixed exchange rate and is destabilized by a shock internally, namely the decline of GDP will experience a decline in demand for currency, with downward pressure in the domestic currency, the central bank will be forced to intervene in the market to counterpart the decline until it will fulfill an equal level to the demand for money. In these circumstances, the central bank will sell foreign exchange reserves.

3. Natural resources – the second most important crises generator

The world economy in the years 1981 – 1983 suffered from a severe recession. There was created a favorable environment that affected the capacity to pay foreign debts in emerging countries. One cause of this recession was seen in 1979 through the policy promoted by the United States, which has a powerful anti-inflationary policy nature that culminated in the rise of interest rates for the US dollar. Because many currencies were tied to the dollar, it had led to a general increase in interest rates worldwide. In terms of aggregate demand in developed countries, they were negative and perpetuated primarily by three channels:

1. increased the value of the external debt that was denominated in dollars;
2. increased the interest rate for contracted loans taken by emerging countries;
3. the price levels decreased worldwide (as a result of the fact that the global demand decreased). The obtained income from exports decreased.

The crisis started in August of 1982, when the central bank made the announcement that Mexico has reached the stage where it depleted its foreign exchange reserves and will not be able to honor its foreign debt payment. Because there were economic similarities

between Latin American countries, foreign investors have considered that it would be prudent to withdraw capital from the entire area, meaning countries such as: Argentina, Brazil, Chile. At that time the largest creditors in the Latin American area were banks. It was decided to close down credit lines and repay loans. The consequences of such measures were inability to repay debts for the countries part of Latin America.

The same happened to African countries, who were indebted to international financial institutions such as the IMF and World Bank. Asian countries have failed to honor their promises of payment. By the end of 1986, 40 countries had experienced severe problems with external financing.

A high incidence of banking crises worldwide was associated with a high incidence of sovereign debt in total external debt. Value of sovereign debt began to rise with the onset of World War I (as happened in the case of banking crises) and continued to worsen during the Great Depression and the Second World War (when several advanced economies joined the ranks of those who were already in collapse). Decades that followed were relatively quiet until the debt crisis swept emerging markets in the 1980s and 1990s.

In a heterodox interpretation, David Kotz ranks downturns in four typologies. "In the first category, economic growth leads to a decrease in unemployment and increase the bargaining power of employees so that real wages grow faster than productivity, which at some point becomes unsustainable" (Voinea, 2009). Contrary to Marx who believes that there is a so-called mass unemployment that when the economy is expanding, re-entering the workforce, and their presence in the system affects the relation between labor and capital; but its effects are correlated with the presence of market competition. Where there is competition, profits of companies do not know a real decline, because it can accommodate wage increases and thus will not trigger the crisis. But without a correlating rise in real wages with productivity growth, there remains a possible cause of economic crisis when we relate to the public sector, more so when it represents a substantial share of the total of employers by the state. "The second type of crisis is suboptimal consumption (opposite the first type of crisis), the real wages fall and can cause a crisis if their decline is not offset by increased public spending" (Voinea, 2009). "The third category is the excess of investment that can be associated with the concepts and structure of competition caused by neoliberal policies. Here we include the expansion of productive investments, for gaining market share, leading to excess in productive capacity "(Voinea, 2009). "The fourth type of crisis comes from speculative bubbles. The term speculative bubble refers to a situation where excessive public expectations about the future price of an asset, makes that asset's price to increase now" (Voinea, 2009). Profit growth relative to wages and household income growth have produced an increasing amount of investable funds, which tend to exceed investment opportunities. This creates favorable conditions for the development of asset bubbles, and such funds will find their usefulness in the purchase of assets such as real estate or securities. Once those investable funds enter a speculative bubble, for continued growth it requires a financial system that will lend easy money to feed the bubble, which in the case of a deregulated market and with a short-term vision, like that of neoliberal ideology will be prepared to do so. After the year 2000' program for deregulation of the financial sector, it created new mortgage lending practices that have targeted high volume of loanable funds used to purchase housing, providing important support for the real estate speculative bubble of this era.

4. In conclusion

Crises are moments of awareness of reality. No matter how much an economy grows and however much it may be able to do in time, there is a point from which everything falls apart. As if a balloon is inflated, you do not know from the start how much air it can take, but you'll find out when the bubble will burst, it is therefore very important that the economy measures all incoming flows and until the collapse realizes what triggered it and how we

might avoid in the future. Although seizures are considered negative events, they inevitably lead to progress. Crises of any type are critical moments, and after such an episode, the trend will be positive.

Each existing economic crisis over the last centuries has led to a revolution in economic thinking, because a crisis means the failure of thinking. Although at first an economic theory seems plausible and how it will come alive will demonstrate the applicability and usefulness, when the economy will face a crisis will develop another economic theory meant to demonstrate what earlier wasn't considered and therefore there will always exist a better theory to replace the previous one.

In an era of globalization, an economic crisis is more dangerous than if you would have reached it in a state or a union of states. Although the crisis will be installed in all states which have economic ties, each country will experience a different intensity. Least developed countries that depend on powerful countries will feel the pain at a greater extent, those countries will have bigger problems and they will come back harder and with greater sacrifices.

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THE BIOGAS INSTALLATION – A SOLUTION FOR REDUCING THE STREET LIGHTNING COSTS IN SACUIENI?

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Abstract: *The goal of this paper is to research the opportunity of valuing the biogas resources by electrical energy production and the impact on street lightning costs in Sacuieni city, Bihor County. In the last 25 years, on an European level, the main reasons for investing in biogas installations were those related to the production of electrical and thermal energy for own consumption and those related to the environmental protection by reducing the greenhouse gases effect. Regarding the promotion of electricity produced from renewable resources, The European Directives have stimulated the investors to develop biogas installations, having as a main purpose the production of electricity and the selling of it in the public network. Beginning with 2013, a series of biogas installations have been put to service in Romania aiming the production of profit from the sale of electricity but also aiming the protection of the environment. Although the European directives, regarding the promotion of electricity produced from renewable sources have been transposed into the Romanian legislation, the Romanian state has not had any coherence in granting the green certificates to producers of renewable electricity. The romanian support schemes for renewable energy have not encouraged investments in biogas installations taking into consideration the high cost of biogas installations compared to the cost of photovoltaic or hydro installations. In 2013, the City Hall Sacuieni together with Bihor County Council chose to apply an European project for financing a biogas installation, thus not being allowed to take part in the scheme for granting green certificates. But, considering the small percentage of co-financing in the project, the investment will bring immediate benefits, mainly by reducing the street lightning costs in Sacuieni.*

Keywords: biogas; electricity; renewable resources; green certificates.

JEL classification: Q200; Q400; Q420.

1. The European framework

The biogas represents the renewable source formed of a mixture of biogenic origin gases that appear through the anaerobic process of digestion (fermenting or aerating) of different organic substances, most commonly the granary corn and animal dejections. By direct combustion, the biogas installations transform the gas mixture in electricity or, in the case of cogeneration, in electrical and heat energy. The main advantage of the biogas installations is that they can function continuously, not being conditioned by environmental conditions. The energy obtained out of biogas, either electrical energy or heat energy, is generated close to the place of usage, thus reducing the transport costs. The biogas represents one of the most versatile products bearing energy, which can generate all energy types: electricity, heat and deformation energy (as bio-fuel). If it is purified, the biogas can represent the perfect substitute for natural gases.

From the financial point of view, the investment in a gas installation is a secure one. According to EBA – European Biogas Association in Europe, at the end of 2014, there were 17.240 biogas installations. Germany is the absolute leader, having 10.786 installations, followed by Italy having 1.491 and Great Britain with 813 installations.

Germany's leading position is due to the German specific legislation, adopted in 1991, and which implemented the so called "feed-in-tariffs" system, which was presuming the providing of renewable energy on a long term at pre-established tariffs to small producers.

2. The national framework

Beginning with 2005, the Romanian government by GO1892/2004, with the coming-up changes by GO958/2005, chose the introducing of green certificates in order to promote the renewable energies. Subsequently, by Law220/2008, the system of promotion by green certificates has given for every MW produced in biogas installation, 2 green certificates for obtaining extra electrical energy and one more certificate in case of cogeneration and gaining of electrical and heat energy. The same system granted 6 certificates for electrical energy produced out of solar energy, fact that led to a disinterest in biogas installations until 2013. Thus, in 2013, in Romania, there were 11 biogas installations. The European directives 2001/77/CE and 2003/30/CE, later changed and abrogated by Regulation 2009/28/CE, promotes electrical energy produced out of renewable resources, energy providers being imposed compulsory quotas of electrical energy produced out of these sources. The European Directive 2009/28/CE regarding the promotion of renewable source energy usage as well as the GO 57/2013, having as a result a decrease in the number of green certificates given to solar energy, has determined a growth in the number of biogas installation investments in the last 3 years.

During the last 2 decades, in Romania, the business investments have concentrated upon the great urban poles' development. Thus, the public administrations of the cities, having a reduced local budget, have been forced to find out efficient solutions regarding cost reduction in street lighting and other public utilities. On the other hand, also regarding the decrease in energy costs, private capital enterprises have invested in renewable source energy installations. The biogas installation is one of these. The initial cost of the investment in biogas installation is high in comparison with other installations based on renewable energy, but the major advantage of these is that it can function continuously, generating electrical and heat energy along the entire year, regardless of external factors: sun, wind, water, etc. Regarding the technology used up to 1990, Romania has had a number of research projects for obtaining biogas. Given the expertise and the obtained results in other countries, currently Romania prefers the import of technology and equipment.

In Romania, the first biogas installation was put to function in 2013 in Filipeștii de Pădure, having a capacity of 1MW in cogeneration. The produced electrical energy is delivered in the national network and the heat energy is delivered to Cris-Tim cold-meats plant, being in the proximity of the biogas installation. In Bihor county, in Oradea, in 2014, a biogas installation was put into function at the county spoil bank operated by Eco Bihor SRL. The capacity is 500KW, the biogas being transformed by cogeneration in electrical and heat energy. One part of the produced energy is used for the functioning of the spoil bank and the remaining difference is delivered to the domestic network. The heat energy is used for room heating and home warm water.

3. Cost reduction in street lightning in Sacuieni – Bihor county

We notice that in Germany, the enthusiasm of the biogas installations has been supported by the legislation which promotes energies from renewable sources by "feed-in-tariffs" system, the biogas being the most forthcoming source. Thus, the main goal of the German investors has been to gain profit from network selling of obtained electric energy.

In Romania, the promotion system of the renewable energies by green certificates hasn't given the expected results, so, this led to a serious discussion about the necessity of introducing the "feed-in-tariffs" system, in Romania, in 2015.

The city hall of Sacuieni has identified the opportunity of applying a European project by which a biogas installation could be done, having an installed power of 500kW. The main goal of the investment was intended to be the one of public utilities' cost reduction, mainly street lightning, and environment protection by reducing the release of CO₂ with approximately 2.260,54 t yearly; but also with the income earning to the local budget by selling the obtained electrical energy to the public network. In order to ensure the co-financing part of the project, Bihor County Committee has decided its merger with Diosig city hall, the latter one having the same interests like Sacuieni city hall regarding the reduction in pollution and income earning for the local budget. Thus, in 2010, Ecoland Inter-communitarian Association of Development came into being, the holder of the biogas installation in Sacuieni. Also in 2010, the financing project was handed in, the total value of the project being 5 million Euro, having an only 2% co-financing part from Ecoland (aprox. 90,000Euro). In 2013, it has been approved as winner and its implementation started right away. In February 2016 it was finalized and in the same month it was put into function. Being an investment with non-refundable aid, the energy output does not benefit from green certificates during the first 5 years of functioning, given by the system of renewable energy promotion.

By means of this project, Ecoland investor wants the ecological treatment of 5.440 tones of animal dejections coming from neighbouring animal farms and from neighbouring households along with the production of electrical and heat energy, so as by using the granary corn together with the components with a relatively small amount of gases, to obtain a maximum quantity of gas material. The biogas is created in a continuous and uniform way 24 hours a day, according to the expectation approximately 218,50Nm³/h of biogas. The resulted biogas in the projected installation will be valued by using the central-station block of biogas burning with an engine having a capacity of 526kW. The network of medium pressure gases is of approximately 60ml. The gas gets in the treatment mode, from here it gets in the central station for usage or, according to the case (in emergency cases) to the security flame. In the mini gas-central with engine, the electric and heat energy, necessary to technology, is produced simultaneously. The resulted biogas quantity depends on the materials' quantity and of their solid organic content. The above shown results come from the production experience and from laboratory measurements. The dimensions of the biogas installation permit the use of the materials that produce a bigger quantity of gas. The highest consumption level of gas is of 260Nm³/h. The dimensions and the networks of the projected installation will permit the functioning of it, in the case of bigger quantities of gas, too. The estimated value in high consumption hour is 300Nm³/h, from which there isn't any higher point of consumption (the maximum capacity of the flame).

There isn't any salt in the creation of biogas at the overloading of the biogas installation, so other bigger value will not be taken into consideration. After the decomposition of the ferment refuse there is a liquid that contains approximately 7,6% dried material. Between the introduced materials and the fermented mixture, a decrease of 1% is expected, both in quality and quantity. This way, a finite product is obtained, which is adequate for soil and agricultural soils' quality improvement. This product is distributed on the above mentioned soil, in the quantities prescribed by the authorized institutions (according to the chemical parameters). This investment's goal has been the production of a biogas installation with a continuous transfer, a system which is successfully used in the EU. In this technology, the fermentation stations are permanently full, their dejection being made only occasionally (for repairs). The fresh raw material gets in the fermentation station, from the dejection tank, on a daily bases, in small quantities, fermented material being sent to the tank and after that to the finite product tank (liquid containing 7,6% dried material). The biogas production in this kind of fermentation tank is equal, the fermentation basin is used efficiently and the installation ensures an economical solution. During the process of decomposing the organic material in an anaerobic environment, a high caloric power is produced

(~18,9MJ/Nm³) which will be used for electric energy production. The electric energy obtained in the biogas installation will be connected to the current supply by means of a 20/120kV station, being situated in the neighbourhood of the mini-station, spliced on the electric consumer's main, indicated by the local provider of electric energy (the requisite of the auxiliary electric energy installation will be ensured out of own production). At cooling of the gas engines, a part of the resulted heat energy ensures the heating of the fermentation tanks, of the raw materials, of the control room and of the production technology, while the remaining quantity can be source of significant electric energy. If the resulted biogas can't be used, the gas is evacuated in the environment, by means of burning installation (the safety flame) or by means of bleeder (safety mechanical installation for breakdown). This solution is spread worldwide for biogas installations.

Sacuieni city hall has over 100,000Euro street lightning costs yearly, costs that will be covered out of compensating the invoices issued by Electrica SA, with the produced and delivered energy into the Domestic Energetic System.

4. Conclusions

The biogas installations represent the best solution for public local administrations, regarding cost reduction in street lightning and with electric energy consumed by the public subordinated institutions: schools, kindergartens, hospitals, etc. The reduction of environment pollution, the closeness of the raw materials needed for proper functioning (fact that diminishes transport costs) as well as the 365 days' capacity of functioning, represent three reasons for which public administrations should make this kind of investments. Moreover, the investments in biogas installations can provide significant incomes to the local budgets, mainly considering the fact that Romania promotes a law in obtaining energy from renewable sources.

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DRIVING DIRECTION INTO MACROECONOMIC STABILITY OF THE EMERGING COUNTRIES

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Abstract: *The complexity of the problems arisen during the economic recession led to a continuous enhancement of the macroeconomic models, meanwhile looking for a model which would respond as much as possible to the identified problems. The elaboration of a strategy in which international trade would contribute to strong, sustained and balanced growth needs a proper diagnosis of the state of the global economy. The state is the only institution that can conduct such policies and that is accountable to the general citizenry for its decisions. If there are institutional weaknesses and governance deficits, they must be confronted at every level of development. Regardless of its preferred policy goals and instruments, any successful state must be able to strengthen its own capacities to promote learning and cooperation and to deepen the institutional networks that are needed by non-government actors to support long-term growth and innovation.*

Keywords: macroeconomic stability; reform policies; growth.

JEL classification: E51; E61.

1. Introduction

The recent financial crisis has emphasized the harmful effects on the living standards that can arise from the lack of macroeconomic stability. The huge changes in the economic activity, the high levels of inflation, the less developed markets, the debt level and the variations of the exchange rates contribute to the losses of workplaces and increase of poverty levels.

The broader objective of the macroeconomics policy is to contribute to the economic and social welfare in a rightful and sustainable manner. As the main causes of poverty are the unemployment and the lack of reforms necessary for economic growth, a main task is to maintain a full occupancy of the workforce in the economy, as constant as possible.

Therefore, the selection of macroeconomic policies at a national level will probably be revised and updated in the following years. In this context, the selection of the indicators shouldn't be seen as restrictive (more specific, it should not hinder the activation of other objectives, that were not selected), but as an indication of the instruments that are considered to be a priority by the authorities, and for which conditions are to be developed in order for them to become operational at a national level.

This paper tries to establish the main guidelines of the economic policies to be followed in order to ensure a stable economic climate in the new EU member states.

2. Macroeconomic policies

More than seven years after the beginning of the global financial crisis, the global economy did not get on a progressive growth track. Its lack of dynamism is mostly visible in the production sector, the workforce occupancy and, as well, in the development of international trade (UNCTAD contribution to the G20 Framework Working Group, 2014). The latter is in strong opposition to the outstanding development of the trade during the

two decades before the crisis. The stagnation of international trade can hinder the long term global economic growth, as the limited development of the economies in the emerging countries leads to limited productivity levels.

The general objective of the macroeconomic policy is to contribute to the economic and social welfare in a rightful and sustainable manner. As the unemployment and the low workforce occupancy are the main causes for poverty, a critical task is the one to maintain the economy as close as possible to a zero unemployment rate. This objective means that, in the developing countries, the occupancy of the workforce in the private sector should keep pace with the increase of the workforce and the migration from the rural areas to the urban ones (ILO, UNCTAD, UNDESA, WTO, 2012).

From the point of view of one country or a group of countries, the development of the net exports can also support an increase of the Gross Domestic Product by the increase of internal demand and the reduction arrears rates. Actually, the political decision factors could consider the growing exports as the only way to get the economy out of a crisis, if they deal with a reduced internal demand (irrespective whether this happens due to high unemployment levels, increase in incomes inequity, increase of the indebtedness degree, or to fiscal austerity).

Generally, at a global level, there is no source of external demand that could stimulate the growth, others than the consumption and the investments, both private, and public. Therefore, the start point of a sound circle for production and commercial exchanges development must come from the increase of the domestic demand in a sufficiently high number of relevant countries (UNCTAD contribution to the G20 Framework Working Group, 2014).

The continuation of the macroeconomic policies and the constant economic growth are not just a preliminary condition for the generation of workplaces, but it also offers the respective country the fiscal space to approach other critical social issues, such as the access to health services, education, and others.

Therefore, the growth was a critical factor in the reduction of poverty at global level during the last two decades. As such, the main objective of the macroeconomic stabilisation policies should focus to achieve a stable economic growth (ILO, UNCTAD, UNDESA, WTO, 2012).

On the other hand, slowing down or reducing the GDP in a certain country negatively affects the imports of this country, and, implicitly, it affects the exports of other countries, and may also affect the incomes and the consumption. The crisis reduced the growth, in a significant manner in certain countries with economic deficits, thus leading to strong global commercial imbalances. However, in order to avoid the global imbalances to arise again, the countries with exceeding GDP should take the lead for the demand recovery at global level, thus allowing other countries to make the necessary adjustments for the stimulation of their internal demand in a positive manner. The efforts to stimulate the exports by salaries reduction and by “undervaluing the internal currency” would not be productive, especially if this practice is approached by more commercial partners simultaneously (UNCTAD contribution to the G20 Framework Working Group, 2014).

The second item that should be considered when issuing a commercial strategy is the fact that the trade increase is not a purpose itself: its part in sustaining the growth and the welfare depends on the guidelines that are the base of this expansion, as well as its place in a more extended development process.

Apart from the active macroeconomic policies, the countries that have reached a sustainable economic growth used a series of interventions of the policies in order to support this growth for longer periods of time. These imply a combination of commercial, investments, financial policies, reforms on the workforce market, which are specific for each country. Nevertheless, we can identify certain common features.

First of all, the private sector that is investing, innovating and making the most of the commercial potential is an important part in the broader development strategy of each

country. Nevertheless, in order to play this part, the private companies rely on the functional infrastructure, on the public education and research services, as well as on access to funds.

Second, the structural transformation lying in the middle of a dynamic growth process requires important investments. Frequently, the developing countries do not succeed in providing the local enterprises enough growth to help them finance some investments and/or manage important projects to facilitate the industrial and technological modernization.

Third, the developed countries have succeeded in ensuring workplaces, and trade expansion, have implemented coherent macroeconomic, industrial, environmental and social policies. It is only when these policies are mutually activated and supported that they can contribute to sustainable economic growth. The consistency of the policies at national level must be supported by a political consistency at international level, thus offering the countries the space for political manoeuvres for the application of the national development strategies.

Fourth, the efficient and responsible actions of the state are essential for the management of wide economic and social changes. As a consequence, any political measures taken for the development of commercial exchanges should not hinder its development potential. Equally, a trade revitalization (to the increase levels before the crisis) should not be necessarily considered a positive evolution if it is associated with the expansion of the public debt and with the so called “bubbles” of unsustainable assets (ILO, UNCTAD, UNDESA, WTO, 2012).

The weak increase of the productivity, the low level of investments and the high rate of structural unemployment limits Europe’s growth perspectives.

Moreover, the EU and its member states must face more long term tendencies affecting the creation of new workplaces and the growth, which are especially connected to the society and demographic transformation, to the globalization, to the productivity and technological developments, to the pressure on resources and environmental preoccupations, as well as to the generally slower pace for growth in emerging and developing countries.

Urgent measures must be taken in order to reactivate the growth in the entire EU and to trigger a new dynamics of change. The structural, budgetary and monetary policies combined within an integrated approach, favourable to the growth, to act on both dimensions – of the demand and of the offer – of our economies, so that they can effectively answer this challenge.

The approach on the problems of fiscal fraud and tax evasion is essential in order to guarantee a fair treatment and to allow the member states to collect the rightful fiscal incomes (Comisia Europeană, 2014).

The quantity relaxation measures taken by the ECB in March 2016, namely the reduction of interests, as well as the increase of the assets monthly purchase limit from EUR 60 to EUR 80 billion, were meant to block a possible deflation in the EUR area.

Moreover, the central bank in the EUR area extended the stocks that can be purchased within the quantity stimulation programme, intended to stimulate the economic growth, as these also included corporate bonds.

The ECB also decided to reduce the interest for the deposits facility by 10 pp, to -40%, and the main refinancing rate was reduced by 5 base points, to 0%.

These incentives can lead to a depreciation of EUR, with positive impact on the exports, and simultaneously, with an accelerated recovery of the growth at global level, and could also have a positive effect as to diminish the deflation pressures, thus having a positive effect on the final demand and the investments climate in the EURO area (Guvernul României, Ministerul Finanțelor Publice, 2016).

The Investments Plan proposed for Europe consists of three parts:

-creation of a European fund for strategic investments: The Fund consists of a guarantee of EUR 16 billion from the EU budget and EUR 5 billion from the European Investments Bank. The European Commission estimated that the fund – the 21 billion EUR – shall be able to trigger a global multiplying effect of 1:15 and, therefore, it shall generate total investments of up to EUR 315 billion.

-ensuring that the investments financing shall reach to the real economy. The Council are working at a proposal to technically improve the European platform for investments counselling. The proposal aims to improve the European counselling platform in order to provide technical assistance services that are better directed at a local level on the EU territory (Comisia Europeană, 2014).

-improvement of the investments environment: The general objective is to eliminate the obstacles for the investments and to create an easier, better and more predictable regulation in the EU, especially for infrastructure sectors, where the investments are made during more years or more decades.

The negative risks are related to the normalisation of the monetary conditions, especially in the US, that could lead to a capital evacuation from the emerging countries, to an increase of the discrepancy between the assets assessment and their real value, could cause problems on the financial markets (Guvernul României, Ministerul Finanțelor Publice, 2016).

3. Conclusion

It is essential to redefine the macroeconomic objectives so that the emphasis is on fostering employment creation and supporting economic growth instead on the focus on the price stability alone. It is just as important to rethink macroeconomic policies which cannot simply be used for the management of inflation and the elimination of macroeconomic imbalances, since fiscal and monetary policies are powerful and versatile instruments in the pursuit of development objectives.

In short, an inclusive and sustainable development will depend on the integration of growth-promoting macroeconomic policies with developmental industrial policies and redistributive measures, all geared towards the creation of decent employment. These elements must be combined with a social protection framework aimed at eliminating the causes of poverty and exclusion – such as dispossession from land, poor housing, education and health provision

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CONCENTRATION IN THE COMMUNICATIONS SECTOR

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Abstract: *There are more and more frequent the assumptions of managerial concentrations that they affect of a form or other one to the sector of the mass media. These restructuring processes are legal from a managerial point of view, and suppose in many cases a logical answer of the operators to the important changes that are taking place on this market, impelled by the globalization and the technological convergence. Nevertheless, there exists the danger of which these concentration processes lead to the creation of monopolies or oligopolies in this sector. To prevent it from happening, it turns out to be necessary to establish a system of control that, respecting the informative and managerial freedom of the groups of communication, prevents its performance from putting in danger constitutional beginning as the free competition and, especially, the informative pluralism. One of the main problems in this matter «consists of determining what the suitable concentration proportion is in an encompassed society, for, without resigning from the necessary ideal dimension in an activity like the audio-visual one, avoiding the mastery of the information, the formation of the opinion and of the culture in hands of few ones». It is a question of controlling, then, the concentrations that take place in this sector, and of those of prohibiting to take the reduction of the competition as an effect (and even like object) on this market or / and the decrease of the number of different voices that take part in the debate and, consequently, of the opinions diversity.*

Keywords: communication; mass-media; concentration.

JEL classification: L12; L22; L82.

1. Definition

To define the mass media concentration:

In strict, alone sense the assumptions of external growth are considered to be as such by means of operations of concentration (mergers, procurement of control, business undertaking in participation ...) it is necessary to speak about mass media concentration when it takes place:

- **A communication merger**, this is, the absorption of a company for other one or the association of two or several for form only one
- **A managerial integration**, that is to say, all form of acquisition of property or of it is able that I affected to the activities of a society or group of societies.

In a wider sense it is necessary to consider like concentration: any real economic situation that implies positions of domain or of influence. From this perspective, concentration of a market exists when a company reaches a certain influence position in the same one, with independence if it owes to a merger to the acquisition of other companies or to the creation of joint ventures of any type (external growth), or if it owes to the positive result of its own activity or to the increase, for any motive, of its market share (internal growth).

There can be another definition as it is: the increase of the presence of a society of communication or of a set of societies on a market for diverse possible procedures: procurement, mergers, and commercial operations with other companies or even the disappearance of the competing societies.

The mass media concentrations it is submitted to two legal systems:

- In the right of the competition one chooses to use normally a restrictive concentration concept, so that only they are controlled assumption of *external growth* and not all the domineering positions
- As for the specific norms on mass media concentration, many countries choose to control also only the *operations of concentration* (mergers, control procurement). In these specific norms, the decision if a concentration operation is approved or not depends the position that will occupy on the market the companies resultant from the operation, but of the influence on the public opinion that the above mentioned company would acquire if the proposed operation was carried out.

2. Concentration of the mass media in Europe

During long time, the European companies of mass media centered the development of its activities only on the national markets. Nevertheless, in the last 15-20 years and, sometimes, in a spectacular way, some companies of this sector have opened its business models beyond the borders of its fatherlands, giving place this way to a transnational process of concentration of property of means.

The transnational concentration of the property of mass media includes several phenomena, such as the international distribution of globally local “products and “locally global” or the existence of companies of communication operating directly or by implication on the markets of several countries or exercising the property in cross-border spaces.

The current European panorama - and world cup - of means offers to the public a major variety of products and services available for the information and the entertainment of the hearing, but this panorama does not guarantee a such diversity in contents, as well it reveals the international proliferation of the same television formats.

When the grades make transnational groups of communication too domineering to themselves problems can arise. The proper European Parliament has warned in more than one occasion about the potential negative effects in the pluralism and the linguistic and cultural diversity of Europe that can transport an excessive transnational concentration of the property means, phenomenon that it might affect to the freedom of expression and to the free flow of information in Europe, indispensable conditions for the defense of the democracy and of the cultural diversity of our continent. In some sectors of the mass communication, both the plurality of voices and the access to the markets on the part of small independent producers begin to turn out to be threatened.

The liberalization and globalization of the markets, the proper regulations of the digital technology and the systems of authorization of licenses for the telecommunications seem to have inclined the legislators to think that, considering the expectations of unlimited access on the part of the operators to the bought correspondent, there is already no need for subsequent regulations to safeguard the desirable pluralism, despising this way the importance of the technical evaluations (resources, infrastructures, hearings...) before to the authorizations used during long time. And this happens although, on one hand, every time there is more frequent the operators' presence of nature private and more clear that the sector of the means stretches to the concentration and, for other one that the sources variety does not seem to guarantee the contents variety.

One must not forget that as soon as a domineering position was consolidated on a market very difficult reverted turns out to be this order. The regulations on the subject of means concentration must be anticipated to the establishment of undesirable situations of fact of difficult return.

3. Types of concentrations of mass media

It is necessary to distinguish:

1. **Horizontal integration:** *it* happens when a company or corporative group controls several production units in the same phase of the productive process and on the same market, so that the products or services that offer the above mentioned production units are, from the point of view of the buyer, identical, or when less substitute. This would be the case, for example, of a group of communication that was controlling simultaneously several televisions that you were spreading its programs in the same territory.

2. **Vertical integration:** when a company or a corporative group is present in several phases of the process of production. Examples: the operators of television who control also the teams necessary for the reception of the programs, or of the operators of infrastructures of telecommunications that give straight television services, and that have acquired rights of exclusive transmission of the programs most demanded by the viewers.

3. **Multimedia integration:** when a company or a corporative group controls simultaneously different types of mass media. EJ: that of a company that was controlling at the same time radio stations, chains of television, newspapers ...

4. **Conglomerates:** when a company or corporative group is present in the sector of the mass media and at the same time also it this one in other economic sectors. There exists the danger of which the mass media turn into the arm mediation of a big managerial or financial group. Examples: they are the banks or constructors who invest in television and telecommunications.

5. **International integration:** when a company of communication is present on different national mass media markets. Many companies of television think about how to obtain these way economies of scale and producing in countries distinctions of that one in which originally they began to give its services.

4. Causes

Many are the causes that lead to the concentration in the sector of the mass media. Most of these causes are common to any economic sector (economies of scale, diversification of risks, desire to control the market ...); although in the sector of the mass media a series of circumstances meets in the current moment (between which they emphasize the globalization and the convergence) that does that this sector is especially inclined to this phenomenon. Between the main causes of the process of concentration in this sector it is necessary to emphasize the following ones:

- **The desire to answer to the globalization of the market.** The new skills of cross-border transmission, the international success of certain programs and the liberalization of the markets of communication do that the above mentioned markets stretch to be progressively global.

- **The desire to increase the size and the economic capacity of the companies of communication.** A company of communication resultant from a concentration can increase, like result of this operation, its numbers of hearing, what plays a determinant role in the spiral "hearing. thrown / released", in that the advantages of the way the strongest sound on proportional. And if the company of communication has, thanks to a concentration, of major economic resources, it will be in better conditions to bid for the contents most demanded by the public, on which its success depends mostly. With general character, a powerful company economically has competitive advantages, especially in those cases in which the necessary investments volume to develop certain projects turns into a strong entry barrier. The companies of major size will tend to be also more well-known and to develop a strong mark image, and will have more means to do publicity.

- **The search of economies of scale and of approach.** The economies of scale happen when an increase of the production of units of the same good reduces significantly the unitary production costs. In case of the mass media, many costs (like those of making or acquisition of the contents) are practically fixed, so that if there increases the number of consumers of these contents by means of the managerial concentration, the cost is

diminished perceptibly by user. The economies of scale also can appear as regards the acquisition of raw material or of certain goods, since if immediately after a concentration the buy volumes increase, it can allow the securing of important discounts. This way it happens for example in case of the press with the role, or in that of the operators of digital television that they are also system operators of conditional access, with the decoders buy.

- **The desire to make use of the possible synergies.** A company of communication can acquire other companies of communication that spread its contents for different routes (radios, press, television...) because I thought that its simultaneous presence in several sectors should bring his benefits. This way, a multimedia group will be able to realize the crossed promotion of its products in the different mass media of the group, or I will re-place it they its professionals, or to defend with major force its corporate interests ...

A mass media concentration can generate the same way synergies because he allows attending of more satisfactory form to the needs of the clients. For example, the companies of telecommunications try to offer in common a bundle of services that includes phone television of payment and access to Internet because the users prefer to receive the services of the only company and receive only one that invoices for all services.

- **The diversification of risks and the search of new markets in an environment characterized by the managerial suspense.** The investments in the sector of the mass media are often risky. This way, for every success movie there is a considerable number of defeats, and the one that a company gains or loses money depends on that a few successes manage to cover the losses caused by the numerous defeats. The problem is to be able to interpret the tendencies of the market and be right with the tastes of the public. That's why, the strategy of many companies is to acquire others, which have a different approach or which develop another type of activity, in order to its offer diversifies, so that its success or defeat do not stake to only one letter.

The existing risks in the sector of the mass media have turned out to be increased by the vertiginous rhythm to which the technological changes take place. It turns out to be difficult to predict if a technology will set on itself on the market, or if it should remain obsolete before the companies could have promoted the investments realized to develop it. In spite of the existing suspense about the scope of the technological changes and of the rhythm to which these will take place, the companies do not want to remain out of the new markets. Not to run the risk of remaining taken down, but of betting excessively for projects of uncertain future either, a few companies collaborate with others (joint ventures) thinking about how to guarantee this way its presence on several markets and, at the same time, to share the managerial risk. In other cases, the companies that want to diversify its offer and enter on the new markets they choose to acquire small enterprises that are pioneering on the above mentioned markets.

- **The desire to eliminate intermediaries in the production line or to gain access to phases of the production line of major extra cost.** The desire to eliminate intermediaries can lead, for example, to assumptions of vertical integration in which the owners of rights of exclusive transmission of the programs of maximum demand decide to acquire or control a television channel and offer straight to the public its services, thinking about how to obtain this way the part of benefit that normally there was obtaining the operator of television who was acquiring the above mentioned rights. The same way, a publishing house can distribute its on-line newspapers, without having to spend money in impression, transport and sale to the public in the kiosks. In other cases, the companies want to gain access to phases of the production line different from those in which they operate normally and which seem more profitable to them. This way it happens, for example, with the operators of infrastructures of telecommunications who acquire companies of television to spread its programs for its networks. These companies try this way reposition on the new convergent market, so that there limit themselves no to being mere bearers, but also they provide contents, which can have major extra cost.

- **The desire to control certain strategic points that assure to a company a domain position in the totality or partly of the market, especially if this one is in development phase.** The technological advances do that many of the ancient problems of scarcity have remained overcome. Nevertheless, that does not prevent from existing risks of domination of the market, especially as regards certain points of the production line in which a bottle neck forms; and in that a company can acquire a guard's position that the competitors' appearance allows him to prevent or impose on these its conditions.
- **The need for the companies to increase its knowledge on a certain business plot.** When a company wants to expand its activity to a new sector, often it fuses or collaborates with other one that knows sayings sector. This way, a company of television general practitioner who, making use of the increase of available channels, wants to produce thematic television channels, can collaborate with publishing companies of specializing magazines.
- **The appearance of new markets, next to that of the mass media, with big future potential.** The technological advances not only affect to the mass media, but also they will allow the implantation of the electronic commerce. Mass media as the digital television allow the spectators to familiarize themselves with the use of these skills, and put also at the disposal of the companies that want to offer its products by means of electronic commerce a subscribers' important base that they arrange of the necessary teams of reception. That does that the companies that normally were not taking part in the sector of the mass media now are interested in this sector. Also, the sector of the new services of communication has a big growth margin and it is very open, therefore it can be an interesting alternative for companies that compete on market mature in that it turns out to be very complicated to increase its market share, considering which they can happen to invest in mass media.
- **The disappearance of certain legal restrictions.** The liberalization of the market of the telecommunications makes possible that networks of cable as those of the electrical companies or of railroads, that legal limits were infra exploited due to the distinction existence, could be used to give communication services, therefore these networks result now from big interest for different operators. That thinks about how to collaborate with this type of companies to complete its networks.
- **The desire to increase the diffusion of a certain political position in the public opinion or to have aptitude to influence the same ones.** *It is frequent that the companies of communication defend certain political position, with what they can obtain the support of the consumers who are sympathizers in major or less grade of this certain political force, and even obtain a favor dealing on the part of the political force of which it is a question in the authorization of licenses, in the flexibility, subsidies ...)*
Across a concentration politics, these companies can increase the diffusion of the ideas of the related political groups or try to prevent the diffusion of other points of view.

5. Consequences

Economic consequences: From the economic point of view, the mass media concentrations can be beneficial both for the companies taking part in the operation and for the set of the market. The companies can obtain many of the advantages for that they look on having concentrated, such like the securing of economies of scale, the use of synergies, or the increase of its competitiveness and financial soundness. The concentrations can help to the companies to diversify also the risks, or allow companies of communication that act in different sectors to join its forces to face to the challenges and suspense raised by the technological development. A concentration can turn out to be also positive not only for the taking part companies, but also for the general interest. For example, it can allow a better distribution of the information services, or prevent the disappearance of a company of communication, contributing this way to the

maintenance of the employment. The union of several companies rivals can help to implant on the market uniform technical standards; or to favor the creation of a national champion that is in conditions to compete with the big multinationals of the sector.

Also, the concentrations can be clearly pro-competitive, if they suppose the merger of several small enterprises that join to compete with an operator who shows a strong domineering position.

Nevertheless, the mass media concentrations also can have consequences harmful to the economy. *From the point of view of the proper companies of communication taking part in the operation*, it is possible that these increase its bureaucratization and its costs of coordination, diminishing the flexibility of the company and giving place to a loss of specialization. An operation of this type can raise also cost problems, if it implies the achievement of strong investments to develop a service and the market it is late in accepting it. *From the point of view of the general interest*, the concentrations can affect to the free competition if, like result of this type of operations, certain companies of communication acquire or reinforce domineering positions that allow them to limit the competition on the markets in which they are present. A company in domain position can abuse the above mentioned position and impose on its consumers or providers the prices to determine, or excessive subscription obligations, or the hiring of not wished services...

Consequences from the point of view of the informative pluralism: From the point of view of the pluralism (understanding as such the possibility of the public of gaining access to several autonomous and independent mass media, and of gaining access to contents of diverse type) the concentrations usually have negative effects, although it is not always like that. The concentrations can turn out to be prints for the pluralism in certain assumptions: for example, they can make the survival of mass communication media possible in serious financial crisis. An agreement of merger or collaboration between mass media of different countries can allow the distribution of the products of the companies taking part in the concentration in places where earlier access had not was to them, increasing this way the informative offer.

A concentration of mass media of a certain country allows the creation of a strong national operator, capable of contributing a vision of the events different from that of the multinational industries with who he must compete. The economically reliable companies might be more qualified also to maintain its independence opposite to the Government.

Also, the union or the group of companies of communication of limited size and that have scarce social relevancy can give place to the appearance of new mass communication media capable of realizing a significant contribution to the informative pluralism, offering a viable alternative to the domineering operators. Nevertheless, it is not necessary to forget that the concentration, anyone that is the form that he adopts, supposes that there takes place a decrease of the number of independent owners. The concentrations take this way in most cases as an effect (and sometimes even like object) the restriction of the informative pluralism. In any case, it does not imply that the concentrations in the sector of the mass media should be prohibited without much ado, but its impact must be examined in the informative pluralism, for what there has to be realized a specific examination, more strict than the based one only in economic criteria and of market, and in that it is necessary to bear principally in mind the influence that a certain company of communication can exercise in the public opinion.

It turns out to be complicated to determine with general character when a mass media concentration is opposite to the informative pluralism. Certain clear assumptions exist: when a company of communication that dominates a certain sector acquires its main competitor; or when a group of communication is integrated vertically and dominates all the phases of the process of production (networks of telecommunications, television distribution, rights of exclusive interview...). Also it turns out seriously harmful to the pluralism that a group of communication could have simultaneously a strong presence in the radio, the press and the television, since the public will receive, very similar messages

for different transmission means, without frequently they being the conscious consumers of that in all these cases the source of all this information is the same company

6. Situation of the concentration in Spain in the last years:

In last years we are present at a process of concentration of the power, which places them to the Mass media in the purest neoliberal logic. Over the guarantees of the rights of the citizens, there are the rights of the owners and shareholders of the companies.

The pooling supposes a lot of power in few hands, as it is the case of Mr. Proprietary Polanco of the group Prisa, to which there are linked some of the main mass media (in radio, press and television), publishing, producing, etc. This means that controls everything what it expresses, publishes and distributes in a big number of Spanish hearths, with the consequences that this produces. Another example is the case of the merger of the big platforms that operate in Spain at present. Two main groups mediations Spanish (Group Prisa and Group Telefónica) owners respectively of Digital Satellite channel and Digital Route, have decided "the cake was distributed" of the payment television in our country, fusing to begin to express jointly from July of this year. What are the motives of this one an operation? How are two ideologically distant groups going to be related how are there Hurray and Phone Company? What has happened with other formulae of digital television as I Want TV? And especially: What consequences does it have that in our country only he gets ready of the only offer of digital television?

In short, the managerial and professional events lived in the commercial radio provoked a reposition of the national chains in the market of the hearings, which undoubtedly had its reflex in its future economic evolution. The fall of the advertizing investment in its set, and that of the way radio in particular was one more negative factor to add to the situation of a sector of the industry of the communication that it had earring, in this moment, a deep technological restructuring that was allowing him to transform its heavy structure of costs of development.

In the world of the communication one affirms that the Antenna appearance 3 Television influenced decisively the concentration. Although the crisis of end of the eighties and beginning of the nineties was of fund, one of the causes was not of the Antenna concentration 3 of Radio and the chain SER. The true thing is that the Government made possible the operation consisting of a contract of transfer of management on the part of Antenna 3 of Radio and of her to be in favor of Union I Remove, that it was a reality on having adopted entirely the report of the Court of Defense of the Competition, according to Agreement of the Cabinet of May 20, 1994 published by Order of June 2 (BOE, of the 21st). In its report, the TDC had born in mind that the concentrations of the mass media have effects on two types of differentiated targets: the informative pluralism and the free competition, and that are not interdependent, must be protecting, consequently, by different means.

7. In conclusion

From my point of view, when there is many concentration the sense of the journalism gets lost. Everything returns to interests purely commercial, only they give for what the public asks: entertainment. Us miseducate, every time we are less informed, and that's why, every time we take part less in the democracy. We prefer to see a series a trying to understand what is what it is spending in the conflicts of the world.

These big groups of communication have become global; this means that slightly average they control almost all the information of the world. These a serious problem since we rely on what we see in the means. That's why I believe that we must encourage the pluralism that what it does is to recognize the legitimacy of all the cultural options, ways and life styles, ideological, political and of proper values of the human freedom.

Between major pluralism, major will be the messages diversification. When many points of view are had, she is the proper person the one that decides, the persons think for her. And this is what it is not spending now, we believe everything, it gives us indolence to think. We live in a misinformed society and this implies that the population does not take conscience of its responsibilities. We are surrounded with information, but with information garbage. The communicators have left nearby its roll with the social responsibility and have forgotten that they are the connection between the society and the power. For the mass media, entertainment has happened to be more important than the information.

The advantages are: the managerial risk allows diversifying, he supposes entering new sectors with growth potential and the generation of synergies favors. On the other hand, the diversification demands that they should extend the ambience of its knowledge, on having entered new business, the managers tend to commit more errors, especially if its learning ability is limited. That's why every company must know what diversification grade is more adapted not to fall down in these problems.

The growth of the companies, the concentration of big multimedia groups raises big problems of free competition. The regulation chases two targets: to favor the development of the companies of the sector and to guarantee the pluralism or the variety of differentiated offers.

In conclusion, after seeing that in so many countries the masses mass media are controlled by the governments, I go so far as to question if really the freedom of expression exists. On the other hand, I believe that the concentration does not favor any more than to the proprietors of the big companies of communication since, from the journalistic point of view, they make to show us only entertainment, trash television; and from the social point of view, they do not favor anything to the democracy since they show us only a face of the reality, a reality that we do not know that so real it is.

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ANALYSIS OF FINANCIAL BALANCE IN S.C. GIFT EXCLUSIV S.R.L.

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Abstract: *Economics is the result of an evolution process and of the development of mutual exchange of activities taking from the simplest to the most complex forms. This is the context where companies develop and operate, which will approach, irrespective of their field of activity, financial management issues whenever one undertaken an operation regarding the supply, property or assignment of cash. In all fields of science, scientific and economic analysis serves as a necessary means of knowledge as a research method. In Romania, in the last few years, the economy has made serious steps forward in terms of improving the company's financial analysis in the context of transition to a market economy.*

Key words: *company, financial balance, financial indicators, profit, development*

JEL classification: **G1, G2, G3**

1. Introduction

Economic and financial analysis is a method of interdisciplinary research in the knowledge process. A company's financial balance is mostly assessed using the data in the company's financial balance sheet, as obtained pursuant to the subsequent analysis of the accounting balance sheet.

Within financial balance, the analysis of *Floating Capital (WC)* is the safety margin measuring financial balance and can be assessed either as a difference between permanent capital and fixed assets, or as a difference between current assets and short-term debts. The *Required Floating Capital (RWC)* is the difference between temporary needs and temporary sources, i.e. the amount required to finance the gaps occurring between actual flows and cash flows mostly determined by operating activities. As for the cash flow statement, this is the difference between total cash values and the amount of current banking contributions and the bank's credit balances. The cash flow statement can also be determined as a difference between the Floating Capital and the required working capital.

2. General overview of S.C. GIFT EXCLUSIV S.R.L.

A short history of the company

The company was established in 2010 with the name of S.C. GIFT EXCLUSIV S.R.L. by 5 individual persons as associates, of which one also acts as an Administrator and Chairman.

S.C. GIFT EXCLUSIV S.R.L. is a part of the GIFT group, operating in constructions, real estate and hotel accommodation.

The company is registered with the Trade Register under no. J40/23568/1992, Company Reg. Code RO476668, headquartered in Str. Sperantei 13, Bucharest, district 1, zip code 070000. The company's main field of activity is 4639, i.e. wholesale of food products, beverages and tobacco.

When it was established, the company's registered capital, fully subscribed and paid in cash, was 1,868,500 RON, and each associate had 3737 shares with a nominal value of 100 RON/share. Subsequently, through decisions of the General Assembly of Associates, the equity was increased by setting up legal and statutory reserve; thus, the financial result of 2011 was used for setting up legal reserve of 173,700 RON, and statutory reserves of 1,034,000 RON were established in 2012, 2013, 2014.

Specifically, to trade and distribution companies, logistics takes a strategic place in the company's structure: delivery within 24 hours at a local level in towns with a warehouse; delivery within 48 hours in towns with no warehouse; average rotation of the central warehouse: 180 pallets/day; network of supervised customers: more than 3000; network of distributors: 32.

With the experience accumulated so far in the import and distribution of food products, alcoholic and non-alcoholic beverages, GIFT EXCLUSIV S.R.L. provides Romanian consumers with a wide range of premium products having genuine success on the European market and not only.

Analysis of financial balance

Balance generally refers to the stability of a situation, the harmony between the components of a system, which entails an alignment of financial sources to the company's financial needs. The analysis of a company's financial balance may be supported by balance indicators. The hereby paper analyses the 3-year evolution of financial balance indicators of a company whose field of activity is the import and distribution of food products, alcoholic and non-alcoholic beverages.

Financial balance is assessed through balance indicators: *Floating Capital (WC)*, *Required Floating Capital (RWC)* and *Net Cash Flow (NCF)*. The analysis of indicators will be based on the asset balance, resulting from the processing of the accounting balance sheet. Financial balance is analysed for 3 consecutive years - 2012, 2013, 2014 - based on the balance sheet at the end of every year.

Analysis of the floating capital

After analysing indicators of Equity, Long-term debt, Net fixed assets based on the balance sheet, one can see that the company has a financial structure with a positive Working Capital, that evolved during the entire period by increasing Permanent Capital. This increase in the Floating Capital is due to a strategy for the improvement of financing, by increasing the share of Permanent Capital. Determining Floating Capital starting from the lower part of the balance sheet emphasizes the utility of the Floating Capital (financing current assets). Thus, the Floating Capital shows the surplus of net current assets that are not financed from temporary debt, and the indicator has the meaning of a surplus of potential liquidities.

Analysis of the Required Floating Capital

The *Required Floating Capital* is the part of current assets that is not financially covered by short-term resources (providers and other short-term debt), i.e. that needs other resources (Floating Capital, short-term debt, others). The analysis of the data in the company's balance sheet shows that the *Required Floating Capital* was positive and high (even very high). Hence, one may see that the company has a surplus of temporary, cyclic needs, compared to the temporary, cyclic sources it may use. Up to this point of the analysis, we cannot state the reason for this gap, that is, we cannot say whether the situation is negative or normal, as a consequence of an investment policy, a profitable capital placement policy.

Analysis of net treasury

Net cash flow is the synthesis of financial balance at a company's level, both in the long and in the short run. The net treasury of S.C. GIFT EXCLUSIV SRL was negative in all years, with very high absolute values, resulting from a required Floating Capital that was much higher than the working capital, according to the authors' calculations. From this point of view, the company's situation is difficult. This shows financial imbalance, as S.C. GIFT EXCLUSIV SRL is dependent from cash flow resources, short-term bank loans.

Analysis of liquidity and rotation of FC and RFC

Another set of indicators with significance for the company's financial analysis refer to liquidity and rotation speed. Such indicators provide information on the company's capacity to meet its short-term obligations (liquidity) or regarding its capital structure, so as to determine its safety.

The three liquidity rates are as follows: the general liquidity rate; the current liquidity rate; the spot liquidity rate.

According to calculations for the three years, the general liquidity rate is higher than 1, i.e. the company is able to turn its assets into liquidities in order to cover short-term debt. Likewise, the results obtained by calculating the two other liquidity rates (current and spot liquidity) show that the analysed company repaid its short-term debt from receivables and cash, as inventories were not exclusively financed from temporary resources.

Liquidity is closely related to capital rotation through the *Turnover*.

For a more detailed analysis and more effective results, we shall present the *rotation speed of Floating Capital and Required Floating Capital*.

During the entire financial exercise, the rotation speed of Floating Capital was extremely high, and the duration of a rotation was lower than normal values, indicating an insufficient safety margin, an extremely low Working Capital. The rotation speed of Floating Capital has decreased since 2013, with a positive evolution. As for the rotation speed of the Required Working Capital, it tended to maintain and even decrease, since the Required Floating Capital grew at a lower rate than Turnover, and also because of the increase in inventory rotation and the decrease in the gap between customer collection deadlines and supplier payment deadlines.

3. Conclusions and proposals

The hereby paper aimed at performing an analysis of financial balance in S.C. GIFT EXCLUSIV S.R.L. for 3 years.

The company had a positive Floating Capital for each individual financial exercise. This was due to a strategy for the improvement of financing, by increasing the share of Permanent Capital. The Required Floating Capital was also positive, which means that the company has a surplus of needs and inventories and receivables compared to temporary sources. This evolution is supported by the increase in sales and a healthy investment policy that entails the need to finance the operating cycle. We can see a negative Net Cash Flow along the three years of the analysis. Negative cash flow shows financial imbalance and the fact that the required Floating Capital is not fully covered from permanent resources.

Considering the highly seasonality of sales in the company's activity, we may say that, once the optimal levels of risk indicators have been achieved, the company can go on using short-term loans. The cost of such borrowed capital should also be considered, so that it does not significantly affect costs (DAE) and result in a decrease of financial profitability.

For an improvement of financial indicators and a proper financial balance, we recommend the implementation of a plan of financial and commercial measures, aimed at improving own financing and especially enhancing working capital.

A first measure would be to go on allocating a significant part of the profit of subsequent financial exercise to reserves, which would result in an increase in solvency up to the optimal level of 25-30%, and an inherent increase in working capital. Another measure would be for tangible assets to be purchased through long-term loans or financial lease for 3-5 years, in the future. At a commercial level, the main measure is to increase the volume of sales by increasing stock rotation. Another measure is to implement a permanent system for monitoring the maturities of customer balances and the age of product inventories. Another resource to maintain financial balance without using well-established financing would be to negotiate more advantageous payment deadlines for the company, within the contracts for the delivery/supply of food products, with both providers and customers.

This range of measures will help the company achieve a positive financial position, a stable financial balance and a range of optimal financial indicators.

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RESEARCHES REGARDING THE DIMENSION AND RELEVANCE OF EUROPEAN FUNDING IN BIHOR COUNTY

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Abstract: *In the framework of Romanian Operational Programs, there were implemented 455 projects at Bihor county level during the 2007 – 2015 period (<http://data.gov.ro/dataset/informatii-derulare-fonduri-europene-smis>, accessed at 15.10.2016), with a total budget of approximately 750 mill. Euro (3.3 bill. Lei). In the framework of Hungary – Romania Cross-border Cooperation Program, the quantum of the 85 projects implemented by project leaders from Bihor county, is approximately 29 mill. Euro, and the quantum of the 83 projects implemented by project partners from Bihor county, is approximately 16 mill. Euro. In the framework of European Agricultural Fund for Rural Development, the Bihor county beneficiaries were mainly from the private sector, finalizing 1094 projects with a total budget of 82 mill. Euro (360 mill. Lei) (Bihor County Office for Financing Rural Investments, 2015). 877 mill. Euro, the total value of all European funded projects during 2007-2015, represent almost 1/5 of the Bihor county's Gross Domestic Product in 2015 (Bihor County Statistics Direction, 2015).*

Keywords: Bihor, county, European, funds, absorption, projects.

JEL classification: F63; O19; O52; O57.

1. Introduction

In terms of financial achievements, the impact of implemented projects in Bihor county, for the year 2015, is presented as follows (www.analizeeconomice.ro, accessed at 15.10.2016):

- the municipality of Oradea is ranked on 1st place at national level, with revenues of 805 mill. Lei to the local budget, out of which 194 mill. Lei from European funds;
- the Bihor County Council is ranked on 4th place at national level, with revenues of 420 mill. Lei, out of which 78 mill. Lei from European funds;
- the Bihor county, meaning all the territorial administrative units of the county, is ranked on 1st place at national level, with 2015 mill. Lei total revenues to the local budgets, out of which 362 mill. Lei from European funds;
- taking into consideration only the Bihor county's villages total budgets, the county is ranked on 2nd place at national level, with 581 mill. Lei total revenues, out of which 84 mill. Lei received from European funds.

2. Pre-accession funds attracted during 2000-2006 programming period

The most active public institutions during the pre-accession period was the City Hall of Oradea, followed by Bihor County Council and the city halls of Beiuș municipality, Aleșd and Vașcău towns, respectively Borș, Diosig and Cefa villages (www.brecoradea.ro/index.php/programe/phare-cbc, accessed at 15.10.2016). In Bihor county, in total, there were implemented 33 projects with a total value of 195 mill. Euro, money used for building business incubators at Aleșd or Vașcău towns, but also interesting objectives, like the micro-hydropower plant of Pietroasa village or the preparation of

construction of cross-border road in Cefa village (www.brecoradea.ro/index.php/programe/phare-cbc, accessed at 15.10.2016).

The City Hall of Oradea has contracted a project for the rehabilitation and expansion of 64 km of water and sewerage network, the rehabilitation of the local water waste treatment plant and the construction of 3 water waste pumping stations, through the ISPA program, in total value of 20.6 mill. Euro, (<http://www.apaoradea.ro/ispa/programlspa.html>, accessed at 15.10.2016).

The revitalization of historic objectives, the improvement of public services, the development of an application for collecting local taxes, have represented ideas of other implemented projects in Oradea.

The City Hall of Aleșd has implemented several projects on PHARE pre-accession fund: 1 project for waste collection and management (approximately 340.000 Euro), 1 project for elderly integration (approximately 115.000 Euro), 1 project for a business development centre (approximately 355.000 Euro), respectively 1 project for personnel qualification and IT equipments acquisitions for the City Hall of Aleșd (approximately 21.000 Euro) (<http://www.brecoradea.ro/index.php/programe/phare-cbc>, accessed on 15.10.2016).

The City Hall of the municipality of Beiuș submitted and implemented 3 projects of roma community integration (approximately 300.000 Euro), 1 project for the expansion of geothermal heating system (approximately 4 mill. Euro) and 1 project for waste collection and management system (approximately 280.000 Euro) (www.brecoradea.ro/index.php/programe/phare-cbc, accessed on 15.10.2016).

The City Hall of the municipality of Marghita has implemented 3 projects: the first one, for creating the selective waste collection and transport system (approximately 450.000 Euro), the second one, for creating the „Chamber of Romanian-Hungarian Institutional Cooperation and Cross-border Services” (approximately 57.500 Euro) and the third one, for the preparation of technical documentation for creating an integrated system of waste management (approximately 27.000 Euro) (www.brecoradea.ro/index.php/programe/phare-cbc, accessed on 15.10.2016).

The City Hall of Nucet has implemented only 1 project during 2000-2006 period, for the rehabilitation of water supply network, with a total budget of 150.000 euro, (www.brecoradea.ro/index.php/programe/phare-cbc, accessed on 15.10.2016).

During 2000-2006, the City Hall of Valea lui Mihai has implemented 2 projects on PHARE CBC: the first one, for the preparation of the technical documentation for creating the cross-border road Penneszlek – Curtuiseni – Valea lui Mihai (with a budget of approximately 87.000 Euro), and the second one, for the making of an impact study in order to verify the possibility of producing biomass gas (with a budget of approximately 160.000 Euro). The City Hall of Valea lui Mihai has also implemented 1 project on PHARE CES, with a budget of approximately 1 mill. Euro, for creating a waste management plant, which started functioning in 2009 (www.brecoradea.ro/index.php/programe/phare-cbc, accessed on 15.10.2016).

The City Hall of Salonta has implemented 1 project for the creation of a bike trail, with a budget of 70.000 Euro (www.brecoradea.ro/index.php/programe/phare-cbc, accessed on 15.10.2016).

The City Hall of Ștei has implemented only 1 project through PHARE 2006 programme, for the rehabilitation the School of Arts and Jobs, with a budget of 1 mill. Euro (<http://www.brecoradea.ro/index.php/programe/phare-cbc>, accessed on 15.10.2016).

The City Hall of Vașcău has created 1 cross-border business incubator, with a budget of 180.000 Euro (www.brecoradea.ro/index.php/programe/phare-cbc, accessed on 15.10.2016).

As for the SAPARD funds, approximately 100 projects of private beneficiaries, with a total of approximately 9 billion Euro, were implemented in Bihor county, in the pre-accession period, for the acquisitions of agricultural machineries (tractors, plows), respectively for the modernization of agrotourism units (<http://www.afir.info/>, accessed at 15.10.2016).

Only two of the decentralized institutions of Bihor had accessed pre-accession funds, until 2007: the Direction Crişuri Water, with a flood prevention information system of approximately 720.000 Euro, and the Bihor Branch of the National Agency for Land Improvements, with a tourism project of approximately 200.000 Euro, in the Cefa-Inand area; the Bihor County School Inspectorate and University of Oradea have also implemented interesting educational or scientific projects (www.brecoradea.ro/index.php/programe/phare-abc, accessed on 15.10.2016).

3. European funds attracted during 2007-2013 programming period

3.1. Romanian Operational Programs 2007-2013

A good initiative for eliminating part of the bureaucracy in implementing European funded projects was launched by the Bihor County Prefecture, with an own European project of 70.000 Euro, for creating a single office for the release of all necessary authorizations for the ongoing projects of the local city halls of Bihor (<http://data.gov.ro/dataset/informatii-derulare-fonduri-europene-smis>) (accessed at 15.10.2016).

The municipality of Oradea was the most active in implementing projects on Romanian Operational Programs: 330 projects of public or private beneficiaries, with a total value of 630 million Euro (2.8 billion Lei), of which the City Hall of Oradea implemented 37 projects, with a total value of 201 mill. Euro (888 mill. Lei)

(<http://data.gov.ro/dataset/informatii-derulare-fonduri-europene-smis>, accessed at 15.10.2016). The most relevant projects were the industrial parks Eurobusiness I (121 ha) and II (24 ha). Oradea has also invested in tourism: the creation of a new aquapark (20 mill. Euro), the rehabilitation of Oradea Fortress (19 mill. Euro).

The municipalities of Beiuş, Marghita, Salonta, and towns of Aleşd, Nucet, Săcueni, Ştei, Valea lui Mihai, Vaşcău have been implemented, during 2007-2013 period, a total number of 51 projects of public or private beneficiaries, in total sum of 33.6 mill. Euro (148 mill. Lei) (<http://data.gov.ro/dataset/informatii-derulare-fonduri-europene-smis>, accessed at 15.10.2016).

For the towns of Valea lui Mihai, Ştei, and the municipality of Salonta, there have not been implemented any projects by public institutions on the Romanian Operational Programs 2007-2013.

The City Hall of Aleşd has implemented 1 project for the modernization of the local hospital ambulatory (<http://data.gov.ro/dataset/informatii-derulare-fonduri-europene-smis>, accessed at 15.10.2016).

The City Hall of municipality of Beiuş has implemented 3 projects on the Regional Operational Programme, one for the rehabilitation of a public school, one for the rehabilitation of the municipality hospital, and one for the expansion of the geothermal water heating system (<http://data.gov.ro/dataset/informatii-derulare-fonduri-europene-smis>, accessed at 15.10.2016).

The municipality of Marghita has implemented 5 projects through the Regional Operational Programme 2007-2013, with different thematics: the rehabilitation of roads, the creation of a video monitoring system, the expansion of green spaces, respectively the rehabilitation of 2 schools (<http://data.gov.ro/dataset/informatii-derulare-fonduri-europene-smis>, accessed at 15.10.2016).

The City Halls of Aleşd, Beiuş, Nucet and Vaşcău have each created, through the Regional Operational Program 2007-2013, the National Centres for Tourism Information and Promotion (<http://data.gov.ro/dataset/informatii-derulare-fonduri-europene-smis>, accessed at 15.10.2016).

The town of Săcueni has implemented a number of 15 projects, of which 2 of major importance: the creation of an electric energy production plant and a rainwater evacuation

system (<http://data.gov.ro/dataset/informatii-derulare-fonduri-europene-smis>, accessed at 15.10.2016).

Apart from municipalities and towns, the villages of Bihor county weren't so active on implementing projects on the Romanian Operational Programmes: there were recorded 72 projects of public and private beneficiaries, in total value of 62 mill. Euro (273 mill. Lei). Most of these projects, that is 64 projects, with a total value of 50 mill. Euro (220 mill. Lei), consisted of acquisitions of materials and machineries, or refurbishments of production equipments, for private companies from the villages of Abram, Aștileu, Aușeu, Biharia, Borod, Borș, Budureasa, Cefa, Cociuba Mare, Diosig, Dobrești, Girișu de Criș, Husasău de Tinca, Lugașu de Jos, Oșorhei, Paleu, Pocola, Popești, Rieni, Roșiori, Sălard, Sâmbăta, Sânmartin. Only 8 projects, in total value of 12 mill. Euro (53 mill. Lei), were implemented by the public authorities from the villages of Borș, Budureasa, Buntești, Cărpinet, Cherechiu, Chislaz, Lunca, Oșorhei (<http://data.gov.ro/dataset/informatii-derulare-fonduri-europene-smis>, accessed at 15.10.2016).

3.2. Hungary-Romania Cross-border Cooperation Program 2007-2013

In Bihor county, approximately 45 mill. Euro came through the local economy through the cross-border program, and almost half of these funds were attracted by the local authorities of Oradea, which modernized hospital ambulatories, created a bike trail from Oradea to Berettyoujfalu (Hungary), redesigned the Ciuperca Hill (public garden) of Oradea and created a nearby new express road.

The municipality of Salonta has also had an remarkable activity, implementing 7 projects on the Hungary-Romanian Cross-border Cooperation Program 2007-2013, of which 2 projects for creating bike trails, 1 project for creating the sewerage and rainwater networks, 1 project for promoting the municipality at touristic fairs, 1 project for disasters prevention, 1 project for water management and 1 project for creating optical communications networks (http://www.huro-cbc.eu/en/project_xls, accessed at 15.10.2016). Other towns and villages of Bihor were oriented on road rehabilitation or cultural projects, and the University of Oradea focused on education, research and development projects, having a high rate of success.

3.3. European Agricultural Fund for Rural Development 2007-2013

In Bihor county, there are some specific productivity problems, namely: the low capacities of agricultural products processing (meat, milk, vegetables, fruits), mostly related to the storage possibilities; then, there is the decline of 3 major sectors in Bihor: fruits crops, grapes crops and vegetables crops (Bihor County Office for Financing Rural Investments, 2015).

In Bihor county, from the period of March 2008 to June 2015, there were contracted 4036 projects, with a total value of 316 mill. Euro (1.39 bill. Lei), out of which the current disbursed value is 184 mill. Euro (811 mil. Lei), and approximately 71 mill. Euro (312 mill. Lei) represent the total value of cancelled projects, because of the irregularities or the incapacity of co-financing of some beneficiaries (Bihor County Office for Financing Rural Investments, 2015).

However, only 1094 projects of the 4036 are currently finalized, with a total disbursed value of 82 mill. Euro (360 mill. Lei) (Bihor County Office for Financing Rural Investments, 2015). The most accessed measures were the 112 Measure „The installment of young farmers” – 539 finalized projects, 55 mill. Lei, the 312 Measure „Support for creating and developing micro-enterprises” – 257 finalized projects, 112 mill. Lei, the 121 Measure „The modernization of agricultural holdings” – 91 finalized projects, 82 mill. Lei (Bihor County Office for Financing Rural Investments, 2015).

4. In conclusion

A total amount of 877 mill. Euro, which sums all the implemented projects of the 2007-2015 period has generated considerable spending with bank loans, materials and services acquisition, employee salaries, but it might not have such a visible socio-economic impact, because of the following considerations:

- the infrastructure projects and the social projects might not bring a consistent financial contribution to the Bihor county Gross Domestic Product;
- looking through the electronic evidence of public acquisitions on European funded projects, it can be observed that the vast majority of acquisitions in Bihor county have lead to a greater number of imports (<http://data.gov.ro/dataset/informatii-derulare-fonduri-europene-smis>, accessed on 15.10.2016);
- the agricultural projects generate the selling of raw materials or finite products on local markets that are dominated by the large share of import products;
- the investments in Bihor county's industrial parks have not generated a growth trend of the salaries of the employees, thus it has not raised the purchasing power.

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BIHOR COUNTY: ECONOMY EVOLUTION, DEVELOPMENT STRATEGIES AND EUROPEAN FUNDS PERSPECTIVES

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Abstract: *The performance of Bihor county municipalities, towns and villages in terms of achieving a higher development impact and faster convergence can be improved through European funds, which can help modernize infrastructure and public administration. However, at infrastructure chapter, from the Romanian Institute of Statistics (<http://statistici.insse.ro/shop/>, accessed at 15.10.2016) it is deduced that, at the end of 2015, in Bihor county there are still 15 areas without connection to electric network out of a total of 397 areas at national level, respectively 80 areas without connection to drinking water network out of a total of 2389 areas at national level. Also, a disturbing situation is that a number of 28 city halls of the villages of Bihor, from a total of 101 territorial administrative units of the county have not implemented projects on pre-accession or Structural and Cohesion funds (Bihor County Prefecture, Results Evaluation Report on 2015).*

Keywords: Bihor, county, economy, European, funds, impact.

JEL classification: F63; O19; O52; O57.

1. Generally Introduction

In 2015, in Bihor county there were 159000 workers out of 620000 inhabitants (<http://statistici.insse.ro/shop/>, accessed at 15.10.2016).

Although the industrial profile of the county is dominated by the shoes and clothing industry, through the European funds investments there were created the premises of developing other industrial branches in the last 5 years, with a big potential of attracting both employers and employees, namely: the metal processing industry, followed by the small and big-sized electronic parts production industry, the plastic parts processing industry, the furniture industry, the transport industry.

From the data of the Bihor County Direction of Statistics, *Report regarding the social and economic state of Bihor County in 2015*, the total number of recorded unemployed persons by the end of 2015 was 9.601 and the average net salary was 1.515 lei in December 2015. The Gross Domestic Product per capita of Bihor county increased, from 6000 euro / capita in 2007, at the moment of EU accession, to 6800 euro / capita in 2015, meaning a growth from 23% of European average in 2007 to 28% of European average in 2015 (<http://www.bihor.insse.ro/main.php>, accessed at 15.10.2016).

2. Programming period 2007-2013

The general objective of the *Bihor County Development Plan 2007-2013* (Bihor County Council, 2007) is the reducing of existing disparities at the social, economic and environmental level, as well as the improvement of life conditions.

For this general objective, the specific objectives are: the increase of competitiveness; the development of human resources; the sustainable development of environment, and the

identified action sectors were: tourism; rural development; competitiveness; environment; human resources; transports; urban regeneration (Bihor County Council, 2007).

The Bihor county has used and is using a development system centered among a network of development poles, which implies a method of grouping the Bihor county into planification territorial units (Bihor County Council, 2007). These units correspond to areas with common characteristics and a unitary function.

There were identified 11 planification territorial units, namely: Oradea Metropolitan Area, Crişul Repede Valley (Aleşd), Land of Beiuş, West plain (Salonta), Marghita Area, North-West Area (Valea lui Mihai), Ceica Area, Săcueni Area, Sălard Area, Tinca Area, South-East Area Ştei-Nucet- Vaşcău (Bihor County Council, 2007).

3. Programming period 2014-2020

The *Strategy for the Sustainable Development of Bihor County for the 2014-2020 Period* (Bihor County Council, 2014) is a bit more realistic than the *Bihor County Development Plan 2007-2013* (Bihor County Council, 2007), because, in some places, there is recognized the relative low impact of the projects implemented during the 2007-2013 period.

In the strategy there is mentioned, that, at Bihor county level, the most developed economic sectors are those who capitalize the advantage of border positioning, but also the reality of cheap labor force (Bihor County Council, 2014). As a proof, in the strategy there is given the fact that Bihor county is among the Romanian counties with the biggest rate of exports, but also with the lowest salary rate. This represents the main vulnerability of local economic base, being sensible to relocation decisions of investors by costs criteria rather than on local competitiveness advantages (Bihor County Council, 2014).

As a result of the implementation of some European funded projects for the development of business support units, there were created 2 industrial parks at Oradea and another one at Borş village, and some business facilities at Rieni, Sudrigiu villages and Ştei town.

The *Strategy for the Sustainable Development of Bihor County for the 2014-2020 Period* (Bihor County Council, 2014) assumes 4 strategic objectives: the development of public infrastructure; the increase of economic competitiveness in industry and agriculture; the promotion of touristic potential; the development of public services and administrative capacity.

The strategy also brings into discussion five concrete solutions, of which one has been implemented, namely the modernization of Oradea International Airport; the other four solutions are: the development of business sector in the Tileagd – Aleşd area; the development of sustainable tourism in the Apuseni Mountains area; the development of business sector in Beiuş area; the diversification of economic base in the Valea Ierului micro-region Valea Ierului (Marghita – Valea lui Mihai – Săcueni) (Bihor County Council, 2014).

4. Local Development Strategies 2014-2020 from municipalities and towns

The development strategies of the territorial administrative units of Bihor county are more explicit when it comes to local development objectives, but the portfolio of projects proposals are not necessary correlated with the county's strategy.

The town of Aleşd has identified, as weaknesses, among others, the lack of economic alternatives for its citizens, the migration of labor force, the lack of access to railway transport, the lack of public urban transport services, respectively the necessity of extension and renovation of the existing sewerage network and waste water treatment plant. Despite these difficulties, the general objectives of the town's development strategy: society, economy and habitat have a few actions and projects proposals which could stand

real chances for receiving European funding and for resolving the minuses stated above (City Hall of Aleșd, 2014).

The municipality of Beiuș recognizes, among its weaknesses, the low quality of the drinking water, sewerage and waste management services, the energetic inefficiency, the low productivity, the outdated equipments and technologies, and the „unfriendly” public services. The projects portfolio is more realistic and it is not based only on attracting European funds, but also on local partnerships and governmental funds: the initiative of developing an industrial park in the Beiuș area is apparently viable, in order to revitalize the local economic environment, composed of approximately 350 economic agents engaged only in commerce activities, in 2013 (City Hall of Beiuș, 2014).

The municipality of Marghita has a clear objective: knowing its decline in textiles industry and extractive industry, if in the 2007-2013 period the local authorities wanted the construction of an image of balneary resort as an alternative to Băile Felix (action which did not took place), during the 2014-2020 the same authorities will focus on the rehabilitation of drinking water and sewerage networks, of roads infrastructure, of schools, hospitals and, in a smaller scale, on the development of geothermal potential (City Hall of Marghita, 2014).

The town of Nucet claims the lack of waste water treatment plant, the low quality of roads and the lack of utilities in the holiday village Vârtop, as well as the lack of a gas supply network and the lack of fields for potential investors. The town of Nucet, in the author’s opinion, relies too much on the tourism development in Vârtop, as a general objective of the development strategy, which does not give a clear and efficient vision on the economic revival: the only notable proposal consists of the city hall’s possibility to offer fiscal facilities to the companies which create more than 10 new jobs (City Hall of Nucet, 2014).

The municipality of Oradea, by its demographic, economic and administrative advantages, has made possible almost all the development objectives from its development strategy of 2007-2013 period; for the 2014-2020, it is observed that the European funds investments do not necessary reduce the unemployment rate and cannot raise the medium salary rate, but worse, they can generate a slowdown of the workforce replacement rate in the next 10-15 years, which could generate a deficit of workforce. For the economic development of Oradea, it can be observed a series of shortcomings, like: the dominant share of the commerce sector, the local industry dominated by manufacturing production, the low level of investments in research and development and lack of scientific and technologic parks. Despite these minuses, the municipality has the potential and the experience of cofinancing big infrastructure projects, so the author appreciates that the projects portofolio for 2014-2020 is viable (City Hall of Oradea, 2014).

The town of Săcueni proposes a metaphorical approach of its development directions for the 2014-2020 period, meaning that the city hall has created a vision centered on 4 imaginary towns: the functional town (for the rehabilitation of existing infrastructure), the community town (for the improvement of the quality of social services), the attractive town (for attracting tourists and investors), the town of thermal water (for developing balneary tourism). The list of projects proposals is clear and concise, so until 2020, the author appreciates that at least one of the imaginary roles of the town will become reality. In fact, the town of Săcueni has implemented, during 2007-2013 period, a project of creating an electricity transformer plant, based on vegetal and animal waste (City Hall of Săcueni, 2010).

The municipality of Salonta relies on creating a business structure for selling agricultural products, on promoting the architectural buildings and on developing the services sector. The projects proposals are numerous, but the authors suggests that the municipality should focus on industrial development, taking in consideration the fact that during 2007-2013, a number of 10 projects on European funds implemented by private beneficiaries which spent a total of 13 millions Lei on materials and machinery acquisitions, has lead to the development of two industrial areas: one, with metallurgical and food factories, and the

second, with furniture, shoes, packaging and hemp processing factories (City Hall of Salonta, 2014).

The town of Ștei claims the lack of foreign direct investments and the high number of economic agents in non-productive sectors; the local authorities claim also the „gray appearance” of the town, which could prevent the attraction of tourists. Because Ștei City Hall has not implemented any European funded project towards the development of its economic environment during the 2007-2013 period, it is noteworthy to say the 2014-2020 projects portfolio is mostly consistent, on roads and infrastructure sectors (City Hall of Ștei, 2014).

The town of Vașcău, through its 2014-2020 development strategy, recognizes its problems in all major fields (agriculture, industry, tourism, infrastructure, etc.). Because during the 2007-2013 period, the local authorities implemented only 2 European funded projects, one for creating the tourist information center and the other one for modernization of a forest road, the author appreciates that the town’s development objectives for 2014-2020 period are somehow fragile, do not have a long term vision and present the risk of not being eligible for financing, such as: the modernization of the communication ways in town and surrounding villages, the construction of thermal water park, the finalization of sewerage network or the modernization of green spaces (City Hall of Vașcău, 2014).

The town of Valea lui Mihai assumes the role of economic centre of the cross-border area of Romania – Hungary – Ukraine, and, as consequence, it proposes to develop its primary infrastructure (approximately 80% of non-asphalted roads, 1/3 of households without drinking water, there isn’t an operational sewerage network). From an economic point of view, half of the total private agricultural lands are used at a suboptimal rate and only for own household consumption (the subsistence agriculture), and there is a mono-industrial profile of the town, mainly, the shoes manufacturing sector. As a development ambition, the town proposes to develop a cross-border hub for the heavy traffic transporters, to create an industrial park and to create a business incubator (City Hall of Valea lui Mihai, 2014).

5. In conclusion

Each development strategy of the municipalities, towns or villages of Bihor contains generic objectives: the rehabilitation of infrastructure, the social wellbeing, the safety of citizens, or the productivity growth, which tend to be to generalist, without a direct relevance to the specific of the development strategy: how many kilometres of roads to be rehabilitated, which schools, for whom is needed a social canteen or an asylum, which are the risks the citizens are exposed to, which productivity we can raise, in which sector, with what companies, through what means, etc.

Some territorial administrative units of Bihor have written the Development Strategy of 2014-2020 with the same objectives of 2007-2013 period, proving that the role of such document was not fully understood.

Some local city halls have presented an overrated list of project proposals for the 2014-2020 period, other city halls were more realistic in thinking 4-5 major projects, which have the potential of becoming eligible for receiving European funds.

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CONSIDERATIONS ON THE PRICE EVOLUTION IN THE CONTEXT OF ECONOMIC CRISIS - ROMANIA VS EUROPEAN UNION

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Abstract: *The economic crisis is a negative macroeconomic phenomenon with consequences both at European Union level and worldwide. The main objective of this paper is to analyse the variation of price levels in Romania, during the economic crisis until the end of 2015, compared with the Member States of the European Union and the countries of the European Free Trade Association. For this research, information provided by EUROSTAT was used, such as price level indices for actual individual consumption per capita, calculated based on purchasing power parity. The aim is to identify solutions to rising living standards, compared with more developed countries of the European Union. This paper presents possible solutions for avoiding a future economic crisis, caused by overconsumption. The paper is divided into three sections: introduction, part two which presents aspects of the economic crisis in Romania and in the European Union, and the last part, the conclusions of the research.*

Keywords: Economic crisis; Price level; Consumption; Purchasing power parity.

JEL classification: E37; E31; E29; C32

1. Introduction

One of the distinctive features of the economic crisis was a sudden collapse of credit on a global level, as banks stopped lending to each other, in fear of unknown and uncertain exposure to toxic debts (Roubini, 2010). This effect was also experienced in South East Europe where a sudden stop in credit growth struck almost all the countries at the same time (Modigliani, 2005). The economic crisis that Romania has gone through was mainly a domestic crisis, caused by the wrong mix of macroeconomic policies taken in the recent years. Economic growth proved to be one of the unhealthy natures, and that's because Romania had in those years an economical growth based on excessive consumption financed by debt (Donath, L., Cismaș, L., 2009). This state of affairs is valid for the government, for companies and for the population.

In this paper we aim to analyse the impact of economic crisis on the economy and price levels for consumer goods and services in Romania and the European Union (EU). We focus on price level indices (PLIs) which offer a comparison of price levels between countries in relation with the EU average, calculated based on purchasing power parity.

2.Aspects of the Economic Crisis in Romania and in the European Union Countries

In economics, purchasing power parity (PPP) is a method used to calculate an alternative exchange rate between the currencies of two countries. PPP measure the purchasing power of a coin in an international measure unit (usually dollars) because goods and services have different prices in some countries than others. The exchange rates of the PPP are used to compare living standards in different countries. Gross domestic product

(GDP) of a country is measured initially in local currency, so any comparison between the two countries requires convertible currencies. Comparisons based on nominal exchange rates are considered unrealistic, not reflecting these price differences between countries. Differences between PPP and nominal exchange rates can be significant. Although GDP per capita is often used as an indicator of countries' level of welfare, it is not necessarily an appropriate indicator of the actual standard of living of households. For the latter purpose, a better indicator may be actual individual consumption (AIC) per capita. (Cismaş, L., Pitorac, R., 2013).

Actual individual consumption (AIC) consists of goods and services consumed by individuals, regardless if goods and services are purchased and paid by households, by government or non-profit institutions. Summing up actual individual consumption implies all goods and services consumed by households. In making international comparisons, AIC is often considered to be the most appropriate measures.

Price level indices (PLIs) provide a comparison of price levels between countries in relation to the EU average: if the PLI is higher than 100, the country concerned is relatively more expensive than the EU average, while if the PLI is less than 100, the country is relatively cheaper than the EU average. The EU average is calculated as the weighted average of the national PLIs, weighted by the expenditures corrected for price level differences. In this paper we will analyse only PLIs for AIC, because they cover only goods and services consumed by households and are closer to the concept of price levels that most people are familiar with, unlike an indicator of the level of prices based on GDP.

We analyse fluctuations in PLIs in Romania compared to other EU countries and the EU average, and the impact that the economic crisis has had on them (tab.1).

Table 1: Price level indices (EU28=100), Actual individual consumption

Geo/Year	2008	2009	2010	2011	2012	2013	2014	2015
Denmark	143,1	146,3	144,6	142,7	140,6	139,7	139,5	137,1
EU 28	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
Finland	120,3	123,7	122,5	123,1	122,4	124,5	123,9	121,2
Iceland	106,2	99,3	106,6	108,5	111,9	113,8	121,1	129,4
Norway	146,5	144,5	157,5	164,2	173,0	167,3	157,9	147,9
Romania	56,0	50,9	50,1	49,3	46,2	48,4	48,0	47,0
Sweden	118,1	111,9	125,6	132,4	135,5	142,3	135,8	131,2
Switzerland	131,4	140,4	152,5	166,1	161,5	155,9	156,3	171,3

Source: <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

Table 1 shows the PLIs for AIC of households for the whole period 2008 - 2015, in Romania, compared to the countries with the highest living standards in the EU and in relation with the EU 28 average.

Denmark had in 2008 the highest price levels from the EU Member States analysed, 43% above the EU 28 average. It rose by 3% in 2009, and then began to drop, reaching a price level of 37% above the average EU 28 at the end of 2015. Although the price level declined by 6% from 2008 to the end of 2015, Denmark is the country with the highest price levels from EU Member States, surpassed only by the EFTA States.

Norway had in 2008 the highest price levels, 46% above the average EU 28, which increased during the economic crisis, reaching 73% above the EU 28 average in 2012. After 2012 the price level began to drop at around 48% above the EU 28 at the end of 2015.

Switzerland had, in 2008, a price level of 31% above the EU 28 average, which has increased over the years, reaching 66% in 2011. After a slight decrease in the crisis

period, Switzerland is today the country with the highest price levels, about 72% above the average EU 28 at the end of 2015.

Romania had in 2008 a price level of 44% below the EU 28 average, which fell in 2009 by about 6% and continued to fall, reaching by the end of 2015, 53% below the EU 28 average.

Denmark has a price level almost three times higher than Romania. This shows that price dispersion between EU Member States remains significant despite close economic integration.

In Figure 1 we can see, graphically, the fluctuation of PLIs for the whole period 2008-2015, for the countries analysed above, and the relation between Romania and EU 28 average.

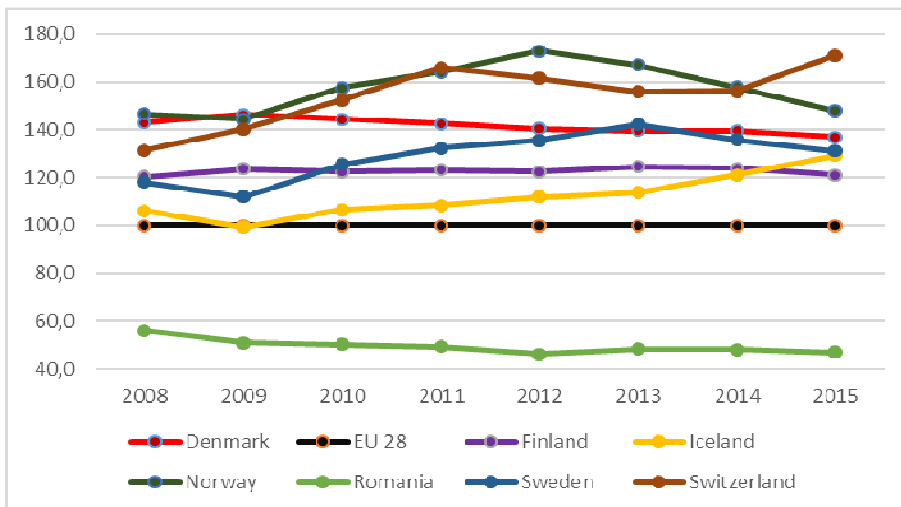


Figure 1: Price level indices for Actual Individual Consumption

Source: own processing

3. Conclusions

The economic crisis has shown that many European countries are facing fundamental issues and trends that are unsustainable on the long term. The European Union has faced since 2008 a financial and economic crisis. The last economic crisis was caused by lack of regulations, neglect or even violation of regulations in the financial system and particularly in the credit sector, which have gained effects on a global scale (Cismaş, 2013). The economic crisis in Romania was one of overconsumption. According to the National Institute of Statistic's data, Romania already has a strong consumption growth. Romania's economic growth relies heavily on consumption, which in 2015 made 75% of GDP, and contributed 4% to growth of 3.8%. The solution to a crisis of overconsumption is not the undifferentiated consumption stimulation. The solution is more complex. It should start with reducing administrative budget expenditures. The savings can be used for an infrastructure investment plan, because that can create jobs. Also, a plan, for euro adoption, with a clear target, should be taken in consideration; such a plan will increase the external credibility (and thus will lower the cost of external financing). Romania has, at this moment, one of the largest economic growths in the EU, 4.3% in quarter 1 of 2016, but the quality of growth based on consumption - a 20% in the first four months of the year - does not change much from landscape known for 25 years. The impact of the economic crisis on the European

Union has been particularly strong. This is why the speed of the recovery from this crisis has been unusually long and slow.

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A COMPARISON BETWEEN WOMEN EXECUTIVES IN JAPAN AND ROMANIA

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Abstract

This article explores and compares how Romanian and Japanese cultures, societies, and economies have either encouraged, or discouraged, the growth of female entrepreneurship on their own territories, and analyzes how the best emerging female executives can be supported in the future in order to maximize their potential. The analysis is based on the data provided by OECD, the World Bank, the Global entrepreneurship monitor, Japan statistics, the legislations of the two countries and the literature related to the two social environments. The findings indicate that although there are many similarities between the two countries, the percentage of female executives in Japan is much smaller than the one in Romania. This is due to the fact that Japan, with all the governmental programs in action, for the moment, still has a stricter social and work environment, a weaker maternity and childcare legislation and a higher gender gap.

Keywords: women executives; Japan, Romania; Japanese business culture; Romanian business culture.

JEL classifications: M12

1. Introduction

All around the world, the companies with more women in senior executive positions report stronger financial performance, better reputation and brand advantages. However, the number of female CEOs remains very small: on a global perspective, women make up only 5% of Fortune 500 CEO's and only 24% of senior management positions (Lagarde, 2014). This issue is generally the effect of the "cultural and organizational issues that prevent [women] moving through the corporate pipeline" (Süssmuth-Dyckerhoff et al, 2012:3). Also depending on the geographical area, the society, the culture etc., the barriers that women executives face can be stronger or weaker, allowing them more or less access to high-level jobs. Regarding the two specific countries that are the subject of this analysis, Japan and Romania, we first explored how the Japanese mentality, culture, politics and economics affected women entrepreneurship and the number of female executives, as well as the barriers that they have faced. Secondly, we analyzed the same aspects in Romania, and third we compared the situation in the two countries, the similarities and the differences at the level of female entrepreneurship. In the end, we suggested some ideas on how the situation of female executives can be improved and how they can be supported to maximize their potential.

2. Comparative analyses between women executives in Romania and Japan

Our research indicated that both Romania and Japan, by their history, traditions, cultures and religions, have discouraged women working in executive levels. However, their governments have tried hard, for the improvement of their economies, to advance the

conditions of work for female employees and to give them the necessary support to continue working and being promoted.

Table 1. Statistical information: South Korea and Romania.

Country name	Japan	Romania
Population in 2015	127.02 mil	19.87 mil
Female population	51.4% (2015)	51.6% (2015)
Female graduates from tertiary education	48.2% (2014)	52.9% (2014)
Female labor force	49% (2014)	49% (2014)
Total fertility rate	1.4 children / woman (2014)	1.32 children / woman (2014)
Female representation on boards	1.1% (2014)	11.9% (2013)
Female CEOs	7.4% (2014)	10.0% (2013)
Self-employed women	0.9% (2015)	29.1% (2013)
Gender pay gap	26.59% (2014)	10.0% (2014)

Source: World Bank – www.worldbank.com, Trading Economics – www.tradingeconomics.com and European Commission – <http://ec.europa.eu/>, Instat – <http://www.instat.gov.al/>, OECD – <https://data.oecd.org/eduatt/adult-education-level.htm#indicator-chart>.

As it can be observed in the table above, there are almost no differences between the percentage of female population and female labor force, the fertility rate, indicating similar environments. Regarding the female labor force, it is important to mention that the difference between the two countries comes in the type of employment: in Japan, 36.9% of the total are employed in part time jobs, while in Romania the percentage is of only 5.5% (OECD, 2015). Here it is also important to mention the fact that, based on a research made by Credit research agency Teikoku Databank in 2014, 50.9% of the Japanese women in top positions took the job from their husband or a blood relative. Only 34.7% built the business from scratch and only 7.9% are in their position due to internal promotions (Kameda, 2014).

Another aspect to take into consideration is the fact that Romania has a more relaxed work environment, shorter extra working hours, no compulsoriness to socialize after work, higher support in maternity leave and the security of still having the job when returning. Regarding the gender pay gap, the last element in the table above, the difference is more than double, indicating a higher level of equity and gender equality concerning payment in Romania.

3. Support for female executives to maximize their potential

In the last years, the Japanese Government tried to encourage women with business and career aspirations through a series of policies, such as promoting women leaders, funding and support to nurture female entrepreneurs. However, as the 2015 Female Entrepreneurship Index indicates, Japan ranks only forty-fourth place out of seventy-seven, substantially lower than other comparable economies. Romania, on the other hand, ranks 10 places higher, even though the political discourse is not focused as much as the Japanese one is on women empowerment (GEDI, 2015).

Also, the Female Entrepreneurship Index (FEI) analysis by country indicates the fact that Japanese women rank low in the Opportunity Recognition and high in the Willingness to start, while Romanian women are positioned low in the field of R&D Expenditures and high in Equal rights and Business Gazelles. Moreover, Romania needs to work on increasing the expenditures in research and development, improve the financing system, training in

the Tech sector businesses and creating networks for women to meet other entrepreneurs and learn from their experiences. In what Japan is concerned, with the exception of the opportunity recognition that was mentioned before, other fields that need improvement are the perception of skills (which indicates the access to training for women who wish to become entrepreneurs), the network to meet and discuss with other entrepreneurs and the support for female leadership. Based on OECD's report, in 2014, Japan increased childcare leave benefits from 50% to 67% of the wages (comparable with Romania that has 85% of the average net income over the last 12 months) in support of a better work-life balance and labor market participation for women. Also, the Japanese Government has established a "new certification system for employers who create an employment environment that is favorable to raising children and encourages a better work-life balance" (OECD 2014).

In the end, it is important to mention the fact that if the two countries do not work harder in accepting and promoting women in executive positions, they might lose a big number of high level and well prepared graduates to foreign companies. In Japan, if the international companies understand the necessity of complying with the working needs of Japanese women, such as support and encouragement to not quit working after marriage, the same training and promotion opportunities as for their male colleagues, etc. (Subhash and Norton 1993), they can benefit greatly from the high number of highly educated Japanese women. In the case of Romanian women, there are many who tend to emigrate, considering the country poor, corrupted and without opportunities (Stanculescu and Stoiciu, 2012), Romania thus losing a high number of well trained and educated women.

4. Conclusions

The time for change has come. Not using women in the labor force represents a waste of talent, money and time. In both countries analyzed in this article, half or more of university graduates are female and both countries are in need of well-trained executives in order to improve their activities in the fast changing business environment and in the purpose of economic growth. In order for this to happen, the two countries need to find ways of changing the mentality of their own population regarding working women, provide more understanding and support towards working mothers, sharing the household and children rearing responsibilities, better child care services, etc.

Programs such as the ones suggested by the Japanese Prime Minister Shinzo Abe to increase the number of women in executive positions in the next years, are a step forward and make way to new perspectives. However, without the legal mechanisms and institutions to monitor and penalize discrimination of any kind against women at work, no major changes are possible. Romania ranks a little better on this level, with stricter protective laws and real implementation, support for women to take parental leave and come back to continue their work afterwards. However, Romanian women face discrimination regarding educational choices, vertical and horizontal occupational segregation, social perception of a woman's place, difficulty in accessing capital and lack of positive examples, challenges which are also encountered at their Japanese counterparts.

Despite their different backgrounds, the Romanian and Japanese women seem to have a similar fate and tend to be hindered in their successful careers by resembling barriers related to societal pressure and male attitudes towards working women. If these aspects will not change, the economies of both countries will have to suffer and will not have the opportunity to gain the economic growth they desire.

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TOURISM AND ONLINE ENVIRONMENT

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Abstract: *This article wants to highlight the main causes that determined the change from the traditional forms of promoting the tourism to the online promotion, causes that can be systematized as follows: diversity, facility, rapidity and the wealth of information. Also, there are presented some of the most known and accessed websites that promote tourist destinations and services. The conclusions of this article converge to the idea that the online environment opens unlimited possibilities of promoting the tourism with benefits for agents of tourism, for costumers of tourist services and for the producers from the IT industry. The identification of these benefits lead all these categories to the big use of information from the online environment.*

Keywords: units of accommodation, promotion, internet, tourism

JEL classification: L 83, Z 32, M51, L86

1. Generally Introduction

In the last years, online tourism is one of the sections that have developed and we can notice this through the multitude of the websites with products and tourist services of specialized portals and operators from tourism (accommodation structures, tourist agencies etc) that choose this method of promotion because it is easier, simpler, more accessible, cheaper, with many possibilities of ample, various and attractive presentation of services. From the perspective of the costumers, we can make bookings on these websites, we can navigate with the purpose of knowing the conditions of accommodation, the possibilities of spending the free time, the types of tourist services, we can find out the feedbacks of the tourists and of the other tourist destinations, generally, the whole tourist offer.

2. The methodology of the research

The targets in view throughout this paper work were:

- The identification of the main causes that led to the orientation of the tour operators to the promotion in the online environment
- The presentation of the most known websites that promote tourism in the online environment

These targets were explained in the online environment through the access of some websites and some specialized articles. For analyzing tourism in the online environment, we used and accessed websites and proper websites of tourist structures of accommodation, of travel agencies and platforms of presentation and searching of some tourist destinations.

3. Promoting tourism in the online environment

3.1. The perspective of tourist structures

Tourism is an important sector of the economy. Commercialized services can't be tested before purchasing. A customer travel must know that what he sees online about the tourism product is not always the same with the one that exists in reality. The presentation of the tourist destination is the key factor to success of the tourist services. The promotion

of a hotel was realized and it is still realized through flyers, posters, pliant, brochures, but now, the promotion is also made online. This procedure simpler for the hotels, because the brochures are usually thrown away, or not distributed by the ones in charge.

In the online environment we find a lot of accommodations offers, special offers, last minute offers, early booking offers, cruises and plane tickets, and by the simple access of them we facilitate the purchase of the tourist packets. A good promotion and development of tourism leads to many economic and social benefits, but only if this promotion happens in an unitary, coherent, planned and sustainable way. (D. D. Jaliu, 2012, p.36).

3.2.The perspective of the tourist costumer

For the planning of a journey and for obtaining the necessary information, the tourists will contact a tourism agency or will search for it online.(Bobalca, Tugulea, Maha și Maha, 2014).

Tourism Online was developed with a rapid accessibility of information about destinations, attractions and impressions of tourists who visited those destinations. Thus were created the conditions necessary to choose a pleasant stay.

The promotion website will be accessed by the future potential clients, and for them, the offers must be as attractive as possible, considering that the competition is increasing.

In this way, the tourist gains time and obtains faster more information, and also they can access many links where they can compare the prices without going from a hotel to another. They can also book the hotel, if the hotel has its own page of booking.

Because of the promotion of tourism through online method, we don't worry that the agency tourism closed a few hours ago and we didn't buy a plane ticket. With the help of internet, we can access day and night any hotel that we want, any plane ticket, stay packet services. The request appears on the website and arrives exactly where we want, saving time and paper.

4. Websites that promote tourism

Today, the websites that present the reviews of holidays are very useful. For instance, Trip Advisor is a search engine that offers individual consultancy, being used by both tourists and tourist agencies. Through the search platforms of information is also Zoover, and here in Romania is www.AmFostAcolo.ro.

Aggregators and meta-searching have an important part in the development of online tourism. The aggregators offer the client prices and offers that are coming from the air lines, hotels and tourism agencies. It is good to know that these are not tourism agencies, they only send the client to the website of the owner. Some of the most used are Kayak.com, SkyScanner and Momondo. Comparing to the aggregations, the meta-searching offer the client the possibility of searching different offers from different suppliers.

The most known online and global tourism agencies are Expedia, Priceline.com, Sabre Holdings, Orbitz Worldwide. Romania joins these tourism agencies, such as ParAvion.ro, built in 2005, Vola.ro, built in 2007 and which extended in Ukraine and Vietnam, Tripsta.ro built in 2012. In 2014, 6 February, Romania built a platform of online tourism agency: Traveo.ro. <http://www.turismmarket.com/tehnologia-si-internetul-in-turism-ota-lansarea-traveo>

In Romania, online and niche tourism are still increasing. For instance, Happy Travel is the biggest company. Explore Travel is a company that performs original adventure programs in countries such as India, China, Nepal, Kenya, Tanzania, Sri Lanka and Singapore.

Tourism is always changing, especially the online tourism. Explore Travel is always searching for new products and services, and also offers trips full of adventures, even collaborations with bloggers in various domains.

(<http://www.turismmarket.com/viitorul-in-turism-turismul-online-si-turismul-de-nisa-workshop>)

In 2014, the tourism agency OVI Travel landed the first full, online mobile platform, which is Vivolis.ro. Through the concept full mobile, the user may have the same services and functions of the platform, regardless of which device is the platform accessed. In other words, this platform can be adjusted to any type of device: laptop, desktop, tablet, mobile phone. This platform offers four types of very flexible searching, such as:

- weekend search,
- activity search,
- the search of the hotel regarding the tourist objectives that the customer wants,
- and the search for the "Vivolis adventure".

Weekend search is a search of the weekends from a month, while activity search is a search that is based on the type of activity that is wanted by the tourist in the travel. At the same time, this concept offers the possibility to book and pay online through two mobile applications: Viber and WhatsApp. (<http://www.forbes.ro/ovi-travel-lansat-vivolis-ro-platima-prin-care-poti-face-rezervari-si-plati-prin-viber-si-whatsapp-19747>)

5. In conclusion

Not very long time ago, important in selling or booking a room was the impression that the tourist perceived when he entered the hotel, namely the reception. Nowadays, more important and easier is the way through websites. Tourist structures know how to make them known in the online environment, and how to bring the potential tourist closer to the wanted destination.

Important are also the opinions of the tourists that were hosted in a certain tourist structure, the positive comments influence the options of the readers for the same tourist destination, and also the negative feedback estranges the potential tourists that might be interested of the specific destination.

The classic tourism agencies are constantly changing into virtual tourism agencies, because they don't have a place for the customers to come and look over some catalogues, the offers that are imprinted can now be chosen from the internet.

The benefits of the tourist promotion are obvious for all the participants of the tourism: tourism agencies can choose an attractive method of presentation of the proper structures, they can communicate with the future potential customers, they can discuss their opinions, the feedbacks of the tourists, so that they can attract more and more customers; the tourism consummators have many possibilities of informing towards the tourist destinations, they can compare the offers before choosing them, they can express their opinions regarding the quality of the products; finally, the managers of the websites or of promoting platforms of tourism benefit from many accesses that brings them income.

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SUSTAINABILITY – LIMITS, CRITICS AND OBSTACLES

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Abstract: *The term “sustainable” or “sustainability” is currently used so much and in so many domains that is basically part of our day to day lives. It has been attached and linked to almost everything around us, starting with energy, transport, housing, diet, clothing, everything related to our living, to our lifestyle. But what does “sustainable” really mean? Many people may have heard about sustainable development or sustainability and may have even tried to have a sustainable living but...do we do enough? Do we know enough? Are we on the right path and are seeing any progress worldwide? Maybe this paper won't be able to give you the answers to these questions but it is meant to draw attention over the limits of the “sustainability” concept and also to present aspects of the “other side” – critics, disagreements and arguments against “sustainable development”. More than that, it is focused on revealing some of the issues and obstacles that make sustainability so hard to achieve.*

Keywords: sustainability; development; limits; criticism; obstacles; issues.

JEL classification: Q01.

1. Introduction

The idea that the future should be a healthier and a better place for us and for the next generations is known as “sustainable development” and embraces a growing acceptance that human actions have a serious and negative impact on our planet's ecosystems. The idea is not new and many researchers studied the phenomenon and a lot of debates took place over this topic, on a global scale, as there were many resistances and refusals along the way.

Sustainable development is a concept that integrates several areas that need to be rethought and refocused and involves economic development as much as other areas of human life and activity. After all, the primary aim is to find a way to reconcile the interests of economic development with the social and environmental ones (Rojanschi, 2006).

One of the first researchers who was focused on studying the sustainable development was Mahon Munasinghe who has created for the first time, the triangle or the balance of sustainable development, all its three components being interdependent (Munasinghe, 2010): *1.economic: growth, efficiency, stability; 2.social: inclusion, empowerment, institutions/governance; 3. environmental: biodiversity, pollution, natural resources.*

The UN Conference for Environment which took place in Stockholm (1972) is considered the first cornerstone for identifying solutions to the problems faced by the population and also the debut for the “sustainability” and “sustainable development” concepts (Bâc, 2013).

Despite all the debates, proposals and agreements that took place between governments so far, there are several opinions that argue that sustainability as approached during the last few decades has various drawbacks, the main criticisms being due to the results almost elusive in most areas of sustainable development. Thus, not a few are those who call into question the future of sustainable development.

2. Research Methodology

The present paper represents an attempt to reveal some of the limits of the “sustainable development” concept, to expose a few critics regarding its shortcomings and also to present the main obstacles and challenges which may compromise the future of sustainability. The research is a theoretical one and is based on other papers and studies written on this topic. The results are split in three sections, starting with the criticism regarding the lack of progress and improvement and even the disagreements over the significance of this phenomenon. Moving forward, the second part presents aspects related to the vagueness of the concept while the last one lists a number of obstacles faced by the humanity in its way to a better future.

3. Research findings

3.1. Disagreements Over the Principles of a Sustainable Development

Speth (2008) presents some of the limits of sustainability, through the eyes of the environment component. He states that although some improvement was registered, most of the threats linked to the environment that are acknowledged and extensively discussed during all the conferences and summits held on this subject, have worsened. He concludes that the results of more than two decades of international negotiations are deeply disappointing. Treaties and agreements and their associated protocols cannot do the necessary changes. Typically, these agreements are the easiest option for governments to act because they seem impressive but it does not bind to the objectives of the Treaties, objectives are often not followed by the requirements, goals and clear timetables. And even when there are targets and timetables, they are often inadequate and the means of execution are missing (Speth, 2008).

Regarding the disagreements, there are a few critics who argue against the principles of the sustainable development. According to Beckerman (2003), future generations are likely to be much better off than the present generation due to the contribution of modern technology, which is rapidly increasing now and is more likely to remain so during the twenty-first century. He claims that we shouldn't ask the present generation, to make sacrifices for future generations since no moral credit can be gained by distributing income from the poor to the rich. Therefore, critics conclude that the greatest favour that the present generation can make to the future one is to establish peace and security and the principles of human rights and democracy. Another criticism is addressed to the environmentalists who oftentimes show dramatic trends in negative environmental changes and make their points to invest more in the environment.

Lomborg (2003) argues that the real State of the World is much better and healthier than many environmentalists claim. For example, Lomborg criticized Ehrlich (1968) who stated: “the world will experience starvation of tragic proportion—hundreds of millions will starve to death”. Lomborg has revealed that, although the world population has doubled since 1961, the average calorie intake per capita has increased by 24% globally and 38% in developing countries.

Other critics believe that sustainable development can be damaging for the poor people. Thus, on the pretext of promoting sustainable development and environmental protection, rich countries are adapting protectionist policies by restricting imports of agriculture, forestry, and other products from developing countries. They also argue that, in the absence of concrete scientific evidence, environmentalists are recommending adopting precautionary principles, thus incurring a very high cost to control climate change, sea-level rise and ozone depletion which may or may not be significant threats to mankind. (Rogers, Jalal, Bozd, 2008).

3.2 The Limits and the Vagueness of the Concept

Robinson (2004) summarizes his three criticisms of sustainable development in the way it was debated so far, as: *"vague, attracts hypocrites and fosters delusion"*. Regarding the uncertainties, the author argues that the term "sustainable development" means different things to different people and organizations. The different concepts tend to reflect a variety of agendas and the exact meaning of the term has been discussed for more than 25 years.

Disappointments and illusions refer to the social limits of growth which are impossible to reconcile with the global industrial production growth. Moving forward, the vagueness of the term opens ample opportunities for "green washing"; for example, the term "green" was very often commercialized to justify unsustainable practices and activities. Many if not most of the activities that are in fact not sustainable, can appear as "green" misleading the population for all sorts of marketing tricks.

From another perspective, Marcuse (2006) believes that attaching the adjective sustainable to any type of activity - from construction to economic activities or ministries - cannot be suitable because it is hard to believe that all these activities are truly sustainable. He believes it is important to identify and accept the limitations of sustainability, in order to avoid losing the true sense of the term.

3.3. The Main Obstacles and Challenges on the Path of Change

Regarding the obstacles that intervene in the path of sustainability, Rogers (2008) offers a more complex list of obstacles to achieving the goal of becoming a sustainable planet:

- Terrorism. Worst case scenario concerning terrorism involves a situation in which a terrorist group will get nuclear weapons or other weapons of mass destruction;
- Climate change. This is a more complex issue due to lack of consensus on the effects they may experience in the coming years;
- Globalization. It has many manifestations of unsustainable behaviour. The best example is the "export" of waste and polluting industries to other countries, which globally is not a solution.

Gorbachev (2006) draws attention to the people to exercise their voting power in the political establishment, which should be judged according to their facts, not their words. Therefore, he said, "we need a new Glasnost to inspire citizens to become actively involved in the struggle for a better future." Meadows (2006), believes in the need for a sustainability revolution. Like the Industrial Revolution in the past, it will require decades or centuries to achieve completely, but according to the author, "Sustainability Revolution" has already begun.

4. Conclusion

There are a lot of other views regarding the sustainable development and its drawbacks and being such a complex matter, it may be the subject of a broader research. In conclusion, sustainability is the product of many stories, values, actions, and perspectives which to be fully appreciated require a readiness to listen to others, suspend established opinions, respect differences and see with others' eyes while allowing other voices to be heard.

However, lack of information, confusion over cause and effect, no clear vision of sustainability, the underestimation of the impact that some stakeholders (such as corporations) might have on this matter, are only a few of the aspects that require more attention and which indicate shortcomings of current sustainable development.

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IMPLICATIONS OF THE CREATIVE ECONOMY: CULTURAL EMPLOYMENT

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Abstract: *The economy benefits through the sector of the creative economy, more exactly, through the cultural sector, due to the unlimited resources needed to develop – the human resources represented by their mind or talent. As mentioned in the academic literature (ESSnet Report, 2012: 42), the activities included in the cultural sector have some particularities given by the cultural expressions, theirs roots in creation and communication through symbols and also, intellectual property rights, represent a useful way of protection for the authors of the cultural goods and services. The industrial development and innovation lead towards many changes in the cultural industries mostly due to the digitization effect, an irreversible change in the creation of various cultural goods and services, resulting even new cultural domains and also new regulation in the cultural field. This paper aims to show some positive impacts of the creative economy, highlighting social and economic aspects, such as cultural diversity, tolerance, freedom of expression of cultural identity and by the other hand, new jobs for artists, increases of earnings, creative clusters, cultural employment, etc.*

Keywords: creative economy; cultural industries; cultural employment.

JEL classification: O14; O15; J21; J24.

1. Introduction

According to the definition given by UNCTAD, the creative economy represents

“the interface between creativity, culture, economics and technology as expressed in the ability to create and circulate intellectual capital, with the potential to generate income, jobs and export earnings while at the same time promoting social inclusion, cultural diversity and human development” (Newbigin, 2010: 24).

Regarding the economic development, we could say, as Newbigin (2010: 24) has pointed out,

“excellence in artistic expression, abundance of talent, and openness to new influences and experimentation are not the privileges of rich countries (...) these sources of creativity can open up new opportunities for developing countries”.

The emergence of this new economic sector doesn't significantly influence only the human resources involved, but it has an economic and a social impact because

“the real significance of the creative industries lies not only in their economic value, or even in their wider social and cultural impact, but in that they provide a template for the way in which other economic sectors need to change if they are to survive and prosper in the digital age” (Newbigin, 2010: 28).

2. Social and economic implications of the creative economy

The role of the creative economy regards sustainable economic development, social development of communities and exploitation of artistic and intellectual capital available to

the national economies, both as human resources and cultural heritage. Besides its specific characteristics, the creative economy presents also several positive effects on the social and economic life. According to UNESCO reports (Creative Economy Report 2013: 128-129), the most important positive economic effects regard the followings: local production of cultural goods and services, new jobs for creative workers, incomes increases, creative clusters, regional investments due to the cultural attractiveness, etc..

The implications mentioned above will be reflected in rising living standards of the region where the creative sector is growing, but aspects of a better life are felt also socially due to the following effects (Creative Economy Report 2013: 129): social cohesion and cultural diversity, security, tolerance and openness for social interaction, freedom of expression of cultural identity, etc..

3. Creative economy through cultural industries

The term *cultural industries* concerns the cultural production and consumption, those industries whose main aim is to manufacture and trade products and services with symbolic or expressive role, "which, at the time they are considered as a specific attribute, use or purpose, embody or convey cultural expressions, irrespective of the commercial value they may have" (UNESCO, 2013: online).

If we want to assess the value of the cultural industries we have to know exactly what these cultural industries are and what they do. These industries encompass cultural and artistic values, are represented by cultural activities which "include market or non-market oriented activities, with or without a commercial meaning and carried out by any kind of organisation (individuals, businesses, groups, institutions, amateurs or professionals)" (ESSnet Report, 2012: 20).

Mainly, the cultural industries focus on film and video, video games, music, TV and radio, books and publishing (O'Connor, 2010: 58), specific activities with specific goods and services.

4. The cultural employment

Taking into consideration only an aspect of the development of the creative economy through the cultural activities, we shall show some figures regarding cultural employment in Europe. Some of the chosen countries have economies similar to the economy of Romania, meanwhile other countries play the role model. The analysed period of time starts with 2008 and ends in 2014.

The following table concerns the total amount of people employed in the cultural sector. As it can be noticed the most important economies of Europe have also the highest figures in cultural employment and also these countries met during the period of analysis a constant growth. It is important to consider that these years followed the beginning of the economic crisis, and the relevant aspect is that the powerful economies bloomed in these years, whereas the developing economies of Europe decreased in this sector. The reason could be the low demand for the cultural products and services during harder times for those economies where the disposable income is much lower for a person than in the developed economies, and as it is known the cultural product and services satisfy superior needs which are not pretty compatible with the situation of an economic crisis.

Table 1: Cultural employment in Europe (thousand persons)

Country / year	2008	2009	2010	2011	2012	2013	2014
EU	5342.1	5386.5	5415.2	6039.6	6139.6	6188.3	6273.1
Bulgaria	81.2	77	69	62.4	63.4	62.7	63.7
France	513.5	528.9	541	733.4	725	744.9	713.7

Germany	1010.3	1027.1	1047.7	1243.5	1187.8	1178.5	1183
Hungary	100.5	91	96.5	108.8	113	116	111.1
Ireland	54.1	48.8	50.2	48.8	47.2	49	51.4
Italy	537.7	494.4	511.8	591.7	622.9	603.7	602.1
Netherlands	260.1	266.1	280	295	307.8	324.7	321.9
Norway	69.5	75.2	77.7	88.9	96.3	95.1	88.4
Romania	114.5	104.9	91.2	92	101.8	86.1	99
U.K.	829.2	932.3	928.8	924	984.6	1034.3	1062.1

Source: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=cult_emp_sex&lang=en
accessed on 18.10.2016

What is interesting to notice is that these figures represent mostly people with high formal education. The figure below highlights the necessity of higher education in order to perform in the cultural sector.

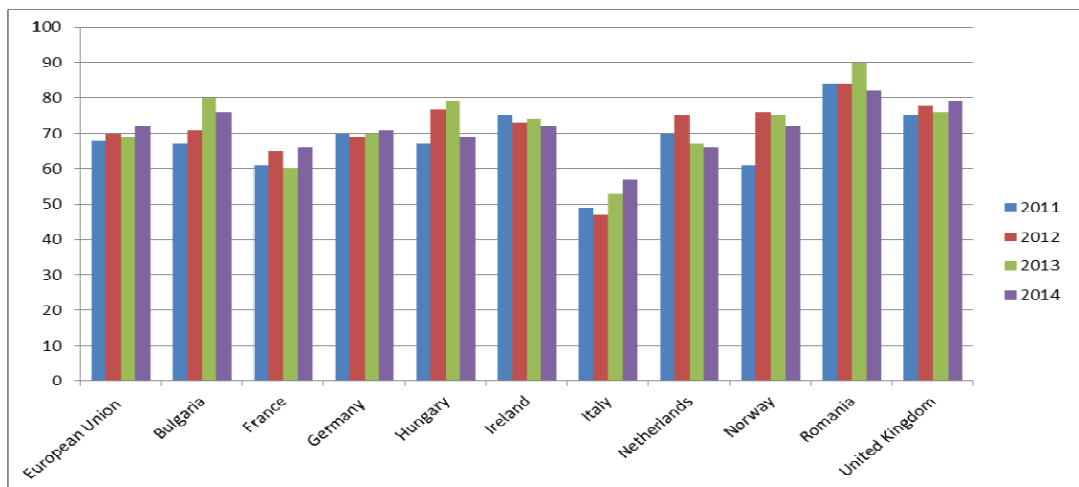


Figure 1: Individuals with high formal education employed as creative and performing artists (percentage)

Source:

http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=cult_emp_artpc&lang=en
accessed on 19.10.2016

What is more interesting is that the highest percentages of higher education graduates employed in the cultural domains belongs to those European countries which have the lowest number of cultural workers. This fact could be related to the different educational systems but anyway what can be obviously noticed is that at least 50% of the cultural employees are graduates of higher education and this can be seen as a necessity in order to perform in the cultural economy.

5. In conclusion

Nowadays, despite that terrorism, poverty, global hunger, limited resources and crime organization are the major problems that our world faces, culture cannot be forgotten. All these problems are directly related to culture, often the money – hunger being hidden behind the mask of the culture, i.e. terrorist attacks. Culture dictates various social practices within a specific group representing “the values of individuals, their own aesthetic and philosophical representations and, at a more collective level, all the ways of understanding a people’s identity” (ESSnet Report, 2012: 41). Tradition, habits and

attitudes are related to cultural values through which a person belonging to a social group differs from another, whereas the identity of a group is given by its intrinsic values and a mixture of them frames the culture of group.

Behind all these social aspects of the culture, culture through the creative economy makes some differences in economic terms, such as the employment. The cultural sector employs mostly persons with creativity and artistic skills and not only, we should consider the people working in the support activities, as well. As it was noticed, in several European countries the number of the cultural sector's employees depends on how rich is a country's economy and this also impacts the fluctuation of the cultural employment during the analysed period of time

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PARADIGM CHANGE IN COMPANY PERFORMANCE MEASUREMENT

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Abstract: *Making profit it's the main purpose of the company, the classic objective that needs to be accomplished in order to maximize the firm value and meet the shareholders expectations. For a long period of time, executives, investors, analysts, made predictions and took decisions based on these financial statements, considering them the most viable way to understand how a company is performing and creates value. But, nowadays, more and more companies are interested in balancing the shareholders expectations with stakeholders needs in order to increase the firm's value. The present article focuses on finding a viable solution to mix classic financial indicators with non-financial indicators in order to outline the picture about company's performance. The main concerns of this research pointed out are, if there is a viable solution for the classic financial indicators, non-financial indicators, the role of corporate governance in the process of adopting the proper performance management system, how innovation companies changed the performance system by counting on intangible assets as main source of value creation, and opportunities brought by adopting sustainability.*

Keywords: Financial indicators; non-financial indicators; corporate governance; sustainability; shareholders; stakeholders.

JEL classification: G30

1. Introduction

For this research, in order to achieve my objectives I used the following methods: literature review, fundamental investigation and logic.

For a long period of time, executives, investors, analysts, made predictions and took decisions based on these financial statements, considering them the most viable way to understand how a company is performing and creates value. The most common way to measure the performance of the company, is by using financial indicators and one of those two big accounting standards IFRS, for Europe and GAAP for U.S. Managers had full confidence that the results provided by the financial indicators were accurate and can be used for creating future strategy. These things are no longer sustained by the reality. The several major changes that took place in the external environment – the influence of the globalization, climate change, financial crisis, corporate scandals and bankruptcy, the impact of the emergent markets, technical progress and the innovation – decisively impacted *the paradigm* of how companies should measure performance and which are the sustainable sources of value.

2. Mixing financial vs. non-financial indicators

The main purpose of the corporate financial indicators is to show how well a company is performing and to be a helpful tool in decision making process. Another important purpose is to use this performance metrics to compare businesses. This two main purposes are no longer accomplished because financial statements depends on estimates and judgment, and due to the increasing impact of innovative companies from the emerging markets,

these metrics are not the most accurate in comparing the firms (Sherman and Young; 2016). Another important problem that came from using financial indicators is that of inaccurate metrics provided by the two main accounting standards, IFRS and GAAP. There are cases of companies where applying both standard, different results were obtained. This is a big issue for an investor, and can put in danger a merge or acquisition and can have an impact on the company market value. Pfizer versus GlaxoSmithKline, Exxon versus BP, Walmart versus Carrefour, in all the examples, one company uses GAAP and the other uses IFRS. The impact on results is something to rise concerns (Sherman and Young; 2016). The issue from those two accounting regimes is not the only one, due to the fact that more and more companies are using unofficial measures, especially tech companies have this problem of revenue recognition, one of the most common indicator used as an unofficial measure is EBITDA. Companies who are facing problems in revenue, expenses, are increasingly using unofficial measures in their financial performance statements, but the outcome is that is not reflecting the true value of the company. Facebook, Twitter, Alibaba, Amazon, eBay (Sherman and Young; 2016) are examples of companies using unofficial measures. For the companies above the use of this unofficial metrics served as ways to convince analysts and investors about the potential of their business, but we should pay attention at the interpretation of this unofficial measures, how to explain the results and to not abuse from managerial judgment. Auditors are an important piece from this puzzle, and it is a challenge for them to establish the fair value of the companies, even when they have to work with companies and assets that can be measured, but the real challenge is how to evaluate the intangible assets, goodwill, patents, projects from R&D department (Sherman and Young; 2016). Corporate scandals revealed that managers used financial indicators to manipulate the profits, in order to achieve short-term targets and objects and collect the bonuses. Enron (2002) is the most common case used as example in corporate scandals, due to the fact that they used an accounting procedure, called mark-to-market, and the executives manipulated the revenue recognition in order to increase the company's financial performance. Unfortunately auditors yet again are an important factor, because they allow in certain limits these practices and they are not aware of the consequences. In the case of Enron, the auditor also went to bankruptcy. The purpose of the regulation is to avoid the managers ability to manipulate financial reports, and as a result managers no longer manipulate reports they manipulate operations and the decisions are made for short-term targets, undermining long-term performance (Sherman and Young; 2016). Having in mind all the problems related to financial indicators, some companies started to make a change in their performance management system. A survey made by Deloitte shows that executives think that their current performance management approaches does not drive to high performance. The changes in measuring performance aims not only the standard metrics, the financial reports, but also the performance of the employees (Buckingham and Goodall; 2015). When we talk about non-financial indicators, the most common are the measure of customers loyalty, employees satisfaction, the number of new products, etc. (Ittner and Larcker; 2003). The problem related to the non-financial indicators according to studies made on manufacturing and services companies show that managers fail or they have poor attempts in identifying which non-financial indicator specific for their business and they cannot make the cause and effect connection between how a non-financial indicator has an impact on financial performance. The most common non-financial frameworks used by the companies are: Kaplan and Norton's Balanced Scorecard, Accenture's Performance Prism, or Skandia's Intellectual Capital Navigator (Ittner and Larcker; 2003). In order to be able to measure and show the financial impact of the non-financial indicators, alternative frameworks were developed to achieve this purpose. Ben Cohen and Jerry Greenfield are working on implementing a performance accounting system, also known as Multicapitalism Scorecard (Thomas and McElroy; 2015). This will serve to measure economic, social and environmental impact. Using non-financial

indicators as the main financial performance metrics, is an idea that rises many questions and doubts for executives, because of the lack of information, the connection between non-financial and financial metrics for performance (O'Connell and O'Sullivan; 2016).

3. Corporate governance and why sustainability become top priority on investors' agenda

Prior to the financial crisis and several major corporate scandals, corporate governance wasn't a hot topic for executives and board members and a critical factor in the success of the company. After the bankruptcy of U.S. corporation Enron and one of the largest U.S. banks, Lehman Brothers, corporate governance became a priority. After a deeper study, researchers found out that the problems related to corporate governance are in areas of top executives compensation, manipulating and 'cooking' books in order to achieve short-term objectives, jeopardizing the long-term performance and stability (Barton and Wiseman; 2015). This discoveries and facts had a huge impact on how corporate governance is seen today.

One of the most important change that we see today on more and more corporate governance agendas as a top topic, is sustainability. Traditional CSR (Corporate Social Responsibility) programs in the opinion of some researchers does not qualify as sustainability measures (Whelan and Fink; 2016). Including sustainability in the company strategy can provide business opportunities and increase profits, this statement is supported by a growing number of evidence and example of companies who benefit from adopting sustainable measures. According to a research from McKinsey "sustainability programs are not only strong correlated with good financial performance but also play a role in creating it" (Bonini and Swartz; 2014). In order to be successful in the sustainability program companies should: set priorities, identify the proper metrics in the value chain, aim long-term sustainability; set strong goals and have in mind the concept of circular economy (Bonini and Swartz; 2014). Beside the direct impact on the financial performance, companies will benefit from improved reputation, perception of customers, better business relationships with the stakeholders.

4. Conclusion

We cannot ignore the fact that the way we used to do things changed, and if we talk about measuring performance, changes are significant. Scarce resources are a big challenge for companies, and in order for them to be successful adopting a sustainable business model is the key on long-term performance and the main value creator. Nowadays investors pay a lot of attention on how a company is handling the environment, social and governance issues and understand the implications and the impact on financial performance, and in consequence is a top priority in the investment decision.

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A CONCEPTUAL FRAMEWORK FOR EMERGENCE OF VALUE CREATION THROUGH SOCIAL MEDIA ACTIVITIES

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Abstract: *Worldwide, SMEs are continuously assessing their resources and capabilities to adapt to the ever-changing needs of consumers, who are becoming more and more indifferent to traditional marketing, as they are comparing products or services offline as well as online in order to choose the right product or service which offers them the most utilitarian value. The paper proposes a framework of assessing social media mechanisms affecting how value is created in SMEs and the kinds of impacts social media can have on present and future business models.*

Keywords: social media, marketing, value creation.

JEL classification: M31

1. Introduction

Worldwide, SMEs are continuously assessing their resources and capabilities to adapt to the ever-changing needs of consumers, who are becoming more and more indifferent to traditional marketing, as they are comparing products or services offline as well as online in order to choose the right product or service which offers them the most utilitarian value.

2. Literature review

This literature comprises of identifying the theories and the research related to social media and SMES, consumer and brand relationships already conducted. Thus, a comprehensive basis for the research topic is presented in order to develop testable hypotheses.

Social media enables consumers to talk to the brand and to each other through a multitude of platforms (Woodcock, Green and Starkey 2011). Similar to any conversation, the content on social media platforms varies for each brand (Woodcock et al. 2011).

The main focus of these platforms is to enhance the consumer experience, thus brand marketing on social media is becoming less and less about pushing messages out to consumers and more and more about being part of a dynamic conversation – listening and creating relevant content to earn their trust (Woodcock et al. 2011).

Brands need to understand how consumers behave offline and online in order to engage with their target consumers and develop online brand experiences (Woodcock et al. 2011). As such, social media platforms provide with the rare opportunities for the brand to listen to consumers and respond. In addition, it allows the collection of in depth information about consumer preferences and lifestyles, enabling customised content to ultimately embed the brand in cultural conversation (Fournier and Avery 2011). If the content engages the consumer, the consumer may do nothing, buy the product directly or interact in another way (Woodcock et al. 2011).

Thus, social media offers the prospect of consumer engagement but it also presents a progress to traditional Customer Relationship Management (CRM). This is due to social media providing with an increased understanding of the consumer that traditional CRM channels cannot provide. Using a combination of CRM and social media has given birth to the new term of Social Customer Relationship Management (SCRM). However, Baird and

Parasnis (2011) state that using social as a channel for customer engagement poses interesting challenges for traditional CRM, as customer are in control of these relationships, driving the conversation and shaping the brand. As social media allows the customer to be the centre of attention, the brand will provide with the atmosphere where the discussion should take place.

SCRM is a term coined by Greenberg (2010) and is defined as such: "SCRM is the business strategy of engaging customers through social media with the goals of building trust and brand loyalty". In other words, the brand on social media has to focus on facilitating collaborative experience and dialogue that customer value (Baird and Parasnis 2011). The advantages of using a SCRM programme include creating and cultivating customer advocates for the brand whereas not implementing such a programme will lead to customer churn (Greenberg 2010). Woodcock et al. (2011) present P&G as an example. P&G started using social media platforms in order to create one-on-one relationship with consumers with the end-goal of enabling customising their offerings (Woodcock et al. 2011).

3. Trends in the companies use of social media

This is where social media comes into the marketing mix. Social media has existed since the development of the World Wide Web in different forms such as newsgroups but only early adopters of technology adoption lifecycle used it (Ryan and Jones 2009) to allow the exchange of content (Kaplan and Haelein 2010). As the interfaces have been simplified, social media crossed the chasm to the mainstream markets.

Social media is defined as a group of application that allow the creation and exchange of User Generated Content (Kaplan and Haelein 2010). In other words, social media integrates technology and social interaction, allowing SMEs to connect with consumers on a more deeper level. Examples of social media platforms include: Facebook, Twitter, LinkedIn, Instagram, Google+ and Pinterest. On one hand, consumers can help, support and reshape giving a new dynamic and creative social identity to the brand as a community, which brings them together (Stern 2010). On the other hand, there is lack of control in terms of what is being communicated about the brand (Mangold and Faulds 2009).

Thus, social media creates both an opportunity and a huge challenge. The key role in building and developing relationships with consumers across different social media platforms is communication—engaging, entertaining and triggering responses from consumers.

Thus, the online channel has become a vital channel to ensure the lifeline of the brands. Nowadays, SMEs have websites, many of the offering e-commerce feature as well as using social media platforms such as Twitter and Facebook (Bencic 2014).

In order to adapt to these conditions and to differentiate themselves, SMEs have started using social media as an interactive way to engage with customers and consumers alike. The advantages of using social media include the fact that there are no time and place restrictions, encouraging participation from people all around the globe. Due to this rapid evolution of social media, there is a limited amount of literature on the topic. In addition, social media is the most common activity consumers pursue online (Cooper 2013). Thus, social media carries more weight than ever, being a catalyst for progressing with the consumer-brand relationship from an offline to the online environment. In other words, social media humanises the communication between the brand and consumer, offering the possibility of developing personal relationships. Hence, the following question arises: How do high-SMEs use social media platforms to further develop personal relationships with consumers?

4. Value Creation and co-creation by means of social media

Consumers can use social media in a multitude of ways, being a perfect medium to research products and services, find out more information about the latest news and gain exclusive access to exclusive content and special offers.

Secondly, the social media marketing properties of the SMEs for the selected platforms (Facebook and Twitter) will be explored in a broader context.

In order to differentiate among competitors, brands need to break the mould to escape out of the vicious cycle of competitive benchmarking and imitation (Chan and Mauborgne 2003).

SME's are dynamic forces that have to continuously reinvent and re-evaluate their value offerings in order to deliver the benefits the consumers truly desire.

This is where social media comes into the marketing mix. Social media has existed since the development of the World Wide Web in different forms such as newsgroups but only early adopters of technology adoption lifecycle used it (Ryan and Jones 2009) to allow the exchange of content (Kaplan and Haelein 2010). As the interfaces have been simplified, social media crossed the chasm to the mainstream markets.

The advantages of using social media include the fact that brands can create conversations that engage on a 1-1 basis, which add value for the consumer along the process on a functional, experiential and psychological level (Pine and Gilmore 2011). This distinctive approach actively enriches the consumer's experience with the brand establishing an emotional connection and ultimately integrating the brand as part of their lifestyle (Pine and Gilmore 2011). The key role in building and developing relationships with consumers across different social media platforms is communication—engaging, entertaining and triggering responses from consumers.

5. Conclusion

Attention is given to developing an in-depth understanding of the functions and concrete value creation mechanisms of social media-based co-creation within the different organizational processes (e.g., in product and service development and customer services) and to updating the related practices and knowledge. Overall, this article offer valuable insight about social media. Consumers are becoming more and more dependent on social media as it is being used to work, play and socialize. Ogbevoen (2012) stated that Facebook and Twitter are an addiction, being comparable with smoking. This is due to the fact that social media platforms provide with added value such as an increase in functionality and convenience, thus becoming an integral part in the consumers' life, magnifying social behaviour. Consequently, social media can be considered as a catalyst to create personal relationships between the brands and consumer, in order to ultimately embed the brand in their lifestyle.

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AN INTEGRATED FRAMEWORK FOR RISK ASSESSMENT IN DYNAMICAL SYSTEMS

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Abstract: *Managing risk within and across organization is aggregating processes to function with purpose to deliver a cost effective and sustained level of innovation and agility that enables the business to attain its objectives. Assessing risk management intersects key processes involving monitoring, measuring, analysis and management of all events and crosses junction with proactive processes: planning, design and improvement of availability. The paper proposes framework for a multidisciplinary risk assessment by modeling uncertainty and combining diverse evidence provided in such a way that it could be used to represent an entire argument about a system's trustworthiness.*

Keywords: Risk, Uncertainty, Decision-Making.

JEL classification: D81

1. Introduction

Sociotechnical system is a concept that reflects the integrative vision on an item or group of elements that have human, technical and economic features. A system that allows the taking, storage, processing, conversion of resources into goods or services with economic relevance and includes human, technical and technological elements can be regarded as economical and sociotechnical entity. Systemic approach of the sociotechnical system is achieved by economical perspective (enterprise, firm, organization) emphasizing the interdependence between subsystems, components determining the leading influence of each element on other and, on business in general (Cerullo et al., 2004).

The constructive elements (input – process – output – feedback loops – feed forward loops) of sociotechnical systems create interdependencies with other systems or individual elements. Links may be physical or informational. Based on the concept of system and cybernetic system, systemic approach has the following main advantages:

- is a means of global approach of economic, social, environmental and technical aspects revealing the inter conditionality and tuning of processes;
- through mathematical modeling highlights the qualitative and quantitative relationship between components of economic entity, allowing to find efficient, operational solutions for complex problems;
- allows an optimal balance between the components in terms of permanent reporting to the exogenous variables of economic entity (market, competition, technology, resources, the legal and political systems).

The concept of system appears, in embryonic form, in Greek philosophy, with the remark of Aristotle that "the whole is more than the sum of its parts", evolves over time and reaches its present form in the beginning of twenty one century. The system can be approached as any section of reality in which are identified a set of phenomena, objects, processes, finite concepts or groups interconnected through a set of reciprocal relationships and orderly acts in common to achieve objectives well defined, defaulted through a plan. This depiction integrates the three essential elements: a goal that motivates the design and the existence of the system, a certain organization (order) of its elements, the supplying with information, energy and materials of its elements in order to achieve the objectives. The set of relations between system components and relationships

between components and the whole form the structure of the system. The set of system characteristics at a given time determine its status (Yang et al., 2010). Any system is an integrated whole of its elements, being operational only when a number of elements begin to interact between them. The compliance of the concept is based on the following regarded as being the characteristics:

- connection between the elements of the whole and the system is stronger than links of the system with the environment;
- any system, regardless of complexity is a subsystem of a more comprehensive system;
- the nature and complexity of a system requires a certain organization of its elements to operate as a system;
- any system is characterized by a certain structure, it can be regarded as such, i.e. the exact connection of all subsystems to the smallest components, or be seen by following the different characteristic structures.

Any system can have a multitude of response loop which can be closed on certain parts of the system or even the whole system.

2. Risk assessment as a structured approach

The concept of risk is closely related to human error, hence the conclusion that human error identification and analysis becomes essential for assessing risk [4].

Risk assessment is a structured approach for identifying hazards, analysing risk, and identifying risk reduction measures (Siegristet al., 2000). Properly implemented in an organization that follows a long-term risk management process, it provides a cost-effective basis for maintaining risk within appropriate levels. In the sociotechnical systems, the technical and human components are considered interdisciplinary to include in risk assessment (Khan et al., 2002), human factors analysis and uncertainty analysis. Human performance modeling analysis based on logic model may utilize qualitative techniques if discrete or sufficient credible data required for quantitative assessments are unavailable, or if obtaining or analysing data is not cost-effective. As the analysis is extended, it produces models of the scenarios, calculations of the frequencies of particular events, result, and estimates of socioeconomic impacts (Ganguly et al., 2010). These outputs become more quantitative and the uncertainty of the results is narrowed as more detailed information is developed. Assessment of socioeconomic impacts and human factors evaluation rely on assumptions based on the best available data, uncertainties properly described, and analyses with the appropriate rigor for the level of assessment (Rausand, 2011). Experience from prior risk studies including human factor and expert opinion provide a sense of the confidence warranted in the characterization of risks and justifying the findings. For a holistic, integrative approach, risk analysis should include the use of hybrid modeling methods for risk scenarios, more detailed causal modeling, consideration of human factors and adoption of human-error analysis techniques, evaluation of rare high-consequence events, advanced modeling formal use of expert opinion and rigorous uncertainty and sensitivity analyses. Summary measures of risk presented in qualitative, semiquantitative, and quantitative formats, becoming more quantitative as the level of analysis deepens.

The choice of techniques is influenced by the nature of the available information and the precision necessary to determine a credible risk value. Regardless of the techniques chosen, the goal of the analysis remains the same: to derive estimations of risk and to provide detail sufficient for examining risk reduction measures that can achieve a tolerable level of risk (Halliday et al., 1996). The output of the risk analysis should be a refined characterization of scenarios, their likelihood, and their consequences, allowing risks to be ranked in order of consideration for risk control options.

Human error has been credited as a contributing factor in most accidents that have occurred in high-risk domains. To try to understand why human error occurs, it is first necessary to identify the types of errors that can be made (Bubeck et al., 2012).

One popular error, which has proven to be a useful tool to reduce human error is the error of omission that corresponds to the case where the operator carries out a well-known task but somehow omits one of the steps or performs a wrong one. Mistakes (or errors of omission) occur when either the operator does not know how to do something, and must therefore improvise, or when the environment leads down the wrong path. Slips may be mitigated by building error-prevention mechanisms, providing decision support functionality, and training the operator to distinguish between normal and abnormal situations (Feng et al., 2014)

3. Risk and uncertainty

Exponential increase of competition in the business market faced information systems with socio-technical and organizational change that demands adaptation to altered requirements of the business environment. In the state of change and risk, an anticipation of changes and feed-forward adaptation forms of system to approach new real conditions is explored (Hiles, 2010).

In defining risk, a common criterion is that is stemming from uncertainty, the decision taking place today and the results of implementation will be generated in the future (Cooke, 1991). The uncertainty roots from the lack of full knowledge about which event of those identified will take place, at what time and which complex effects including, future effects, will be generated, their magnitude and the impact on human activity in chaotic world. Secondly, the risk involves the idea of potential loss produced by the development of a factor or a set of factors opposites to the expectation of the decision maker. It should be noted that several areas within decision analysis deal with normative results that are provably optimal for specific quantifiable decisions (Ojala et al., 2006) and for which human intuition alone will almost never be correct or even close to correct.

The risk management is based on several basic components, namely: risk identification, risk assessment, development a strategy for responding to risk factors and risk control (Paltrinieri et al, 2015).

4. Conclusion

Using an interdisciplinary approach, paper bridged the systemic viewpoints regarding risk with the aim of facilitating effective decision-making during the processes and afterwards. The goals of the risk analysis is to develop estimations of risk and to provide sufficient details for examining risk reduction measures that can achieve a tolerable level of risk.

The output of the risk analysis should be a refined characterization of scenarios, their likelihood, and their consequences, allowing risks to be ranked in order of consideration for risk control options

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THE PURPOSE OF COMMUNICATION IN STATE ADMINISTRATIVE INSTITUTIONS

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Abstract: *Due to the fast communication in the cyberspace the interest for researching the organizational communication has increased. More and more companies are using the intranet as the main communication within their company and are creating websites specially designed to attract more customers. This type of communication is helping the organizations, so state administrative institutions are looking for the best solutions to help increase the efficiency of communication. The communication in state administrative institutions is seen as a vital and specific part of the organization management. Without adequate communication, the specific organization will not be able to function properly. Management performance is directly influenced by efficient communication. This research documentation presents the importance of communication and the steps necessary to ensure the efficiency of management in public organizations.*

Keywords: organizational communication, best practices of communication, the management of state administrative institutions, the efficiency of communication.

JEL Code: H11,H83,M00

1. Introduction

Communication as a component of the management of state administrative institutions is less studied nowadays even though it ensures the functionality of an organization. Taking a look at the evolution of communication within the state administrative institutions, we notice that it plays an important role in the management of the organization next to motivation and employees' skills. The approach of the communication process, mainly its role within the administration, allows us to define its role and importance in the state administrative institutions, both through the light of the managerial communication and the formal and informal interpersonal communication.

2. Development of communication in state administrative institutions

The communication domain in the state administrative institutions is largely influenced by the decisional process, as well as the legislative aspect. This imposes the need of finding practically solutions to ensure management efficiency. This communication function is being found in state administrative institutions both under the forms of specialized structure and assignment roles that are designated by the institution manager.

The communication specifics in the state administrative institutions are closely linked to the relationship with all of the followings: public and private organizations, the citizens, the relationship with media. The latter one has a very important role in ensuring the credibility of the state administrative institutions by promoting a proper image for those institutions.

In order to make a first analysis of the effectiveness of communication, we organized an semi-structured interview with 11 managers from 7 different state administrative departments and came up with this conclusions: 63.63% from the respondents stated that their institution hired people with skills in communication (journalists, reporters and so on). Out of these ones 57.14% believed that managers do not have specific knowledge in communication and 6.49% said they are overworked which does not allow them to develop

appropriate and effective strategies of communication to integrate into the overall strategy of the institution. 45.5% of those surveyed believed that the state administrative institutions have turned to specialized PR firms to improve the communication process. PR firms have specific skills in the area. This has allowed the creation of stronger ties with the public through the promotion of a more suitable image of these institutions which has also increased the confidence level in the state administrative institutions. According to a survey conducted in 2014 the army (74.3%), the church (62.3%) and the police (62%) are ranked first among institutions with a high degree of confidence. On the opposite side of the spectrum are the banks (14.1%), the parliament (12.6%) and the political parties (6.5%). (<http://www.anfp.gov.ro/R/Doc/2015/Proiecte/Social%20media/Raport%20cercetare%20social%20media.pdf>)

Both the organizational and managerial communication are focusing on sending information in an efficient manner, on linking of different activities within corporations, creating an effective internal and external network, and creating conditions for managers in order to be able to effectively exercise their managerial duties. Improving the organizational communication is an important objective of the managerial system in the state administrative institutions, both in terms of the organization as a whole, but also between its departments or its employees, and also between the organization and outside parties.

More and more managers within the state administration (59.31% of the ones surveyed), use transactional analysis to study the expressions, behaviors, mental and emotional reactions, attitudes of the employees in order to improve organizational communication. This is a very important tool for the organization, but also for the relationship with the environment in which they accomplish their work and is used by managers to master, generate and mitigate conflict within an organization. It also identifies the communication techniques used in the case of transactional analysis (technical relaunch, technical questioning, listening technique) together with the mechanisms of automanipulation and manipulation.

Out of the managers surveyed 71.5 % believed that within the state administrative departments the largest share of managerial communication is represented by the communication between different organizational components. Also as part of the formal communication is the communication between people representing the organization and various other outside organizations and institutions. Robbins shows that the communication process between the different organizational structures within an institution can be called: „communication through negotiation” if it refers to the relationship between the organization and its clients which for the state administrative institutions are the citizens and other public or private organizations (Robin Coult, 2005, p. 257).

Among specialists often the phrase „managerial communication” is replaced with the “organizational communication”. The latter includes communication processes that the organization undertakes daily with outside entities specifically with various interest groups (Cooper, C, 2005).

The importance of communication has been growing and depends on the ability of each manager. Communication as a tool used by managers helps them coordinate their team and fulfill both general and specific proposed objectives which brings success to the organization.

3. Effectiveness of organizational communication

The effectiveness of the communication process in state administrative institutions is largely reflected in the performance of management which includes making sure that employees have specific and general skills and that they are properly motivated. These are important factors in achieving organization goals. Performance management concept is used less in the state administrative institutions. Only in the last 10 years we can notice an interest to ensure the quality of the human resources department of an organization in

general and the effectiveness of communication in particular. Projecting the design of different channels of communication and making sure organization has specific skills in communication, at the managerial level or by delegation, are essential for effective communication and for the performance of management.

Effectiveness of communication in organization greatly influences the manner and degree of realization of individual tasks and specific objectives of the employees, but also the objectives of the organization as a whole, along with the accuracy and quality of information provided to employees during the operational processes. The performance of the communication process is an integral part of the process of ensuring the effectiveness of the managerial system for the design and use of methodological management tools for state administrative institutions which are focused on performance management and the degree of achievement of objectives and requirements of managers, contractors and subcontractors. (adapted by Verboncu, 2003).

The effectiveness of communication is defined by the extent specific objectives are being achieved and this implies: promoting an open exchange of free and honest information, ethical behavior while messaging honest and moral professional communication, a message hierarchy based on their degree of importance and emergency through an adequate logistics system, ensuring the personal is qualified and has specific and suitable expertise.

As it can be seen from an analysis of communication, the processes in state administrative institutions have numerous problems/barriers during their performance. We believe that eliminating communication barriers and improving communication processes of state administrative institutions should be the main objective of every manager in order to achieve an effective managerial system.

To remove difficulties in the communication process one can act in the following directions: correct decodification of the messages for them to be understood correctly, determine the precise scope of each message, participation in teamwork when the objectives require it, rather than being complex the message should be clear so it can be understood by the receiver.

4. Conclusions

An effective and efficient communication is vital for an effective management and to ensure the fulfilment of the objectives of the organization as a whole, of individual-specific objectives of managers and the rest of the other employees. In conclusion the best ways to improve the effectiveness of corporate communication in state administrative institutions and to create a smooth information flow are developing a communication strategy for the entire organization and its departments integrated into the global strategy of the institution, defining specific objectives in communication in relationship with key stakeholders, communication outsourcing relationship with key stakeholders in order to improve the image of the state administrative institutions and increasing the confidence in it, defining a working structure in the organizational structure for effective operationalization of communication programs in the state administrative institutions, developing a good practice guide to ensure effectiveness of communication at all levels of the organization on a proper audit

For the state administrative institutions, three things are important: takeover of models, examples of good practices from successful companies that put an emphasis on internal communication system, implementation of these good practices of internal communication audit, taking improvement measures

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NATURAL RESOURCES MANAGEMENT FOR OBTAINING ECONOMIC DEVELOPMENT

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Abstract: *This research paper is a design of the global picture of natural resources and their consumption flow. The perspectives that are highlighted here are from emerging and Asian points of view and filtered and reviewed from a Western perspective. Creating and developing a management tool for obtaining economic development represents also a challenge that could be researched and fulfilled on the long run and having as final gameplay reaching an optimal procedure or process for creating sustained and balanced natural resources management and compliance. The academic view on management also represents a tool that could the entire mechanism work in an optimal manner to self-sustain itself.*

Keywords: emerging economies, natural resources, economic development, sustainable growth, social development.

JEL classification: O13, P18.

1. Introduction

Over the past eight years, until 2015, however, the landscape construction projects is to see a new scenario characterized by: complex project development to meet the changing factors (political, economic, social, technological, legal and environmental) facing the project launched in the market, profiling and development of innovative projects, requirement for engineering innovative financing, and meta-program management approach. Tanaka (2013a) has listed the typical high complexity events affecting the industry in the world and classified as monodukuri the complexity of the factors and their involvement in the events industry. Monodukuri industry was defined as industries to integrate environment and manufacturing systems. For analysis of this paper, the first element of the definition, manufacturing is low and industry systems integration industry average is reformulated project. The events listed are often complex, industry relevant to the project and were further monitored (Tanaka, 2013b).

2. Natural resources management

Deposits of natural resources are owned by the state in almost all countries except the United States. Thus, to navigate several steps in the successful use of natural resources, governments in resource-rich countries should be well-intentioned, without any deficiencies in implementation and extremely capable in governing. However, many resource-rich economies have weak governance, which can be further undermined by the political forces that are unleashed with the prospect of resource wealth.

The multistage nature of the challenge means that no single answer can be given to the question of what has been so difficult to exploit that the wealth of natural resources is used for broader economic development. While some countries have managed to use natural

resources for development, others have failed, each in their own way.

If we look only at developing countries, there has been a recent improvement in the relative performance of resource-rich economies, with average growth rate of per capita resource-rich developing economies equals that of rich non-resources in 2000, after a year was 1% lower in the 1990s flow, much of the early 2000s was also a time of oil and commodity prices booming and resources to increase trade with China so that it remains a very modest increase performance.

As Ross (2012) wrote about the growth performance of resource-rich economies: "The real problem ... is that growth has been slow, it would have been normal, but that was normal if it were faster than normal."

Resource' revenue can be extremely volatile. Some variables are predictable - due to the opening of new stores and the closure of depleted natural resources, but greater is the rate of unpredictable and largely because of the volatility of commodity prices, especially oil. There is an extensive literature on the measurement and what causes instability of commodity prices (eg. Arezki, Loungani, van der Ploeg and Venables 2014) and one of the concerns in this article is focused mainly on its impact on resource producers.

Extent of the problem is illustrated by the fact that as royalties on resources of the World Bank, the world functions as a unitary mechanism, fluctuated between 1% (1998) and 7% (2008) of global GDP over the past 20 years. Natural resources in economies in developing countries show that there are measures of volatility (eg, coefficient of variation of export earnings), which usually exceed those of the countries non-resource-rich, around 50% for ore rich countries and more than 100% for oil-rich countries. Smoothing is made difficult by evolutionary cycles in commodity prices (particularly oil, prices increased in 1974-1985 and 2003-2014 periods, periods of smaller but still variable prices for commodities). The volatility of fiscal revenues is transmitted in greater volatility through government spending due to cyclical public spending (IMF, 2012).

3. Economic development through resource management

Formation or the emergence of owners and investors from several countries interested in a single project or program components are necessary to fulfill a requirement of substance to combine enormous source technologies and expertise to compose a complex program or project. Because of the huge investment positions and their strategic programs and projects, those should enjoy the combined benefits, but in the same time to cover the risks inherent in the award of a contract to a single contractor, as well as export credits provided by several countries related to contractors from a competitor country.

Suppliers and governments / countries are mobilized under a general contractor to create joint ventures used to realize new sources of technological and economic development. As a result of large programs, tens of thousands of people who are active labor migration will outline a process that shows the impressive potency of globalization

Extreme programs and projects are conducted and being found in remote sites extremes, such as the Arctic Sea and in areas that bring challenges in terms of security, the challenges being nontraditional logistics and demand for innovative solutions, such as adaptation projects / programs created to cope with harsh climatic seasons, modular construction, etc.

Programs and projects in extreme locations cannot escape the risks of damage done to the natural habitat. The experience had with large oil spills in Alaska and the Gulf of Mexico by multinational oil companies, which have seriously damaged the environment and requiring owners to intervene to improve situations in the active conduct business created from sub-standard procedures.

Most of the major programs of infrastructure discussed here include basic elements of non-traditional commercial operation and related services such as maintenance, as part of the program itself where the prime contractor is a joint venture or consortium or even an

investor who is committed by contract for the provision of such services. These expanded services appear to be complements of businesses, often state-owned enterprises who have no experience in the operation of new types of infrastructure and help the creation of new infrastructure through a scheme for implementing the program based on public-private partnership (PPP) or build an operating system used to transfer new skills from corporate governance to state governance. Another reason for this wide purpose is the recent trend of contracting contractors to develop countries competing for the largest projects public possible created (usually, nuclear plants) or mass transportation programs, which could develop into businesses that includes additional services such as trade, technology transfer, skill development of local population and its social development.

4. In conclusion

The prerequisites for using natural resources to promote economic development are discovering their investments in mines and wells required for their extraction, and subsequently ensuring the flow of income and continuous calculation of return on investment. These steps situated upstream resource management are complex, and resource endowments of developing countries remain unexploited or underexploited.

The initial discovery and development of a repository of natural resources requires investment by firms with considerable technical expertise. In developing countries, these companies are generally foreign owned. Economic principles suggest that the host-owner of the resource should implement a regulatory regime and the taxation mechanism in which the investor can make a normal rate of return and fees above this rate can then be captured by the owner of the resource, the State. A system of this type has a number of elements. Exploration and development licenses, transport fees, often determined by tender rights. Subsequent extraction of resources is taxed through a combination of royalties on production agreements, production sharing, in which a certain fraction of production is taken by the government directly and also through income tax, possibly an extractive sector specific rate.

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RECRUITMENT PROCESS IN SMES

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Abstract: *This article, a theoretical work, highlights the particularities in the recruitment and selection process inside the SMEs. Large organizations usually have well-established personnel or HRM departments, with extensive procedures and policies to deal with employee-related issues. Many small companies on the other hand do not even have personnel or any other large departments as such. Major functions are normally carried out by individuals rather than departments. In some cases an individual may be in charge of more than one major function. There are several challenges that SMEs managers should face regarding this topic. Diversity is a way to face these challenges and to provide the company with a new variety of perspectives.*

Keywords: recruitment, selection, SMEs, diversity, labor force, employees,

JEL classification: J24,

Introduction

One of the functions of human resource management is recruitment which creates an applicant pool for the organization's vacant positions. This pool can be generated through both the traditional and the electronic ways. The traditional way of recruiting is the posting or attracting of applicants through the newspaper, referral and walk-ins, recruiting agencies and on-campus recruiting (Nel et al., 2011). Companies realize the fact that human resources moved from a cost factor to a success factor (Biesalski, 2003). Employees are similar to other resources such as finance and technology as it must be managed effectively to ensure the best performance for the entire company (Compton et al 2009 p2).

1. Theoretical framework

Breaugh and Starke (2000, p. 407) define recruitment as "Practices and activities carried out by the organization with the primary purpose of identifying and attracting potential employees." (Sidra N., 2016). The recruitment and selection dimension is viewed as an integral component of Human Resource Management function. The recruitment and selection dimension is now strategically driven with significant development in its "focus and sophistication" (Millmore, 2003). The strategic recruitment and selection focus is based on the development of strategic management and human resource management thought.

2. Recruitment in SMES

Small businesses have reported, in many polls and surveys, that finding competent workers is one of their most important problems. Ritchie et al. (1993), cited in Tanova (2003) state that small businesses are usually not the employer of choice for job seekers. The difficulties faced by small businesses may be due to a negative image that small businesses have as employers (Moy & Lee, 2002). This problem is compounded in the light of the fact that, SMEs cannot have a large internal labor market and when they lose employees they need to replace them from the external market. Large organizations

usually have well-established personnel or HRM departments, with extensive procedures and policies to deal with employee-related issues. Many small companies on the other hand do not even have personnel or any other large departments as such. Major functions are normally carried out by individuals rather than departments and they are managed by one person who determines the relevant factors and requirements for the job. Therefore the recruitment and selection stages and processes may not be systematic and highly sophisticated rather the approach would be at best, rudimentary and modest. A systematic recruitment process involves identifying vacancies, job analysis, job description, person specification, advertisement. (Asiedu-A., 2013).

The extent of research specifically on strategic recruitment and selection is very limited in SMEs. Although there is some focus on recruitment and selection literature there are several authors who believe that for growing firms lack three important factors. The first factor is the poor strategic planning and focus, secondly the competition with large firms for human resource and lastly, growing firms are not the first choice of applicants. The choice of recruitment strategies based on these variables is demonstrated in Windolf's (1986, p 238) typology of recruitment strategies. Out of the four dimensions, three are considered as useful strategies for SMEs. First, the innovative recruitment strategy uses various recruitment sources to attract a diverse and as many innovative and creative candidates possible (Windolf, 1986). Second the autonomous recruitment strategy uses specific recruitment channels and the ideal candidate is defined based on age, sex and skills (Orlitzky, 2007; Windolf, 1986). Third, the flexible recruitment strategy is normally used when the firm's market position is weak, therefore it needs to adapt and respond to the changing environment (Orlitzky, 2007). The other strategies typically demonstrate weak strategic thinking and professional expertise, unsophisticated recruitment and selection practices (Orlitzky, 2007; Windolf, 1986), which is typical in many SMEs. The status quo recruitment strategy is conservative, traditional and attracts only similar pool of applicants by using referrals and networking.

In a qualitative research report published by Department of Work and Pensions, UK on recruitment decisions in SMEs, the factors considered as key elements for recruitment include flexibility, competence, reliability, stability, proximity to work (location), attitude towards work, personality and honesty (Davidson, 2011, p. 2-3). In the context of recruitment and selection these range of eight factors are seen as vital, as it relates to the necessities and business requirements of the SMEs (Mathew A., 2014)

3. Diversification of the recruitment

Traditional field of labor from where small and medium enterprises (SMEs) recruit, is in decline. Migration from outside the EU will be the main source of population growth. Demographic changes and cultural diversification boosts customer requirements. These are some arguments for SMEs to start to change their recruitment process by taking into account the diversity. Today's workforce is diversified and business must be in tune with that reality. First of all, being inclusive and open to difference enables a company to widen its recruiting pool. Having a skilled workforce is the cornerstone of innovation for businesses and when employers include (often unconsciously) sub-optimal criteria (such as age, gender, ethnic origin, religion, physical appearance or sexual orientation) in profile requirements, they miss out on numerous skilled candidates. In fact, those criteria do impact on employability skills.

Diversity management equips companies to see past their prejudices and overcome their misconceptions so as to recruit the very best candidates. This argument is all the more powerful in the context of SMEs, given that underperforming employees are much more visible in and prejudicial to SMEs than large companies. As a result, due to their limited staff, it is crucial that SMEs should be able to make sound recruitments. Implementing objective criteria when recruiting is also a good opportunity for SMEs to formalise their HR

processes, which is often not the case in many SMEs with limited staff. Having a diversified workforce also contributes to innovative team work. Similar profiles (individuals having similar social and educational backgrounds) are likely to come up with the same type of ideas and, thereby, less likely to yield innovation. In this case, homophily (the tendency of individuals to associate and bond with similar others, based on age, gender, class, etc. according to the idea that “similarity breeds connection”) and homogeneity of work teams tend to hinder innovation. Well-managed diversity, on the other hand, allows constructive dialogue, contradictory debate, co-operation and competition, out-of-the-box thinking, creativity, thereby promoting innovation and economic performance. Having a diversified workforce also allows a company to better acknowledge and meet the needs of its equally diverse client base: diversity in terms of profile, skills, education and background provides the company with a new variety of perspectives and, thereby, with enhanced responsiveness to clients’ expectations. Having a diversified workforce also facilitates expansion into new markets and diversification of business.(European Commission, 2015)

Conclusion

The recruitment process is a very important component of Human Resource Management function. There are a lot of studies that describe this process and its particularities. In most of the SMEs, the managers do the recruitment, here is the reason why they should understand that the changes that appear on the labor market should modify their optic about the new potential employees. Diversity it’s a way to face this challenges and to provide the company with a new variety of perspectives.

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SITUATION OF UNEMPLOYMENT IN POLAND IN 2013-2015

Agnieszka ZADĘCKA

Abstract: *The presented publication was prepared on the basis of the monthly statistical reporting of the Ministry of Labour and Social Policy (MPiPS-01 form) prepared by districts labour offices. The presented data concern unemployed persons registered in districts offices and searching a job through these offices. The information on the unemployed is presented by sex, age, level of education, duration of unemployment, regions and voivodships.*

Keywords: unemployment; labour offices; unemployed persons; unemployment rate

JEL classification: J01; J640; J680.

1. Introduction

Poland is a country on the Baltic Sea and its eastern border is, at the same time, the European Union's external border with Ukraine and Belarus. Its area is 312 700 square kilometres and it has a population of 38.5 million. The country's territory is divided into 16 regions (Voivodships), which differ from each other in many respects, and 380 districts (Powiats).

Unemployment is one of the most important economic and social problems in Poland and around the world. In recent years, most countries still recorded fluctuations in the domestic labor market. The economic crisis, political situations, education, lack of adequate competence and continuous technological development are just a few of the reasons for the increase of unemployment. Constantly increasing costs of raw materials and manufacturing of products are forcing entrepreneurs to cutting the costs of doing business, which in turn usually reflects on the employees.

2. Registered unemployment persons in 2013-2015

The highest number of the unemployed registered in labour offices was at the end of December 2013 – 2157.9thous. persons (including 1099.5 thous. women). The number of the unemployed registered in labour offices at the end of December 2014 amounted to 1825.2 thous. persons (including 939.6 thous. women), it was higher than the one observed at the end of the previous year (Table 1).

Table 1: Registered unemployed persons and unemployment rate

Specification	2013	2014	2015
Registered unemployed persons (thousands)	2157.9	1825.2	1563.3
<i>men</i>	1058.4	885.5	747.2
<i>woman</i>	1099.5	939.6	816.1
of the number of unemployed:			
<i>Previously not employed</i>	393.2	315.4	250.1
<i>Dismissed for company reasons</i>	113.5	94.6	79.5
<i>Possessing benefits rights</i>	297.8	242.4	217.3
Unemployment rate in %	13.4	11.4	9.8

Source: Based on *Statistical Yearbook of the Republic of Poland 2013-2015*.

The number of the unemployed registered in labour offices at the end 2015 amounted to 1563.3 thous. persons (including 816.1 thous. women). The highest unemployment rate was in 2013 and it comprised 13.4% of the economically active civilian population. In 2014 unemployment rate decreased to 11.4% and in 2015 decreased again to 9.8%. The highest unemployment rate in 2013 was observed in voivodships: Warmińsko-mazurskie (21.7%), Kujawsko-pomorskie (18.1%) or Zachodniopomorskie (18.0%). The lowest unemployment rate characterized voivodships: Wielkopolskie (9.6%), Mazowieckie (11.0%), Śląskie (11.2%) and Małopolskie (11.6%). Compared to 2013, unemployment in 2014 decreased in all voivodships. The highest unemployment rate was observed in voivodships: Warmińsko-mazurskie (18.9%) and Kujawsko-pomorskie (15.7%), yhe lowest unemployment rate characterized: Wielkopolskie (7.8%), Śląskie (9.9%)or Mazowieckie (9.8%).

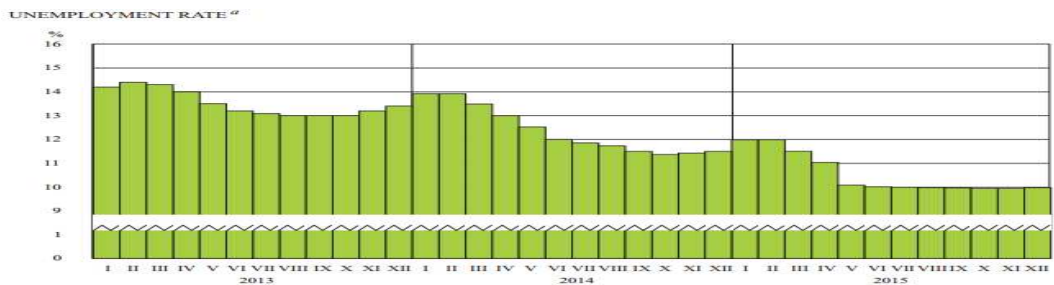


Figure 1:Unemployment rate

Source: Registered unemployment I-IV quarter 2015, Central Statistical Office, Warsaw 2016, p. 128.

Compared to December 2014, unemployment in 2015 also decreased in all voivodships. The highest unemployment rate was observed in voivodships: Warmińsko-mazurskie (16.3%), Kujawsko-pomorskie and Zachodniopomorskie (by 13.3%), Podkarpackie (13.2%) and Świętokrzyskie (12.5%). The lowest unemployment rate characterized voivodships: Wielkopolskie (6.2%), Śląskie (8.2%), Małopolskie and Mazowieckie (by 8.4%), Dolnośląskie (8.6%).

UNEMPLOYMENT RATE BY VOIVODSHIPS
As of the end of December 2015



Figure 2:Unemployment rate by voivodships

Source: Registered unemployment I-IV quarter 2015, Central Statistical Office, Warsaw 2016, p. 130.

In the end of 2013, 705.8 thous.unemployed persons were registered in labour offices. The highest inflow into unemployment was observed in voivodships: Mazowieckie (76.6 thous.), Śląskie (74.6 thous.), Dolnośląskie (55.6 thous.) and Wielkopolskie (54.3 thous.). The share of newly registered women in the total number of the newly registered in labour offices amounted to (46.5%). Among the total number of the newly registered unemployed in 2013 – 581.3 thous.comprised re-entrants to the unemployment registers of labour offices, while 137.6 thous. of the newly registered comprised persons who had never worked before, their percentage share amounted to 19.5%. Persons aged under 25 years constituted 28.3% of the total number of the newly registered over the presented period. The number of persons dismissed due to company reasons amounted to 35.7 thous., i.e. 5.1% of the total number of the newly registered (Table 2).

Among the persons newly registered – 43.4% lived in rural areas. In the 2013, the number of persons removed from unemployment registers of labour offices amounted to 631.0 thous. The non-subsidized a job (including seasonal ones) took 283.7 thous. persons, while the subsidized ones (i.a. intervention and public works) – took 35.1 thousand persons. 183.7 thous.unemployed persons did not confirm their availability for a job, which comprised 29.1% of the total number of the unemployed removed from unemployment registers. Among other reasons for removing from unemployment registers should be mentioned: beginning training or traineeship with the employer – 33.4 thous., voluntary resignation from a status of unemployed – 29.0 thous. persons, acquisition of the rights to the retirement pay or pension – 7.4 thous. persons.

Table 2: The newly registered unemployed and persons removed from unemployment

Specification	2013	2014	2015
Total number of the newly registered unemployed persons	705.8	677.9	648.5
of the total number:			
<i>registered for the first time</i>	124.5	106.6	97.9
<i>re-registered persons</i>	581.3	571.3	550.6
Total number of the unemployed persons removed from unemployment rolls	631.0	674.6	624.6
in which:			
<i>received jobs</i>	318.8	328.7	336.3
in which:			
<i>subsidized</i>	35.1	51.6	60.4
<i>non-subsidized</i>	283.7	277.1	275.9

Source: Based on *Statistical Yearbook of the Republic of Poland 2013-2015*.

In 2014, 677.9 thous.unemployed persons were registered in labour offices, i.e. by 27.9 thous. persons less than in 2013. The highest inflow into unemployment was observed in voivodships: Mazowieckie (76.5 thous.), Śląskie (69.6 thous.), Kujawsko-pomorskie (50.8 thous.), Dolnośląskie (50.4 thous.) and Wielkopolskie (46.7 thous.). The share of newly registered women in the total number of the newly registered in labour offices amounted to (47.4%). Among the total number of the newly registered unemployed – 571.3 thous.comprised re-entrants to the unemployment registers of labour offices (the last year they comprised 581.3 thous. persons), while 129.2 thous. of the newly registered comprised persons who had never worked before, their percentage share amounted to 19.1 % (in the last year the respective figures were – 137.6 thous. persons and 19.5%). Persons aged under 25 years constituted 28.3% of the total number of the newly registered over the presented period. The number of persons dismissed due to company reasons amounted to 30.9 thous., i.e. 4.6% of the total number of the newly registered (the last year it was 35.7 thous. and 5.1 respectively).

Among the persons newly registered in 2014 – 44.1% lived in rural areas (the last year it was – 43.4%). The number of persons removed from unemployment registers of labour offices amounted to 674.6 thous. (it was 631.0 thous. persons in the previous year). Less persons than the last year were removed from unemployment registers due to undertaking a job; nevertheless it remained the main reason for leaving unemployment; 328.7 thous. of the unemployed i.e. 48.7% of the total number of persons removed from unemployment registers of labour offices took jobs. The non-subsidized a job (including seasonal ones) took 277.1 thous. persons, while the subsidized ones (i.a. intervention and public works) – took 51.6 thousand persons. 190.4 thous.unemployed persons did not confirm their availability for a job, which comprised 28.2% of the total number of the unemployed removed from unemployment registers. Among other reasons for removing from unemployment registers should be mentioned: beginning training or traineeship with the employer – 50.2 thous., voluntary resignation from a status of unemployed – 32.2 thous. persons, acquisition of the rights to the retirement pay or pension – 7.4 thous. persons. In 2015, 648.5 thous.unemployed persons were registered in labour offices, i.e. by 29.4 thous. persons more than in 2014. The highest inflow into unemployment was observed in voivodships: Mazowieckie (71.6 thous.), Śląskie (67.6 thous.), Dolnośląskie (47.2 tys.) Małopolskie and Wielkopolskie (47.1 thous.), and Kujawsko-Pomorskie (47.0 thous.). The share of newly registered women in the total number of the newly registered in labour offices amounted to (47.4%).

RELATION OF THE UNEMPLOYED PERSONS, WHO RECEIVED JOBS AS THE SHARE OF THE NEWLY REGISTERED
During a month

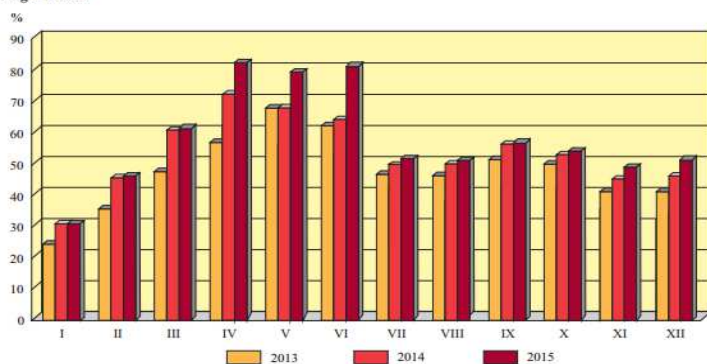


Figure 3:Relation of the unemployed persons, who received as the share of the newly registered

Source: Central Statistical OfficeRegistered unemployment I-IV quarter 2015, Warsaw 2016, p. 130.

Among the total number of the newly registered unemployed in 2015 – 550.6 thous.comprised re-entrants to the unemployment registers of labour offices, while 113.2 thous. of the newly registered comprised persons who had never worked before, their percentage share amounted to 17.4%. Persons aged under 25 years constituted 26.8% of the total number of the newly registered over the presented period. The number of persons dismissed due to company reasons amounted to 26.8 thous., i.e. 4.1% of the total number of the newly registered. Among the persons newly registered in the fourth quarter of 2015 – 44.3% lived in rural areas. The number of persons removed from unemployment registers of labour offices amounted to 624.6 thous. More persons than the last year were removed from unemployment registers due to undertaking a job; nevertheless it remained the main reason for leaving unemployment; 336.3 thous. of the unemployed i.e. 53.9% of the total number of persons removed from unemployment registers of labour offices took jobs (while in the previous year it was 328.7 thous. unemployed persons and 48.7%). The

non-subsidized a job (including seasonal ones) took 275.9 thous. persons, while the subsidized ones (i.e. intervention and public works) – took 60.4 thousand persons. 122.4 thous.unemployed persons did not confirm their availability for a job, which comprised 19.6% of the total number of the unemployed removed from unemployment registers. Among other reasons for removing from unemployment registers should be mentioned: beginning training or traineeship with the employer – 55.3 thous., voluntary resignation from a status of unemployed – 29.5 thous. persons, 24 acquisition of the rights to the retirement pay or pension – 5.2 thous. persons.

The groups of persons whose situation on the labour market was specific include, i.a., the long-term unemployed. At the end of 2013, their share in the total number of the registered unemployed amounted to 53.7%. Persons aged under 25 years constituted 18.6% of the total number of the unemployed, while persons aged over 50 – 24.3%. The share of registered unemployed persons who was disabled amounted to 5.3% (Table 3).

Table 3: Specific categories of unemployed persons in the labour market

Specification	2013	2014	2015
Specific categories of the unemployed			
of which:			
<i>Under 25 years old</i>	401.0	302.2	236.8
<i>Long-time unemployed</i>	1091.6	1054.0	880.3
<i>Over 50 years old</i>	524.6	474.9	429.7
<i>Disabled persons</i>	116.4	108.9	95.2

Source: Based on *Statistical Yearbook of the Republic of Poland 2013-2015*.

The majority of unemployed persons remaining on the registers of labour offices comprised persons previously working. At the end of 2013, this population comprised 1764.7 thous. persons (i.e. 81.8% of the registered unemployed). Among this group 113.5 thous., i.e. 6.4%, lost their jobs due to company reasons and 44.2% constituted persons living in rural areas.

At the end of 2014, their share in the total number of the registered unemployed amounted to 57.7%. Persons aged under 25 years constituted 16.5% of the total number of the unemployed, while persons aged over 50 – 26.0%. The share of registered unemployed persons who was disabled amounted to 6.0% of the total number of the registered unemployed.

The majority of unemployed persons remaining on the registers of labour offices comprised persons previously working. At the end of December 2014, this population comprised 1509.8 thous. persons (i.e. 82.7% of the registered unemployed), as compared to 1764.7 thous. persons (81.8%) in December 2013. Among this group 94.6 thous., i.e. 6.3%, lost their jobs due to company reasons (the last year the respective figures were 113.5 thous., i.e. 6.4%). 1582.8 thous. persons did not possess the rights to unemployment benefit, which comprised 86.7% of the total number of the registered unemployed.

At the end of 2015, their share in the total number of the registered unemployed comprised 56.3%. Persons aged under 25 years constituted 15.1% of the total number of the unemployed, while persons aged over 50 – 27.5%. The percentage share of disabled persons was 6.1%.

The majority of unemployed persons remaining on the registers of labour offices comprised persons previously working. In 2015, this population comprised 1313.2 thous. persons (i.e. 84.0% of the registered unemployed), as compared to 1509.8 thous. persons (86.7%) in 2014. Among this group 79.5 thous., i.e. 6.1%, lost their jobs due to company reasons (the last year the respective figures were 94.6 thous., i.e. 6.3%).

3. The unemployed by sex, age and level of education

At the end of 2013, the share of women in the total number of the unemployed amounted to 50.9%. The highest percentage share of women in the total number of the unemployed was observed in voivodships: Wielkopolskie (by 55.1%), Pomorskie (by 54.9%), Kujawsko-pomorskie (by 53.9%) and Śląskie (by 53.4%). Unemployment is still affecting mainly young persons. At the end of the presented quarter, the largest group among the unemployed constituted persons aged 25–34 years – 613.6 thousand; their percentage share in the total number of the unemployed amounted to 28.4%. Persons aged up to 24 years constituted 18.6% of the total number of the unemployed. The percentage share of registered unemployed persons at the age 35–44 years comprised 20.2%, 45–54 years – 18.7%, while persons aged over 55 constituted 14.1%. The highest percentage share of the unemployed aged between 25 and 34 years in the total number of the unemployed was observed in voivodships: Lubelskie (32.8%), Podkarpackie (30.4%), Świętokrzyskie (29.9%) Podlaskie and Wielkopolskie (by 29.1%), while the lowest was observed in voivodships: Łódzkie (26.6%), Opolskie (26.7%), Dolnośląskie and Zachodniopomorskie (by 26.9%).

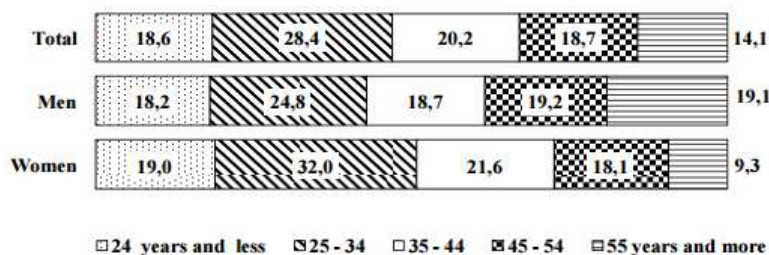


Figure 4: Structure of registered unemployed persons by age and sex (in %) in 2013

Source: Central Statistical Office, *Registered unemployment I-IV quarter 2013*, Warsaw 2014, p. 26.

The majority of the unemployed registered in labour offices comprised persons with relatively low level of education. The two largest groups among the unemployed constituted persons with basic vocational education and lower secondary, primary and incomplete primary education (their shares amounted respectively to 28.1% and 27.3% of the total number of the unemployed registered at the end of December 2013). Both these populations jointly amounted to 55.4% of the total number of the unemployed. The certificate of completion of post-secondary and vocational secondary schools had 22.0% of the total 27 number of the unemployed, general secondary schools completed 10.6%, while the graduates from tertiary schools constituted 12.0%.

The education structure of unemployed women was different than the structure of men, as 54.4% of the unemployed women had secondary and tertiary education, while among men the percentage share of these educational levels amounted to 34.6%.

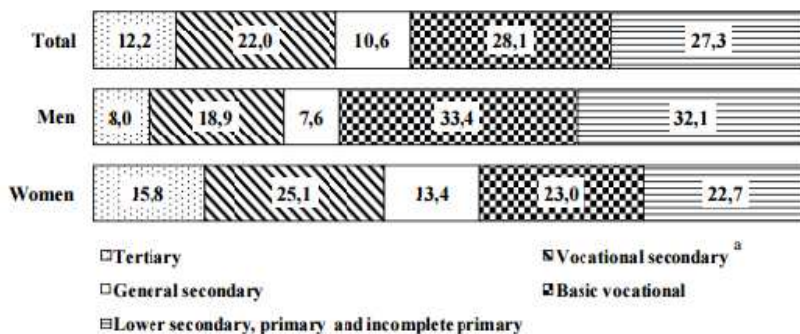


Figure 5: Structure of registered unemployed persons by level of education and sex (in %) in 2013

Source: Central Statistical Office, *Registered unemployment I-IV quarter 2013*, Warsaw 2014, p. 27.

The highest percentage share of the unemployed with basic vocational, lower secondary or below education level was observed in voivodships: Kujawsko-pomorskie (63.0%), Zachodniopomorskie (61.2%), Warmińsko-Mazurskie (60.9%) and Lubuskie (60.2%), while the lowest share of the unemployed with these levels of education was observed in voivodships: Lubelskie (48.2%), Świętokrzyskie (49.1%) and Małopolskie (49.9%).

At the end of 2014, the share of women in the total number of the unemployed amounted to 51.5% and was by 0.5 point higher as compared to 2013. The highest percentage share of women in the total number of the unemployed was observed in voivodships: Wielkopolskie (by 56.6%), Pomorskie (by 55.9%) Kujawsko-pomorskie (by 55.1%) and Śląskie (by 53.6%).

Unemployment is still affecting mainly young persons. At the end of 2014, the largest group among the unemployed constituted persons aged 25-34 years – 509.4 thousand; their percentage share in the total number of the unemployed amounted to 27.9%. Persons aged up to 24 years constituted 16.5% of the total number of the unemployed. The percentage share of registered unemployed persons at the age 35-44 years comprised 20.9%, 45-54 years – 18.6%, while persons aged over 55 constituted 16.1%. Compared to 2013, the biggest changes in the structure of the unemployed were observed for the group of persons up to 24 years old (in minus difference by 2.1 percentage point), and in the group aged 55 years and more (in plus difference by 2.0 percentage point).

The highest percentage share of the unemployed aged between 25 and 34 years in the total number of the unemployed was observed in voivodships: Lubelskie (32.1%), Podkarpackie (30.2%), Świętokrzyskie (29.7%), while the lowest was observed in voivodships: Dolnośląskie (25.8%) and Łódzkie (25.9%).

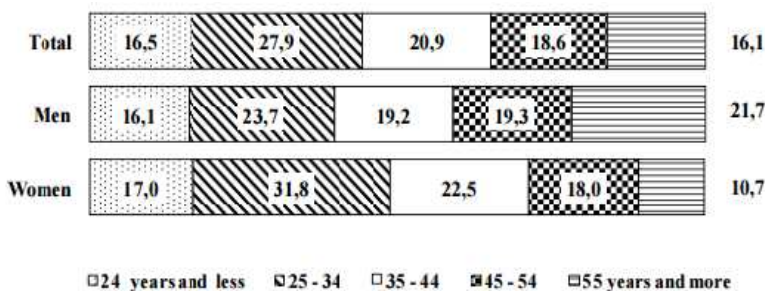


Figure 6: Structure of registered unemployed persons by age and sex (in %) in 2014

Source: Central Statistical Office, *Registered unemployment I-IV quarter 2014*, Warsaw 2015, p. 26.

The majority of the unemployed registered in labour offices comprised persons with relatively low level of education. The two largest groups among the unemployed constituted persons with basic vocational education and lower secondary, primary and incomplete primary education. Both these populations jointly amounted to 55.2% of the total number of the unemployed. The certificate of completion of post-secondary and vocational secondary schools had 22.0% of the total number of the unemployed, general secondary schools completed 10.5%, while the graduates from tertiary schools constituted 12.4%.

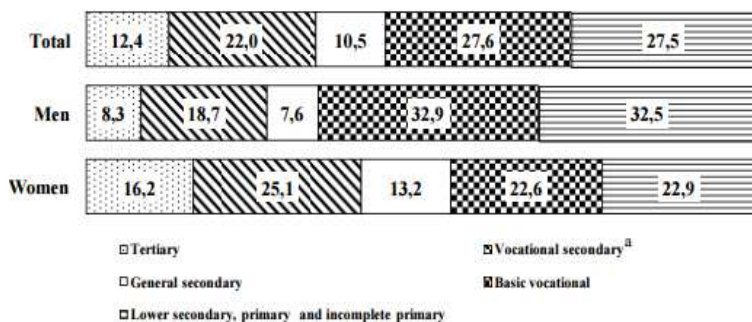


Figure 7: Structure of registered unemployed persons by level of education and sex (in %) in 2014

Source: Central Statistical Office *Registered unemployment I-IV quarter 2014*, Warsaw 2015, p. 27.

The education structure of unemployed women was different than the structure of men, as 54.5% of the unemployed women had secondary and tertiary education, while among men the percentage share of these educational levels amounted to 34.6%.

The highest percentage share of the unemployed with basic vocational, lower secondary or below education level was observed in voivodships: Kujawsko-pomorskie (62.9%), Warmińsko-Mazurskie (60.9%), Zachodniopomorskie (60.5%), Lubuskie (60.2%), while the lowest share of the unemployed with these levels of education was observed in voivodships: Lubelskie (48.7%) and Świętokrzyskie (48.9%).

At the end of 2015, the share of women in the total number of the unemployed amounted to 52.2% and was by 0.7 point higher as compared to 2014. The highest percentage share of women in the total number of the unemployed was observed in voivodships: Wielkopolskie (57.7%), Pomorskie (57.4%), Kujawsko-pomorskie (56.3%) and Opolskie (54.6%).

Unemployment is still affecting mainly young persons. At the end of the presented year, the largest group among the unemployed constituted persons aged 25-34 years – 429.8 thousand; their percentage share in the total number of the unemployed amounted to 27.5%. Persons aged up to 24 years constituted 15.2% of the total number of the unemployed. The percentage share of registered unemployed persons at the age 35 - 44 years comprised 21.3%, 45 - 54 years – 18.4%, while persons aged over 55 constituted 17.6%. Compared to 2014, the biggest changes in the structure of the unemployed were observed for the group of persons up to 24 years old (in minus difference by 1.4 percentage point), and in the group aged 55 years and more (in plus difference by 1.6 percentage point).

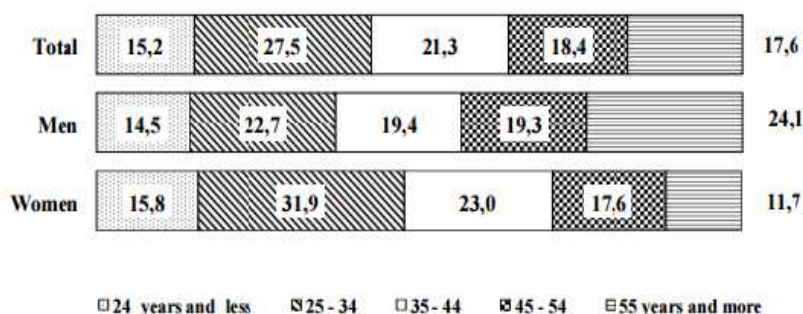


Figure 8: Structure of registered unemployed persons by age and sex (in %) in 2015
Source: Central Statistical Office *Registered unemployment I-IV quarter 2015*, Warsaw 2016, p. 26.

The highest percentage share of the unemployed aged between 25 and 34 years in the total number of the unemployed was observed in voivodships Lubelskie (31.8%) and Podkarpackie (30.2%) while the lowest was observed in voivodships: Dolnośląskie (25.0%), Łódzkie (25.1%) and Zachodniopomorskie (25.9%).

The majority of the unemployed registered in labour offices comprised persons with relatively low level of education. The two largest groups among the unemployed constituted persons with basic vocational education and lower secondary, primary and incomplete primary education (their shares amounted respectively to 27.2% and 27.7% of the total number of the unemployed registered in 2015). Both these populations jointly amounted to 54.9% of the total number of the unemployed. The certificate of completion of post-secondary and vocational secondary schools had 21.8% of the total number of the unemployed, general secondary schools completed 10.5%, while the graduates from tertiary schools constituted 12.8%.

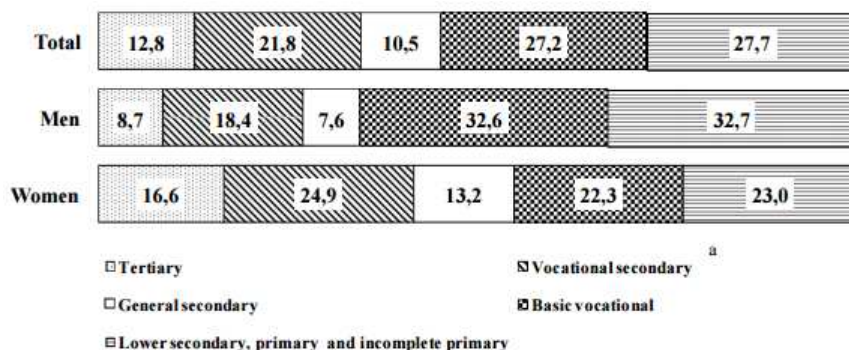


Figure 9: Structure of registered unemployed persons by level of education and sex (in %) in 2015

Source: Central Statistical Office, *Registered unemployment I-IV quarter 2015*, Warsaw 2016, p. 27.

The education structure of unemployed women was different than the structure of men, as 54.8% of the unemployed women had secondary and tertiary education, while among men the percentage share of these educational levels amounted to 34.6%.

The highest percentage share of the unemployed with basic vocational, lower secondary or below education level was observed in voivodships: Kujawsko-Pomorskie (62.8%), Warmińsko-Mazurskie (60.9%), Lubuskie and Zachodniopomorskie (by 60.3%), while the

lowest share of the unemployed with these levels of education was observed in Świętokrzyskie (48.3%).

4. The unemployed by sex and duration of unemployment

The number of persons seeking employment for a long-time (over 12 months) amounted to 827.1 thous. at the end of 2013. It constituted 38.3% of the total number of the registered unemployed. Persons staying without a job for relatively short duration, i.e. up to 1 month, constituted 8.8%, between 1 and 3 months – 17.2%, between 3 and 6 months – 16.8%, while those 28 who were jobless from 6 to 12 months comprised 18.9% of the total number of the unemployed.

The long-term unemployment is more often observed among women. 41.6% of women registered in labour offices at the end of 2013 had been seeking employment for more than 12 months. The percentage share of the long-term unemployed among men amounted to 34.9%.

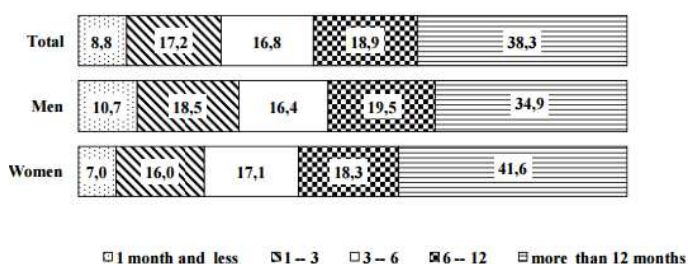


Figure 10: Structure of registered unemployed persons by duration of unemployment and sex (in %) in 2013

Source: Central Statistical Office, *Registered unemployment I-IV quarter 2013*, Warsaw 2014, p. 28.

The highest percentage share of the long-term unemployed was observed in voivodships: Lubelskie (44.2%), Mazowieckie (42.9%), Podkarpackie (42.8%), Podlaskie (by 42.6%) and while the lowest share was observed in voivodships: Lubuskie (30.3%), Opolskie (31.7%) and Wielkopolskie (32.9%).

In 2014 the number of persons seeking employment for a long-time (over 12 months) amounted to 760.1 thous. It constituted 41.6% of the total number of the registered unemployed. The number of the long-term unemployed decreased as compared to 2013 by 67.0 thous. persons, i.e. by 8.8%. Persons staying without a job for relatively short duration, i.e. up to 1 month, constituted 9.5%, between 1 and 3 months – 18.2%, between 3 and 6 months – 14.7%, while those who were jobless from 6 to 12 months comprised 16.0% of the total number of the unemployed.

The long-term unemployment is still more often observed among women. 44.7% of women registered in labour offices in 2014 had been seeking employment for more than 12 months. At the end of the fourth quarter of 2014, the percentage share of the long-term unemployed among men amounted to 38.3% .

The highest percentage share of the long-term unemployed was observed in voivodships: Lubelskie and Podkarpackie (by 46.4%), Mazowieckie (45.9%) and Podkarpackie (44.9%), and while the lowest share was observed in voivodships: Lubuskie (34.3%), Opolskie (37.0%) and Wielkopolskie (37.0%).

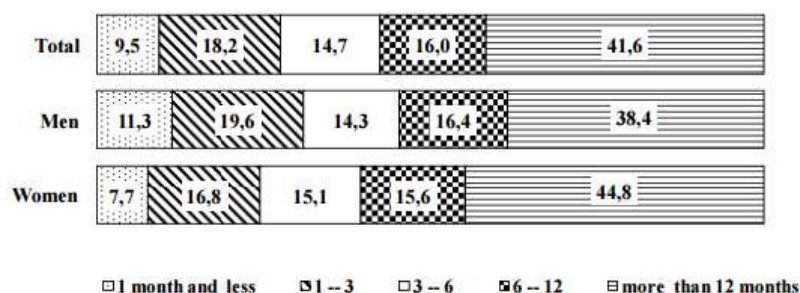


Figure 11: Structure of registered unemployed persons by duration of unemployment and sex (in %) in 2014

Source: Central Statistical Office *Registered unemployment I-IV quarter 2014*, Warsaw 2015, p. 28.

The number of persons seeking employment for a long-time amounted to 620.9 thous. at the end of 2015. It constituted 39.7% of the total number of the registered unemployed. The number of the long-term unemployed decreased as compared to 2014 by 139.2 thous. persons, i.e. by 18.3%. Persons staying without a job for relatively short duration, i.e. up to 1 month, constituted 10.2%, between 1 and 3 months – 19.2%, between 3 and 6 months – 15.0%, while those who were jobless from 6 to 12 months comprised 15.9% of the total number of the unemployed.

The long-term unemployment is again more often observed among women. 42.9% of women registered in labour offices at the end of 2015 had been seeking employment for more than 12 months. The percentage share of the long-term unemployed among men amounted to 36.2%.

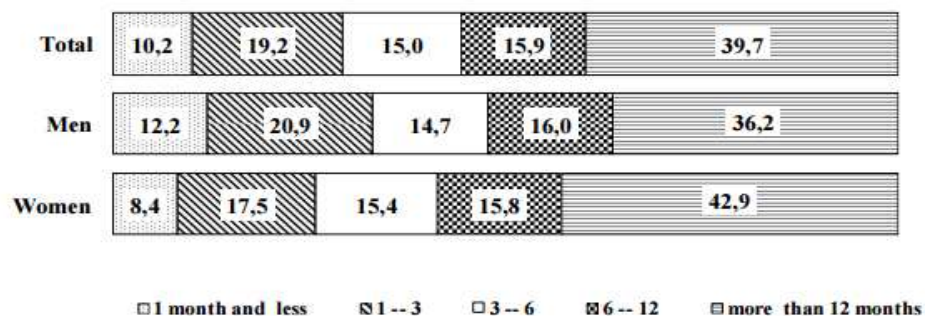


Figure 12: Structure of registered unemployed persons by duration of unemployment and sex (in %) in 2014

Source: Central Statistical Office *Registered unemployment I-IV quarter 2015*, Warsaw 2016, p. 28.

The highest percentage share of the long-term unemployed was observed in voivodships: Mazowieckie and Podlaskie (by 44.4%), Podkarpackie (44.3%), Lubelskie (43.6%) and Łódzkie (42.0%) and while the lowest share was observed in voivodships: Lubuskie (31.1%), Wielkopolskie (34.0%) and Opolskie (34.4%).

5. Conclusion

The highest number of the unemployed registered in labour offices was in 2013 and amounted to 2157.9 thous. In next 2 years situation on polish labor market get better. We can also notice that number of unemployed people declined. The highest unemployment rate was in 2013 and it comprised 13.4% of the economically active civilian population. In 2014 unemployment rate decreased to 11.4% and in 2015 decreased again to 9.8%. Since 2013 amount of unemployed persons were registered in labour offices was increasing. The highest inflow into unemployment was observed in voivodships: Mazowieckie, Śląskie, Dolnośląskie, Małopolskie, Wielkopolskie, and Kujawsko-Pomorskie.

The majority of the unemployed registered in labour offices in this period comprised persons with relatively low level of education. The two largest groups among the unemployed constituted persons with basic vocational education and lower secondary, primary and incomplete primary education. The highest percentage share of the unemployed aged between 25 and 34 years in the total number of the unemployed was observed in voivodships: Lubelskie, Podkarpackie, Świętokrzyskie, Podlaskie and while the lowest was observed in voivodships: Dolnośląskie, Łódzkie, Zachodniopomorskie and Opolskie. The long-term unemployment is more often observed among women. The highest percentage share of the long-term unemployed was observed in voivodships: Lubelskie, Mazowieckie, Podkarpackie, Podlaskie and while the lowest share was observed in voivodships: Lubuskie, Opolskie and Wielkopolskie.

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