

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

***Proceedings of the 13th International Conference of Doctoral Students
and Young Researchers***

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FACULTY OF ECONOMIC SCIENCES
DOCTORAL SCHOOL OF ECONOMIC SCIENCES**

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PREFACE

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

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

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

Now, we release the 53 papers accepted from the scientific contributions of the PhD students, presented at the 2022 edition of the International Doctoral Conference and selected after the review process. The papers deal with topics related to Economics, Business Administration and related fields.

We release the 10th issue of the journal *Emerging Markets Economics and Business. Proceedings of the 13th Conference of Doctoral Students and Young Researchers* with the belief that young researchers are, by training and audacity, a tank of opinions, viewpoints, and especially solutions and proposals, and aware that they should be encouraged and promoted as to enable them to confirm the hopes of their teachers and supervisors.

Last but not least, special thanks are due the members of the International Advisory Board and of the Scientific Board, to reviewers, to the members of the organizing committee, and to all generous fellows who supported the International Conference of Doctoral Students and Young Researchers, Symposium held on 25th of November 2022 online at the University of Oradea, and thus made possible the release of this volume.

Oradea, December 2022

President of the Conference,
Professor Alina Badulescu

INFLUENCE OF DEMOGRAPHIC CHARACTERISTICS ON PRINCIPALS STRESS IN BEDOUIN SCHOOLS IN ISRAEL

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Abstract: Recently, researchers and practitioners from all fields of study concluded that a principal's leadership is a major variable in an equation that determines organizational success. Leadership is the key to school success. This research investigates the influence of demographic characteristics on the principal's stress in Bedouin schools in Israel. Data was collected from 36 male principles from 36 Bedouin schools in primary school, junior high school, and high schools in the Negev, in the south of Israel. The study found that principals whose ages ranged from 41 to 50 years reported higher levels of stress. While principals with 10-20 years of experience in education were significantly more stressed. Additionally, principals whose experience in management was less than 10 years reported higher stress than those with 10–20 years of experience in management. Principals of junior schools were significantly more stressed than those of both elementary and high schools. The research findings also show teachers' numbers, principals of schools of 30-60 teachers were more stressed. While principals of schools with 200-300 students were more stressed.

KEYWORDS: Bedouin; demographic characteristics; principals' stress; leadership

JEL Classification; M12.

1.Introduction

Today, the role of the school principal is challenging and important to the education system. The principal is responsible for: improving students' academic achievement, supervising both students and staff and planning for achieving organizational goals (Francis & Oluwatoyin, 2019). Along with the supervision and responsibility for the organization, principals face stress in their work. The principals are unable to withstand the internal and external stress in the school, such as work overload(Perry, 2016),and sizes of schools (Ozer, 2013), school faculty relationships(Menes et al, 2017), conflicts between the teachers and principals(Trenberth & Dewe, 2005), stress from parents (Fridman, 2002), and due to the time the principals need to complete what is needed during the usual day(Denecker, 2019: Bennett, 2017). All of the above are in line with studies that indicate an alarming trend for the influence of demographic characteristics on principal's stress. According to Ozer (2013) principals who work in large schools with over 1000 students feel the level of stress is higher. In addition, new principals with lower seniority in management report a strong sense of isolation (Wells, 2013), while Itzhaki (2017) principals completed their first year in a job reported fatigue, and although about a third of principals leave after two years. The difference in the principals' ages also has an effect on leadership. principals' age influences their work performance (Kelechi, 2018). The purpose of this study is to determine whether demographic characteristics affect principals' stress in Bedouin schools in Israel.

2. Results and Discussion

The results of this research were completed by 36 male principles from 36 Bedouin schools in primary school, junior high school, and high schools in the Negev, in the south

of Israel. The research included questionnaires based on the used principal's stress causes questionnaire, which measured the principals' stress level through four sub-scales: parents, teachers, balance, and workload. The stress questionnaires were adopted by Friedman (1995) and the balance items were adopted by Shteigman (2010). Also, the researcher added items to adapt them to the study population.

2.1. Background Variables

Thirty-six male principles participated in this study and completed the stress causes questionnaire. The majority of the participants were of masters' academic level (80.6%), about 48% of them were of ages (41-50) years, and about 42% were of age exceeds 50 years. About 42% of principles had less than 20 years' experience in education, and about 31% of them had more than 20 years of experience in education. Regard seniority in management, about 47% of the principals had 10-20 years of experience in management, and 25% of them had more than 20 years' experience of management. The principals distributed as 44.4% of junior schools, 38.9% of high schools and the rest were principals of elementary schools. 41.7% of the respondent principals had 30-60 teachers in the schools they managed, and about 30.6% had 60-100 teachers in their schools. Regard school size 47.2% of the principals manage schools of (500-700) students, while 22.2% of them manage schools of (300-500) students, about 8% managed schools of more than 1000 students and just about 2% managed schools of less than 200 students.

Table 1: Principal's samples distribution by demographic variables

Variables	Categories	Count	%
Gender	Male	36	100.0%
academic degree	Bachelor	2	5.6%
	Masters	29	80.6%
	PhD	5	13.9%
Age	Less than 30	0	0.0%
	31-40	4	11.1%
	41-50	17	47.2%
	More than 50	15	41.7%
seniority in education	Less than 10 years	15	41.7%
	10-20	10	27.8%
	20-30	11	30.6%
Seniority in management	Less than 10 years	9	25.0%
	10-20	17	47.2%
	20-30	9	25.0%
	More than 30 years	1	2.8%
principal of	Elementary school	6	16.7%
	Junior school	16	44.4%
	High school	14	38.9%
Size according to teachers number	Less than 30	3	8.3%
	30-60	15	41.7%
	60-100	11	30.6%
	More than 100	7	19.4%
Size of the school according to number of students	Less than 200	1	2.8%
	200-300	1	2.8%
	300-500	8	22.2%
	500-700	17	47.2%
	700-1000	6	16.7%
	More than 1000	3	8.3%

2.2. Differences in principals' stress level according to principals demographic characteristics

This section will show the results of testing differences in principals' stress level according to each of the following demographic characteristics related to principle: academic degree, age, seniority in education, seniority in management, school type, school size according to students' number, school size according to teacher number.

Table 2 shows the results of one-way ANOVA tests for differences in stress level according to each of the demographic variables. Significant differences in principles' stress level according to all variables except academic degree of principle (p-value = 0.962).

As table 2 shows, stress mean score of principals whose ages 41-50 years was significantly higher than for principals of ages exceed 50 years, while principals of ages 31-40 were significantly less stressed than principals of ages 41-50 and of ages exceed 50. Regard seniority in education, principals of 10-20 years' experience in education were significantly more principals whose experience in management was lower than 10 years was significantly more stressed than those of 10-20 years of experience in management, while principals of 20-30 years' experience in management where significantly more stressed than principals of 10-20 years' experience and significantly less stressed than principals of less than 10 years' experience in management.

Principals of junior schools were significantly more stressed than both of elementary and high schools. Regard school size according to teachers' number, principals of schools of 30-60 teachers were more stressed than schools of more than 60 teachers' schools, while principals of schools of more than 100 teachers were less stressed than principals of school whose size (30-60) teachers and more than 60 teachers.

Principals of 200-300 students' schools were more stressed than each of principals of schools of less than 200 students, 300-500 students, and 500-700 students. Principals of schools of 700-1000 students were more stressed than those of less than 200 students' school.

Table 2: Differences in principals' stress level according to demographic variables

Variable		Mean	p-value
Academic Degree	Bachelor	3.16	0.962
	Masters	3.07	
	PHD	3.16	
Age	31-40	2.82	0.000
	41-50	3.20	
	more than 50	3.02	
Seniority in education	less than 10 years	3.01	0.001
	10-20	3.18	
	20-30	3.14	
Seniority in management	less than 10 years	3.31	0.000
	10-20	2.94	
	20-30	3.10	
	more than 20 years	3.16	
School type	Elementary school	3.02	0.028
	Junior school	3.19	
	High school	2.98	
School size according to teachers number	less than 30	3.05	0.000
	30-60	3.32	
	60-100	3.16	
	more than 100	2.49	
Size of the school	less than 200	2.88	0.000

according to number of students	200-300	3.41	
	300-500	2.91	
	500-700	3.04	
	700-1000	3.40	
	more than 1000	3.14	

Table 3: Multiple comparisons, differences in principals' stress according to demographic variables

Variable	Category i	Category j	p-value
Age	31-40	41-50	.000
		more than 50	.034
	41-50	more than 50	.003
Seniority in education	less than 10 years	10-20	.017
Seniority in management	less than 10 years	10-20	.000
		less than 10 years	0.007
	20-30	10-20	0.022
School type	Junior school	Elementary school	0.024
		High school	0.001
Size of school according to teacher number	less than 30	30-60	0.022
		60-100	0.020
	30-60	More than 100	0.000
		60-100	More than 100
Size of school according to students number	less than 200	200-300	0.032
		700-1000	0.012
	200-300	300-500	0.003
		500-700	0.020

3. Conclusion

There was a correlation between the principal's stress and some demographic characteristics (like age, seniority in education and management, education teacher number, and size of school). Based on the results, the researcher recommends that stakeholders such as the Ministry of Education develop plans and coping strategies for school principals to manage stress in a positive way in schools. In addition, stakeholders should be aware of guiding new school principals in their positions.

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MOTIVATION PLAYS A CRUCIAL ROLE IN ORGANIZATIONAL PERFORMANCE CASE STUDY – PUBLIC HEALTH DIRECTORATE

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Abstract: *Performance management in the health sector is essential for access to health services and for the provision of quality services. One of the most fascinating questions for specialists, but also one that causes headaches for managers in organizations, is "why are people motivated to do something?". Aspirations and goals vary among people, so motivation plays a crucial role in health care management. Management can guide people to achieve the organization's goals by identifying their unique qualities and potentials. The main objective of the study was to analyze the factors that motivate and demotivate employees in the Public Health Directorate. Research methods: qualitative-quantitative analysis through the questionnaire-based survey method. Research thesis: Motivation plays a crucial role in organizational performance.*

Keywords: motivation; performance management; employees; organizational performance;

JEL Classification: A14; M12

1. Content

In order to motivate their employees, managers need to focus on two things: the first challenge is motivating employees to work toward the organization's objectives, and the second is motivating them to pursue their own, individual objectives. Psychology specialists have explored human motivation extensively and developed a variety of theories about what motivates people. The past has seen organizations focus primarily on making a profit by simply selling their products, without paying much attention to human resources. After the Second World War, Abraham H. Maslow (1943) opened the way to motivational theory. People are not all identical, they present characteristics that can be identified and even classified into categories. According to him, the ladder of needs moves from one need to another as soon as the first has been achieved. The motivation theory developed by (Herzberg 1959), states that certain factors are closely related to job satisfaction (motivational factors), while other factors are related to dissatisfaction. According to the theory of needs for achievement, there is a need for personal fulfillment by performing important tasks that highlight three types of needs: the need for achievement, the need for affiliation, and the need for power (McClelland, 1961). For an organization to survive, it must invest in its people, because human resources are essential to ensure its competitiveness. They are valuable, rare, difficult to reproduce and relatively irreplaceable (Manolescu, A., 2001). It is imperative to remember that human resource management is not just about hiring individuals to fill vacancies. They must be trained and encouraged to play the significant roles they can fulfill within the organization. Especially in the present socio-economic environment of ambiguity, dynamism and interdependence, many of the challenges or achievements of organizations can be attributed to human resources (Bedrule-Grigoruță, M.N., 2008).

An effective health system is run by competent, trained, and motivated health workers. This must be supported by robust performance management systems to direct the contribution of health workers towards the achievement of expected health outcomes. Performance in the health sector requires qualified people at all levels of service delivery. All motivational strategies and approaches contribute holistically to the focus of employees towards this goal.

Motivation in the workplace refers to rewarding people for their contribution to the progress of the organization. They are responsible for their initiative, effort as well as for the development of their subjective value (Ursu, D., 2005:85). The motivational environment created by the management of the unit must allow each worker to feel that he is integral to the organization. Despite the fact that these theories are useful, when it comes to understanding management and motivation from a conceptual perspective, most managers rely on a combination of needs, extrinsic as well as intrinsic factors for motivating employees and helping them accomplish their needs and personal goals to achieve effectiveness within an organization.

Table 1. Satisfaction/dissatisfaction factors

Factors	Relevance to work and environment	Content	Relevance to satisfaction/dissatisfaction
Hygiene (extrinsic)	Establish organizational relationships with the environment	Salaries and other earnings. Job security. Working conditions. Employment policy. Relationship with colleagues and superiors. Professional competition.	The existence of hygiene factors does not increase employee motivation, but their absence creates dissatisfaction and demotivation.
Motivation (intrinsic)	Establish a relationship with self and others	Work performed. Responsibilities assigned. Promotion. Recognition of contribution and effort. Career development.	The existence of motivating factors produces satisfaction when they are present, and their absence does not lead to dissatisfaction.

Source: Elaborated by the author based on source (Burduş E, Căprărescu G.,1999: 494)

2. Data Analysis and Interpretation

The purpose of this study was to evaluate the motivating and demotivating factors for professional performance by distributing a questionnaire to employees of the Public Health Directorate. Twenty-five people of various educational levels, genders, and executive functions filled out the survey.

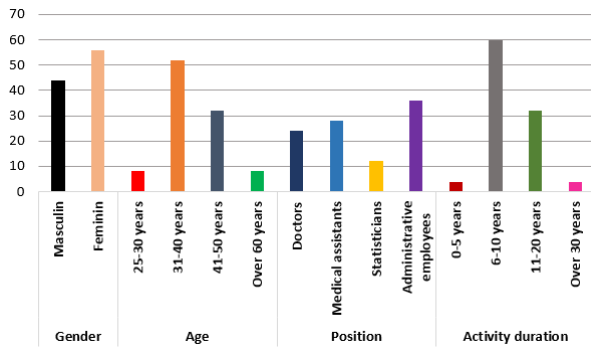


Figure 1: Characteristics of the respondents

Source: Elaborated by the author, based on collected and processed data

As a next step, we proposed to analyze the level of satisfaction and find out the opinion of employees about the need for motivational activities in the Public Health Directorate.

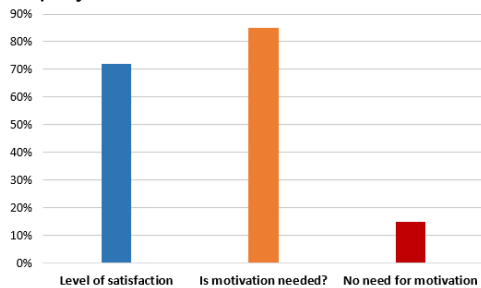


Figure 2: Level of satisfaction and the necessity to motivate employees

Source: Elaborated by the author, based on collected and processed data

After centralizing the results from figure 2, we observe that employees are satisfied with the professional activity they are currently carrying out in proportion to 72%. Among the respondents, only 84% consider motivation to be necessary, and 16% think that stimulating motivation is not that significant.

Our main objective was to analyze how intrinsic and extrinsic factors influence employees.

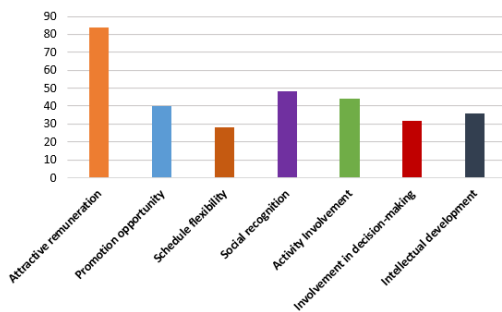


Figure 3: Motivational factors

Source: Elaborated by the author, based on collected and processed data

Based on the results reflected in figure 3, we note that the main factor that most motivates respondents' workplace performance is salary level 76%, social recognition 48%, followed by the activity involvement with 44%. The study indicates that only 40% of the participants are motivated by the possibility of advancing within the organization, 36% by intellectual

development and 32% by involvement in decision-making. Only 28% are motivated by a flexible schedule.

The elements that demotivate employees in terms of performance at work are shown in the following figure:

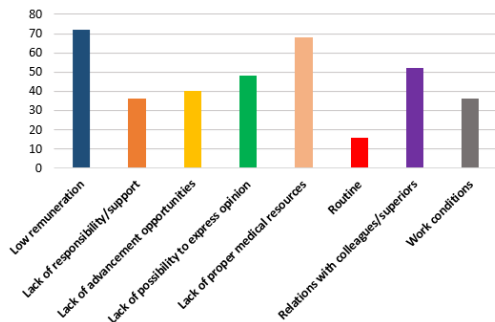


Figure 4: Dissatisfaction factors

Source: Elaborated by the author, based on collected and processed data

From the analysis of the results, following the application of the questionnaire, it emerged that most of the respondents are demotivated by the salary level, 72%. A fair remuneration for our work makes us feel valued and appreciated. Lack of money can cause stress in our personal lives and increase pressure. 68% of the interviewed employees reported a lack of medical resources, resulting in only 52% of them being satisfied by their interactions with colleagues and superiors. 48% of the participants reported a lack of opportunity to express their opinion, 40% feel demotivated by the lack of advancement opportunities and 36% by the lack of responsibility and work conditions. Only 13% are demotivated by routine. Based on the results, there is no significant difference between them. The point is that there is no single factor that causes us to be satisfied at work, only a combination of factors can have this effect. An organization's success depends on this equilibrium.

3. Conclusions

The research data shows that the aspect that generate the greatest work satisfaction for employees remain: salary, according to expectations. There is a certain level of dissatisfaction among employees when it comes to the lack of adequate tools, resources, and equipment to perform their work. Managers must attach significant importance to motivational factors because these are the only ones capable of guaranteeing the success of such an approach. Ultimately, a balance is essential for effective management. To ensure that individual or collective performance is not adversely affected by acute dissatisfaction, it is essential to find a balance in terms of employee satisfaction. This balance boosts performance by finding effective ways to increase employee satisfaction. Even though this research focused on a very small group of the Public Health Directorate employees, our hope is that it will serve as a platform for future research covering a larger number of individuals. Whatever the nature of future investigations, it is essential that motivation research continues to be conducted not only to add to the academic literature, but also to help inform managers and other stakeholders about factors that will lead to a more motivated workforce that is willing to do their best for their organizations.

Acknowledgement: This paper was co-financed by The Bucharest University of Economic Studies during the PhD program.

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IMPACT OF GLOBAL CLIMATE CHANGE IN THE DANUBE CLUSTER

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Abstract: *Because of its position within Romania, the Danube Cluster is exposed to climatic risks with major environmental impacts. The article describes how each phenomenon manifests itself and how it affects the population. The author analysed the main climatic parameters, temperature, precipitation from meteorological stations in the area in order to identify the main atmospheric risks. It is important to know how these phenomena manifest themselves, as they affect the population, economic activities and tourism.*

Keywords: global climate change, environmental impact, Danube Cluster, tourism.

JEL classification: Q01, Q54.

1. Introduction

Every scientific work centred on the analysis of a geographical area, regardless of the degree to which it is carried out, presupposes the existence of useful results for the population encompassed within the area or region studied. In this paper I would like to present the conceptual delimitations of the notion of risk, the main atmospheric risks existing in the area of the Danube Cluster and how they affect the population and the development of economic activities. At the same time, I will present the main characteristics of ecotourism, how it, once implemented, leads to the protection of the natural environment in the Danube Cluster area.

2. Risk – conceptual clarifications

Natural hazards are understood as usually extreme events that go beyond the immediate capacity of human society to counteract and adapt. They are possible, probable events, and when they occur they are called disasters (Figure 1).



Figure 1: Risk rating scheme

Source: Băbăț Andrei-Florin (2022)

By definition, natural risk cannot be understood apart from man's relationship with certain events over which he has no control, while at the same time involving the initiative and freedom of decision of the human being.

White in 1974 stated that natural risk involves "the study of the interaction between man and the environment, governed on the one hand by natural laws and on the other by the continuing ability of the socio-sphere to adapt to environmental changes".

Risks by their mode of action can lead to the occurrence of natural hazards. These are defined as extreme manifestations of natural phenomena such as earthquakes, volcanic eruptions, prolonged droughts, landslides, etc. which can cause significant material damage and even loss of life.

In the context of increasing global climate change, these natural hazards are occurring more and more frequently, over ever larger areas, and are becoming increasingly severe and prolonged year after year, disrupting the natural course of human activities. What is worse, they also cause deaths of people and animals and affect the natural environment. We need to find a balance between economic development and the natural environment because development often affects nature and if we do not act to protect it, we may reach the point where it can no longer sustain our current way of life.

3. Risks in the Danube Cluster

The location of the Danube Cluster in the south-western part of Romania makes this region exposed to atmospheric risks with a pronounced impact on the environment.

Thermal risks are caused by the general circulation of the atmosphere, solar radiation and the active underlying surface. During the cold season the risks are caused by the penetration of cold air masses coming from Russia and Scandinavia which cause a sudden drop in temperature. Depending on their duration, intensity and when they occur in early autumn or late spring, they can have devastating effects, particularly on vegetation and agricultural crops.

During the summer season, the penetration of continental-tropical air masses from North Africa leads to a massive warming of the atmosphere which favours the onset of prolonged droughts, and their frequency and intensity can cause desertification in certain areas.

Rainfall risks are caused by the activity of tropical cyclones in the Mediterranean Sea area which can occur throughout the year. Where there are unvegetated areas, prolonged rainfall can lead to mudflows or even torrential downpours.

The main atmospheric hazards in the Danube Cluster are drought, desertification, lightning and thunder, hail, frost and floods.

Drought is a long-lasting phenomenon in the Danube Belt region, characterised in summer by long periods of very low rainfall (Figure 2). Its effects are a reduction in the flow of rivers, especially the Danube, and in the water reserves in the soil, a shortage of moisture in the air, and the drying out of vegetation and agricultural crops.

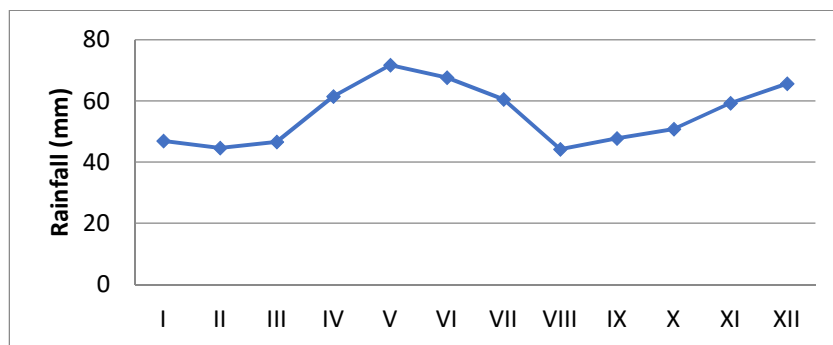


Figure 2: Average monthly precipitation (mm) in the period 1961-2021 at Orșova station
Source: Băbăț Andrei-Florin (2022)

From the analysis of the graph it can be seen that the least rainy month is August due to the high advection of warm air. This phenomenon has a higher intensity in the last period due to global climate changes affecting also the Danube Cluster. The drought is not only in the summer, but also in the autumn, thus severely affecting crops, vegetation and soil water reserves.

Desertification in the Danube Cluster area means land degradation as a result of prolonged droughts. This phenomenon is also intensified by anthropogenic pressure on the environment through overpopulation, inappropriate land use, deforestation, tourism, overgrazing and pollution. Fortunately, the Danube Cluster is affected by this natural hazard in very limited areas.

Lightning falls into the category of electrometeors which are characterised by electrical discharges into the atmosphere. They occur in the warm season and acquire hazard potential when they lead to vegetation fires.

Hail is a climatic hazard that occurs during the warm season. It usually occurs in association with heavy rain, lightning and has major environmental impacts. On average this phenomenon has a recurrence of 4 days per year (Romania. The environment and the Transportation Electrical Network, Geographical Atlas, 2002).

Frost. The average date of the first frost is the first part of November and the last frost in spring, at the beginning of April. The duration of the frost-free interval is 200-220 days.

Floods occur mainly on the Danube at very high flows. The river passes through a narrowing section, Baziaş-Iron Gates, the longest gorge in Europe (134 km long) where it has shaped the limestone into spectacular forms, the best known being the Large and Small Boiler.

The average monthly flow analysed in the period 2007-2021 varies according to the periods of high water (floods) and low water, characteristic of the southern pericarpatic flow regime (Figure 3). The period of high water is recorded in spring (March-May) due to the large amounts of rainfall, correlated with snow melt. In the last 10 years, the highest average monthly flow was recorded in April with a value of 7989 m³/s.

The low water period is in autumn (September-November) due to low runoff during summer (high temperatures, low precipitation, high evapotranspiration). The month with the lowest flow in the last 10 years was October (3589 m³/s).

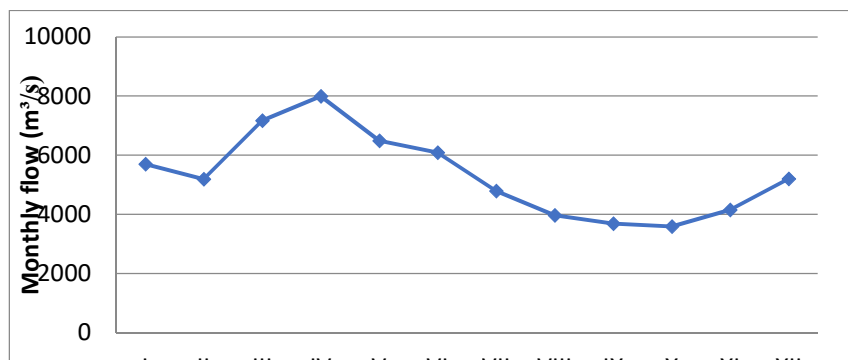


Figure 3: Average monthly flow of the Danube at Orșova station in the period 2007-2021
Source: Băbăț Andrei-Florin (2022)

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THE DECISION-MAKING PROCESS OF INVESTING IN PONZI FRAUDS IN DEVELOPING COUNTRIES

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Abstract: *Times of economic uncertainty lead to extreme measures, whereas some people choose to increase their income through illegal ways. Thus, intentionally or unintentionally, these people become victims of financial fraud. The paper aims to review the decision-making process of investing in Ponzi frauds, considering the main circumstances that influence this decision and particular cases regarding the decision to invest in developing countries. Financial circumstances and psychological aspects as the pressure to belong and feel special and the desire to reduce the risk while taking a financial action influence the decision-making process to invest in Ponzi schemes. For developing countries, the sociocultural context, the impression of the program's exclusivity and the desire to escape from poverty have an important role in shaping the decision to invest in Ponzi frauds.*

Keywords: financial frauds; victims' behaviour; Ponzi schemes; decision to invest; victims' typology.

JEL classification: D91; J17; K42.

1. Introduction

In the last years, the economic crime has experienced a significant increase at the international level. The illegal acts through which individuals or groups obtain financial and material gains from victims have diversified, Ponzi schemes being one of these illegal practices.

Ponzi schemes have expanded, especially in times of economic crisis and due to the new technologies and online communications, even if the method is almost the same with the one developed in 1920s by Charles Ponzi. This investment fraudulent scheme involves the collection of funds from various victims by a person or a group. In return, the fraudster promises high profits in a short period without risks. The fraudster uses funds for illegal or personal purposes and maintains the scheme by attracting new investors (Europol, 2017). In most cases, the promoter of Ponzi schemes initially used face-to-face, telephone, or/and email to communicate with potential investors. Once these potential investors were engaged in the investment, they received some returns and started disseminating information about their returns, which encouraged others in their circle to join the investment.

The fraudster used some of the new funds to pay the old investors so that those rewarded have an incentive to promote the scheme to those close to them (Frankel, 2012). Finally, the network collapses when promised returns failed to arrive, when new funds can no longer be secured or when victims notify the authorities.

Most of victims have not asked for official forms that would demonstrate registration or license from the tax authority of the investor. Victims were severely impacted financially and psychologically by their Ponzi experience. These victims reported the personal impact of this investment, which includes financial loss, guilt, shame, regret and depression. Miraculously, even after the fraud was exposed, some victims still believed the return on the investment was possible.

In order to understand victims' decision-making processes that led to their participation in a Ponzi scheme, there is a need to examine several aspects. First, what the victim learned about the investment and whether they received professional advice. Then, it is important to find the investment characteristics and factors that influenced the investment decision. Finally, is necessary to find the methods through which fraudsters communicate with victims (Greenspan, 2009).

The paper aims to review the decision-making process of investing in Ponzi frauds, considering the main circumstances that influence this decision and particular cases regarding the decision to invest in developing countries. The structure of this paper includes three main parts. First, the process through which victims informed about Ponzi frauds and how they get in touch with fraudsters is presented. Then, paper includes a section related to circumstances that influence the decision to invest, while the fourth section presents the investment decision for developing countries. The conclusions are presented at the end.

2. Victims' information process and the contact with the fraudster

Grooming occurs when the fraud initiator tries to build a relationship of trust with the victim by making regular contacts. The fraudster can usually call the victim daily and make friends with him, even sharing details of his so-called personal life. It not only fosters trust between the victim and the offender, but also makes it harder for the victim to report the crime as soon as he begins to suspect something is wrong, because he feels guilty. They will also ask the victim to keep the deal or relationship secret in order to prevent identification (Dove, 2018).

Before transferring funds to the offender, some of the victims consulted with professional bodies, bank managers and accountants. They said that when they checked to see if the business was legally registered, the test sometimes led to a halt of the fraud, but in other cases, they received ambiguous information that confirmed, in effect, that the investment was credible. In addition, the consultation of victims with professionals enabled, in effect, the possibility of fraud. On the other hand, when victims consulted with family, friends, or colleagues, they tended to ignore their warnings about investing. However, members of the victims' social network tended to refrain from making a firm statement, and the participants interpreted this hesitation as confirmation of the investment credibility. Sometimes the opposition of the social network will encourage the participants to prove to everyone that they are wrong (Harvey et al., 2014).

3. Circumstances that influence the decision to invest

Scammers act fraudulently to bring down their victims, in any form of fraud. However, each act of fraud is different from another, because the crooks adapt the methods of fraud to the context of the personal life of each victim. Harvey et al. (2014) examined the financial resources that were accessible to victims, and differences were found for funds available to them and in their perception of the value of these funds. Bar Lev et al. (2022) studied the profiles of financial frauds' victims and found that there are contextual and psychological circumstances of becoming victim. Most of victims from developing countries act out of naivety, greed, desire to escape from poverty and lack of empathy when decide to invest in financial schemes.

In addition, the pressure to belong and feel special and the desire to reduce the risk while taking an action receive major weight when it comes to the behaviour of a victim (Frankel, 2012). It is harder for a person to resist the temptation to invest larger sums of income when most of close friend are getting rich following their investment in Ponzi schemes. Surprisingly, however, if potential investors find that the number of investors in a Ponzi scheme is high, the investment becomes less attractive to them and the chance that they will invest decreases. Precisely when only a few close friends invest in a program, increases the chance that such potential investor to invest (Tennant, 2011).

4. Ponzi frauds in developing countries

Chinese victims were motivated to invest in Ponzi schemes in order to solve many pressing issues in their daily lives. Similar to other cultures, there were two sources of information leading to victims' initial investment decisions. Because people had strong investment motivations, the successful investment experiences of their friends and family members and the company's reputation convinced these potential investors (Dor, 2017).

Most of victims received information provided by trusted people around them who had already invested their money in the fraudulent company. This information of word of mouth affected their decision. These trusted friends disseminated the rumour that they were making high profits from their investments.

The factors influencing the proliferation of Ponzi schemes in countries such as Colombia and Bolivia include economic hardship of investors who seek a way out of their poverty and the trust elements in fraudsters and the investment schemes (Tennant, 2011; Apicella, Dreber and Mollerstrom, 2014). Considering the reactions to this type of fraud, the bipolar factor of earning vs. losing money seems to play a basic role in those victims who decide to invest.

Investors in Malaysia admit being tempted to join Ponzi schemes when the fraudster gave the impression of the program's exclusivity, as if only privileged people are allowed to join. After an investor joins the program, he is placed in direct contact with the acquainted fraudster only. This fraudster acts as an intermediary between investor and the investment fund. As such, the investor was never in direct communication with the management of the scheme company or with other investors (Sulaiman, Moideen and Moreira, 2015). This approach intends to isolate victims from receiving information and updates from other investors.

5. Conclusion

Ponzi schemes have increased in the last decades, especially in times of economic crisis and due to the new technologies and online communications. Generally, the fraudsters try to build a relationship of trust with the victim and to maintain the relation through regular contracts and reciprocal changes of personal life details. Even so, some victims consulted the professional bodies, bank managers and accountants before transferring funds, especially when they felt that fraudsters are not trustworthy.

Circumstances that influence the decision to invest include the pressure to belong and feel special, the desire to reduce the risk while taking a financial action and the available financial resources to victims. For developing countries, there are some common features in the findings on the victim's decision-making characteristics. Specific sociocultural context (e.g., cost of living, high prices and consumer price index, fake advertising, inadequate banking system, and vague legal system) plays a crucial role in shaping victim's decisions. In addition, the impression of exclusivity and the desire to escape from poverty have an important role in the decision to invest in Ponzi frauds.

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A SYNTHESIS OF THE DIGITAL TOOLS FEATURES IN OPEN INNOVATION

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Abstract: *This paper is meant to acknowledge the benefits of using digital tools in the companies' open innovation process. Open innovation represents a new era in innovation management, and it provides a bigger connection between companies and clients in developing new products. A few important triggers in the open innovation process are information sharing, data gathering, and knowledge usage. Moreover, customers' needs should be the core of each business and their opinions and feedback are relevant in the innovation process. The fastest way to reach clients are through digital tools and the firms need to do constant research for any new advances in the field so they can adapt. The question to which we propose to answer in this paper is: what are the benefits of using these instruments for companies?*

Keywords: open innovation, knowledge, big data, cloud computing, digital tools

JEL classification: O36; D83

1. Introduction

The economy in today's world is going through a difficult era with new changes which may constitute the basis of ingenious developments. Companies need to shift their strategies and to focus more on how to adapt rapidly to the environment's changes, adopting various innovation strategies and techniques. Starting with the early 2000s, a new concept arose called Open Innovation. The definition of this new concept provided by Chesbrough (2003) assumes that firms can and should use external ideas as well as internal ideas and internal and external paths to market, as the firms look to advance their technology. Open innovation should use all available channels to obtain new ideas and information from internal or external sources, such as clients, employees, suppliers, and other stakeholders. All collected information is analysed and this leads to knowledge which constitutes an important asset in the company's innovation process. Knowledge can be defined as the human faculty resulting from interpreted information, understanding that germinates from a combination of data, information, experience, and individual interpretation (Jones and Mahon 2018).

Knowledge management supports innovation, the generation of new ideas and the exploitation of the organization's thinking power (Parlby and Taylor, 2000). Without the necessary information, companies cannot create new products and services based on the customers' needs as they need to concentrate on: what do customers want, who are they, how have they changed and what motivates their decisions (Molenaar, C., 2020). This is possible by having the most suitable channels to obtain the information through various digital platforms.

2. Digitalization in Open Innovation

Almeida and Sequeira (2019) state that innovation is how the knowledge is transformed into economic development. Open innovation is a three steps process comprising (Grönlund, 2010): *define* (identify customer needs, opportunities, budget planning), *design* (product development and testing), *validate* (launch, market assessment and review). Firms need to be interested in collecting ideas and use them to develop products and services. In the internet era, when information is spread rapidly, organizations need to make timely predictions and process the data in a fast way. This can be done by using different digital tools: social media, cloud computing, artificial intelligence, internet of things, blockchains, big data.

3.1. Big Data

Big data is defined by Iqbal et al (2018) as huge volumes of high velocity, complex and variable data that need sophisticated methods and technologies for data management and analytics. Big data is considered an important fuel for large-sized organizations which make decisions in real time to improve and create new products and services. OECD (Organisation for Economic Co-operation and Development) (2015) stated that data are an increasingly significant resource that can drive value creation and foster new industries, processes, and products – data-driven innovation (DDI). Using big data in the open innovation process brings a series of benefits for a firm, such as: information transparency, easily accessible for all stakeholders, learning about clients' needs, obtain competitive advantage. The weaknesses of big data refer to data needs to be time specific, insecure data and it should focus on solving any privacy issues which may appear. Some of the companies which use this tool are Netflix, Amazon, Google, Apple.

3.2. Artificial Intelligence

Artificial intelligence (AI) is another method through which companies gather data to use in their innovation process. AI refers to any machine that can observe its environment, learning, and bases on the knowledge and experience gained, taking intelligent action, or proposing decisions (Samoili et al, 2020). AI is used to obtain information in a fast manner in a changing world and it drives innovation to develop new products and services which leads to profitability. Because AI quickly interprets data and provide the necessary information faster, companies reduces costs and time and any investments placed in this technology is worth it. Amazon, Microsoft, IBM are only some of the organizations implementing this instrument.

3.3. Cloud Computing

Mell and Grance (in Campbell and Kwiat, 2018) defines cloud computing as a model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, storage, applications) that can be rapidly accessed and updated with minimal effort or interaction.

Cloud computing makes easier for firms to access external information and knowledge and increases the results of the open innovation process. Because the data is stored in a shared network on the internet, it reduces the infrastructural costs and companies pay only when needed. Cloud computing enhances business agility, as it accelerates the time to market for products (Barlatier and Mention, 2020). Apple, eBay, Netflix are only part of the firms which use this tool.

3.4. Internet of Things

Raya and Salam (2022) defines the Internet of Things (IoT) as a network of things with clear element identification with software intelligence, sensors, and connectivity to internet. IoT provides the possibility to share knowledge at low costs and supports the open innovation efforts. Companies can combine both internal and external information to support a collaborative environment and increase innovation outputs. Samsung is an important organization which used this tool successfully.

3.5. Blockchains

Blockchain is defined a distributed database that maintains a continuously growing list of data records hardened against tampering and revision” among many other definitions might apply (Tapscott, 2016). As the previous digital tools, blockchains support open innovation by lowering costs and timely manner information. This channel provides trust among the stakeholders and connection between various persons without any other investment. It simplifies the communication, and it summarizes the resources and data. However, blockchains have several limitations related to storage, security, data confidentiality, difficulties in linking two blockchains. One important company which uses this instrument is IBM.

3.6. Social Media

Social media provides the digital tools to mediate knowledge sharing and building connections and a collaboration network. Companies use this instrument during the open innovation process for research and obtaining feedback related to their products and services. It is an important method for companies to understand customers’ needs, get new ideas and data exchange. Social media is characterized by flexibility, interactivity, speed, however it has a few short comes such as data quality, efficacy, complexity of the processes which may be difficult to manage (Barlatier and Mention, 2020). Airbnb, Spotify, GoPro are a few organizations which use this tool.

4. Conclusions

To conclude, companies which use open innovation need to pay attention to customers and obtain information of who they are, what they need and how they changed rapidly. The acquired knowledge needs to be processed in a timely manner which leads them to adopt digital tools to facilitate the process.

These tools provide various benefits to companies, especially by bringing together organizations, clients, stakeholders throughout the world and by the fast processing of the information. Firms rely on this new knowledge to improve and develop new products and will lead to increased profitability and a high number of satisfied clients.

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THE ROLE OF SOCIAL ACCEPTANCE AND MOVEMENTS IN THE ENERGY TRANSITION

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Abstract: *Our current energy systems are mostly built on burning fossil fuels, which has a huge negative impact on the environment. During this process, a large amount of carbon dioxide gets into the atmosphere, which is responsible for the global warming. To keep our planet liveable for future generations, the European Union made extended measures to support the transition to renewable energy sources in the energy mix. However, on a global scale, people are supporting renewable energy projects, on a local scale they often oppose them. Based on a publication made by the European Commission, at the end of 2018 more than 40% of the related projects are behind schedule because of the slow permitting processes or public opposition. To speed up the energy transition it is crucial to understand the mindset of local parties and gain their support regarding the implementation of such projects however we must not forget about the strength of the grassroots innovations which arise from the bottom-up.*

Keywords: Renewable Energy Projects, Social Acceptance, NIMBY, Movements, grassroot innovations

JEL classification: B55, P18

1. Introduction

Signing the Paris Agreement in 2015 the European countries agreed to significantly reduce their greenhouse-gas emissions so that the EU could achieve net-zero GHG emissions by 2050. Instead of burning fossil fuels, the environmentally friendly way of producing energy lies upon renewable energy sources.

It is also important to acknowledge that only one renewable energy project is no match compared to the waste amount of energy produced in a power plant, so the strength of these projects is rooted in the quantity. This fact leads to the conclusion that if we would like to replace those power plants, which are producing energy by burning fossil fuels (thus being responsible for global warming), we have to establish many renewable energy projects (e.g., wind farms, photovoltaic power stations, etc.), not just one. For this reason, it is obvious that the number of people affected by these projects will be high, so their commitment has to be unwavering, and governments and constructors continuously have to work on gaining and keeping their trust and support.

2. Methodology

For the study the snowball sampling method was used, which refers to using the reference list or the citations of a paper to identify additional related papers. In a database, I searched for the related keywords, and then from the list I've chosen the most cited article as a basis of my document. After that, I expanded my research three levels backward from the original paper, in order to have a wide range of knowledge available for the study. At the end of the day, I could use 18 articles based on this method, which were additionally supplemented by my previous knowledge of the topic.

3. Social acceptance - theoretical model

Contractors thought for a long time that the implementation is not a problem, because public opinion towards renewables is satisfying, but they couldn't be more wrong.

While people on a global scale agree, that it is necessary to change the current status quo of the energy market and prefer renewable energy sources instead of fossil fuels, on a local scale they do not want to get involved with such a project anyhow. (O'Hare, 1977) The main reason behind this thought is that the extraction of fossil resources happens below the earth's surface, and usually further from the residential areas thus it is invisible to an average citizen, while renewable projects, such as photovoltaic plants and especially wind turbines are well above the earth's surface and mostly close to the households. (Sieferle, 1982)

Thanks to these main differences, local residents can arise various types of concerns against renewables close to their living area, such as the visual impacts of the new buildings, possible negative effects on property values, or environmental changes in biodiversity. (Hess, 2009) What is also interesting is that based on Firestone's (2007) survey - which was made regarding a wind farm project in America – only 4% of the respondents took into consideration the effects of global warming when they were asked about the renewable projects in their neighborhood.

If local parties are not managed properly their attitude can easily change, and they could show up as an opposing stakeholder against the energy projects, which can dramatically slow down the process of the energy transition.

Based on Wüstenhagen-Wolsink-Bürer (2007) to understand the different angles of social acceptance, we must consider three aspects:

- Socio-political acceptance: socio-political acceptance of technologies and policies by the public, by key stakeholders, and by policymakers on the most general level.
- Community acceptance: acceptance of a concrete project by local stakeholders, where local needs and interests often overwrite the global consensus. A common effect related to that problem is called NIMBY (I agree, it is important, let's do it somewhere, but Not In My Backyard). The community acceptance curve of an energy project usually follows a U-curve over time, thus have to be managed constantly. (Wolsink, 2007)
- Market acceptance: the acceptance of new innovations, which requires an *innovation*, a *communication channel*, where people can create and share information about the new technology with each other and reach mutual understanding, *time* to let the system adjust, and a *social system*, where people can engage with each other in order to accomplish a common goal. (Rogers, 2003)

While legal licenses are necessary before the implementation of a new energy project, lately scholars are arguing that having a Social Licence to Operate could be equally important for success. (Moffat-Zhang, 2014; Hall et al., 2015) The meaning of the SLO is no other than continuous approval by the local community and stakeholders regarding a project which is established close to their neighborhood. In order to get this verbal approval from the community Pimenta et al. (2021) identified the following factors, which should be taken into consideration before the implementation of a project:

- Environmental protection: the perception of the population regarding the environmental impacts of the construction.
- Relationship: well-established communication channels between the constructor and the local stakeholders, which requires active management not just in the planning phase, but also throughout the whole implementation and after that during the daily operation. (Sauter-Watson, 2007)
- Procedural fairness: the local stakeholders must perceive that they are active participants in the decision-making process and not just bystanders.

- **Distributional fairness:** people feel more engaged if they receive a fair share of the benefits from the new project.

If the above-mentioned principles are all satisfied then common trust can be built towards the project, which eventually leads to social acceptance.

To speed up the process of the energy transition, legal parties such as the central government, or constructors often tries to avoid to the get the SLO and tend to use top-down, technocratic, hierarchical way in the implementation, which does not create good conditions for the development of acceptance and trust at a local level. (Cowell-Owens, 2006)

4. Social movements – theoretical model

The absence of social acceptance can move the local stakeholders from a passive opposition into an active state, which can vary on a large scale however, it is important to note that movements can build not just against something, but also to achieve something. The importance of social movements especially for health, environmental, and other scientific issues has grown dynamically in the last decades. (e.g., Brown, 2007; Hess, 2007; McCormick, 2009)

Hess (2009) in his argument pinpoints the fact that when a diverse group of citizens or small-business owners come together under the banner of a local problem, they cannot just simply tackle that one issue, because it is usually a result of global degradation of the economy, of politics, or of the quality of life in the neighborhood (e.g. rising crime and poverty, decay of old neighborhoods, health issues regarding a manufacturing process, or energy dependency, which is an acute problem nowadays in the EU). For this reason, localism and lack of social acceptance can be considered as a basis for movements, but another key factor is that the topic eventually has to be politicized to expand its horizon. (Gamson, 1992)

Fundraising events, lobbying, marching, walking, public rallies, and education workshops are considered as typical activities of movements but from a scientific point of view, the most interesting part is the lay/expert collaboration.

Lay/expert collaborations can help movements to consolidate and politicize local perspectives by providing a communication channel, where information can be transferred in both directions, so a local problem could be transformed into a large-scale public problem. (McCormick, 2007)

5. The positive effects of a movement – grassroots innovations

As it is mentioned before that without getting the SLO renewable energy projects can be halted or even canceled, but on the other hand, social movements can also be triggered by the need of changing the status quo of the current energy system. Thanks to the lay/expert collaboration, innovation can arise from bottom-up, which can enable the chance for grassroots innovations.

To acknowledge the value of grassroots innovations, we have to understand the basis of the socio-technical model, which describes the transition between production and consumption systems, where the new system can serve the consumers in a new, more just, and sustainable way.

Based on Geels (2002) there are three levels or scopes of this model:

- **Socio-Technical landscape:** it contains a set of powerful and external trends and factors, such as problems of the climate change, oil prices, economic growth, urbanization, or environmental problems. The context of the landscape initially changes over time, but more slowly than the regimes.

- *Socio-Technical regime*: “represented by the common and accepted rules and dominant practices on which the status quo is maintained (e.g. the energy regime is formed by the set of institutions and regulations that govern the dominant energy system, the technologies on which it is based, the relationships between its multiple actors, the values that guide it, the behavior of companies, regulators and users, etc.)” (Pellicer-Sifres, 2020 pp. 4.)
- *Niches*: while regimes usually generate incremental innovations, niches often generate radical ones, which later can be an alternative replacement of the methods of the dominant regimes. Their presence is important because they can provide alternative practices, locations for learning processes, and relationships.

Based on the dependence between these levels, the transformation can occur when the following conditions are met:

- The development of the niches matured through the learning process and supported by a wide range of the society,
- The external changes in the landscape put the regime under pressure to change the current best practices and find new ways to produce,
- The current regime is destabilized, which creates an opportunity for the niches to expand their influence. (Geels, 2002; 2010; 2011)

Initiatives coming from the lay/expert collaboration regarding social movements can be seen as niches of innovation, which in a long term can help the socio-technical transition between energy systems, thus it can be useful for the society.

6. Conclusion

A couple of decades ago mostly the financial and technical aspects of a renewable energy project were important, but nowadays scholars recognized the importance of other factors, such as trust or social acceptance. We have to bear in mind that gaining the trust and SLO of the local stakeholders is indeed very important, but constructors have to make the same effort in order to keep it throughout the whole project. If the local parties are not satisfied with the way of handling a problem, movements can arise, which most of the time paralyze the advance of a renewable energy project. Although it can have a very negative effect on the given project, but movements are not necessarily against something, they can be created for achieving something also. Lay/expert collaborations can be a fertile ground to explore niche innovations which in a long term could be game changer in the energy transition process.

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CIRCULAR ECONOMY APPLIED IN TOURISM

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Abstract: *The purpose of this article is to describe and analyse circular economy, the transition from a “linear” economy to a circular economy and its applicability in tourism. By definition, Circular Economy should reduce environmental burdens by following strategies of slowing, narrowing and closing energy and material circle, while regenerating natural capital.*

In March 2020, the European Commission adopted a new circular economy action plan (CEAP). The EU's transition to a circular economy will reduce pressure on natural resources and create sustainable growth and jobs.

The main goal of applying the circular economy in tourism sector has been the waste management. This may include efforts to reduce or eliminate aircraft CO₂ emissions, cruise ship air pollution and hotel waste.

Keywords: circular economy, circular tourism, recycle, life cycle, waste, jobs

JEL classification: D15, E21, E32, F60, F64, Q50, Z30

1. Introduction

Over the time, people began to produce more and more waste, so that the current situation has become worrying for the environment. If we will continue to consume at this quick pace we will have big environmental issues such as global warming, the disappearance of some plant and animal species.

Tourism was one of the largest global industries before Covid-19, travel played an important role in the economic downturn. The Covid-19 pandemic helped to reduce consumption, but it also caused an imbalance in the tourism industry suffering an abrupt and global demand shock. The environmental issues caused by immoderately pursuing tourism economic activities have grown up prominent. The theory of circular economy is one of the essential tools to solving tourism environmental issues. On the other hand, the sustainable process of the tourism industry, which is a linear process, usually leads to a particular gap between the reality and the sustainability assessment of tourism industry. In the last period the Circular Economy has increasingly been advertised as an economic model that can replace the current “linear” economy with a circular economy (Millar, McLaughlin, & Börger, 2019).

Tourism is a catalyst for consumption, and reducing waste in the tertiary and other sectors also, and it is a major challenge for the EU and environmental activists to try to promote more responsible consumption.

2. Circular Economy

The circular economy (CE) is a non-traditional development pathway being applied in a wide range of social contexts and economic sectors. The concept has been promoted by policy makers who view the CE as central to ‘building back better’ and meeting UN Sustainable Development Goals (Dewick, Mello, Sarkis, & Donkorg, 2022)

The European Parliament defined the CE as a model of production and consumption that involves reusing, sharing, renting, refurbishing, recycling and repairing existing materials and products for as long as possible. (Actualitate Parlamentul European, 2022).

In practice the definition would consist of minimize waste as much as possible so that when a product reaches the end of its life cycle, the materials from which it is made are kept in the economy for as long as possible. They can be used in production multiple times, creating even more added value.

During its diversification and evolution, the industrial economy has never changed the linear model of resource consumption that follows a “take-make-dispose” pattern. According to this pattern the companies extract materials, apply labor and energy to manufacture a product, and sell it to an end consumer – who then discards it when it no longer serves its purpose. A lot of businesses have also begun to observe that this linear system increases their exposure to risks, most notably higher resource prices. Many companies feel squeezed between rising and less predictable prices in resource markets on the one hand and stagnating demand in many consumer markets on the other. The beginning of 2000’s it marks the turning point when real prices of natural resources began to surge upwards, essentially erasing a century’s worth of real price declines. At the same time, price volatility levels for metals, food, and non-food agricultural output in the first decade of the 21st century were higher than in any single decade in the 20th century. Prices and volatility are likely to remain high as populations grow and urbanize, resource extraction moves to harder-to-reach locations, and the environmental costs associated with the depletion of natural capital increase (MacArthur, 2022).

As much as the concept of sustainability becomes more deeply entrenched in contemporary society, there has been increasing the importance of the development of the circular economy in business, academia, and public policy (Burger, Stavropoulos, Ramkumar, Dufourmont, & Oort, 2019). In March 2020, the European Commission adopted a new circular economy action plan (CEAP). The EU’s transition to a circular economy will reduce pressure on natural resources and create sustainable growth and jobs (Circular economy action plan, n.d.). Activities like reuse, repair and recycling are expected to bring resource-related benefits, creating new employment prospects.

The literature tends to focus on the number of new jobs created, which are usually accompanied by monetary indicators to demonstrate expected positive macroeconomic outcomes. There is no research that confirms the concrete desire of citizens for circular economy jobs. Jobs in a circular economy are divided into “core” CE jobs considered to be basic in a circular economy such as maintenance services, rental, waste management, they require a lower than average level of education and “enabling” CE jobs like digitalization role, design which require a higher technical and education skills (Clube, 2022). According to European Commission, the CEAP will have a positive impact on job creation if workers acquire the skills required by the green transition (Circular economy action plan, n.d.)

During the time that critical discussions about the societal dimension of the CE are emerging, the discourse remains scattered and nascent across actors (e.g. customers, workers, consumers) and social aspects (e.g. education, employment, health and safety) (Mies & Gold, 2021).

3. Circular Tourism

Tourism is recognized as the largest industry in the entire world. According to the World Travel & Tourism Council (WTTC) tourism provided in 2020 1/11 of the total number of jobs globally, generating economic income accounting for 5.5% of the global GDP (Xu, Wan, Tang, & Ye, 2022). Circular economy action plan pointed out that the number of jobs will increase using the green transition.

Circular economy has become an important element in the last period in many fields including tourism. The main goal of applying the circular economy in this sector has been the waste management (Castellet-Viciano, Hernández-Chover, & Hernández-Sancho, 2022).

The World Tourism Organization (UNWTO) remind that as a highly energy-intensive industry tourism releases large amounts of greenhouse gases due to tourism activities and large-scale tourist flows (Lenzen, et al., 2018), and exhibits the characteristics of high pollution and high consumption that contribute moreover to global climate change (Gössling, et al., 2005). According to The World Tourism Organization the carbon emission of tourism reported that 5–14% of the total carbon emissions it is from human activities (Xu, Wan, Tang, & Ye, 2022). Due to the linear economic pattern, the uncontrolled pursuit of economic growth in tourism has intensified the environmental degradation (Andersen, 2007).

Sustainable transformations must include according to tourism's global economic and socio-cultural importance tourism sector too. The production principles of circular economy can involve efforts to reduce or eliminate CO₂ aeroplane emissions, cruise ship air pollution, and hotel waste (Rodríguez, Florido, & Jacob, 2020). Gössling and Peeters (Gössling & Peeters, Assessing tourism's global environmental impact 1900–2050, 2015) consider that it was estimated that reducing tourism-generated CO₂ emissions below 2005 levels by 2035 will require not only significantly improved technical efficiency but also longer stays and fewer kilometres travelled by tourists, alongside shifts from air towards rail and coach travel. By the other hand the promotion of the circular economy principles in the rehabilitation and conservation of heritage initiatives is crucial for the sustainable continuity of this sector. According to Fang and Zhang (Fang & Zhang, 2010) the implementation of CE theory would lead to a long-term protection of world cultural heritage sites through the practice of eco-designing, energy conservation, green services facilities provision, waste eco-disposal and green consumption. The challenge is to understand how attractive tourist experiences can arise from circular economy tourist practices. Nevertheless, there is a research gap regarding the role of tourists in the circular economy.

4. Conclusion

The circular economy is a model of production and consumption that involves reusing, sharing, renting, refurbishing, recycling and repairing existing materials and products for as long as possible. As much as the concept of sustainability becomes more deeply entrenched in contemporary society, there has been increasing the importance of the development of the circular economy in business, academia, and public policy. The EU's transition to a circular economy will reduce pressure on natural resources and create sustainable growth and jobs. According to European Commission the CEAP will have a positive impact on job creation if workers acquire the skills required by the green transition. Circular economy has become an important element in the last period in many fields including tourism. The main goal of applying the circular economy in this sector has been the waste management. Reducing tourism-generated CO₂ emissions below 2005 levels by 2035 will require not only significantly improved technical efficiency but also longer stays and fewer kilometres travelled by tourists, alongside shifts from air towards rail and coach travel. The implementation of CE theory would lead to a long-term protection of world cultural heritage sites. The challenge is to understand how attractive tourist experiences can arise from circular economy tourist practices. Nevertheless, there is a research gap regarding the role of tourists in the circular economy.

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SUBCONTRACTING RELATIONSHIPS AND INNOVATION ORIENTATION: A REVIEW OF THE LITERATURE

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Abstract: *Increased global competition requires SMEs to develop inter-organizational relationships. The establishment of these links provides an entrance of key information and distinctive managerial skills that contribute to a successful process of innovation. However, innovation responds to an articulation of efforts between different actors that culminate with the novelty in product, process, organizational technique or marketing. Innovation capacity is therefore a multifaceted concept that generally adopts a certain type of innovation, or different radical and incremental intensities. Regardless of increasing of studies, there is still a lack of research that examines and synthesizes how innovation is achieved by SMEs and the factors that contribute to their success in an inter-organizational relationship. Our review of the literature identified that in the context of subcontracting, the ability to innovate is a complex process governed by the external environment, the type of agreements, the nature of inter-organizational practices and tools, and the quality of the absorption capacity of the subcontractor. The differences in knowledge, expertise and competences of the partners become opportunities for improvement to be seized by the subcontractor, enabling the contractor to be more confident and cooperative.*

Keywords: Inter-firm coordination; relational behaviors; subcontracting; development; innovation; SME

JEL classification: G34, L24

1. Introduction

Perceived as a source of capital value creation, inter-organizational relations (IOR) have become the subject of increasing attention by management researchers and practitioners. This relationship (IOR) can be defined as a process by which two firms, in order to gain mutual advantage, create over time powerful and extensive social, economic, service and technical links.

In other words, by combining or exchanging resources, or by joining forces on a given activity, partners can access benefits that they could not individually claim. This is called the “cooperative advantage”. Whatever the nature of the resources involved, the transaction is at least bilateral. We have identified the following cooperative advantages: Size effects, through the addition of assets of the same nature; synergistic effects, through the grouping of qualitatively complementary resources (learning new skills, reducing transaction costs, minimizing uncertainty and complexity, etc.).

Subcontracting occupies a considerable place in inter-firm relations and is quite present in various sectors. However, it is considered as a complex reality (Barbat and Hlady Rispal, 2006). The classic forms of subcontracting relationships are gradually disappearing in favor of new relationships resulting more involvement and a readjustment of relations between the partners, which are tending towards more balance and continuity over time.

The new subcontracting relationships go beyond the short-term market logic, where relations of authority by the contractor over the subcontractor predominate. The changes

that subcontracting relations are in their current state, constitute the first stage of development of cooperative relations, known as complex or partnership (Ezzerari, 2008). Our objective is to detect, through a literature review, the influence of the nature of the subcontracting relationship on the innovation of the SME. Thus, this research attempts to answer the following question: How can SMEs benefit from a subcontracting relationship to improve their innovation capacity?

2. Literature Review:

2.1 The dynamics of coordination in subcontracting context

The continuing evolution of markets and industrial structures has led companies to look for all means for outperforming competitors, especially by quality and innovation as much as by prices (Ezzerari, 2008). Subcontracting has become an excellent alternative. On the one hand, it enables the principal to reduce its production costs (machinery, labour, etc.) and to optimise its treasury management (Altersohn C, 1992; Fekih-Soussi B and Bellon B, 2004; König K., 1998). Thus, he expects from the subcontractor more performance in terms of organisation of production, innovation capabilities or development of new products or processes. On the other hand, the rapprochement of companies with large industries constitutes for SMEs a mode of growth and innovative reinforcement (Baudry B., 1992; König K., 1998).

From the perspective of the subcontracting SME, some important benefits of the subcontracting activity could be the following (Vasiliska, 2021): stable production orders and sales without significant costs and marketing risks (the contractor assumes legal, financial and other responsibilities for the completion and sale of the final product); the acquisition of work experience in an international environment; the possibility of borrowing the know-how; To provide technical and managerial advice to the client; to obtain advice from large companies in various fields - manufacturing, HRM, organization; the possibility of creating and adopting product and process innovations, which have a guaranteed market; specialization in an activity and, consequently, the achievement of economies of scale; improving the image by working for known clients (Yurukova, 2007, pp. 465-466).

Nevertheless, according to Vasiliska (2021), SMEs may face risks and weaknesses attached to subcontracting activity: low profits; irregular orders (lack of long-term contracts); loss of contact with the large market; loss of independence, flexibility, innovation, valuable know-how (Yurukova, 2009, p. 146). Also, other challenges may arise, namely the ability to cope with the peculiarities of globalization, the lack of necessary resources or managerial capacities that prevent them from taking on larger and more complex tasks (Harizanova & Tsvetkova, 2013, pp. 124-125), complicated negotiation procedures, too high demands in terms of quality control, production schedules and staff qualifications.

Subcontracting is undergoing massive changes and quite present in various sectors. The theoretical currents distinguish two main relationships between principals and subcontractors. The first relationship is characterized primarily by the search for "low cost" or "best cost country" and the second relationship is based on the development of learning and partnership links (Khouriba & Yaouhi, 2020). According to recent work, traditional forms of subcontracting are gradually disappearing in favor of more balanced and less conflicting relationships based on trust and continuity (Kuriyama, 2017; Muizu & Kaltum, 2019).

2.2 Influence of the nature of the subcontracting relationship on SME innovation

This development appears to be beneficial to both parties. The SME- large company relationship has created many opportunities for innovation (Nwokocha, al., 2019). A study established by Bocquet (2011) confirms the positive impact of a collaborative subcontracting arrangement on the subcontractor's probability of innovating regardless of

the type of innovation. An examination of the literature reveals that the nature of the subcontracting relationship may influence the orientation of SMEs towards innovation.

2.2.1. Knowledge transfer and absorption capacity

The literature identifies communication as a critical aspect that can contribute, positively or negatively, to the coordination of partner actions and the reduction of the risks of dysfunctions and conflicts between them. Conditioned by the respect of confidentiality and the quality of the information exchanged, the frequent contact between the different participants in the relationship, the renewal and spreading of contracts over time and the multiplication of cooperation with various partners are considered major aspects that contribute to the dynamism of the learning processes. The more the relationship engenders the creation of learning, the higher the level of motivation of the stakeholders in terms of their commitment to the implementation of the cooperation. Behn (2008) indicates that learning is essential for innovation, as it requires the acquisition of new tacit knowledge, not just explicit knowledge. In this case, many studies (Lyles & Salk, 1996, Lane & Lubatkin, 1998, Gupta & Govindarajan, 2000) affirm the key role of absorption capacity (acquisition; assimilation; transformation; exploitation) in the success of the knowledge transfer process.

2.2.2. Scarcity of SME resources and orientation towards innovation

According to Zahir and Rabah-Rabbou (2021), small and medium-sized businesses draw the knowledge they need from their environment and, in particular, from the relationships they have with their stakeholders: customers, suppliers, other companies, universities, research centres. In other words, SMEs' ability to compete in the global marketplace depends on their access to resources. SMEs with better access to resources are able to perform better innovatively and economically. In order to find the link between scarce resources and innovation, Woschke et al. (2017) note that there are three fundamental perspectives. The first perspective assumes that there is a negative effect of resource scarcity on an SME's ability to innovate. For example, a limited R&D budget is considered to be a barrier to being as innovative as their larger counterparts. The second perspective supports the positive effect of resource scarcity on the innovation capacity of SMEs by justifying this by the fact that it can, for example, lead to increased creativity and more efficient use of resources. The last perspective supports the absence of a relationship between scarce resources and innovation. The main argument is that a firm's ability to innovate is determined by its internal capabilities and its ability to reconfigure available resources rather than by the size of its resource base.

2.2.3. Leadership and Strategic Capabilities

The ambitions, skills and perspectives of owners and managers are generally considered to have a significant influence on the organizational results of SMEs (Borch and Madsen, 2007; Laforet and Tann, 2006; Morris et al., 2002; Singh et al., 2009), including their innovation strategies (Chang and Hughes, 2012; Collins and Reutzler, 2017; Exposito and Sanchis-Llopis, 2018). The important role of the owner-manager and his management team in driving innovation was observed in the early 1990s. It was subsequently confirmed through various works. The manager's determination to prioritize innovation in his company's development strategy seems to be crucial for its ability to innovate (St-Pierre et al., 2013). His willingness is manifested by the ability to generate and apply new concepts, as well as his ability to convince to adopt his innovative ideas. The strategic decision to initiate innovation activities is constrained by the assessment of risks and obstacles that could arise in the innovation process. It is obvious that a risk-averse leader inhibits all the innovation capacities of his teams. The implementation of an innovative project imposes the flexibility to face risks with methodology. This begins with the ability to identify them

and calculate the probability of their occurrence and leads to the exploration of the possibilities of dampening the shock or even avoiding it (Souitaris, 2001).

3. Conclusion

The literature reveals a set of factors, which can be described as innovation facilitators within the inter-organizational relationship, such as trust, reciprocal and credible commitment, the communication, the absorption capacity of the subcontractor, fairness and consistency of the investments made in the transaction. As well, it is important not to neglect the influence of market changes on the nature of the relationship between subcontractors and their customers.

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SMEs FINANCING - CAPITAL MARKET DIRECT FINANCING vs. BANKING SYSTEM

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Abstract: *The importance of the role played by SMEs in the global economy and their contribution to job creation, added value, innovation and growth is widely acknowledged, therefore it is extremely necessary to support their development. In order to be competitive, SMEs also rely on external financing, not only through financial institutions but also through direct participation in the capital market. Managers place great emphasis on financing their businesses, and most of the European companies relying primarily on bank loans as their most important source of founding, unlike in the United States of America, where the activity of stock exchanges is much more developed. This paper aims to study a shared analysis of the advantages and disadvantages of SMEs in Romania regarding financing through financial institutions vs direct participation in the capital market.*

Keywords: SME, bank financing, capital market

JEL classification: G15, G21

1. Introduction

The financing of SMEs, the engine of the economy, both on the capital market and through the banking system, has numerous benefits for the entrepreneurial environment and implicitly for the economy. SMEs request financing for investments or working capital, which leads to business development, and a developed business environment leads to a developed economy. Precisely because of this, the attention of governments around the world is turning towards SMEs and entrepreneurs, and towards the way in which they can be supported to become stronger and more sustainable.

The economy is in a continuous dynamic; the sources of financing are varied. This paper aims to study SMEs' access to financing from the perspective of intermediaries (financial institutions) and direct access to financing (capital market). The ways of financing SMEs differ depending on their type: micro-enterprises, small and medium-sized enterprises. In addition to the distinction of size, there are other characteristics, including seniority and the sector in which they operate, that require different approaches.

The distinction between different segments among SMEs is also important in terms of their financing needs and the different options to ease their financing constraints. Informal micro-entrepreneurs appear to be the 'ideal' clients for micro-financing institutions, which rely on community ties and 'informal types' of collaterals for their loans (Beck, 2013). Many mid-sized businesses, on the other extreme, may be candidates to look beyond the banking system to capital market types of financing, including private equity funds or even listing on the stock exchange. The intermediate segment, "small" enterprises, seems to be the most complicated, as they are often limited to banks as their only provider of formal financing.

The capital market represents one of the pillars of a developed economy and contributes to the development of a healthy economic environment. The main role of the capital market in the economy is to provide financing for companies that need additional capital and to facilitate the transfer of available capital from investors to companies that intend to capitalize through the capital market. Private companies began to increasingly consider attracting financing from the capital markets at the expense of other sources of financing,

an aspect that, in the long term, can result in the achievement of a general economic balance (Caraganciu, et al, 2005, p.10).

The paper is structured as follows: the first part contains introductory remarks regarding the importance and relevance of the topic addressed; the second part is dedicated to literature review that summarizes the main research undertaken so far on this topic and emphasizes the development of SMEs through accessing external financing represented by financial institutions and the capital market; the third part of the paper contains a comparative analysis of the advantages and disadvantages that SMEs have by accessing the financing offered on the two markets: the banking market and the capital market. The study ends with conclusions.

2. SMEs and the access to financing on the banking market and the capital market – literature review

If one takes into account SMEs' contribution to economic growth, supporting their development becomes obviously important. One of these channels through which SMEs contribute to economic development is that of creating new jobs. Recent cross-country survey evidence suggests that smaller firms not only provide the most jobs worldwide (Ayyagari, et al., 2007), but also create more jobs than larger firms (Ayyagar, et al., 2011).

Both the specialized literature and the empirical studies are ambiguous about the effect of the market structure and the banking sector competition on accessing financing. Related to the issue of market structure is that of bank size. It has often been assumed that smaller banks, with flatter hierarchies and shorter distance between the borrower and the final loan decision maker, are more favorable for small business lending because they are more efficient at processing soft information (Berger and Udell, 2006; Stein, 2002).

The traditional view of SMEs financing focuses on relationship lending. According to the empirical studies presented in his paper, Norden (2015) concludes that relationship lending works and customers rely on it to obtain larger loans and lower interest rates.

As far as the financing offered by the capital market is concerned, this is done either through the issue of bonds or through the issue of shares, an operation that directly impacts the equity (Darovanaia, 2005).

Most often, SMEs turn to the issue of shares to obtain financing on the capital market. By means of this financing method, SMEs obtain financing without immobilizing assets from the portfolio and without having a high cost of financing. The financing of SMEs through the capital market requires specific knowledge of the functioning of the capital market (Sechel & Nichita, 2010). This is its most important role in the economy: to facilitate the transfer of capital from entities holding capital to those seeking capital (Sechel I. C., 2012). The capital market also offers newly established SMEs the opportunity to obtain credit, unlike the banking system, where, without a financial history, they do not meet the eligibility criteria for obtaining bank loans.

3. SMEs in Romania - bank financing vs. financing on the capital market - advantages and disadvantages

In recent years, there has been an increase in the interest of Romanian SMEs in obtaining financing from the capital market, but despite this, the level is low compared to other countries, with the banking system holding supremacy. This is not true for SMEs in the United States of America, where a considerable percentage of companies are financed on the capital market. Due to the presence of foreign actors in the Romanian economy, both in the banking area and the stock market, the financial market has adapted to international standards. The development of the economy was supported by the development of the two components of the financial area, the banking market and the capital market. Initially, the banking market experienced a more accelerated development at the expense of the capital market. Probably due to lack of experience, fear and mistrust, some of the SMEs eligible for listing on the stock exchange did not consider this method of financing, limiting

themselves to obtaining financing through banking entities. A key element that led to the change of this perception was the development of the capital market in Romania, as well as the visible success of the companies listed on the Bucharest Stock Exchange.

From the perspective of financing, most SMEs accept the conditions imposed by banks. Of course, there are also cases of SMEs with good financial conditions and a long history of collaboration with the bank, which have the possibility of negotiating credit terms. As in the case of financing through the capital market, SMEs must meet a series of criteria that lead to the calculation of the scoring of the respective company and on the basis of which the crediting criteria can be established. Most of the existing scoring models are based on financial data. Generally, in Romania, from the category of SMEs, micro-enterprises and small enterprises opt for classical financing through the banking system, while medium-sized enterprises also consider the option of listing on the stock exchange.

A real advantage of the banking system is represented by short-term loans and the relatively short time in which banks provide companies with the necessary capital, in the case of credit lines and loans for short-term current needs. This type of lending cannot take place through the capital market, especially due to the longer period of issuing bonds or listing on the stock exchange.

Another difference between financing through the banking system and that through the capital market consists in the interest rate fluctuation on the banking market, this being influenced by the monetary policies at the level of the economy compared to the capital market, where in the case of bond issuance a fixed coupon rate is offered. In Romania, we still encounter a reluctance of companies to call on the capital market. Among the identified fears, one can name the following: directly affecting the company in case of financial crises, the reduced desire of companies participating in the capital market regarding the transparency of financial results, the fear of losing control of the companies, and even the increase in the level of bureaucracy in relation to the financial authorities and the investors. That is why many SMEs in Romania still prefer financing through the banking system. Even the companies listed on the stock exchange and which obtain their financing through the capital market, also turn to bank financing in parallel.

Table 1: Differences between direct financing through the capital market and financing through the banking system through a SWOT analysis

	<i>Financing through the capital market</i>	<i>Financing through the banking system</i>
<i>Strengths</i>	<p><i>The possibility of personalized financing according to needs</i></p> <p><i>Transparency of companies participating in the capital market</i></p> <p><i>Low financing costs</i></p>	<p><i>The main financing option for SMEs in Romania</i></p> <p><i>The financing is granted for a short period and within a short relationship term</i></p> <p><i>The stability of the banking system, which leads to a high confidence of SMEs</i></p> <p><i>Extended territorial coverage</i></p> <p><i>Continuous training of employees and adaptability to new realities</i></p>
<i>Weaknesses</i>	<p><i>The reluctance of companies to finance themselves on the capital market generated by the lack of trust</i></p> <p><i>High level of bureaucracy</i></p> <p><i>The need for qualified personnel in the relationship with investors and the authorities</i></p>	<p><i>The rigidity of financing criteria, especially for the category of micro-enterprises and small enterprises</i></p> <p><i>Request for guarantees</i></p> <p><i>Restrictive financing conditions for start-ups</i></p>

<i>Opportunities</i>	<i>Identifying the multitude of financing solutions New companies can be financed The opportunity to interact with various national and international companies</i>	<i>Financing SMEs by offering them customized products The import of technology and knowledge from the parent banks Accelerated digitization of the banking system</i>
<i>Threats</i>	<i>The quick reaction of the stock market to external factors, leading to the fluctuation of the company's value The risk of losing control of the company</i>	<i>Interest rate increases determined by external factors (financial crises, war) Failure to meet customers' needs and expectations</i>

Source: Own adaptation based on data provided by the Bucharest Stock Exchange and the National Bank of Romania

4. Conclusions

Supporting the development of SMEs, the engine of the economy, must be done by facilitating access to both bank financing and by supporting them in the financing process through the capital market by ensuring appropriate fiscal measures and a stable legislative framework. In some developed economies, the banking system no longer holds supremacy in lending activity. In Romania, we still encounter a reluctance of SMEs to apply for financing through the capital market, probably due to mistrust, fear, lack of experience. In order to change this perception, successful examples of SMEs financed on the capital market should be publicized.

Financing through the capital market as well as through the banking system offers both opportunities and risks, so a SWOT analysis can be done by any SME that needs financing and meets the criteria for both bank financing and direct financing on the capital market for choosing the best option according to needs. Thus, we consider that there is no correct or incorrect decision regarding the choice of one of the two financing methods, but rather it depends on the opportunities that SMEs consider to be more favorable at the time. Any option chosen must be supported, the final goal being stronger and more sustainable SMEs, which will lead to economic growth and implicitly a better standard of living.

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THE CONCEPTUAL FRAMEWORK, DIMENSIONS AND ACTORS OF ECONOMIC DIPLOMACY

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Abstract: *Lately, economic diplomacy has been gaining attention in the scientific studies, many of them focusing on the contribution of the diplomatic service and emphasizing the relevance of diplomatic relations in increasing the competitiveness and enhancing the economic growth and prosperity of states. This paper aims to present the conceptual framework, dimensions, instruments and the main actors of economic diplomacy. The purpose of the paper is to underline the role and the importance that economic diplomacy has at an international level, in the bilateral and multilateral relations between states and non-state actors and in helping states to fulfill their economic objectives.*

Keywords: economic diplomacy, foreign trade, exports, gravity model, economic growth.

JEL classification: F50, F53.

1. Introduction - early stages of economic diplomacy

According to Nicolson (1942), the beginnings of diplomacy, practices of so-called traditional diplomacy can be traced back to the Greek city-states, the first diplomatic practices consisting of simple negotiations conducted by representatives of one state with those of the other state. The beginnings of modern diplomacy, however, are associated with the Treaties of Westphalia (1648), which put an end to the 30 Years War, led to the end of Habsburg domination in Europe, and at the same time represented the recognition of diplomatic actions as an instrument of international relations (Miroiu et al. 2006). Gilpin (1981) claims that for the first time in history, the great powers of an international system came together at the Congress of Westphalia, where states were recognized as the sole international actors from a legal point of view. On that occasion, states' sovereignty was also emphasized, alongside the need for states to be the ones who decide upon their own fate, freely and equally. According to Berridge and James (2001), the Westphalian system is used to describe international relations after 1648, an international system in which members are secular, sovereign, independent and equal states, and their stability is ensured by three key elements: balance of power, diplomacy and international law.

Developments such as the creation of the Bretton Woods institutions after the Second World War (the World Bank and the International Monetary Fund), the oil crisis of the 1970s, the decline of American hegemony, the debts accumulated by developing countries in the 1980s, the financial crisis of East Asia in the 1990s, the development of the economies of India and China in the 2000s, are proof of the role played by international economic relations (Lee and Hocking, 2010).

Economic relations are one of the fundamental components of the international relations, and when it comes to the development of economic relations at an international level, trade had a fundamental role. Trade was the main generator of interstate relations, but also for war and conquest, diplomacy always being a manifestation of the struggle for power and control (Lianu, 2017). Along of trade volumes, economic relations were also strengthened, at an interstate and later international level. Therefore, the relationship between diplomacy and trade was always emphasized, being known that the Venetian diplomatic service, one

of the first diplomatic services, mostly dealt with commercial issues. The increase in the importance of trade not only had a major influence on diplomacy, but also led to a series of changes in the evolution of diplomatic practices, namely specialization (Nicolson, 1942) and the emergence of new forms of diplomacy, such as economic diplomacy. Although traditionally, the main objectives of diplomacy were political cooperation, maintaining security and peace, the changes that took place at a global level led to an adjustment of these objectives, causing an increase in the importance of the role of international economic relations in the field of diplomacy (Sanchez Perez-Castejon, 2012). Starting from 1970, economic diplomacy begins to stand out as a fundamental component of foreign relations, activities such as promoting exports and foreign direct investments becoming a priority and even sometimes surpassing other activities of political nature (Rana, 2011).

2. Defining economic diplomacy

When it comes to defining economic diplomacy, the scientific literature cannot decide upon a unanimous definition, each field of research focusing on distinct dimensions of this vast domain. Defining the concept is a complex process, because it is not limited to the fulfillment of economic or commercial objectives, but it also involves the fulfillment of major objectives of national interest, of political, strategic and economic nature, this being the reason for which states have developed strategies in the field economic diplomacy in order to ensure economic well-being and security (Bergeijk et. al., 2011).

In the Dictionary of Diplomacy, Berridge and James (2001) define economic diplomacy as that subdivision of diplomacy that deals with foreign policy issues and which, in order to achieve objectives, implies economic resources, either in the form of rewards or in the form of sanctions. At the same time, the authors differentiate economic diplomacy from the commercial activity specific to diplomatic missions, admitting, though, that the economic activity consists of monitoring economic developments and policies in the host state. Okano-Heijmans (2011) considers that, from the international relations point of view, economic diplomacy focuses on political issues related to national security, the national interest being defined through the lens of international stability.

From the international relations and the diplomatic perspective, the authors Woolcock and Bayne (2013) define it as a decision-making and negotiation process with an impact on international economic relations. In practice, it involves international coordination and financial arrangements, trade and investment negotiations, developing international policies, as well as the actions concerning the segment of international economic relations and those deriving from them. Economic diplomacy also implies adjusting the national and international political objectives to the current global economy and the state of interdependence. According to the two authors, economic diplomacy does not include promoting of exports or investments.

On the other hand, Saner and Yiu (2002) define economic diplomacy as the foreign trade and economic activity undertaken by foreign ministries in relation to various multilateral economic entities. According to Rana (2011) economic diplomacy is the activity aimed at promoting trade, promoting investment, attracting technology and supporting development. In contrast to the international relations approach, the economic one is related to understanding the national interest and the economic or financial means by which states intervene in the market. Studies mainly focus on the impact on international trade, on the business perspective or on larger conceptual questions through the lens of macroeconomic or micro-data research (Okano-Heijmans, 2011).

3. Actors, dimensions and instruments of economic diplomacy

In the post-modernist period, traditional diplomacy acquires new features, becoming more and more complex, as result of the involvement of actors that play a relevant role in the international relations system.

Global developments had a noticeable influence on the theoretical research regarding the actors of the international system. The monopoly that the realist current assigns to the state has known a series of controversies since the 1970s, when attention began to turn especially towards non-state actors, namely transnational ones (Miroiu et al., 2006). Satow characterized modern diplomacy as the application of intelligence and tact in order to achieve official relations between the government and independent states, considering that diplomatic activity is carried out exclusively by ministries of foreign affairs (Saner, Yiu, 2002). Nonetheless, even if economic diplomacy is specific to foreign ministries' activity, it also involves other external actors, and then foreign ministries are no longer monopolizing this segment, but working with all the branches of the governments, each having its share of activities specific to foreign policy (Rana, 2011).

Currently, there is a multitude of actors: international organizations, governmental, intergovernmental and non-governmental organizations, as well as transnational corporations, and the state, as an actor of the international system, is increasingly faced with competing claims to authority, exercised by non-state actors (Miroiu et al., 2006). Another classification of entities with a role in shaping international relations can be: subnational actors (example German states), supranational actors (EU, NAFTA) or non-state actors (NGOs and companies) (Saner, Yiu, 2002).

Depending on the actors involved, the role of economic diplomacy can be divided into two levels of implementation: microeconomic and macroeconomic. Economic diplomacy at a microeconomic level involves the individual support of some enterprises, targeting the individual actions of economic operators, while the macroeconomic level implies elements related to the development and protection of national interest in solving problems regarding the integration of the national economy in global economy, focusing on the interaction between national economic systems (Serban, 2010).

Also, activities related to economic diplomacy can be analyzed from a bilateral or multilateral perspective. While bilateral economic diplomacy is carried through internal bodies (ministries of foreign affairs, foreign trade) and external state bodies (economic sections of embassies, economic agencies and other bodies of states abroad), multilateral economic diplomacy has been institutionalized through bodies such as permanent missions or permanent representatives to international organizations.

3.1. Instruments of economic diplomacy

Diplomatic missions, embassies and consulates are considered instruments of economic diplomacy, and lately there has been an increase, both at a political and academic level, of the interest concerning their role in enhancing foreign trade and attracting investments. Scientific research has identified positive correlations between the presence and number of diplomatic missions and the increase in trade or attracting investments.

In Rana's opinion, diplomats are the current representatives of the states abroad and have the quality of "entrepreneurial ambassadors", who promote globally the external interest of the state they represent (Rana, 2018). In the assessment of the authors Moons and P. van Bergeijk (2016), the early studies on economic diplomacy (Pollins, 1989; Bergeijk 1992; Polachek 1997) mainly consisted of cross-sectional analyzes of the bilateral political relationships, which targeted data on events circumscribed to diplomatic cooperation. With the aim of identifying the existence of a causality relation between diplomatic representatives and foreign trade, recent studies mainly focus on the role of embassies, consulates, foreign offices/temporary export promotion offices, but also on official visits, trade missions or members of representatives.

4. Conclusions

The evolutions that have taken place internationally have amplified the complexity of the environment in which current economic diplomacy is conducted. In the current context, economic diplomacy faces the need to quickly adapt to the new nature of international economic relations, as it plays a relevant role in mitigating the impact of such challenges.

Although the conceptualization of economic diplomacy is a difficult process, as no unitary definition is used, economic diplomacy is one of the means by which states fulfill their economic objectives, both bilaterally and multilaterally.

Unlike the political dimension of diplomacy, the economic one has not benefited from the same attention, but in recent years, an increase in the interest towards economic diplomacy can be noted both at an academic and government level.

In conclusion, we are witnessing permanent changes in the field of international economic relations, a context in which economic diplomacy takes on an increasingly important role in international economic policy and interstate relations.

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OVERTOURISM: DEFINITIONS, CAUSES, SOLUTIONS

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Abstract: *Tourism industry is a branch of the economy that experienced the fastest growth in the world and it is undeniable that it represents a stimulating factor of the global economy. This article treats a relatively new tourism phenomenon, called overtourism, caused by overcrowding, created by tourists. Also, there are highlighted some aspects of this phenomenon and some solutions that could be implemented for reducing this aspect. We associate the idea of tourism with travel, well-being, recreation, comfort or wealth. Even if tourism brings significant benefits for the economy and it is absolutely normal for people to move from one place to another, tourist destinations can be seriously affected by a large number of tourists, who can destroy around them, even without realizing that. This is already a serious concern all over the world, because in some tourist destinations the situation is overwhelming and out of control, affecting both the quality of the physical environment, including cultural and patrimony, as well as the quality of life of the residents and environment. If more people would know the negative effects on tourism, the problems related to this field could be reduced.*

Keywords: tourism, overtourism

JEL Classification: A10, A13

1. Introduction

People have always been traveled for different reasons. Nowadays, taking into consideration the means of transportation and the infrastructure –very well developed in many countries- tourists have the opportunity to move to the wanted destinations, in a much shorter time and much further. Also, the tempting tourist offers, the attractive prices, the promotion of certain destinations, have contributed to the overcrowding of many tourist cities all over the world. Thus, the growth of agglomerations, also has brought its own challenges, and by 2013, Boniface was already signalling problems with the overcrowding of World Heritage Sites, a phenomenon that is now being linked with the idea of „overtourism” (Richards, 2018). Tourism, which by its specific nature, exploits natural conditions and cultural heritage values, has important negative consequences on the environment; thus, intensification of travel – particularity of modern development- accentuates these effects, endangering the very future development of tourism activity (Minciu, 2005). Also, many of the socio-cultural problems, associated with tourism, are linked to the level and intensity of tourism development, being at the same time very difficult to measure the relationship between tourist density and increasing the resentment of the local population (Băltărețu, 2006).

2. Definitions

The term „overtourism”, largely arose from media discourses, without much theoretical grounding. The issue it describes – an excessive negative impact on the host communities and/ or natural environment- has been a critical concern within academia for many years (Koens, Postma and Papp, 2018). Overtourism is still in the early stages to be defined and currently does not have a standardized, recognized characterization (Capocchi et al., 2019). Goodwin (2017), says that overtourism describes destinations where hosts or quests, locals or visitors, feel that there are too many visitors and that the quality of life in the area, or the quality of experience has deteriorated unacceptably and in 2019, Goodwin describes overtourism being a situation where residents or guests, locals or tourists, feel that the character of the experience of the place and the place itself, has been degraded by too many tourists. Also, European Parliament (2018), describes overtourism as a situation in which the impact of tourism, at a certain times and in certain locations, exceeds physical, ecological, social, economic, psychological and/or political capacity thresholds. UNWTO (2018), defines overtourism, the maximum number of people that may visit a tourist destination at the same time, without causing destruction of the physical, economic and socio-cultural environment and an unacceptable decrease in the quality of visitor`s satisfaction, and Thi Phi (2020), says that the manifestation of overtourism is commonly framed as agglomeration and endless queues.

3. Causes of overtourism

- Growth of population

Overtourism is therefore not a new topic, but it has become more prominent concern in a greater variety of destination types, as a number of tourists has increased (Wall, 2019), this fact was due to the growth of population in the world. Thus, total population in the world in 1960 was 3,03 billions, in 1990 it reached over 5.25 billions, and in 2021 it exceeded 7.83 billions (World Bank Data). Therefore, international tourist arrivals reached a total of 435 million in 1990, 674 millions in 2000, 953 millions in 2010, and 1,235 millions in 2016 (UNWTO, 2016).

- Low cost of travel

Speed is the essential attribute of air transport. For passengers, the evolution of aircrafts has led to the possibility of traveling much faster, but also in superior conditions of comfort and services, and the costs of operations have been substantially reduced in recent years, allowing more and more attractive prices, accessible for an increasingly wider public (Stănculescu, Micu, 2009). Therefore, low- cost companies have made easier the tourist circulation, practising in some situations, ridiculous prices. Also, there are other types of tourist transport, such as: road transport, rail transport – which is in a great competition with air transport, due to its speed, safety and comfort- , maritime transport – which in many cases is identified with cruise ships, limiting their access to many tourist destinations.

- Low cost of accommodation

Airbnb and similar portals have made it easier to find affordable accommodation, enabling more people to travel (Goodwin, 2019).

- Excessive promotion of tourist destinations

Taking into consideration the 21st century technology, the promotion of the tourist destination is easily done, using online. Some of the destinations, being excessively promoted, overcrowding is unavoidable, and to these can also add the travel agencies, which facilities and promotes the expansion of travel. While the tourism industry is growing, the travel agencies become more competitive, thus the quality of the type of services are increasing (Stănculescu, State, 2013).

- Seasonality

Seasonality brings overcrowding of the tourists, and the concentration of demand for holidays in certain periods of the year, as the main manifestation of seasonality, leads to the

overcrowding of means of transport, accommodation and food, of the other services and the employees (Minciu, 2005).

- Frequent vacations and the growing incomes of the population

More frequent holidays, even if they are shorter, have a major trend worldwide. Thus the fractionation of the holidays (2-3 per year), the increasing of the individual incomes, as a result of economic growth, intensify the tourist circulation.

4. Tourists behavior

According to Ph. Kotler, culture is the main factor of consumer desires and behavior, thus tourist behavior is determined by a multitude of cultural, social and personal factors. Collaboration between participants on the tourism market, has a great importance, therefore tourists should know the role of human behavior and they might:

- to choose destinations with environmental responsibilities;
- to integrate into host communities;
- not to disturb the locals;
- to carry out activities with little impact on the environment;
- to support environmental conservation activities(Pîrvu, 2015).

What we really want is a sustainable tourism. Public power is indisputed, thus governments should enforce the following measures:

- to cooperate with business people for sustainable political stability;
- to provide a stimulus policy that encourage balanced growth;
- to develop a program for assessing the impacts on tourist destinations;
- to control their load capacity (Pîrvu, 2015).

5. Conclusions

The issues of overtourism, as a result of tourist overcrowding, becomes more pressing day by day, under the pressure of commercial promotions, and which in the main tourist destinations can affect the environment and the quality of locals, as well. The decidents should establish a prohibitive legislation framework for certain areas which are under this risk, in order to protect the historical and cultural heritage. In the same time, more importance should be given to tourist attractions, which currently does not enjoy an intens promotion, which would lead to the decongestion of overcrowded areas, reorienting of the tourists to other places of interest

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THE SOCIAL NATURE OF THE GREEN ECONOMY

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Abstract: Today we are witnessing the world's attempt to move from the conventional economy to the green economy. In other words, we are some of the key players in this transition process, and our actions will have an important effect on progress towards a sustainable economy. With this article, we want to briefly highlight the social implications of the green economy. We also aim to present some of the reasons why too few people are committed to moving to a green economy and how aware they are of environmental issues. While there are several explanations for the low interest in undertaking sustainable activities, such as lack of financial resources, inaccessibility to information and others, we will focus on reasons based on people's personal desire to take a step towards change.

Keywords: green economy; climate change; social impacts; environmental awareness; green initiatives; sustainable development

JEL classification: A14; E71

1. Introduction

Over the past two decades, climate change has been increasingly visible and has happened faster and worse than anticipated. These imbalances have not been perceived as an acute problem, but rather as a chronic problem, requiring ongoing management and monitoring, according to The Green Future Index 2021 report (MIT Technology Review Insights, 2021). These phenomena have also been among the most debated topics over the past two decades, and the results arrived at by experts at the Intergovernmental Panel on Climate Change (2021), show that the past 4 decades have been steadily increasing warmer than any previous decade since 1850. In the last decade, more specifically between 2011-2020, there has been a global temperature increase of 1.09°C compared to 1850-1900. To some, this result may seem insignificant, but this numerically small result has far-reaching effects on the whole world, including increased rainfall, forest fires that have destroyed hundreds of thousands of km², countless lives lost due to extreme weather events, and the disappearance of particular species of fauna and vegetation. (European Council, 2022) These results from natural disasters should make us more aware of environmental issues, so that we want change for the better, both for ourselves and for the environment.

Analysing the causes of climate change, it was found that natural resources have been exploited too intensively. If the patterns of growth and consumption used over the last century continue, the natural environment will suffer irreversible damage. Therefore we, the ordinary citizens, will be negatively affected. Thus, for the economy to develop, phrases such as 'green economy', 'green development' or 'green industry' are being promoted. All the phrases in this family of words are aimed primarily at devising models of sustainable growth and industrial development, the effects of which are visible in terms of improved human well-being and social equity. Considering this aspect, we can deduce that the green economy is not only economic and ecological, but also social. More specifically, the economic and environmental effects of the sustainable economy will also have an impact on the social aspects of the population.

2. Social impacts of the green economy

To define the concept of "green economy", we refer to the definition given by the United Nations Environment Programme (2011), a definition which is one of the most frequently used definitions of this concept: *"[A] green economy [is] one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities"*. The effects of such an economy are not limited to economic and environmental effects, but go beyond that to social effects, as is also stated in the definition of this concept.

As expected, adopting a sustainable economy will have a considerable impact on improving health, due to reduced air pollution. Experts (Haines & Ebi, 2019) in the field believe that the use of renewable energy instead of non-renewable energy will lead to a decrease in the expected annual deaths of about 4 million, deaths from chronic heart and lung disease, stroke and other causes.

Another element that will be positively influenced by the green economy is the well-being of citizens. Although there are many definitions for the term wellbeing, most consider that the term is identified with abstract concepts such as happiness, satisfaction with different areas of their lives or with their personal relationships or the meaning of their lives, and/or stress. They also all see a strong link between this term and other terms such as wealth, education, health, environment or economic growth. Moreover, some studies (Ortega-Gil, Cortes-Sierra, & ElHichou-Ahmed, 2020) show that certain factors related to sustainable development, economic and technological growth, as well as renewable energy consumption, can influence well-being growth over time.

In addition to improving people's health and well-being, the green economy also emphasises another important social element, namely education. Studies show that a higher level of education leads to a higher level of awareness among younger generations that natural resources should be used carefully and that the environment should be protected (Stukola & Simakhova, 2019). As a result of citizens' awareness of what the green economy involves, their responsibility will increase and citizens will be involved in more environmental activities, such as: planting trees, recycling household waste, cleaning forests and rivers, etc.

3. Environmental awareness

Are we, as ordinary citizens, aware that the phenomena that have occurred because of climate change are an effect of our behaviour? We tend to think that there are enough people who do not ask themselves such a question. But even people who think about the impact their actions have on nature may have a misperception of them. In 2021, "The Perils of Perception" report (IPSOS, 2021), leading a survey of 30 countries around the world to assess people's perceptions of climate change, showed that most people underestimate actions that really have a big impact on the environment and overestimate actions that don't have such a damaging impact. Moreover, few people really see the negative effects of polluting activities and are little concerned that recent years have been the hottest on record, affecting a wide range of life, from wildlife and vegetation to human life. All we can do now is ask ourselves, why are we so careless?

We are well aware that for years, specialists in the fields of human anatomy and physiology, as well as psychology, have demonstrated that humans have the ability to reason and discern right from wrong. The IPSOS poll in 2021 showed that on average only 69% of a sample of 21.011 adults aged 16-74 agreed with the statement "I understand what action I need to take to play my part in tackling climate change". But are they playing their part in "tackling" climate change? Unfortunately, too few are doing anything about it. This is because they are trapped in their own comfort, their own routines or their own perceptions.

Authors in the literature describe how society is trapped within itself. What does this mean? Bodea (2022) argues how we humans are loyal to norms or even rituals. Thus, we manifest a kind of inflexibility or intolerance, sometimes taken to extremes, through forms of strictness or radicalism. But how has society become captive within itself? The answer may be one or all of the following: lack of initiative, self-satisfaction or enslavement.

We would like to support the above ideas with some concrete examples. As for the lack of initiative, the results of the 2021 IPSOS survey help us. From these we see how few people are showing interest in the rising temperatures of recent years. Asked if they knew "Since 2015, how many years have been the warmest so far?", only 4% of respondents knew the correct answer, i.e. that all years from 2015 to 2020 were considered the warmest. The World Meteorological Organization (2021) showed that the warmest year was 2020, when the global average temperature was 14,9°C, about 1,2°C warmer than the pre-industrial period (1850-1900).

Self-satisfaction manifests itself in a lack of reaction as a result of not caring what happens to others (Bodea, 2022). An appropriate example in this context was the response given by respondents to the questionnaire conducted by IPSOS in 2021. Two thirds of them claimed that the main reason for internal displacement was conflict-based, i.e. manifested in wars, criminal and political violence. But the real reason for internal displacement was climate change, manifested by hurricanes, floods or storms. The Global Report on Internal Displacement (Internal Displacement Monitoring Centre, 2020) shows that as of 31 December 2019, 5.1 million people were internally displaced due to disasters in 95 countries and territories, of which 90% were displaced only during 2019, with the rest accumulated from previous years. However, it is noted in the report that this figure is underestimated as too little data is collected on such internal displacement. This is a very useful example to understand that while some of us are not severely affected by climate change, others lose everything they have gained in a lifetime due to extreme weather events.

The last aspect we want to exemplify is enslavement. In our view, this term refers to the way in which we, as citizens, are "enslaved" by the ideas or norms we have grown up with. Starting from the nucleus - the family - to the society in which a human being develops, everything influences him and his vision of everything in the world is "sculpted" by his environment. Thus, if we refer to lifestyle, more specifically, to food style, we see that many people show a kind of intolerance, even unacceptance of vegetarianism, believing that without meat, man cannot survive. The enslavement to this perception, together with the lack of flexibility in trying to give up meat, is another factor that will not help sustainable economic development. Ritchie (2020) shows us that the famous phrase "Eat local" is not enough to reduce greenhouse gas emissions. It is also shown that there is a big difference between producing a kilogram of beef and producing a kilogram of peas in terms of greenhouse gas emissions: 60 kg greenhouse gas (CO₂ equivalent) for a kilogram of beef, while only 1 kg greenhouse gas (CO₂ equivalent) for a kilogram of peas.

4. Conclusions

Reviewing the above, it is important to understand that the benefits of the green economy are not only in the economic and ecological sphere, but also in the social one. More specifically, one of the aims of the green economy is to increase the well-being of the population. Thus, the more we become aware of environmental problems and the more we get involved in tackling them, i.e. by adopting a positive attitude towards what the sustainable economy implies, the better we will live. Moreover, let us not forget the remarkable statement by the Secretary-General of the United Nations, António Guterres: *"Making peace with nature is the defining task of the 21st century. It must be the top priority for everyone, everywhere"* (World Meteorological Organization, 2021). This

complements the above and reinforces the idea that we have a responsibility to protect nature in order to live in a prosperous environment.

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SHORT OVERVIEW OF UKRAINIAN MIGRATION

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Abstract:

More than ever, the process of contemporary migration is interconnected, requiring a unified approach, based on the diversity of forms generated by the increasingly complex political, social and economic context (Smith, 2012; King, 2012). This paper aims as a descriptive analysis of the evolution of migration and asylum seekers from Ukraine to EU after 2013 to present, from the separatist conflict in 2014 to the recent statistics after the recent war. The main sources of data used are Eurostat statistics on population and migration of people and the National Institute of Statistics of Romania. The paper presents two specific topics: the mobility of Ukraine citizens pre war and after 24 February 2022 and the paper will present who are the people with the right to stay in the EU until the start of the war and the main destinations of refugees thus making a correlation between the two. This study aims to be relevant in understanding the relationship between migration and the asylum seekers country of destination.

Keywords: Human Resources • Human Development • Income Distribution • Migration

JEL classification: R23, F22, O15

1.Introduction

In the actual context of the current military invasion and the massive flows of refugees from Ukraine to the European Union as of February 24, 2022. The image prior to the invasion of Russia is composed of the number of Ukrainian citizens who have acquired citizenship, the right of residence or asylum seekers in one of the European Union states between 2013 and 2020. The paper starts from the review of the existing literature in the field of labor migration so that, subsequently, it focuses on the results and interpretation of the answers in relation to the objectives of research and integration, in order to support with data the theories that will be presented and to answer the future questions. The research is both descriptive and analytical as it includes not only the presentation of the results, but also their comparative analysis.

2.Ukrainian citizens who have the right to stay in the European Union

In 2020, in the European Union about 1.35 million Ukrainian citizens held a residence permit. Of these, about 1.5 million people have a residence permit lasting more than 12 months, these data indicated a permanent Ukrainian diaspora. In 2020, Ukrainian citizens were the third most presented non-EU diaspora, followed by Turkish and Moroccan citizens.

There is an upward trend in the period 2013-2020 for Ukraine, we are basically seeing a total increase of around 60% of the total number of residence permits. We can also see a decrease for Turkey but also a stagnation for Siria. In absolute values, there was an increase of about 0.5 million permits in the last 7 years of Ukrainian citizens in any EU member country.

Countries where an increase of the number of Ukrainian citizens can be observed, there are five EU countries: Poland (+323 890), the Czech Republic (+58 319), Hungary (+44

718), Slovakia (+33 660) and Lithuania (+27 687). In total, these five countries contributed 97% of the growth in the EU.

There is also a significant decrease in several European Union countries, we are talking about Germany with a -29 598 citizens, Portugal with -12 462 and Italy with -10 126. Each of these decreases can be explained by the miscorrection of the number of short-term residence permits granted.

As regards residence permits for a duration for maximum of 12 months, an increase (+376 776) can be observed, an increase resulting mainly in five EU member states: Poland (+199 710), the Czech Republic (+61 230), Hungary (+32 033), Slovakia (+31 030) and Lithuania (+27 881). Poland alone contributed 53.0% of the total permits granted by the European Union to Ukrainian citizens. Practically in the 5 countries mentioned above there are 3/4 of the number of Ukrainian citizens in the European Union: Poland (22%), Italy (21%), the Czech Republic (15.6%), Spain (9%) and Germany (7.7%)

3. Ukrainians benefiting from temporary protection from the EU after 24 February

3.1 Current situation

After the start of the invasion on February 24, 2022, we are talking about at least 12 million Ukrainians who have left, according to the UN, of these about five million have migrated to neighboring countries and we can talk about another seven million of people are refugees inside the country. From the start of the war over 5.3 million refugees from Ukraine are registered throughout Europe of which about 3.5 million people have applied for asylum in another country:

Table 1

Country	As of date	Number of refugees
Poland	11/1/2022	1,469,032
Germany	11/1/2022	1,008,935
Czechia	10/31/2022	455,731
Italy	10/31/2022	171,546
Spain	10/31/2022	150,460
United Kingdom	10/24/2022	140,300
France	10/31/2022	118,994
Slovakia	11/1/2022	99,393
Moldova	11/1/2022	95,473
Romania	11/1/2022	87,853
Austria	11/1/2022	85,415

Source: Eurostat, 2022

Most of them arrived in other countries did not necessarily remain in the border countries. According to the UN, there are also over 868,000 Ukrainian citizen in Germany, almost 383 hundreds of thousands in the Czech Republic and 142 hundreds of thousands in Italy. Some Ukrainian citizens have traveled to Russia from the occupied regions by the Russian army.

3.2 Monthly evolution of migration since the start of the war

Below we have presented the analysis of the evolution of the number of Ukrainian refugees in the European Union from May to August during this year month by month. The trend is maintained month by month, the recipient countries being about the same.

- May, at the start of the war, the country that provided highest number of asylum applications to Ukrainians was Poland 96000 followed by Romania with approximative 21.000 and Bulgaria with approximative 19.000.

- June, Poland granted the highest number of asylum applications statuses to Ukrainian citizens 60000 followed by Romania with 10000, Ireland 7000 and Bulgaria with also 7000.
- July, Poland granted the highest number of asylum applications statuses to Ukrainians 60000 followed by Italy 11 000, Romania 7000, Bulgaria 6500 and Spain 6300.
- August, Poland granted the highest number asylum applications statuses to Ukrainians 67000 followed by Germany with 62000, Romania 10000, France 6500 and Spain 6000. Poland currently has about 1.4 million Ukrainians beneficiaries of asylum application decisions. Spain 140000 Bulgaria 130000, Slovakia 87000 and Romania with 86000.

4. Conclusions

We can conclude that in the context of the current invasion, refugees will generally go to the neighboring states or to the states where there is already a pre-war diaspora. This is due to both personal relationships and cultural closeness, but also to the routes already known for the previous economic migration. So if the main pre-war destination was Poland, now Poland is also the recipient country for most of the refugees. Also comparing the first 5 countries that had an important pre-war diaspora, in the top of the destination of refugees there are 3 of them as the main destination given that one (Lithuania) cannot be accessed directly.

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PREVENTING FOOD WASTE THROUGH DIGITAL MEDIA

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Abstract: *This paper aims to highlight the food waste impact on consumers and the environment. The research goal is to gather information regarding the current state of food waste and prevention possibilities to critically analyse the opportunities to manage and reduce food waste by influencing consumer behaviour through digital media. The research entails a specialized literature review, an academic theoretical discussion and conclusions with the scope of identifying a specific way for food waste prevention by influencing consumer behaviour through digital media.*

Keywords: sustainability, food waste, digital media, consumer behaviour.

JEL classification: D16, E21, F64, L66, M31, O44, Q53 Q56,

1. Background

One may observe the climate changes and their impact on the components of the climate system in all regions of the Earth. Many changes are unprecedented or not recorded for hundreds or even thousands of years (IPCC, 2022). Also, at the level of all regions of the world, the problem of food waste is identified, which requires global integrated solutions (Żmieńka and Staniszewski, 2020).

The constant growth of the world's population increases food consumption because eating is a basic need of every individual, and that stimulates food waste accumulation. The waste resulting from the agricultural and food sectors forms food waste which could lead to various health problems for humanity and environmental problems (Sharma et al., 2021).

Nowadays, food production could feed the entire population on Earth, but nutritious food disproportionately reaches people. Responsible production and consumption are the 12th sustainable development objective from the 17 United Nations' Sustainable Development Goals (United Nations, 2015).

In Romania, food waste regulations became available in 2017, but the methodological rules were only in 2019. According to the legislation, to reduce food waste, economic agents must act in this direction to offer products close to the limit of their validity period at a reduced price (Stanciu et al., 2022). One can consider that the newest trends that combat the waste that occurs alongside the food supply chain (FSC) emphasize the role of digital transformation and the inclusion of technological advances in all stages of the FSC (Abideen et al., 2021).

2. Food waste prevention through digital media

Technological advance has given companies new opportunities and novel ways to create value through the prism of digital media (Scuotto et al., 2020).

Retail stores selling foodstuffs can deliver a specific message to consumers faster and more efficiently through digital media. For example, in the case of perishable products, a company can post, on social media, information about in-store discounts and can even attach pictures and video content to increase the appeal of the posts (Ciulli et al., 2019). Content posted on media platforms can be diverse. For example, last-minute discounts on perishable products or products close to expiration can be beneficial. Consumers prefer to purchase this type of product due to the much lower cost (Stummer et al., 2018).

By creating such a digital platform, companies and consumers stand to gain. Consumers can subscribe to this platform, and as their number grows, more food waste can be reduced (Mullick et al., 2021).

A digital platform for selling perishable products at reduced prices may prove to be beneficial to consumers. First, it brings them a social responsibility benefit because it helps reduce food waste (Van Geffen et al., 2020). Second, by purchasing these discounted products, customers save money. So, two great benefits brought to consumers are visible, a moral one and an economic one (Souza et al., 2021).

In addition to digital platforms, social networks play an essential role in uniting people with the same interests. These allow them to share information and knowledge, create different types of content, and collaborate and interact with users with similar interests and opinions (Sujata et al., 2019).

Currently, the average number of hours spent on social media platforms is considered excessive (Koay et al., 2021), so the Government and non-governmental organizations have used this information and chosen to promote the adoption of conscious behaviour on social networks, environment and sustainable consumption (Teoh, Koay, Chai, 2021).

Chen concluded that one could solve climate problems by promoting ecological behaviour and consumption of sustainable products on social networks (Chen et al., 2019). In addition, Teoh, Koay and Chai believe that sharing on social media the undesirable effects of food waste can have positive effects and lead to a decrease in food waste (Teoh, Koay, Chai, 2021).

3. Influencing consumer behaviour

Impulsive buying represents a spontaneous purchase unplanned before the buying process that the consumer does not necessarily need because it does not fulfil a need, and its realization had triggered after the interaction with a specific sensory stimulus (Beatty & Ferrell, 1998).

Impulsive buying occurs to a greater extent in goods with low to medium prices because goods with high prices represent a cost that may have future implications for consumers, and the existence possibility of these implications may cause consumers to become more aware of the importance of the buying process. Thus, impulsive buying is more likely to occur in the food industry because food is consumer goods with low prices, excluding luxury food, which stimulates four out of five stimulus receptors.

Also, nowadays, the online environment presents significant opportunities for the promotion of this industry. Moreover, impulse buying is more likely to appear online because there is no social pressure from external factors (other buyers who can observe what you buy). Also, anonymity stimulates impulse buying because it covers part of the responsibility of the decision-making process involved in the purchase but also part of the risks of long-term involvement (Sun & Wu, 2014).

The evolution of the Internet and social networks has facilitated access to information and the existence of new products on the market. Also, social networks offer the possibility of transparency regarding the products sold and bilateral communication between producers and consumers. On the opposite pole, social networks do not show professional credibility because one could use the available information in such a way as to fulfil a specific purpose of the company. The notoriety and use of social networks present the opportunity for a significant impact on influencing consumer behaviour (Henderson, 2017).

4. Conclusion

In conclusion, food waste entails a significant global impact, and the use of the digital environment facilitates the prevention of food waste because it has a large audience. Using digital tools, retailers make campaigns that use the strategy of promotional prices for foods that are approaching the expiration date but using a promotion that relies on impulsive consumption could increase the effectiveness of the promotional campaign. From an economic point of view, traders no longer have losses generated by expired food, and they support their campaign by reducing food waste and supporting Sustainable Development Goal no. 12.

Thus, the research lays the foundations for a future research direction through which it is possible to analyse the possibility of increasing the chance to reach consumers susceptible to external influences and influence their consumption behaviour in a way that favours sustainability.

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HISTORY OF CULTURAL TOURISM

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Abstract: *Tourism, like other branches of the economy, is developing more and more, also over the years new forms of tourism have emerged. Among these forms of tourism is cultural tourism. We cannot determine which of these forms is older or which of these is more beneficial to the economy. What we can say is that at the moment they are interdependent, close, developing with great success in many places on Earth, some of which become successful destinations. At its base, this type of tourism is based on a diversified range of resources, such as: artists, artisans, historical vestiges, fortresses, museums, urban ensembles, with their help achieving a classification of cultural tourism according to the objective pursued.*

Key words: cultural tourism; tourists; culture; economy;

JEL classification: Z32

One of the most important sectors of the economy with extraordinary dynamics is tourism. Tourism has the opportunity to turn certain destinations into magnets for tourist demand. Tourism has always had a very important role, people travel since ancient times for various reasons, even in periods when there were various dangers, political instability, lack of infrastructure, etc., tourist activity was not interrupted.

Since antiquity, travel has been a means of spiritual, human and cultural development. In the course of changing times, the way one can travel has changed radically, but the motivational factor has not changed. It is confirmed that the main purposes of the trip were those related to trade, military, health or cultural. The oldest tourist event spent in the history of tourism, took place in antiquity, it happened in 776 i. Hr. , was held in ancient Greece, being the Olympics of the Olympic Games. The first time the concept of "tourist product" appeared in 1700. It was a program that included visiting the largest cities: Paris, Turin, Florence, Rome, Naples, Vienna and the Rhine Valley. If we were to remain in the sphere of historical evolution of tourism, in 1841 the first travel agency in the world was founded by Thomas Cook. Later it is realized how important tourism is in the economy, so in 1914, in France, the World Tourism Office was established, then in 1975 the World Tourism Organization was born. Tourism, in addition to preserving the resources, customs and traditions of a destination, also contributes to the preservation of peace. Along with religious tourism and health tourism is cultural tourism, this form of tourism experiencing an important momentum, the parties involved always benefiting.

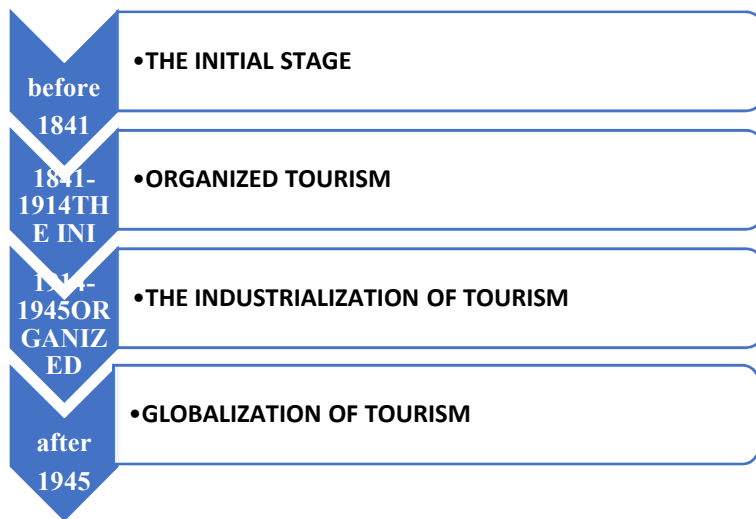


Fig.1 Historical landmarks of tourism
Source: Own processing

As an object of study and research, cultural tourism began to receive due attention from the twentieth century onwards. A definition of cultural tourism would be: "Cultural and cultural – cognitive tourism is that form of tourism that focuses on the cultural environment and which in turn includes the cultural and historical landmarks of a destination or the cultural-historical heritage, the values and lifestyle of the local population, the arts, crafts, traditions and customs of the local population." (International Council of Monuments and Sites, 2002). The World Tourism Organisation also defines cultural tourism as: "excursions whose main or secondary purpose is to visit sites and those events whose cultural and historical value has made them a part of the cultural heritage of a community" (WHO Report 2012). Starting from these definitions, we can say that an important feature of this type of tourism is given by cultural heritage, as a set of cultural values that are carriers of historical memory, national identity and have a scientific or cultural value (Law of Cultural Heritage, Article 2, paragraph 1). Cultural tourism is a tool for economic development, which leads to economic growth by attracting tourists, who want to interact with the cultural environment of society or place.

Depending on the motivation, behavior and activity of tourists, cultural tourism can be classified as follows:

1. Urban cultural tourism;
2. Rural cultural tourism;
3. Heritage tourism;
4. Artistic tourism;
5. Creative tourism;
6. Contemporary cultural tourism.

In Europe, cultural tourism has always been appreciated, European destinations as well as rich culture along with historical legacies have always attracted tourists. Cultural heritage in Europe is one of the most important cultural heritages of tourism development. Through cultural tourism, reference can be made to tourism in urban areas, in historical or large cities, which with the help of cultural facilities such as museums and theaters attract tourists. Also, tourism in rural areas, which present their traditions, customs, history or with the help of various recreational activities attracts tourists eager to relax and get rid of everyday stress or learn the history, culture of the respective

region. Visiting cultures other than yourself, for example traveling to a foreign country, visiting historical sites, modern urban neighborhoods, ethnic groups of different regions, participating in different fairs or festivals, attract tourists eager to discover and try something new. The term cultural tourism is used for travelers who include visits to cultural resources, whether tangible or intangible cultural resources, and regardless of the main motivation.

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Conclusions:

Cultural tourism can help preserve and promote the cultural heritage that must be preserved and passed down from generation to generation through the educational process. The importance of preserving national values, preserving and promoting traditions in contemporary society is constituted by the need to know our history, customs, folklore and crafts that our ancestors have preserved and transmitted.

The quality of cultural tourism does not depend only on cultural heritage, it also depends on how the cultural environment is governed and on the interest of the parties involved. While it is aimed at satisfying the interests and requirements of tourists, which can turn into being a priority, it is very important to analyze residents. The development of a tourist destination must be set to a minimum, so as not to endanger and not to abuse those who live in that destination. Cultural tourists need not only to know the location, but also to contribute to its preservation and preservation.

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HUMAN CAPITAL DEVELOPMENT. ITS INCLUSION IN FINANCIAL STATEMENTS AND ACCOUNTING REPORTS

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Abstract: *Human capital is an indispensable element that strongly contributes to the success and performance of organizations, being considered the most valuable resource of companies. This study aims to bring to the fore the development of human capital and, at the same time, to identify the position of accounting experts regarding the quantification of human capital and how this measurement can contribute to obtaining a more accurate and faithful picture of the financial position of the company. Therefore, to achieve these objectives, a survey was created and distributed to the members of the Body of Expert and Licensed Accountants of Romania (C.E.C.C.A.R.), thus obtaining 139 responses. The results show that 122 of the respondents consider it necessary to quantify human capital, but at the same time, 80 of these respondents do not consider that once human capital is measured, it should be included in the financial statements. This paper can provide an updated picture of the point of view of accounting professionals who have participated in the research on human capital, but also a starting point for the future steps of entrepreneurs in terms of human capital development.*

Keywords: human capital development, human capital quantification, human capital in financial statements, human capital measurement challenges.

JEL classification: J24, O15, M41

1. Introduction

The concept of human capital encompasses a wide range of human attributes such as knowledge, skill sets, personality traits, attitudes, and values, as well as other characteristics developed through education and personal experiences that can lead to performance and productivity in the workplace (Backman, Gabe and Mellander, 2016; Debrah, Oseghale and Adams, 2017; Pennings, Lee and van Witteloostuijn, 1998; Lenihan, McGuirk and Murphy, 2019).

According to Kotler (2011), for a company to be sustainable, radical changes are needed in all company departments. Companies must implement sustainability practices to achieve synergistic effects and maximize revenues (Jianu, Țurlea and Gușatu, 2015), and this can only be achieved through the experience and knowledge provided by human capital.

Jianu, Țurlea and Gușatu (2015) believed that the sustainable business must have a structure (based, among others, on marketing and sustainability reporting) and tools to assess the impact of structure on company's performance.

Ratti (2012) points out that, to a large extent, the success of any company depends on the quality of the people who work in it. In other words, human capital is the most important resource and the greatest asset a company can have.

All activities and processes of the organization are operated by human capital, and this fact demonstrates the importance of human resources in the existence and development of companies. Therefore, the quantification of human capital is a necessity in building a realistic and faithful picture of the resources available to a company, and information related to the evaluation of human capital should be provided to management, investors, and other interested actors by including them in the financial statements or in accounting reports.

2. Literature Review

Different countries have different labor laws, which means that human resources are treated differently in terms of job evaluation, job placement, remuneration and retirement plans. This means that the harmonization of international accounting standards would create a problem.

Some researchers believed that including human resources in financial statements would dehumanize people and treat them like machines. Oseni and Igbinosa (2015) suggest that even if human resources are included in the financial statements, there should be a separate report on human capital that would provide statistics and other facts about a company's level of human capital. A company does not have full control over human resources because they are hired and not purchased, and the worker can leave the company at any time. A balance sheet of a company experiencing a high turnover rate the labor force would be unstable if the human resource is reported as an asset, this having decisional implications. As a result, it is of interest what professional accountants in Romania think about this subject.

3. Methodology

The main purpose of this research is to bring to the fore the development of human capital and at the same time to identify the position of accounting experts regarding the quantification of human capital and how this measurement can contribute to obtaining a correct and accurate picture of the financial position of the company. Therefore, a survey that contain a maximum number of 32 questions relevant to this research was sent for completion.

4. Data

The population to which this form was sent consists of members of the C.E.C.C.A.R. with legal personality, whose professional visa for the current year (2022) is valid, excluding freelancers and affiliated members whose email addresses are not found in the Members Table, available on www.ceccar.ro. Therefore, a sample size includes 2,177 C.E.C.C.A.R. members. Among them, only 139 respondents with at least the qualification of accountant participated by filling out the form. 112 companies had incorrect or missing email address.

5. Results

The 139 respondents are professionals with rich experience in the field, the professional reasoning being developed through the prism of the experience acquired throughout the activity, but also through the courses completed and the professional qualifications obtained.

To the question related to the importance of human capital in the operation and development of a business, scores were given starting from 0, meaning not at all important, to 10, meaning that this resource is very important for the company. 96 out of 139 respondents answered with maximum points, considering that it occupies a very important role in business, being vital for the proper functioning, but also for the development and sustainability of businesses.

Referring to the professional development of the respondents, 94% of them are of the opinion that continuous professional development is very important for the activity they carry out, and the responsibility for the level of professional training rests with both the respondents and the companies (66%). A percentage of 34% of respondents believe that the responsibility for their professional development rests only with them.

The quality of human capital influences the performance of companies. 88% of respondents believe that it is necessary to quantify this resource available to the company, in this case human capital, so that the image of the company is presented in a more faithful and realistic way. Therefore, this resource can generate future economic benefits for the company, benefits that could influence its image in one way or another.

Although 122 respondents believe that it is necessary to quantify human capital, only 42 of them consider that, once quantified, it should be presented in the financial statements, respectively in the balance sheet. This result can also be caused by the lack of a way to measure human capital that is generally valid, in the same unitary way, for all companies.

Among the respondents who believe that this resource should be presented in the financial statements, 17 are of the opinion that the classification of human capital should be done in the form F30 – Informative data, 7 within the assets, 7 within the explanatory notes or annexes, 1 in equity, 1 in financial result, 1 in personnel data, more precisely in salary expenses, 1 in class 4, and 7 answers were invalid.

6. Conclusion

Human capital can represent the main asset that a company has in front of its competitors, and investments in increasing the quality of this resource should not be neglected, because its quality can make the difference, leading to the creation of economic advantage.

Most of the accounting professionals who participated in the research believe that the responsibility for their professional development rests with them as well as with the company in which they work. As a result, companies must support this approach, to the benefit of both parties, by thinking about and making available to employees plans for training courses that they can participate in.

Also, the research results show us the desire of professionals in the field to measure human capital in order to provide the most accurate picture of the resources available to the company, but most are convinced that this measurement of human capital should not be included in the financial statements, respectively in the balance sheet of the company, because there is no clear way to achieve this and in the same uniform way in all companies.

For the other category of respondents who want the inclusion of human capital in accounting, the answers are divided regarding the section in which this quantification should be included. Most of them consider that it should be detailed in the Form F30 – Informative data, together with other information on human capital, such as: information about professional training of employees, but also of managers, so that interested actors have information available about the management of the company, the level of training and qualification of both them and the employees. This is quite difficult to achieve because human capital is a sensitive resource for the company.

So, until a universally valid method of quantifying human capital is established, it is difficult to talk about its evaluation in a unified way, so that the data on this resource of companies can be compared with each other.

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IMPROVING EFFICIENCY OF THE HUMAN RESOURCES MANAGEMENT IN ORDER TO INCREASE THE PERFORMANCE IN THE ROMANIAN POLICE

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Abstract: *The importance and the motivation of the research about the institutions which ensure and maintain the public order and safety is given by the inherent role of this activity for the society, but also by the fact that the purpose of the research is to modernize and improve the management system in order to ensure the quality of the police service, a service which must be performed with transparency and professionalism. The general objective of the research is the analysis of the management system in police units, as MAI organizations and the identification of good practices and of ways for improving efficiency of the human resources management of the police units in order to increase the satisfaction degree of the public interest. Satisfying the public interest, and maintaining economic and social efficiency and effectiveness, means that the police activity should be oriented towards the future, by anticipating the changes from the social and economic environment and stimulating the involvement of the whole community in the activity of crime prevention and fighting. Today, in 2022 we ask whether police activity in Romania has to be modified after the western patterns or it is necessary to consider cultural attitudes and old ideologies that may influence the performance of organizational change process.*

Keywords: Police management; Performance management; Policing, Police reform, New public management, Public administration

JEL Classification: O15

1. INTRODUCTION

Police performance affects people's daily lives. There are many stakeholders in police performance, but the most important are those served by the police forces: the population itself. Police authorities, as representatives of local communities, have a wide role to play in ensuring an efficient police service, effective in managing the performance of police authorities.

In the context of rapid change and the evolution of society, a proper understanding of what "performance" really means is very important for police officers and staff at all levels of the police force responsible for the safety of the community. Correlations and determinants of performance are also significant to ensure that the right actions are taken to improve police performance.

Making a connection between performance and budget generates a sense of responsibility among police officers by focusing on the results and the quality of the services that the police provide to the community.

1.1 What do we mean by police performance?

The police have a key role in society in fighting crime and ensuring the safety of the community. They are one of the most fundamental and recognized service providers in our local communities, and their responsibilities extend across a very wide range of activities. Just a few of the things we rely on the police for are:

- Prevention of crimes of all kinds, from thefts to fraud
- Catching criminals and helping to ensure they are brought to justice

- Disrupting organised criminal groups and fighting cross-border crime
- Providing assurances (e.g., through visible police presence) and helping to reduce criminality
- Promoting public safety (e.g., by stopping dangerous drivers or managing public unrest and antisocial behaviour)

1.2 What do we mean by performance management?

Performance management it can be useful to see as a cyclical process, which involves at its most basic level:

- Prioritisation and planning
- Quantifying the expectations for the level of performance that should be seen through the delivery of the plan (i.e., granting objectives)
- Delivery monitoring, both in terms of progress towards the delivery of the plan and the actual results that are seen
- Review and learn from progress and feed them into the next cycle to inform the next set of priorities.
- Successful performance management depends on:
 - Performance measurement – collecting performance data and processing this information in a usable form (e.g., as performance indicators)
 - Performance monitoring – examining the results of performance measurement to make judgments about the level of performance (for example, is performance getting better or worse? is it worse or better than we expected?)

1.3 What is the role of police authorities in police performance.

How the authority fulfils these responsibilities should also add value to the force. The Authority has an active role in the management of police performance.

Therefore, the general role of authority in the management of police performance is:

- Planning and setting priorities and targets
- Learning, consultation and feedback
- Reporting to the public on annual achievements

1.4 Planning - setting priorities performance.

Effective planning and prioritisation form the foundation of the police authority's role in performance management. A police plan that sets out the priorities of local communities, in balance with all the other considerations to which the authority must give weight, is the basis of the authority that ensures the provision of a police service that meets the needs of its communities.

The development of the local police plan is the statutory responsibility of the chief officer, the approval being the responsibility of the police authority, so the authorities and forces will have to work closely together at this stage of the performance management cycle.

1.5 Ensuring the achievement of objectives

The local police plan dedicates the objectives of authority and force to the year and sets out exactly what the force is committed to achieving with the resources it provides. The police plan is the authority's main reference point for ensuring execution against local and nationally determined priorities. However, the authorities must carefully supervise performance issues beyond the objectives in the plan, in line with the need for comprehensive performance coverage.

1.6 Learning, consultation and feedback

In order to complete the performance cycle and advance in planning for the coming year, the police authority must ensure that learning from the current year is introduced in the

next planning phase. The main role of the Authority in this area of performance management is consultation, which is also part of the statutory role of the Authority. Having ensured the provision of police services to local communities, the police authorities must inform the locals about the performance of the police. Many police authorities have had difficulty raising the public profile of the authority and informing locals about the performance of the police and the role that the authority plays in it. Many police authorities rely on their consultation mechanisms and on annual reports or newsletters sent along with local council tax communications.

2. ASSESSMENT OF PUBLIC MANAGEMENT REFORMS IN EU AND US POLICE SERVICES

We presented some aspects about police organization in the USA and in some developed countries from EU, which can be taken into consideration when continuing the reform from the Romanian Police institutions.

Exploring the introduction of New Public Management (NPM) techniques within the UK police service and the impact upon the role of the first line manager: the police sergeant. Evaluating a number of NPM precepts to the role of police sergeants, including a shift towards more strategic responsibilities, but with a significant intensification of work, tighter control and scrutiny through organizational performance management systems, and less daily contact with their police constables.

Or how Germany during the last fifteen years NPM reforms affected federal and state polices facilitated by socio-economic forces and upcoming international new public management ideas in particular.

Also, we analyse the development of CompStat. Performance based management model, CompStat developed by Commissioner William Bratton and his top management team in the New York Police Department that changed the paradigm in policing

3. MANAGEMENT METHODS IN PUBLIC ORGANIZATIONS. PARTICULARITIES IN POLICE UNITS

Presentation of the institutions from the administration and internal affairs system, respectively the police units, as main components of the organization of the Romanian society, detailing the mission, objectives, the structural elements and the components of the management system from the Romanian Police institutions. To this purpose, we presented the evolution, the general framework, the leading principles of the units from the internal affairs system (MAI), respectively from the Romanian Police.

Brief analysis of the Ministry of Administration and Internal Affairs, the upper structure of the Romanian Police and the description of the organizational system of Administration and Internal Affairs, with emphasis on public order and safety.

4. PROPOSALS AND RECOMMENDATIONS FOR IMPROVING EFFICIENCY THE MANAGEMENT SYSTEM OF THE POLICE UNITS

The analysis of the policemen's ethic code (definition, characteristics, objectives, content, principles, critics, limits) and the presentation of the arguments from the specialized literature and some personal arguments, which confirms that it can be considered a tool of improving the behaviour (benefits, influences, roles).

The analysis of the organizational system of the Romanian Police and the presentation of the main weaknesses / vulnerabilities within the police institutions in Romania.

Analysis of the decisional and informational (managerial) subsystem within the Romanian Police and with the following: definitions, characteristics, types, tasks, requirements,

dependencies, limitations, steps, rules, presenting the most relevant definitions of organized crime and highlighting key features and characteristics.

Examination of the interdependence links between the spread of the organized crime on the one hand, and, on the other hand, the characteristics of the judiciary system, the public and private governance efficiency, the independence and integrity of the judiciary system.

The analysis of the economic and financial crisis impact on crime and organized crime.

Developing efficient and effective communication programmes in order to achieve a higher level of employee involvement, an important factor in fulfilling the specific organizational and individual objectives.

Consolidating the specific organizational culture values in the police units in order to stimulate the individual and collective behaviour.

Identification of the role of knowledge in police work and presentation of the generalities regarding the knowledge management and the implementation of the knowledge management in the analysed field.

Identify the negative aspects that can influence the managerial performance within the analysed institution

Establishing the importance of certain aspects that can influence the efficiency of the managerial activity

Identifying the behaviour of the most superiors, colleagues and subordinates faced with some changes in the managerial process (taking into account the managers' perceptions and opinions from the analysed institution)

Knowing the managers' opinions considering the superiors/ colleagues / subordinates about: attachment to the institution, excessive orientation towards their own interests, level of knowledge / professional skills, participatory activism, ability to take risks and responsibilities, the efficiency of communication etc.

Training managers and employees permanently in order to achieve the strategic and operational objectives at institutional level for each function and management subsystem.

Identifying the current situation within the analysed institution as perceived by operational staff, aiming at the following levels: workplace characteristics, performance evaluation, teamwork, relationships with managerial team, ethical behaviour

The analysis of managers' opinions or officers and agents regarding the possibility of obtaining positive effects.

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REGIONAL PARTICULARITIES OF ENTREPRENEURIAL ECOSYSTEMS

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Abstract: *Entrepreneurship varies both temporally and geographically due to its inherent interdisciplinarity in relevant fields, such as management, finance, psychology, economics, geography. The current paper aims to analyse some theoretical aspects regarding the factors that make a positive difference of some regions over others, with a practical glimpse on some of the regional particularities of the entrepreneurial ecosystems of the United Arab Emirates (UAE), as it was nominated by Global Entrepreneurship Monitor (GEM) to have the highest rank in being the most supportive place to start a business. A second case of actual experience is the comparison of these particularities between Europe and the United States of America (US), as the US was generally seen as an opportunity predator due to its leading economic power over times, with a community-oriented entrepreneurship culture and interconnection among people, which promotes collaboration, innovation and exchange of ideas. While Europe's union created stronger labour laws than US, protecting the employees, it made it harder for its entrepreneurs to face associated risks and eventual bankruptcy. Understanding how entrepreneurial ecosystems are affected by the unevenly developed regions and their specific characteristics, contributes to the opportunity of foreseeing paths for enriching society's welfare.*

Keywords: regional entrepreneurship, entrepreneurial ecosystem, UAE entrepreneurship, US-Europe entrepreneurship

JEL classification: L26

1. Introduction to Regional Particularities of Entrepreneurial Ecosystems

The richness of a community, in terms of well-being of day-to-day life, comfort, security, access to education, availability of workplaces, the size of wages, medical services and personal wealth is a common interest to any member of the society. Historical and natural events, political circumstances, professional knowledge and expertise on the interface of entrepreneurship and economic developments and growth have shaped different paths for one being able to benefit of all of the above-mentioned gains, one of the most important factors being the *region* where one would be born by chance and eventually, live by choice. The relentless kneading of why some regions are poor and others rich has been a question of high interest, since Adam Smith wrote *The Wealth of Nations* in 1776.

Several studies have examined isolated factors that may lead to regional successful entrepreneurial ecosystems, but scholars must take into account the interdependence relation on which it relies, as demonstrated by the results of a case study made by Xie et al, 2021: interactions of interdisciplinary factors in a multiple, equally effective way can create long-term running business and economic growth (Xie, Wang, Xie, & Duan, 2021).

The encouragements or constraints an entrepreneur faces during running a business, politically and socially has a high impact on its activity. Economies that consciously make efforts to sustain the entrepreneurial activity would see results in terms of consistent and substantial development, not only locally, because by expanding relations and interdependency, this algorithm applies for larger regions as well (Sternberg, von Bloh, & Coduras, 2019). The quality of institutional help, mainly referring to directing resources to their highest valued outcome, that are provided to companies has been proved to be the

major factor that explain differences in entrepreneurship across states (Hall & Sobel, 2018).

2. United Arab Emirates (UAE) Entrepreneurial Ecosystem Success

According to GEM entrepreneurship study 2021-2022, in which 47 countries have participated, one of the evaluated score is *the most supportive places to start a business*: first place in terms of highest score is occupied by the UAE, while the lowest score belongs to Sudan. The United Arab Emirates shows show an improvement in 11 of the total 13 frameworks assessed, compared to 2020, and also is the only country in the 47, that meets the “sufficient” level for all of the 13 frameworks (GEM, 2022).

Initially an oil-based economy, the country has successfully moved to magnifying the private sector, developing programs and strategies in the last two decades, witnessing fast development and rising economy, new investments, firms and entrepreneurs (Facchini, Jaeck, & Bouhaddioui, 2021). The debate regarding the effects of culture on business environment has widely been debated in UAE, getting to be nowadays an encouraging climate for women.

In order to disseminate the framework of their good development pace, the paper of Aljarwan et al, 2019, has identified three key players that conducted politics, change driven behaviour and interrelated relationships: government, industry and academia to improve UAE entrepreneurial ecosystem.

The settlement of the study shows that government is the strongest key player that determines entrepreneurial movement success, due to the strategies to the private sector and industry, through incentives for encouraging collaboration, and an integrated system of regulations including boosting non-oil sector, such as manufacturing, tourism, banking, real estate and renewable energy. On a much lower level is the relation between industry and academia, as this relation is not well incentivized (Aljarwan, Yahya, Almarzooqi, & Mezher, 2019).

A further development area to be considered is the technology sector, investing in educating proficiency of latest technologies and core skills for entrepreneurs in opening a business, such as minimizing risk-aversion fears (Balawi, 2021). For a good monitoring and measuring performance outcomes of UAE national priorities, there have been implemented a series of national programs (such as National Agenda, UAE Vision) and Key Performance Indicators, such as: Global Competitiveness Index, Ease of Doing Business Index, Global Entrepreneurship and Development Index (GEDI), Global Innovation Index (UAE Portal, 2022).

3. Compendious Comparison Between Europe - US Entrepreneurial Ecosystems

The US have a strong background of historical entrepreneurship support and sustainability, starting with the fact that people coming to the new lands of America had to demonstrate survival individual skills and community self-reliance for dealing with issues where there was no form of governance in place. People generally often refer to the US as being “the land of opportunity”. In reverse, the role of relationships has played a major aspect on the European counterpart, where historically, people depended on their land owner or king, due to feudality (Stough, 2016).

On a comparison between Europe and the United States of America, the most common view is that the United States is a much better entrepreneurship player than Europe, keeping in mind that across Europe, there is a substantial variation in economic development. In the study of Audretsch et al, 2006, Europe’s evolution toward entrepreneurial activity in comparison to US has been divided into 5 stages, configuring the main ideologies and course of actions, starting with 1980 to early 2000 (Audretsch, Thurik, Verheul, & Wennekers, 2002).

The first stage is being described as denial, referring to the time period between 1980 to 1990. Europe's Governments were aware of United States corporations' benefits and were focused on constructing their own giants, in terms of automobile, textile, chemical industries, which were the main leading actors of economic growth, denying the importance of smaller companies at that time, such as Apple or Intel in Silicon Valley, stating on the fact that they belonged to a less important part of the industry, software and biotechnology.

The second stage called recognition, during the middle of 1990s, due to the fact that Europe recognized the economic benefits of Silicon Valley firms. At this time, the comparative advantage was used, as Europe's most powerful economy, Germany, was about to develop the automobile industry, while Silicon Valley provided the software and microprocessors.

The third stage, labelled as being the envy period, during the second half of 1990, started due to high unemployment rate and stagnation of economic growth, while the United States kept on the ascendent flow.

The fourth stage was consensus, mostly characterized in 1998-1999, that entrepreneurial economy was the new way of running business and supporting economy. Therefore, Europe's economic environments was about to get fully support and incentives in order to initiate, launch and develop entrepreneurial activities. Europe met its new era of privatizations. European leaders took advantage of the skilled labour force, highly educated people, research institution and culture amalgam it had while the fifth stage is attainment, starting 2000. This was achieved in terms of GDP growth, labour productivity, employment rates, high-tech industries.

While numerous differences can be lined out between Europe and US entrepreneurial systems, conceivably the key of a better economic progress lacks in the collaboration between them. In regards of competitiveness and general ease of doing business, both regions have much to offer, due to the fact both have a strong regulatory climate, which anticipate the apprehension of starting a new business and come with solutions to mitigate them, while both regions have strong opportunities to be explored (Sternberg, von Bloh, & Coduras, 2019).

4. Conclusion

The common aspiration of a society is to have a regularly good quality of life, having accessible services and products of their most conventional needs and highest preferences. The region of their living location is an important determinant if the above is a reality or not.

Lessons to be learned are figured out by some of the successful cases, such as UAE. By the studies presented, changes driven by *government* in industry and academics had some of the best outcomes, being the strongest key player (Aljarwan, Yahya, Almarzooqi, & Mezher, 2019). From the Europe – US entrepreneurial ecosystem comparison, with US startups featuring an energetic development while Europe's are characterized by being more compliant, patient and cautious, an important consideration is that small businesses with big innovative perspectives can lead the way to future steady and tremendous development, such as the cases from Silicon Valley. The interdependence of an entrepreneurial ecosystems' factors would expand the positive effects of a growing economy, among which the most important tends to be institutional help, by dedicated strategies and incentives. Also, close collaboration of the regions would lead to determined economic growth and advancement of entrepreneurial ecosystems.

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MERGER AS A DRIVER FOR SMALL AND MEDIUM COMPANIES, GROWTH AND PROFITABILITY

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Abstract

Mergers have played an important role in the development strategies of many companies. These represent the strategic actions of many companies both to stay in competition and to increase their margins and market shares at the global level. The pace at which merger activities are developing is remarkable. Merger have become a strategic alliance for business, and geographic tactics in local area market. Using the literature review, We conduct a synthesys analysys for ere to assess motives, methods, financing sources, issues and business strategies. We will show influential aspects of articles, temathic areas, reseach gaps, journals and current landscape of Marger. The increased participation of the companies in the global corporate sector has further facilitated the merger and acquisition activities. The various factors that played their parts in facilitating the mergers are buoyancy in economy, additional liquidity in the corporate sector, and dynamic attitudes of antrepreneurs are the key factors behind the changing trends of mergers. We study the effects of mergers on industry dynamics. Merger synergies arise from improvements in productivity and cost efficiencies. Merger agreements do not always produce a desired synergistic effect and do not provide added value for participants in all cases. At the same time, the legal and financial negotiations process can be lengthy and not cheap. In some cases, M&A agreements are limited to the redistribution of assets, and therefore not intended to obtain synergies and increase the value of the overall company. However, organizations decide to develop through M&A to improve a piece of the overall industry, accomplish collaborations in their different activities and to oversee resources (Fakhrullah, Zeeshan, Tariq & Ullah, 2020 How to Enhance the Performance of Acquisitions to Examine the Role of Dedicated Mergers and Acquisitions Events, Capabilities, and the Learning Process)

Key Words: Mergers, Strategy, Company Performance, Motives.

JEL Cassification: G3; G34; G39.

1. Background

Mergers are one of the ways that companies use them to grow faster and can be a way for companies to strengthen their position in the market. Mergers bring multiple benefits to the companies involved, such as quickly obtaining cash flow, gaining experienced employees, gaining customers, and especially reducing the risk of business failure and obtaining easy financing. Mergers are not a new topic in international business; however, Merger research have been growing steadily over the past several decades. In general, firms initiate Merger to choose an appropriate merger partner to assist them to meet their strategic and financial objectives. Having identified best possible partner, the common aim at the later stages of the Merger process is to structure a feasible corporate deal to understand the main goals of the merger partners (Study articles for Ai & Tan, 2020; Smeulders, 2019). In particular, small and medium company typically have fewer resources than their larger

counterparts and, consequently, have fewer possibilities to deviate from their existing businesses (Maditinos, Theriou, & Demetriades, 2009). However, I will find that it is important to understand the Merger form the perspectives of an aggregate economy.

2. Mergers

According to Eric de La Villeguerin "merging does not mean gathering the means that each of the companies brings, but combining and coordinating these means of action, in order to release new capacities for conception, financing, production and marketing". Company restructuring consists of two types, namely operational and financial restructuring (Depamphilis, 2018. Merger, Acquisition and Other Restructuring). The merger is part of the operational restructuring of the amicable takeover or takeover without coercion branch. Mergers are a way for companies to increase their growth capabilities. Thus, companies obtain direct or indirect access to the latest technologies and systems, to a competent management team and to financial resources, so that they can contribute to the business restructuring process, creating in turn a competitive advantage. Also, Mergers can provide access to products and markets with lower development costs than having to start from scratch and reduce management time to do so. The process of identifying and evaluating a target company, completing a merger after negotiating and announcing it, and then integrating the target company after the merger process, is a long process with uncertain profits for the company. A merger is not initiated with the expectation that everything will stay the same. Even though mergers have been an important element of corporate strategy all over the world for several decades, research on Mergers has not been able to provide conclusive evidence on whether they enhance efficiency or destroy wealth. There is thus an ongoing global debate on the effects of Mergers on companies. There is thus an ongoing global debate on the effects of Mergers on companies. The major objectives of this study are analysis of Merger market trends and assessment of motivation of companies to extensive economic growth through Merger. The motives fundamental the Mergers can be predictable to affect the need for a planned influence from the HR function. Since not all Mergers are the similar, it is likely that HR does not continuously need to achieve all four HR parts in every sample. This perception, has not yet been examined empirically. Not the four HR parts should be current in all kinds of Mergers is a question that has not yet been examined. The only research that tries to address if the HR function should have a dissimilar role according to different sorts of Mergers (Chen, Musacchio & Li, 2018 Cross-Border Acquisitions by State-Owned MNEs). Mergers are an internationally adopted expansion strategy, but not every case can be successfully executed nor achieved the intended post-expansion results. In order to develop an Mergers evaluation and prioritization model for better Mergers decision-making and enhancing the success rate of Mergers, it is important to identify and understand how the key factors influencing the M&A process and decision-making. Merger are regarded as aspects of corporate finance, management, and strategy involved with the purchase and combination of companies. Companies always take advantages of Merger to expand their businesses with the best opportunities and better positioned for growth and profit. The strategic motivations can be divided into two categories: financial and non-financial motives. (Sage Journals, <https://journals.sagepub.com/doi/10.1177/1847979017711521>)

3. Motivation of Merger

The study of Mergers is highly relevant, as Mergers represent a fundamental tool for corporate restructuring. The reasons that lead societies to merger are multiple and diverse, however, in this paper We propose to analyze the economic reasons. The first of the economic reasons is the desire for growth and development. There are two ways in which a company can grow internal growth, which requires more effort, time and capital, through

which new personnel are hired, new products or services are developed, demographic development, or growth by mergers with other companies, which allow the beneficiaries to have easier access to a new customers and to a new geographical area. By optimizing costs, optimizing taxes, increasing the competitiveness of products and services offered, the companies involved in the process increase their value. The second reason is of an organizational reason which determines the restructuring of the management of the company resulting from the merger and the formation of an optimal decision-making structure. The third reason is a strategic one specific to the case where a company wants to expand its region in which it operates, diversify its products or services it offers or expand its activity in another, more profitable area, and, therefore, opts for a merger with another company that may allow it to realize a surplus or an expansion. From a strategic point of view, the motivation for making mergers can be offensive when the main objective is to enter a new market, or defensive when the aim is to consolidate the position on the market. Another reason with a strong motivational impact on the merger decision is the obtaining of tax benefits.

Conclusions

Since the interest in fusion operations is increasing, We consider this topic interesting to address in a future research study. In order to realize a company's strategy, the merger can be a way that company managers can call upon. After the merger, a considerable amount of money must be invested to adapt the activity of the merged companies to the new conditions, but also to integrate the resources and organizational cultures of the companies involved in the merger process. When two companies combine, then their corresponding assets and market share are also merged this widens opportunities for growth. The merger is a beneficial operation for companies, helping to consolidate them, stimulating economic growth and offering the advantages of a new customer segment.

Mergers are considered as important change agents and are a critical component of any business strategy. The known fact is that with businesses evolving, only the most innovative and nimble can survive. That is why, it is an important strategic call for a business to opt for any arrangements of Merger. Once through the process, on a lighter note Merger is like an arranged marriage, partners will take time to understand, mingle, but will end up giving positive results most of the times.(EduPristine Blog, Mergers and Acquisitions, June 16 2015). Also, cross-border merger activity is a primary way in which multinational firms engage in foreign direct investment.(Blonigen, Bruce A., and Justin R. Pierce (2016). "Evidence for the Effects of Mergers on Market Power and Efficiency," Finance and Economics Discussion Series 2016-082. Washington: Board of Governors of the Federal Reserve System, <https://doi.org/10.17016/FEDS.2016.082>)

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ORGANIZATION OF WORK FOR PUBLIC BENEFIT BEFORE THE SECOND WORLD WAR

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Abstract: *“Work of public benefit” was a common phenomenon both in our country and in the whole of Europe, thus being represented by various voluntary work organizations, involving youth. The aim was to reduce the effects of poverty, which had penetrated all social categories. The emergence, work for public benefit, was justified by socio-political objectives, as well as economic issues. In the years after the first World War, the first public labor camps and other civil organizations were founded. In Romania, public service work was organized and controlled by state institutions, offering young people socio-behavioral models designed to shape them as future citizens of the country.*

Keywords: *Programs, work, education, young people, concentration, pre-military training.*

J.E.L. Classification: A30, A19, B55.

I. Introduction

Public service work first appeared in Denmark in 1917, and in the following years it expanded to various European states. In Bulgaria, in 1920, work for public interest was under the leadership of the army, because the country was on the verge of bankruptcy, thus being imposed by law, the generalization of the compulsory labor service. In Germany in 1935, the service of mandatory imperial labor was established, paying special attention to the (re)education of youth in the national spirit and military pre-training.

In Romania, there have been serious initiatives by the state or civilians, regarding the creation of various structures regarding compulsory work, public activities or labor camps. All these initiatives were related to political groups (Iron Guard) or civil organizations focused mainly on ideologies oriented to a particular segment of society. In the middle of 1930, young people from these organizations provided various voluntary work in Romanian villages (renovation of peasant houses, repair of roads in several localities, reconsolidation of Orthodox churches).

In this study, an analysis of public service work from the period of 1937 is attempted, mainly on the basis of documents in the archives, laws, orders and instructions regarding public service work. The analysis is focused on the instructions of the central and local authorities regarding the organization and work programs of the young premilitary, but also on the concrete situation in the territory. This work for the public benefit also concerned certain economic matters, because the amounts allocated with the payment of the workers but also with the purchase of various materials used by them were made from the local and national budgets. The works made by young people have led to a considerable economy in the country's budget, so that for the 3 working days provided, about 10 million lei were spent, of which the food of the staff and materials cost only 3,463,720 lei.

Under the Law on the Organization of the nation and territory in time of War, it was ordered that all persons over the age of 18 who did not perform military service could be compelled to perform compulsory labor. The pre-military training was aimed at: “Developing patriotic feelings; strengthening moral and national feelings; citizen order and discipline; developing physical skills to increase the working power in life; the acquisition of

basic military knowledge, in order to assimilate as easily and quickly as possible the military training, at the call under the flag" (according to article 1).

The law for the organization of public service work was published on March 27, 1937 and provided for the development of the feeling of solidarity between the various social strata, for the appreciation of manual labor and for the completion of the education of the youth through a thorough and well-ordered work in useful works. Thus, the public Service for work for all young people, who were obliged to pre-military training and who performed this work no more than 60 days annually (according to Article 3 of the law), is established. It provided young people with technical and practical knowledge of developing a sense of solidarity (within local communities) or engaging in various public interest activities organized by the authorities. It was thus circulated the idea that the common work for the good of the community had its origins in the ancestral customs, thus strengthening the idea that the public work belonged to the tradition of the Romanian people.

The spread of the importance and necessity of public service work among the population was made by representatives of public institutions so that the local communities had to continue the work started by the premilitary.

Immediately after the promulgation, the Law on public works was implemented according to its letter and spirit, for days 25, 26, 27, 28 April, of the year 1937. Since the application of this law, happy results were expected in the development of villages. In order to implement this law, provisions were given both by the county prefectures and by the sub-inspectorates of the pre-military training for the establishment of the county and communal committees.

The Law on public works voted by the legislative bodies on March 18 and 19, 1937 and promulgated by the instructions no. 1450, were implemented within a period of 4 days (from 25 to 28 April). On April 25, 1937, all the youth from the 3500 sub-centers participated in the celebrations for the inauguration of the application of this law, and on April 26, 27, 28, the premilitary in number 83,512 provided effective work, being led by 4900 instructors and guides. A significant number of priests, teachers, doctors, engineers, architects, teachers and teachers joined this activity. and winegrowers, agronomists who have come to the aid of young people, proving by their exhortation that work ennobles man.

The population of the villages in all areas of the country received this law with confidence, understanding that the work was done for the benefit of the community, which urged many parents to accompany their children to the construction sites, thus offering them a helping hand with them.

In order to better organize the work in each sub-center of work, young people with university studies, with specialties of studies and crafts were sent to obtain scientific activities as extensive and as complex as possible.

The feeding of the flocks was generally done through the "ordinary" organized by the heads of sub-centers, assisted by local administrative bodies. It was found that the young people were generally well fed, due to the interventions of the mayors and prefectures who made some effort, increasing the allowance from 10 lei (amount given by the ministry) to 12 or 14 lei, surplus borne from the local budgets. In very few places the young people were underfed, which was only reported on the first day of activity. In most cases the young people's food was warm, made at the boiler, but there were also cases when the premilitary were given money in their hands to buy food.

Through the reports and the findings made on the spot, by the members of the Central Labor Committee of public benefit, the purpose that the authorities had in applying this law was understood, by fulfilling the duty to households' counties, towns and villages. In conclusion, we can say that the results of these activities during the 3 days of public service work were quite obvious, and the attitude of the young people, the rush and enthusiasm with which they responded to the call to concentration, was done in

compliance with all the laws of the country, no acts of violence or other crimes are recorded.

The population of the country, for the most part, enthusiastically received the law, quickly understanding that it was for its benefit, this fact was also proved by sending their own children to concentration.

The local administrative authorities also received the law as a real benefit, drawing up various work programs, making new demands for concentration of young people, for other works, which were eager and quick to perform them.

Finally, we can conclude that the examination of the application of the Law on Labor of public use was passed with a success above all expectations. This law proved to be very good and adapted to our Romanian needs, and the youth, despite skeptics and cleavers, showed that he was ready for any work and any sacrifice for the good of the country.

Given the information from various documents analyzed, it can be said that the public labor camps of the pre-military were created both for the education of the youth and for a certain social and national solidarity, regarding the performance of the work in a more rational way.

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THE IMPACT OF DIGITALIZATION OF SMEs ON THEIR COMPETITIVENESS

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Abstract: *Small and medium-sized enterprises play a vital role in the economy, representing 99% of all European firms. The article deals with a current topic, especially considering the impact of the COVID-19 pandemic on the SME sector and the role that this vital sector has in a country's economy. Considering that in terms of digitization, the SME sector was not prepared to make the new conditions of activity imposed by pandemic restrictions, I believe that this pandemic also had a positive effect on this sector, thus causing it to adapt permanently to the imposed situation. Last but not least, in order to be able to adapt their activity to the new conditions imposed by digitization, SMEs must have access to financial resources. But despite the importance that SMEs have in the economy, they still face a lack of access to financial resources.*

Keywords: SMEs; competitiveness; digitization; COVID-19.

JEL classification: M21

1. Introduction

Small and medium-sized enterprises are the basic link in the economy of the European Union, as a result of the fact that 99% of the total companies of the society are SMEs, 2 out of 3 employees are employed in this sector and over 57% of the added value is created by the SMEs sector. Despite this, SMEs face the problem of access to financing, the pandemic period exacerbating this deficit. Small and medium-sized enterprises are an important source of new jobs, economic growth, innovation, competitiveness, dynamism and flexibility in the economy (Onofrei and Anton, 2011).

Considering the particularly important role that SMEs have in an economy, improving the competitiveness of SMEs was also one of the 11 objectives of the cohesion policy for the period 2011-2020.

Irrespective of the stage of development they are in, SMEs lag behind larger companies in terms of accessing funding sources. It must be stated that out of a desire to remain competitive, this sector relies on external funding to improve, innovate and adapt to the digitization process. As for small and medium-sized enterprises, competitiveness implies their ability to understand and adapt to the market, to have products and services superior to the market, to have modern management.

Competitiveness and a complex process that has been is debated at length by economists around the world. Therefore, the specialized literature in the field, that the main causes that generate interest in competitiveness are:

- The intrinsic relationship between competitiveness, sustainable development, standard of living, productivity, economic growth and the disappearance of poverty;
- The emergence of competitiveness as a distinct level of economic sciences.

2. Reviewed literature

Although the concept of digitization is a vague one, the specialized literature (Dellarocas) attributes three characteristic terms to this concept: creating value at the new frontiers of

the business world, optimizing the process that affects the customer experience with the company or the product, and building a foundation that supports all business activities. Other authors (Moor) believe that the purpose of digitization is to create and offer new value to customers. Within an economy and a company, digitization brings a series of benefits, influencing the activity, quality and stability of the implemented processes. Also, another benefit brought by competitiveness is the better interaction with the interested parties, by offering high-quality services to customers (Mazurek, 2019). The digitization of companies can represent a means of achieving a more flexible and competitive production, so that they are adaptable to the realities of the current digital world. We must also mention the fact that although the digitization of companies is based on new technologies, the concept of digital transformation does not actually refer so much to technology, but to people.

In order to implement a successful digital revolution in SMEs, it is necessary to make changes in the following areas: business, infrastructure, digital skills of entrepreneurs and employees (Śledziwska et al., 2015).

The changes that take place permanently in the business environment cause companies to adapt their traditional models of competitiveness to the needs of the market. That is why, in order to be able to define competitiveness, it is very important to understand how SMEs respond to the challenges of the business environment. Considering the fact that the economic crises of recent years mainly affect small and medium-sized enterprises around the world, statistics have shown over the years that promoting competitiveness through innovation and knowledge was an important way to save this sector. Thus, SMEs that have adopted this type of competitiveness, have registered an increase in employees even during periods of crisis (Mărginean, 2018).

Roman and Rusu (2018) analyzed how macroeconomic conditions influence economic activity. The results demonstrated that the economic situation and the quality of institutions (competitiveness, economic freedom) have a significant impact on entrepreneurs.

Despite the fact that small and medium-sized enterprises constantly face a series of problems, the specialized literature (Ciuciuc, 2021) has identified three major deficiencies of this vital sector for the economy, during the pandemic period. Thus, among the problems and recovery solutions are:

- Adaptation to the new situation
- Amplification of digitization
- Adaptation to new market requirements

The crisis generated by the COVID-19 pandemic has strongly affected small and medium-sized businesses around the world. Despite the fact that flexibility is a basic characteristic of this sector, SMEs around the world have been surprised by uncertainty and challenges. Thus, we can say that the decrease in market demand, unemployment, the lack of an infrastructure necessary for a rapid digital transformation of the business are among the challenges.

3. Results

Along with the changes to which people are subject, companies are also subject to a permanent process of changes, so that they strive to change and modify their initial (existing) business model, in one adjusted to current needs (Giudice et al., 2020). Thus, companies are increasingly flexible in order to easily adapt to new changes and to stimulate innovation in the current era of digital transformation. Currently, digital innovation is closely related to the enablers of Industry 4.0.

Within the framework of the National Recovery and Resilience Plan, the amount of 2.2 billion euros was allocated for the purpose of financing the activity of companies, through various financing schemes and payment instruments. Another important aspect is the fact that by 2026, 3000 SMEs will be digitized with funds from the PNRR. An important event

that supports this initiative is the Strategy of small and medium-sized enterprises for a sustainable and digital Europe (adopted on March 10, 2020), which aims to increase the number of small and medium-sized enterprises that use digital technologies, to improve access to financing and facilitate access to the market.

Also, the results demonstrate the fact that labor productivity, being one of the most important foundations of competitiveness, presents important asymmetries.

The conclusions of the research report, regarding the main contextual developments that negatively influence the activity of SMEs, demonstrate that 68.32% of SMEs are worried about the global economic situation, 57.12% about the reduced predictability of the business environment, 58.82% about excessive bureaucracy and 44.90% of the Coronavirus pandemic. Also, among the main difficulties faced by SMEs in the last two years are: inflation (45.2%), uncertainty of future developments (43.36%), bureaucracy (40.90%), unfair competition (33.33%), corruption (32.06%), increase in salary expenses (31.76%), excessive taxation (31.56%).

In figure 1 we presented the business opportunities for SMEs in 2022.

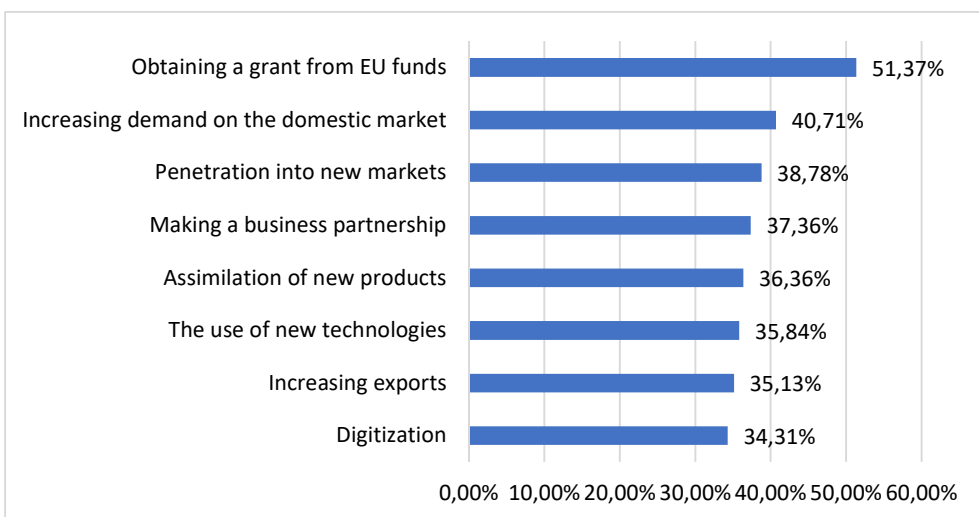


Figure 1: Business opportunities for SMEs in 2022

Source: Nicolescu, O., The White Card of SMEs in Romania. Edition number 20

According to the results in figure 1, we can see that digitization represents an opportunity for only 34.31% of SMEs.

4. Conclusions

This article highlights the particularly important role that SMEs play in an economy, focusing on the digitization of SMEs and the competitiveness of this sector. We also highlighted the negative impact of the pandemic on small and medium-sized enterprises, while also showing the positive effects that the pandemic crisis had on this vital sector of the economy. Thus, the digitalization process of SMEs was amplified as a result of the crisis and the restrictions imposed in the last two years. Studies show that in order to increase the competitiveness of SMEs, digitization has a particularly important role. Last but not least, the programs (IMM INVEST, IMM FACTOR, AGRO IMM INVEST) which help and contribute to the development of SMEs, constitute an important means of recovery of this vital sector. Last but not least, due to the desire to improve access to financing, increasing the competitiveness of SMEs plays a particularly important role for small and medium-sized enterprises. This is due to the desire of SMEs to perform and register the

highest profits in the field in which they operate. Thus, we can conclude that out of the desire to remain competitive, this sector relies on external financing, to be able to improve, innovate and adapt to the digitization process.

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POST-COVID-19 PANDEMIC TOURISM DEVELOPMENT PARADIGM – WELLNESS TOURISM –

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Abstract: *During 2020-2022, the pandemic caused by the Covid-19 virus devastated tourism and its related activities. Thus, wellness tourism has become in the summer of 2022, a paradigm of economic and tourism development after the Covid-19 Pandemic and at the same time a global attraction, with prospects for development, expansion, and capitalization in all the cities of the world. Wellness tourism includes tourists who travel to places other than their home of residence to perform activities that alleviate health problems, unique, remarkable experiences, and rest and recreation activities that are not available at home. This type of activity represents one of the forms of sustainable tourism, it can be practiced by all segments of tourists (children, adults, and pensioners) and they choose the destination according to their preferences.*

Keywords: wellness tourism, motivational factors, countries, economy

JEL classification: Y10; Y20; Z32

1. Introduction

Wellness tourism represents an industry in full development post-Pandemic, because the influence of the "Covid-19" virus does not represent an obstacle to development, expansion, and capitalization in the coming period, and the growth of wellness tourism is expected to stimulate the economy of the tourism sector positively.

Analyzing from the perspective of tourism marketing, it is advisable to know the behavior of visitors, the preferences of tourists for practicing wellness tourism, and the needs of tourists.

If we know the three elements of wellness tourism, we can ensure to all those who practice this form of tourism, customized products, and services according to the tourist segment, and last but not least, products made to meet the standards of customer expectations.

Even so, wellness tourism remains one of the forms of tourism with few empirical market studies that can result from who are the tourists who practice this tourism, what are their motivations in choosing wellness tourism, and what are the recreational and entertainment activities within it.

The relaunch of wellness tourism in Romania, through the post-Covid-19 Pandemic tourism development paradigm, would attract a much larger number of foreign tourists, compared to the period March 2020 - March 2022. Thus, attention must be drawn to the fact that transformation-change-rebirth or tourism promotion needs a different strategy than continuous improvement (Cândea et al., 2009), because past success can represent an impediment to future development.

2. Literature review

The term wellness is defined as "the balanced state of body, spirit, and mind, including holistic aspects such as self-responsibility, beauty care, healthy eating, relaxation, mental activity and sensitivity to the environment as fundamental elements" (Messerli & Oyama, 2004).

Several factors have led to the emergence of wellness tourism, among which we mention: the chaotic and hectic pace of life, high levels of stress among the workforce, the loss of traditional community structures and religious organizations, and the resulting desire to slow down, to simplify and finding meaning in life towards a new beginning (Douglas, 2001; Pollock & Williams, 2000; Smith & Puczkó, 2008)

Thus, to stimulate the desire to live a healthier life and to experience more holistic and alternative healing therapies, the following factors are found in the literature: rising healthcare costs, growing skepticism towards orthodox Western medicine, and increasing focus on consumers in Western health care systems (Sointu, 2006; Weiermair & Steinhauser, 2003).

In the specialized literature, there are numerous terms regarding the definition of the concept: health tourism, medical tourism, wellness tourism, and spa tourism. Those who practice medical tourism travel primarily to cure or treat a certain medical condition and secondly for balneo-climatic treatments.

In contrast, those who practice wellness tourism travel on vacation to maintain or improve their health and well-being (Müller & Lanz Kaufmann, 2001). This distinction between "illness" and "wellness" correlates with recent definitions of wellness tourism (Henderson, 2004; Müller & Lanz Kaufmann, 2001; Nahrstedt, 2004; Puczkó & Bacharov, 2006; Smith & Puczkó, 2008; Voigt, 2010).

Voight et al., 2011 defined wellness tourism as "the sum of all relationships resulting from a trip of persons whose motive, in whole or in part, is to maintain or promote their health and well-being and who stay at least one night in the -a unit, which is specially designed to enable and improve the physical, psychological, spiritual and/or social well-being of people".

3. Methodology

The methodology underlying the research was the integrated analysis of information from websites hosting international databases, using the keywords "wellness tourism, motivational factors (that benefit wellness tourism), SARS-CoV-2 virus", following that based on the synthesized results we will develop our findings to support the tourism development paradigm post Pandemic Covid-19 of wellness tourism.

4. Results and discussions

4.1. Motivational factors in the practice of wellness tourism

Smith & Puczkó (2008), after a review of the wellness tourism literature, concluded that there is little research investigating the reasons or benefits sought by wellness tourists.

Mak et al. (2009), in their study of spa visitors in Hong Kong, exploratory factor analysis (EFA) revealed five motivational benefit factors (Figure 1).

In a study by Letho et al., 2006, which investigated the motives of 75 US yoga tourists, they identified four factors:

- The search for spirituality;
- Improving mental well-being;
- Improving physical condition;
- Controlling negative emotions

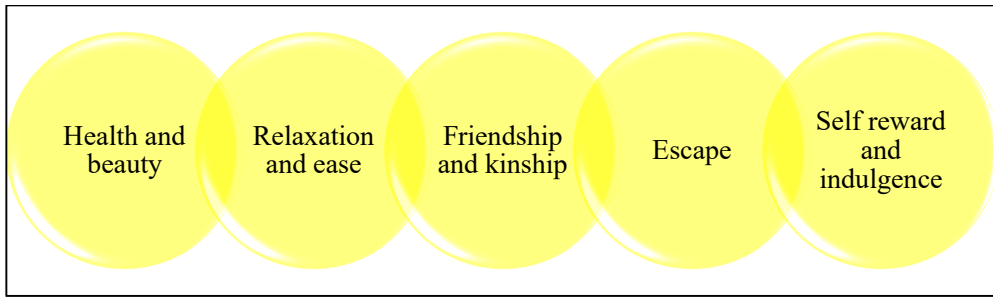


Figure 1: Motivational factors
 Source: processing authors after Mak şı collab. 2009

4.2. The wellness economy

From 2015 to 2017, the global wellness industry grew 12.8% in the past two years, from a \$3.7 trillion market in 2015 to a \$4.2 trillion market in 2017, according to the Global Research report Wellness Economy Monitor 2018.

Analyzing the top ten wellness markets (Figure 2), it is found that the leaders of revenue growth from 2015-2017 were: the spa industry – 9.8%, wellness tourism – 6.5%, and wellness real estate – 6.4%.

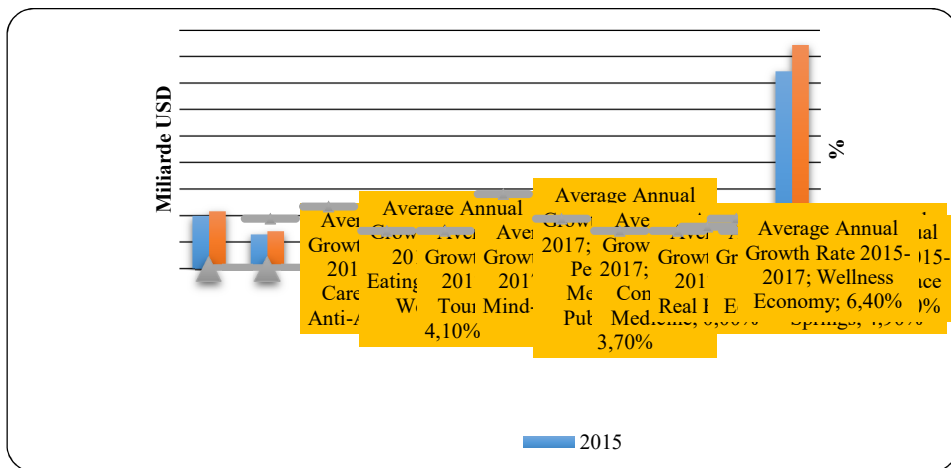


Figure 2: The top ten wellness markets
 Source: processing authors after <https://globalwellnessinstitute.org/press-room/press-releases/wellness-now-a-4-2-trillion-global-industry/>

Wellness tourism is strongly concentrated in several countries in North America, Europe, and Asia-Pacific (Figure 3). The top five countries (US, Germany, China, France, Japan) account for 59% of the global market, and the US alone generates more than a third of global revenue (USA: 176.5 million (Wellness trips) – 226 billion dollars. (Wellness expenses), Germany: 66.1 million - 65.7 billion dollars, China: 70.2 million - 31.7 billion dollars, France: 32.4 million – 30.7 billion dollars, Japan: 40.5 million - 22.5 billion dollars, Austria: 16.8 million - 16.5 billion dollars, India: 56 million – 16.3 billion USD, Canada: \$27.5 million – \$15.7 billion, Great Britain: 23.2 million – 13.5 USD. bill, Italy: 13.1 million – 13.4 billion USD).

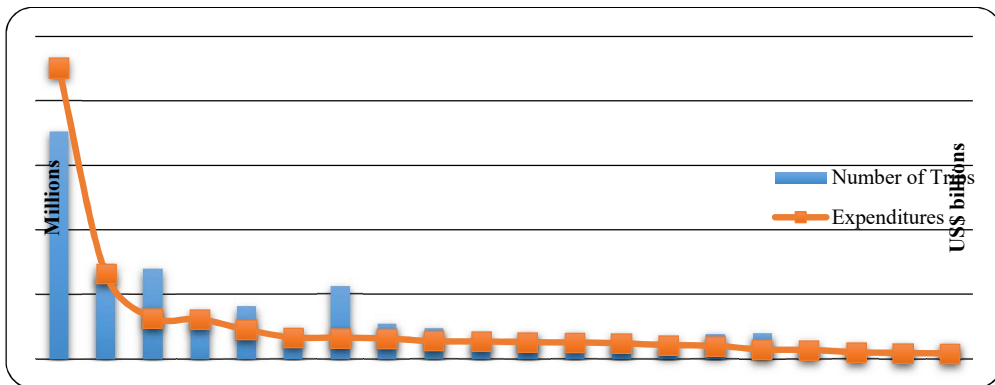


Figure 3: Top of the countries where wellness tourism is most concentrated
 Source: processing authors after <https://globalwellnessinstitute.org/wp-content/uploads/2018/11/GWI-Top-Twenty-Wellness-Tourism-Destination-Markets.jpg>

5. Conclusion

According to The Global Wellness Economy: Looking Beyond Covid – released in December 2021, wellness tourism grew by 8% annually from 2017 to 2019 (reaching \$720 billion, Figure 4) and then had a significant impact in 2020. The market shrank by -39.5% to \$436 billion, while wellness travel fell from 936 million to 601 million. The impressive annual growth rate of 21% projected for wellness tourism through 2025 reflects new traveler values (a quest for nature, sustainability, and mental well-being) and a period of rapid recovery from pent-up demand in 2021 and 2022.



Figure 4: Conclusions regarding wellness tourism

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E-LEADERSHIP – ADVANTAGES AND BARRIERS IN MOTIVATING EMPLOYEES

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Abstract:

E-leadership research has evolved significantly in recent times, influencing the development of the education system, which has been affected by the effects of the pandemic. In order to keep up with the changes, teachers have had to adapt to the ever-changing requirements and opportunities. The topic of the paper refers to the perspective of Romanian pre-university teachers regarding the connection between e-leadership and motivation. The reason I chose to do this research is because e-leadership is a current topic. On the other hand, I am a teacher in the pre-university education system and I started my teaching activity in the middle of the pandemic and I can say that it was a real challenge for me to integrate remotely into a new team. Therefore, I found it opportune to study this subject, the paper being based on the identification of the main advantages and barriers of e-leadership in motivating employees. For this, I will look for the answer to the research question "What is the perception of pre-university teachers regarding e-leadership?", by sending a questionnaire among teachers. I hope this paper will be useful to all those interested in this topic, especially PhD students and leaders who want to deepen this topic.

Keywords: e-leadership; motivation; high-school education

JEL classification: I23; M10; M54

1. Introduction

E-leadership is a relatively new interdisciplinary research subfield that grew out of earlier studies of leadership and related concepts in technology management and administration. It is based and developed through research in business, educational technology, leadership and information sciences (Jameson et al., 2022). Motivation refers to the way in which people manage to achieve their goals, the leader being the one responsible for maintaining a high level of employee motivation, which brings long-term benefits for the organizational and personal environment (Săseanu and Toma, 2019).

This work is based on the identification of the main advantages and barriers of e-leadership in motivating employees. The topic of the paper refers to the perspective of Romanian pre-university teachers regarding the connection between e-leadership and motivation. The reason I chose to do this research is because e-leadership is a current topic.

On the other hand, I am a teacher in the pre-university education system and I started my teaching activity in the middle of the pandemic, and I can say that it was a real challenge for me to integrate remotely into a new team. Therefore, I found it opportune to study this topic in more detail, the work being based on the identification of the main advantages and barriers of e-leadership in motivating employees.

2. Literature review

As Roman (2019) claims, e-leadership involves the development of skills to improve organizational functioning in the online work environment.

After reviewing the specialized literature, I found that one of the most current and accepted definitions of e-leadership by researchers is the one stated by Avolio (2014) who presents it as a process of social influence supported by ICT (information and communication technology), which can produce a change in the attitudes, feelings, thinking, behavior and performance of those led.

As Pitanken and Kazi (2021) explain, digitization has influenced the work environment by creating the possibility for organizations to work remotely and was able to assert itself when, in the first part of 2020, the World Health Organization declared that we are dealing with a global pandemic (WHO, 2021).

I agree with the statement that the pandemic period has been a challenge for humanity, with all areas affected to some extent by the effects of the restrictions imposed due to the coronavirus. It seems that one of the most affected areas was the field of education, consisting of millions of active students and teachers who previously had classes in their institutions and due to the pandemic, remained isolated at home (Selvaraj et al., 2021). In order to obtain a mechanism suitable to the pandemic context, online teaching has become a viable way, with certain limits (Mishra, Gupta and Shree, 2020). The best of my knowledge, the employee motivation affects the competitive advantage and the organisational success. As Gitlab (2020) said, almost one third of the employees that work remotely sees motivation as a challenge in the online environment. To maintain a high level of performance we need effective leadership, so leaders need to attempt gaining as well as adapting new skills to lead and motivate their employees virtually.

3. Research methodology

For this paper, I have analyzed the impact of e-leadership on the motivation degree of teaching staff, which is based on the following research question: What is the perception of pre-university teachers regarding e-leadership? To answer this question, I carried out a quantitative research of a structured survey type, based on a questionnaire with 16 items, addressed to pre-university teachers, regarding the link between e-leadership and employee motivation.

This survey was conducted online, in 1st-4th November 2022, through Google Forms, and I processed and interpreted the obtained data, using SPSS statistical software. The first 7 questions have the role of outlining the profile of the Romanian teacher, by obtaining the identification data of the respondents, and the following are carried out according to the proposed objectives: determining the main advantages and barriers of e-leadership in motivating teachers in the pre-university education system, establishing the degree of e-leadership motivation of teachers and identifying the most used types of e-leadership motivation for teachers.

4. Findings

After applying the questionnaire, I obtained 184 valid answers from pre-university teachers. After analyzing the identification questions, I found that the majority of respondents are women (89.6%), from the urban environment (60.7%), aged between 40-49 years (41%), with an educational experience of over 20 years (51.9%), with 1st teaching degree (54.1%), who teach about subjects from Language and communication (24.6%) and Technology (19%) curricular areas in high school education (53%).

Regarding the question related to the degree of motivation during the online period, it seems that most of the respondents gave the grade 5 out of 6, in a proportion of 30.1%. The mean score was 4.47 with a standard deviation of 1.362, reflecting a high degree of motivation.

As for the most used means of communication with management staff during online, video calls (Zoom, Google Meet) ranked first, with a percentage of 38%, and personal email

came last, with only 2.7%. The most preferred means of communication is represented by text messages, in a proportion of 55.4%, followed by video calls, with only 10%. This highlights the fact that not everyone is comfortable with the option of online meetings.

Taking into account the teachers' assessment of the level of management staff's skills during online classes, we found that written communication skills (Mean = 3.92; StD = 1.493), IT skills (Mean = 3.79; StD = 1.534) and the way of explaining regarding work tasks (Mean = 3.80; StD = 1.478) did not convince the teachers and were appreciated at an average level. E-leadership requires these skills, and their lack can be a barrier to motivating employees. We can say the same about their attitudes, the trust in the activity carried out by teachers (Mean = 3.83; StD = 1.552), the granting of new responsibilities (Mean = 3.89; StD = 1.498) and the active involvement in the improvement of teachers through courses (Mean = 3.57; StD = 1.662) also obtained average values, as expected. Ideally, these skills and attitudes should be improved in order to turn them from barriers to advantages.

The management was involved in providing the necessary support for conducting online classes by providing electronic devices (58.2%), providing access to the Internet (35.9%), ICT courses (19.6%), educational platform (69%) and the at least one guide for using the online platform (39.1%).

Analyzing the Pearson correlation coefficient ($r = 0.509$), it appears that there is a reasonable relationship between the positive feedback that management expresses and how valued teachers feel. It is interesting that each variable does not significantly influence teachers' motivation, but, cumulatively, they increase motivation. For example, teachers who declare that they easily adapted to the changes, claim that they have developed personally and professionally ($r=0.78$). Also, those who got actively involved had the chance to take part in decision-making ($r=0.675$) and received new responsibilities ($r=0.694$). Teachers say that they feel appreciated when they can develop personally ($r=0.608$), when they can adapt to the environment governed by changes ($r=0.668$), when they can participate in decision-making ($r=0.750$), highlighting a high correlation between these variables. The probability of error (p) is 0.001, which highlights a highly significant link between the positive feedback of leaders and the motivation degree of teachers.

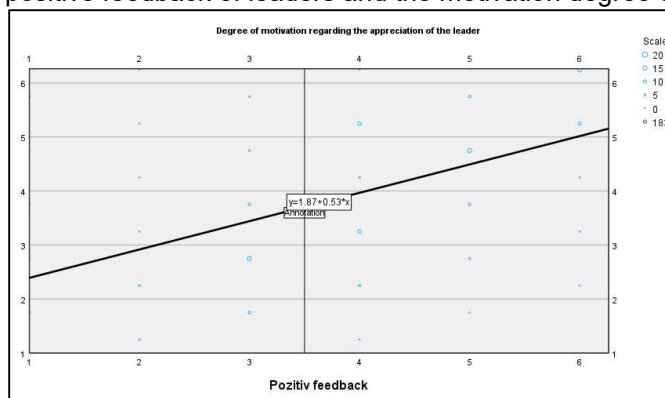


Figure 1: Linear regression between motivation and positive feedback
Source: Own processing in SPSS

Analyzing the results from Figure 1, it appears that there is a direct, linear connection between the degree of motivation regarding the leader's appreciation and the positive feedback he states. Regarding the negative feedback, it seems that it appears less often than the positive one, the leaders being quite diplomatic when giving feedback to the teaching staff, the average of the answers being around a grade of 2. By asking the teachers how much they agree with the following statements regarding their motivation, we can extract the main advantages of e-leadership, such as: through e-leadership we learn to

adapt more easily to the changes that have occurred, we can develop personally and professionally, we can assert ourselves and get involved in the activities. About the degree of satisfaction with the activity carried out during the online classes, it seems that the score is somewhere around 4 in almost all cases, which reflects a good level of teacher satisfaction.

5. Conclusions

Among the main advantages of e-leadership we can list the fact that we learn to adapt more easily to changes, we can develop personally and professionally, we can assert ourselves and get involved in additional activities, while barriers such as IT and communication skills can represent real barriers in the smooth development of e-leadership. Moreover, one of the most important factors in e-leadership is providing positive feedback, as people need appreciation to be productive. It seems that the teachers were motivated during the analyzed period, but there is always room for improvement. Of course, teachers' motivation is also influenced by intrinsic/extrinsic expectations, such as financial remuneration, which are not directly related to leaders' decisions, but this can be the subject of future research.

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HAS THE FINANCIAL LITERACY OF STUDENTS CHANGED?

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Abstract: *The study of financial literacy has not lost its relevance in recent years, but the level of financial literacy in our country is not good. According to the S&P survey, 46% of the Hungarian population is considered financially illiterate. I examined the students' financial literacy and financial attitudes along several questions. Unfortunately, the results of the survey were not encouraging, with 67% of the surveyed students lacking financial literacy. This figure was a cause for concern, especially as we are talking about young people studying economics. Three years after the survey, the question has been raised whether the level of financial literacy of current students is better or comparable to the students of the past. In our study we seek to answer this question, again using multivariate statistical analysis.*

Keywords: financial attitude; financial literacy; statistics; cluster analysis

JEL classification: G4

1. Introduction

Financial literacy has been a popular research topic for many years and is still relevant today. It is difficult to define clearly the concept of financial literacy and how to measure the level of financial literacy.

According to the OECD's approach, 'financial literacy is the combination of awareness, knowledge, skills, attitudes and behaviours needed to make informed financial decisions and ultimately to achieve individual financial well-being' (Atkinson-Messy 2012, p. 14).

Research by Kovács and colleagues (2014) suggests that secondary school students lack financial literacy and are unable to apply the knowledge they have acquired in practice, including in the area of credit-related knowledge, which is considered critical.

Since financial literacy is a broad concept that is more difficult to delimit, we have narrowed it down to two areas in our study, knowledge and attitude.

Research suggests that attitudes acquired in childhood play an important role and influence later behaviour, both in terms of borrowing and repaying loans.

International surveys have also been carried out, of which the present study is based on the 2014 S&P survey. More than 150,000 adults from over 140 countries participated in the survey. Some interesting findings from the survey: women have lower levels of financial literacy than men, 46% of the Hungarian population is financially illiterate.

2. Database and methodology

The research was based on a questionnaire survey that was completed with economics students in 2019 and 2022. The questionnaire consisted of nearly 50 questions, but in this study we will not evaluate the whole survey, only a part of it, and we will look at the changes after 3 years. On the one hand, we will look at the local results of the S&P survey and at possible changes in financial attitudes. The first part of the questionnaire consisted of 5 questions, covering 4 topics: risk diversification, inflation, numeracy (interest), compound interest.

According to the survey, the financially literate marker was awarded to those who answered correctly for at least 3 of the topics, so I followed the characteristics of the original survey in this area.

The questionnaire was completed by 124 economics students in 2019 and 193 economics students in 2022. In both cases, the survey was targeted at full-time, undergraduate students. In 2022, students from other faculties and at other levels of education also took part in the survey, but the results will be summarised in a later study.

Descriptive statistical analysis and cluster analysis were used to carry out the analyses. Cluster analysis is an exploratory technique, in which several solutions can be considered simultaneously. The cluster analysis was performed with the choice of squared Euclidean distance for similarity and distance measures. Among the methods of hierarchical cluster analysis, the "Nearest Neighbour" principle was used to detect outliers and the analysis was performed using the Ward's method.

3. Results

The first question asked how students evaluate their own financial literacy. At this question a Likert scale of 1-7 was used. In 2019 the average was 4.62, in 2022 the students' rating was slightly lower at 4.42, but on average they rate their own financial literacy as moderately good. In 2022, proportionally fewer people rated their financial literacy as a 6 and more chose a 3.

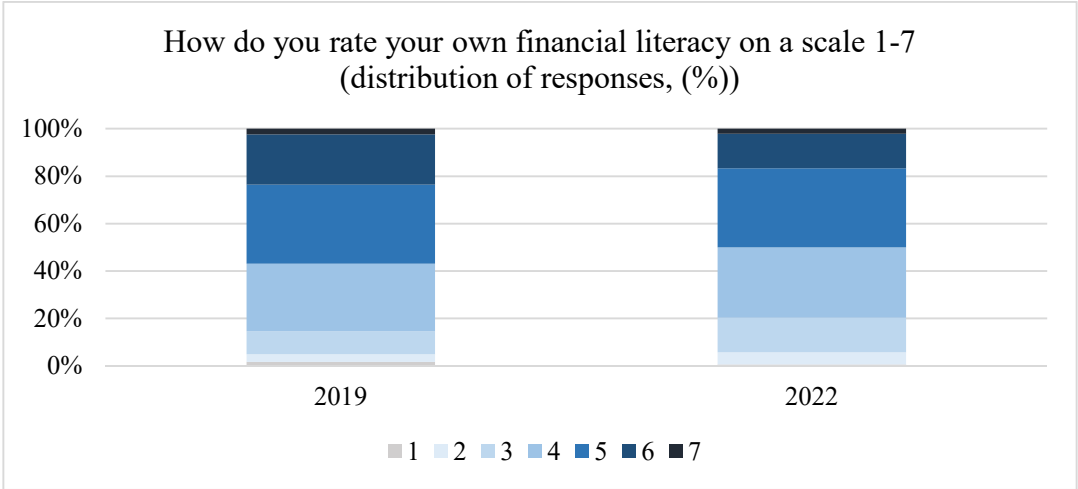


Figure 1: How do you rate your own financial literacy (in 2019 and 2022)
Source: Own editing

Among the questions on specific knowledge, we will focus in this study only on those related to the S&P test, which consists of 5 questions.

The first two questions focused on the knowledge of compound interest calculation. For the first question, the proportion of correct answers was almost exactly the same in the two years studied, while for the second question there was a slight decrease in the proportion of correct answers. The third one measured the diversification of the respondents, already in 2019 more than 80% of the respondents were risk averse, but this percentage was close to 90% in 2022. The fourth one looked at the knowledge of inflation and it can be seen that a larger part of the current students are familiar with the concept of inflation, which I think is also due to the current economic situation, but despite this, this question received the least correct answers, only 64% of the respondents were familiar with the concept of inflation. The last question tested numerical ability using simple interest calculation, which also

showed an increase of a few percentage points in the number of correct answers. The graph below summarises the percentage of correct answers to each question in 2019 and 2022.

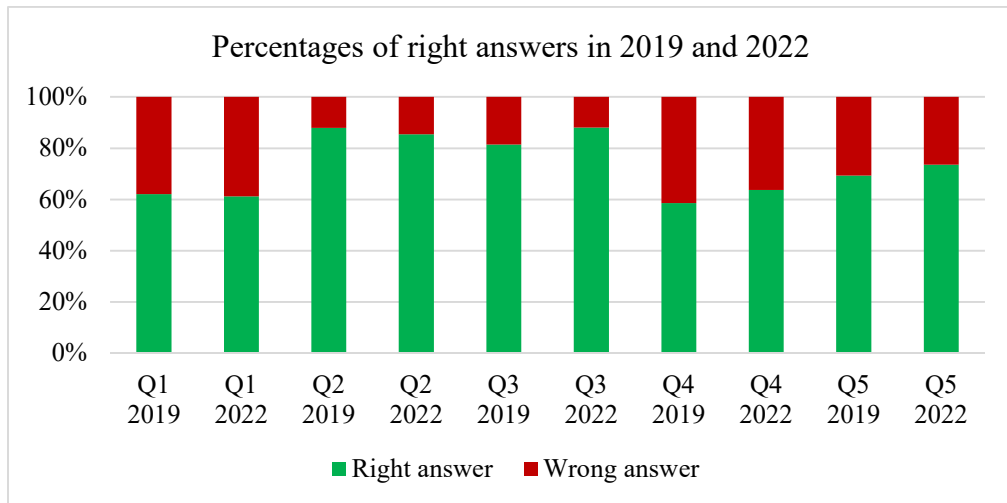


Figure 2: Percentages of right answers in 2019 and 2022

Source: Own editing

The correct answers show that 65% of students have adequate financial knowledge. According to the 2014 S&P survey, 54% of the Hungarian adult population has an adequate level of financial literacy.

Cluster analysis was used to examine financial attitudes. The clustering was carried out along the following three variables: How do you rate your own financial literacy?, Are you a risk taker, if it comes to finance?, Do you plan how much you spend (budget)?.

The analysis was performed using a combined method. A subsample was used to determine the optimal number of clusters using the Ward method. Based on the dendrogram, we concluded that the optimal number of clusters is 5, and then the K-means method was used to form the clusters. About the characterization of the clusters we will write in another paper.

4. Conclusion

In the previous international survey, 46% of Hungarians were considered financially illiterate, but the picture was more positive, with only 35% of students considered financially illiterate. The cluster analysis partly confirmed the results of previous years, with the most educated cluster achieving the best results for financial literacy, despite the fact that it was the group with the least educated parents. Furthermore, the cluster with the best results had the highest proportion of males. The cluster with the lowest proportion of single parents had the second best result for financial literacy.

We believe that the above sheds light on the links between the established clusters and financial literacy, and reveals new characteristics that have not been addressed in previous research.

Overall, it can be concluded that the level of financial literacy of the students surveyed is adequate. However, this should not be taken as a backward step, as there were some groups where this level was not satisfactory. We believe that this area should continue to receive particular attention in the future, as today's young people could be the decision-makers of the future.

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EXPLORATORY STUDY ON THE DIFFERENCES BETWEEN CORPORATE ESG REPORTING AND THE NEED FOR ESG HARMONIZATION

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Abstract: *This paper aims to make a preliminary analysis of the different regulatory directions of ESG reporting taking into account the perspective of multiple stakeholder engagement. It also draws insights into the concept of sustainable finance and how this is incorporated into financial reporting based on the increasing needs of stakeholders to monitor the sustainability of their investments. Furthermore, we make a summary of the complexity of the EU ESG reporting scheme and draw conclusions on the need of harmonization of different frameworks and standards to bring real value added not only to the reporting companies but also its shareholders. We make recommendations on the main points to take into consideration for a more in-depth analysis of the different ESG frameworks and the value added on the EU ESG regulatory scheme.*

Keywords: ESG; non-financial reporting; SDG; sustainable finance; sustainability

JEL Classification: G11; Q56; D53; P34

1. The Magnitude of the European Sustainable Financial Markets

In the past years, financial investors have manifested an increased need for corporate social responsibility reporting as they are encouraging companies to act responsibly in the market in addition to delivering good financial results. This has materialized in reporting regulations and frameworks like ESG that focus on company practices related to the environment, social and governance or SRI (socially responsible investing) which involves selecting investments based on specific ethical criteria. In 2018, EUROSIF, made an analysis at the EU level about sustainable and responsible investment strategies. The result of the analysis showed that EU has an advanced approach towards sustainable development at the level of the European financial markets (e.g. through sustainable and green finance). The complexity is driven by the magnitude of the EU financial market and the mechanisms of SRI strategies in the regions. Two leading strategies bring us to the idea of the growing importance related to ESG considerations when it comes to the investment decision-making process. Engaging and voting is showing that SRI requires fundamental decisions and more commitment from the shareholders, which again refers to the governance component of the business. In addition to the above findings, Tolliver et. al. (2019) show in their research that between 2008 and 2017 International financial institutions invested significant monetary resources in green bonds. This has been reported to be the equivalent of 108 million tons of CO₂ reduction and the creation of 1500 gigawatts in renewable energy capacity. EU has even declared itself “as the world leader in promoting a vision of sustainable finance” (EUROSIF Report, 2021) therefore it

undertakes clear actions for consolidating its position through concrete policy action and regulatory frameworks (e.g. Action Plan on Financing Sustainable Growth, Strategy for Financing the Transition to a Sustainable Economy etc.). The size and magnitude of the European sustainable finance markets impose to build a solid regulatory baseline. For this reason, the EU sustainable finance agenda, the EU Taxonomy, the Sustainable Finance Disclosure Regulation, and the Paris-Aligned Benchmarks, can be considered as the leading standards for EU financial market participants. As Ursula von der Leyen recently stated at the EU Sustainable Investment summit: “Europe has become the home of sustainable investment”, therefore multiple-stakeholder engagement is needed to achieve the climate targets and sustainable development goals at the EU level.

2. Sustainable finance – the baseline for non-financial reporting

The main scope of this paper is to build a generic informational groundwork to show the course of transposing the SDGs in the context of the Paris agreement in 2015. The central pillar of this underpinning refers to sustainable finance and investments that are among the only active resources to drive the change and achieve climate targets set for 2030 and 2050. An analysis made by Rystad Energy showed that by the end of 2021 the gap between global capital spending on renewables and oil and gas is narrowing at a minimum level. For 2021 it was planned approximately to spend \$311B in terms of oil and gas capital and \$243B in terms of wind and solar. Moreover, A McKinsey report (2020) shows that the EU will require about 28 trillion in structural investments between 2021 and 2050 to achieve its targets of carbon neutrality. Having a new format and structure for companies’ value creation requires rules and conventions about how to capture and present this information to the firm’s stakeholders. This is one of the main reasons of creating non-financial reporting conventions and regulations to track the use of sustainable finances and capture the corporate achievements towards sustainability. In this section of the paper, we emphasize the connection between sustainable finance, investments and stakeholders on one side and the importance of non-financial reporting and framework on the other side. Sustainable finance can be understood as „the process of taking environmental, social and governance (ESG) considerations into account when making investment decisions in the financial sector, leading to more long-term investments in sustainable economic activities and projects” (finance.ec.europa.eu/sustainable-finance). Moreover, “sustainable finance and investment is used as an umbrella term representing all concepts related to the implementation of financial and investment activities based on sustainability-oriented strategies (De Souza Cunha et. al, 2021). European Union is among the leaders in promoting regional sustainable development and it is in a position to transform the EU capital market. The commitment to sustainability along with UN global initiatives is fragmented at all levels (e.g. international, national, regional, and local) and for almost all types of organizations in society.

3. Stakeholders’ Perspective in the Context of ESG Reporting

An interesting initiative was restated and launched on the platform of the World Economic Forum, in Davos in 2020 about the principles of stakeholder capitalism. Under this initiative, the Forum’s International Business Council (IBC) was created which put together the commitment of more than 140 CEOs. Their shared objective is to build and calibrate the corporate values with United Nations SDGs. The core structure of this initiative is called “Stakeholder Capitalism Metrics” and consist of defining a set of metrics and disclosure system used by IBC members to align the traditional corporate financial reporting system with ESG performance and to transpose it to SDG in a consistent way.

This is another global initiative, seemingly, to be the most influential attempt to harmonize different non-financial reporting frameworks under the umbrella of a single system that is directly connected to the UN commitment towards sustainability. The slogan is “Towards Common Metrics and Consistent Reporting of Sustainable Value Creation” which puts together the interests of many stakeholders participating directly and indirectly in the corporate activity. The “Measuring Stakeholders Capitalism” structure consists of 21 core and 34 expanded metrics and disclosures build on 4 reporting pillars: Governance, Planet, People and Prosperity. This reporting structure put together metrics and disclosure rules from the following frameworks and organizations: GRI, The British Academy and Colin Mayer, Embankment Project for Inclusive Capitalism (EPIC), IR, World Economic Forum Integrated Corporate Governance, GHG Protocol, TCFD, CDSB, SASB, Science Based Targets Initiative, WRI Aqueduct water risk atlas tool, Adapted from Dodd-Frank Act, US SEC Regulations, US GAAP ASC, IAS 7.

The “Measuring Stakeholders Capitalism” encompass metrics for all the stated stakeholders: Investors/money providers, beneficiaries of capital, regulators, and beneficiaries of public goods. Employing these metrics shows that companies are internalizing into their corporate strategies the most important sustainability elements which are aligned not only between all parties involved but also with the UN SDGs. Investors are willing to have such a reporting framework and monitoring system for sustainability performance from the perspective of risk-return profile. Such a system will provide but not guarantee a lower business risk, a better risk-return performance, and a better reputational image. Considering the stakeholder’s perspective, the policymakers should internalize in their strategy the full commitment and continuous improvement approach. By this token, the regulatory body should strengthen the stewardship and engagement framework of the Shareholder Rights Directive II and concentrate more on the outcomes. Given the diverse methodologies on which sustainability standards are being constructed and integrated into the annual financial reporting of businesses, our research focuses on analysing at first view the different regulatory directions from the perspective of multiple stakeholder engagement. It also aims at capturing the need of harmonizing the different frameworks and standards to bring real value added to not only the reporting companies but also its shareholders.

4. Harmonization of ESG reporting

In the last decade, the non-financial reporting landscape, evolved in a non-systematic way, a fact that created some advantages and disadvantages for companies and investors in repositioning themselves towards sustainability. For example, financial institutions and investment funds are more interested to have harmonized sustainable reporting system and ESG impact while regulators are taking a keen interest in having a functional reporting system in the specific area it acts in. Thus, indirectly, it is creating a decentralized reporting ecosystem. In this sense, the European Commission started to build a regulatory platform in the context of the Green Deal to become carbon-neutral by 2050 among all EU member states. The International Organization of Securities and Commissions also initiated some mechanisms to harmonize sustainability reporting through the world’s securities market to build a more cohesive and transparent reporting system. Even though the voluntary framework and standard setters are focused on specific sustainability objectives, they realized that proper harmonization is needed to strengthen the ESG reporting process. For example, in 2020 five leading institutions (CDP, CDSB, GRI, IIRC and SASB) decided to create a common working platform for non-financial reporting. They decided to work together also including other stakeholders to build a more “integrated international corporate reporting system”. The trustees of the IFRS Foundation also started to undertake actions in broadening its mandate in the realm of non-financial reporting in order to provide a more comprehensive view and liaison between financial

and non-financial performance having the same reporting grounds. Moreover, Accountancy Europe proposed to create a new organizational structure called the International Non-financial reporting Standards Board (INSB) to work together with the International Accounting Standards Board (IASB), being in the same time under the umbrella of IFRS Foundation. In the end, the International Federation of Accountants (IFAC) proposed to create the International Sustainability Standards Board to coexist with IASB under the auspice of the IFRS foundation. All these initiatives show the importance of internalizing sustainability into the overall corporate performance communication process. This in fact strengthens the idea of having a harmonized system of reporting when it comes to ESG reporting.

5. Conclusion and Further Research

We have exposed the magnitude of the EU responsible financial markets and how the UN SDGs have been transposed into microeconomic guidelines that European companies need to take into account in their ESG reporting. Moreover, we have made a preliminary analysis of the different ESG reporting schemes taking into account the shareholder's perspective. The multitude of frameworks and standards along with the different types of reporting (annual vs integrated vs financial vs sustainability-oriented) that companies need to produce at the end of each fiscal year has led to a decentralization of financial and ESG reporting. There is an increased need for harmonization, setting clear metrics and standards so that investors and other shareholders can easily compare not only the financial performance of a company but also the impacts that its daily economic operations have on the environment, the planet, and the population. A harmonization of ESG reporting at the world level would decrease compliance costs for companies that are struggling with what standards or frameworks to use in their ESG reporting. Furthermore, in the context of the EU Taxonomy, it would be interesting to extend the analysis and understand what is the added value of the EU ESG regulations in the context of sustainable reporting. How is it different from the already existing frameworks and standards? What is the perspective of the stakeholders and of the companies operating in the European Market? What standards they will use when disclosing sustainable data? What will eventually be the cost of compliance for reporting business? These questions can constitute the subject of further research in an attempt to make a more in-depth analysis of the benefits of the EU ESG Regulatory compared to other standards and frameworks.

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IS TALENT MANAGEMENT BENEFICIAL TO SMALL AND MEDIUM SIZE ENTERPRISES?

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***Abstract:** Talent management (TM) is a relatively new management discipline that is gaining increased interest among scholars and HR practitioners. When properly implemented, it can positively impact the performance of an organization and enhance employees' outcomes in relation to their job satisfaction, engagement, and turnover intention. While TM has been extensively researched in large firms and global companies, there is a dearth of information on its impact in SMEs; how is it conceptualized, defined, and practiced in Small and Medium Sized Enterprises (SMEs). This is despite the important role that SMEs play in the economies of most countries and the positive benefits that TM can provide to them to secure the talents they need to enhance their competitiveness in the marketplace. This paper shows the positive impact of TM on employees in SMEs in Romania based on an empirical study. The results fill the gap in the literature by sharing some insights on the beneficial impact of TM amid the challenges and constraints to its implementation in this sector.*

Keywords: Talent Management; talent management philosophies; talent; SME

JEL classification: M5, M12

1. Introduction

Talent Management (TM) is a fairly new discipline of management that deals with the recruitment, development, and retention of the talented employees needed by an organization. This focus on talent is considered crucial by many scholars and practitioners, some of whom have argued that the competitive advantage enjoyed by companies is derived from them capitalizing on the talents of their employees (Scullion & Collings, 2011). However, despite the growing body of literature on TM practices in multinational and large organizations, there is a scarcity of work on its impact and practices in SMEs, especially in emerging markets like Romania. One reason cited in the literature why many SMEs have been less embracing of TM is that they consider them unsuited for their requirements (Al Ariss et al., 2014). This is despite the important role played by SMEs in the economies of most countries and the enormous contribution they make to entrepreneurship, employment generation and commerce. Many scholars have bemoaned the absence of an abundance of research on TM practices in SMEs (Festing et al., 2013). This is in contrast to multinational enterprises (MNEs) where there is a large body of literature on TM practices in these organizations (Morley et al., 2015). In explaining this disparity, researchers have opined that TM practices in SMEs are different. Scholars like Festing et al., (2013) were critical of practitioners who applied TM practices from large firms to SMEs without acknowledging the differences between both groups (Festings et al., 2013). They attributed these differences to factors relating to organizational setting, resource constraints, and economic situations which are often dissimilar between the groups (Krishnan & Scullion, 2017).

This paper investigates whether the designation of employees as a talent by a SME has any impact on their behaviour in regard to job satisfaction and turnover intentions, based on the employees' perception. In presenting the findings, we give a brief literature review, outline the methodology, discuss the findings, and close with some commentaries on its practical implication for organizations in the SME sector.

2. Literature Review

2.1 Conceptualization of talent management and talent

Talent management emphasizes the development of a pool of employees within an organization that it considers to be a talent. It focuses on those employees in the organization who are deemed to be talented and whose contribution can enhance the competitive advantage of organizations (Avedon & Scholes, 2010). An organization may treat all of its employees as being talented (the inclusive school) or just focus on the select few employees that it considers to be talented (the exclusive school) (Blass, 2009). But, who is a talent and how is the term defined in the literature? Ansar and Baloch (2018) defined talent as the possession by an individual of certain attributes or behavior that make that individual 'right' for that particular role (Ansar & Baloch, 2018). Talent is thus considered a desirable quality in all humans and organizations will strive to recruit and retain those employees with the right talent (Ansar & Baloch, 2018). Hence, in this study, we investigate the influence of talent designation on individual outcomes at the employee's level in regard to job satisfaction and job performance. We reason that when employees believe that they are included in a talent pool or have been designated a talent by their organization, this perception or belief will lead to increased employee satisfaction and performance, along with a decreased turnover intention. We thus formulate the following hypothesis; *The employees' perception of being designated as part of the talent pool mediates the relationship between the TM philosophy and the employees' satisfaction, job performance, and turnover intentions.*

3. Research Methodology

Data were collected through a survey questionnaire administered to 373 employees in 40 SMEs in Romania. The employees' perception of being designated as a talent was measured through one item "To what extent do you consider yourself as being officially recognized as talent/highly valuable for the organization/key person", on a seven-point Likert scale.

4. Results

The results partially support our hypothesis that employees' perception of being designated as part of the talent pool mediates the relationship between the TM philosophy and the employees' satisfaction, but not for job performance and turnover intentions as depicted in Table 1;

	Job Satisfaction	Turnover intentions	Job performance
	β (S.E.)	β (S.E.)	β (S.E.)
Individual designated talent	0.18(0.015)** *	0.03(0.721)	0.08(0.371)

5. Discussion and Conclusion

Several studies have highlighted the beneficial effects of TM on organizations. When properly implemented, TM can positively impact the organization's performance (Coulson-Thomas, 2012). At the individual level, it can enhance employees' job satisfaction, engagement and reduce their turnover intentions (Sariwulan et al., 2021). But, while it has been extensively studied in large enterprises, its impact on SMEs in emerging markets like Romania is an area that lacks sufficient empirical studies. Our study attempted to fill this gap by shedding light on whether the designation of an employee as a talent and their inclusion in a talent pool positively impacts their behavior. Our analyses indicated that inclusive talent management practices do have a positive impact on employees' satisfaction, job performance, and turnover intention (Meyers et al., 2020), but the designation had mixed results. We found that organizations that treat all of their employees as talent (the inclusive school) tend to experience more positive employee outcomes. More specifically, we found that organizations that subscribe to this TM philosophy generally have employees who are more satisfied, and productive and display less desire to leave the organization.

The findings show a strong relationship between the inclusive TM philosophy and TM practices. The perception of the employee being designated as talented is positively associated with job satisfaction but is not related to job performance or turnover intentions. One limit of the study is related to the use of a convenient sample which does not allow the generalization of the findings. The study thus contributes to the literature by shedding some light on the relationship between an inclusive TM philosophy, talent designation and the impact of TM practices in SMEs.

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HOW DIGITAL TECHNOLOGIES INFLUENCE THE GROWTH OF SUSTAINABLE-ORIENTED COMPANIES

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Abstract: *Digital technologies are becoming fundamental elements of the business environment but also for practitioners, policymakers and researchers. An essential element for companies in this new era becomes the Enterprise Resource Planning (ERP) system, which is used for the companies' management. The ERP is part of an Information System (IS) that permits the interaction between people and technology, being represented as an agile, intuitive and planned tool. The purpose of an ERP is to provide information suitable to support decision making and strategies within a company. Our study intends to explore how digital technologies influence the growth of sustainable-oriented companies in the new era of Industry 4.0.*

Keywords: Digital technologies; Industry 4.0.; sustainable companies; ERP systems; sustainability.

JEL classification: K29, M14, L25, M21, F23.

Introduction

Digital and new technologies contribute to having a defined sustainability strategy and an agenda within the new emerging circular economy cycle (Kristoffersen et al., 2021:241-242). Modern and digitalized companies play a crucial role in finding and using new technologies moving toward the United Nations' 17 SD goals defined in 2015, and as a result of Industry 4.0. including ERP systems, businesses have started to integrate into their processes essential elements such as supply chain, internal organization (e.g.HR), Big Data and analytics tools, etc. Incorporating new and advanced technologies into sustainable-oriented companies can reflect both internal purposes for example competitiveness or external aims, such as government requirements (Alraja et al., 2022:3). The ongoing transformation of the industrial sector around the world is referred to as 'Industry 4.0'. The difficulties of Industry 4.0 have been quickly accepted by large businesses in particular, and they are already working hard to introduce the necessary technological solutions. However, small and medium businesses must overcome the challenge of the human and financial resources necessary to systematically investigate the benefits and threats of implementing Industry 4.0 (Rauch & Matt, 2021:v). Since the term Industry 4.0, often used as synonym for smart manufacturing or smart factory was initially mentioned in 2012 (BMBF), Rauch & Matt agree that a lot has changed in the past years, especially in the field regarding innovation and production digitization. 'The first years were largely dominated by discussing what the collective term Industry 4.0 means, how it can be defined and which core technologies support the fourth industrial revolution' (Rauch & Matt, 2021:4). For example, Narvaez Rojas et al. mention the term 'Society 5.0', a Japanese initiative that was created to play an important role in the progress of the nation and its development, emphasizing the idea that no human being should be denied access to the technological progress of our society (Narvaez Rojas et al., 2021:1). A business can protect itself from various economic uncertainties if it adopts digital tools and invests in new technologies, as incorporating digital technologies into business models brings high competitiveness and advantages to the business (OECD, 2021: 9-14). Nowadays many companies employ enterprise resource planning (ERP) softwares, which have grown in popularity in recent decades, in an effort to boost corporate performance. Corporate

performance is one crucial element that supports the company's overall success, and to support innovation inside businesses, a variety of software programs have been created over time (Ghezzi & Cavallo, 2020), some of which have been merged into applications like Enterprise Resource Planning (ERP).

This paper includes a revision of the concept Industry 4.0 focusing mostly on ERP, while proposing a literature review that covers existing research on the topic. Second, the aims of research are introduced, considering what this paper seeks to demonstrate, namely, to determine how digital technologies influence the growth of sustainable-oriented companies in the new era of Industry 4.0. Subsequently, the research methods are presented and developed, as well as the results of our research. Finally, we identified certain limitations of the paper and proposed further lines of study for policymakers, students, and researchers.

Problem Statement and Aim of the Research

The ERP is part of the Information System (IS), a social system that permits the interaction between people and technology. The ERP system is agile and intuitive, has a planned structure, and supports decision-making and strategies inside businesses (Matende & Ogao, 2013:519-522). The ERP systems aim to integrate into the business processes technologies such as Big Data and analytics tools, or support sustainability reports and visions (Shadrack, 2020:39-40), and are used to oversee the organization's operations (for example, accounting, compliance, project management, and distribution chain operations). Adopting new emerging technology means developing strategy, and if an organization develops sustainable tools and invests in modern technologies, it could have a significant impact and protect the business from various economic challenges. As per Brenner, 'Digitization has become widespread, affecting each aspect of the global economy. Consequently, organizations are busy exploring how large-volume data - or 'big data' - can be usefully deployed to create and capture value for individuals, businesses and organizations (Brenner, 2018:1-2). Businesses, notably SMEs (Beheshti, 2006:190), seek to obtain a market share by reinterpreting their business model (BM) through experimentation and development (Weking *et al.*, 2020). Additionally, according to Molina-Castillo *et al.* (2022), 'ERP implementation processes can be hard for companies, for instance when specific ERP software does not match the existing operational model, needs to be aligned with business processes or integrated with other applications, e.g. management information or knowledge-management systems'. Implementing Enterprise Resource Planning systems has different effects on various organizations, which is why one of the goals of our article is to outline the most significant elements involved in the adoption of enterprise resource planning systems for companies.

Methodology and Results

Enterprise resource planning systems (ERP) can make a substantial contribution to an organization's effectiveness in the current fast-paced corporate climate, however, its implementation is considered a highly lengthy task that has several limitations due to its intricate modular and structural design, which can generate some well-known implementation challenges (Sumner, 2000). For example, for SMEs with little expertise in IT, or with limited access to innovation capabilities, scarce financial and human resources, these threats become indisputable. Organizations have used a variety of tactics and change initiatives to cope with these obstacles. Some of these efforts aim to improve the efficiency of their internal processes. However, according to Brenner (2018), although ERP systems can create shared values for the company, its stakeholders, support the society as a whole and the overall success of the company, they also add more complexity and challenges to the business. For example, IT has given organizations a wide range of tools to help with managerial responsibilities. There is a demand for more data, such as research showing that businesses will benefit from investing in IT. In Figure 1 we

summarized some of the most important elements of the ERP model based on our own research:

Figure 1. Elements of the ERP model



Source: Author's own creation

5. Conclusion

This article aims to outline which digital technologies influence the growth of sustainable-oriented companies. Our research has numerous advantages, such as understanding the idea behind digitalization and new technologies, which is actual and involves various segments of the society. But it is important to mention that conducting the research from only one perspective or reducing its perimeter cannot always be exhaustive. It is challenging for governments, academics or institutes to put together unique studies or official documents about digital technologies since it is a very broad subject and an always developing one. Our findings underline that the future of economies and sustainable-oriented companies is influenced by digitalization. We can conclude that digital technologies bring sustainability practices and competitiveness to the business environment. To revive national economies, it is essential to expand them with investments in digitalization, new technologies, sustainable practices, green economy, renewable sources, and green energy. Access to new digital technologies and sustainability practices is bringing variety to the economy and is preparing governments to compete with other European realities. There is a real need for further research regarding the object of our study, but it is our hope that this paper will be developed in multiple future directions.

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Figure.1: The vicious circle of poverty (Bauer, 1965) Source: created by the author

According to the UN, poverty is the condition characterized by a severe deprivation of basic human needs such as access to food, drinking water, sanitation, health, housing, education, and information.

Today, the social, cultural, political, but also freedom, dignity, respect or self-dignity are added to the economic dimension of poverty (Ștefănescu, 2016). In the Dictionary of Sociology (1998), poverty is the situation in which the agreed standard of living cannot be ensured at a given time (Zamfir, Vlăsceanu et. al., 1998). Other specialists believe that we can talk about poverty where there is at least one person who does not reach that minimum level, established by the standards of the respective society (Dinculescu, Chirca et. al., 1999).

Types of poverty

The complexity of the phenomenon of poverty is also underlined by the different forms and degrees in which it manifests itself.

Depending on the degree of satisfaction of human needs in the specialized literature (Zamfir and Vlăsceanu, 1998) absolute poverty is distinguished being the situation in which an individual does not have the income necessary to ensure the minimum subsistence and lacks the means necessary to maintain human life (Zidărescu, 2007). All these authors describe relative poverty as the situation in which the person's standard of living is above the subsistence minimum, but fails to satisfy the social and cultural needs that allow the individual to participate in community life. The same authors outline the concept of individual poverty affecting a part of the population. At the opposite pole is described the collective or generalized poverty characteristic of poorly developed societies. The dictionary of sociology (1998, p.518) distinguishes primary and secondary poverty according to the income achieved by a person.

Paraschiv (2008) studied consumption and multidimensional poverty, concluding that consumption poverty, i.e., estimated according to household consumption, is deeper in rural than in urban areas. Paraschiv believes that consumption deficit is only "the entry ticket to poverty" (Paraschiv E., 2008, p.428). If consumption poverty can be fixed through economic growth, the multidimensional one is deeper, chronic and its eradication requires a much more complex plan. In specialized literature, it appears under the name of "new poverty" (Stănculescu and Berevoescu, coord., 2004, Péter, 2015) and studies show that it generalizes mainly in the urban environment.

Determinants of poverty

Studies on the causes of poverty have been particularly extensive. Phil Bartle (2013) identified five factors that contribute to the maintenance of poverty: ignorance, disease, apathy, lack of honesty and addiction, and to overcome these factors he believes that education has a decisive role.

The study carried out on poverty in the urban environment demonstrated that occupation and education are the determinants of poverty, regardless of the area of residence or the type of poverty Paraschiv (2008). Ștefănescu and Pop (2016) in their studies carried out in the rural environment demonstrated that the lack of jobs, poor education and poor infrastructure are the main factors that generate the reproduction of poverty. Starting from these results, I propose to analyze the occupational structure of poverty in the post-pandemic period.

The occupational structure of poverty

The latest EUROSTAT data show that every year, from 2017 onwards, Romania had more than 30% of the population at risk of poverty, although the studies carried out by the European Commission (2022) show that the labor market had good results, despite the COVID pandemic -19.

Table 1: Rate of people at risk of poverty or social exclusion in Romania and EU

Year	People at risk of poverty or social exclusion in Romania	People at risk of poverty or social exclusion in EU	Romania's position
2017	35,7 %	22,4%	II.
2018	32,8 %	21,7 %	I.
2019	32,5 %	21,1 %	I.
2020	35,6 %	21,9 %	I.
2021	34,4 %	21,7 %	I.

Source: Prepared based on Eurostat data

Specialized studies (Townsend 1979, Ștefănescu 2016, Eurostat) show that employed people are more protected from the danger of poverty than the unemployed or inactive, but even within these two categories a variety of situations can be noted.

Statistics made on the basis of data from 2021 collected by the Ministry of Labor and Social Solidarity show that people who have at most secondary school education are more likely to become unemployed. There are considerably fewer unemployed among people who have completed at least 12 grades. Those with higher or post-secondary education are a minority among the unemployed. From these data we can deduce that the rate of risk of poverty and social exclusion decreases as people have a higher educational level.

Van Belle (2016) demonstrated a link between participation in preschool education and achieving good school results in the educational system, decreasing the probability of dropping out of school and the probability of being below the poverty line upon exiting the system.

Conclusions

Both specialist studies and data published by national and international institutions have demonstrated that Romania has much to recover in terms of combating poverty and social exclusion. In order to achieve the targets and objectives set by the European Commission and local institutions, the phrase "think globally and act locally" must be followed.

In order to reduce or eradicate poverty, in the long term, it is not enough simply to transfer funds to the victims of the scourge of poverty, because they will alleviate the symptoms in the short term but will not solve the problem itself. An anti-poverty strategy must be developed through a close collaboration of all decision-makers responsible for ensuring economic development, the well-being and health of the population. The objectives of the strategies developed at the national level can only be achieved if the local needs of vulnerable groups are identified and the actions undertaken will be correlated with them. These actions must aim at the development and diversification of the labor market, to help the access to the labor market of disadvantaged groups, as well as to ensure a quality education (Paraschiv, 2008) because in addition to infrastructure, the lack of jobs and education are among the main determinants responsible for the reproduction of poverty (Ștefănescu, 2016), education being one of the tools through which the vicious circle of poverty can be interrupted (Bauer, 1965).

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MEDICAL MIGRATION IN HUNGARY - REVIEW OF LITERATURE DATA

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Abstract: *Medical migration is a global phenomenon, an important challenge of globalization and the current economic trend, which plays a critical role in the operation and maintenance of healthcare systems. This applies to Hungary as well, the migration of health professionals has been a problem that has seriously threatened the Hungarian healthcare system for at least 20 years. In my research, I conducted an integrative literature review of 8 scientific articles about the migration of Hungarian healthcare professionals published in the last 5 years (2018-2022), which I found in the PubMed and ScienceDirect publication databases. The aim of my review study is to provide a complete and satisfactory summary of the literature examining and analyzing the current migration trend in Hungarian healthcare, as this way, even with the lack of the official statistical data, we can gain insight into the current situation.*

Keywords: Medical migration, Health professionals, Workforce, Physicians, Healthcare system, Hungarian healthcare

JEL codes: O15, I19, J45, J29

1. Background

Medical migration is a global phenomenon, an important challenge of globalization and the current economic trend, which plays a critical role in the operation and maintenance of healthcare systems and is receiving increased attention worldwide. The medical profession is among the most mobile of highly skilled professions, particularly in Europe and also the sector, which experiences the most serious labour shortages (Becker et al, 2020). Economic-migration and career changing have become more common issues among healthcare practitioners and the past two decades have been marked by significant growth in the migration of medical doctors. Lower unemployment rate, good remuneration of physicians, an aging population, and good medical infrastructure in the host country are the main contributors to physicians' brain drain (Botezat et al, 2020). In the past few years In Europe, the creation of a border-free labor market and its expansion with the EU enlargements of 2004, 2007, and 2013 endowed health professionals with the right to provide services and to relocate to another EU Member State (Suciu et al, 2017). Also Hungary is struggling with a shortage of human resources in healthcare caused by medical migration, especially after joining the EU in 2004. The most important objective of my research is review of literary sources on the phenomenon of medical migration in Hungary, which might thus provide us with new insights as well as highlight some conceptual contributions.

2. Methodology

As already mentioned, in my research I have used the literature review method to examine articles on the migration of Hungarian medical professionals published in the last 5 years (2018-2022) and included in the PubMed and ScienceDirect publication databases. I focused on domestic studies that examined various aspects of medical migration, as well

as opinions and experiences related to it. A literature review is a comprehensive, thorough overview of the current state of knowledge on a given topic, as well as discussion of the literature surrounding a certain topic. In order to identify gaps in the current knowledge and to make recommendations for future research, it must be critically evaluated and synthesized. This integrative type of the review is an important tool, which evaluates the strengths and weaknesses of the existing research and can be also used to inform decision-making in clinical practice or policymaking. As first step, it is certainly important to decide, which articles relevant to the topic should be included in the research. As in my review I tended to deal with migration among Hungarian healthcare workers, I have focused on studies that examined health professionals' views and experiences on migration. Eight (8) studies were included in this research area.

3. Results

Győrffy and Szél have done research about Hungarian medical students' intentions to work abroad after finishing their studies (Győrffy et al, 2018b). In 2016/2017 academic year they did an online survey in which 530 students from 4 Hungarian medical universities (University of Budapest, Debrecen, Pécs and Szeged) were involved, but they analyzed only the 5th (51.3%) and 6th (48.7%) year students' answers, 165 in total (38.5% male and 61.5% female). Although the students which answers were analyzed in this survey represented only 2,75% of the complete medical students population (5984) in that particular academic year, the evaluation showed, that more than 40% of students imagine their future abroad. Most of them would leave immediately after graduating from university and plan to work abroad for at least two to five years. The most decisive motivations for looking for employment opportunities abroad are the currently prevailing working conditions in Hungarian healthcare system, inadequate wages, as well as the general living conditions in Hungary. It is important to emphasize that these data only reflect the desires and intentions, as the number of students who have a specific agreement with a foreign institution is negligible. There are subjective (e.g.family, homesickness, patriotism, the lack of Hungarian words/landscapes/food) and objective (e.g. the young generation who wants to say no to gratuities) for returning. Work-life balance and a supportive collegial atmosphere seem important to young doctors.

Győrffy and her team also investigated the connection between the Hungarian physicians' willingness to migrate and burnout, as the most important challenges of the twenty-first century health care (Győrffy et al, 2018a). In 2013 they did an online survey with 4 784 Hungarian physicians, which represented 12% of the total physician population in the same year (based on the data published by the Central Statistical Office). They were using the contacts of the registered members of the Hungarian Medical Chamber and the association between physicians' burnout and their willingness to migrate was determined by regression analysis. 82% of the respondents did not plan to work abroad in the upcoming one or 2 years, while 16.6% planned to work as physician and 1.4% not as physician. Among those who plan to work abroad, 17.1% had written or oral contract and 32.9% who planned migration in the near future but had not taken any measures yet. The results showed, that there is a circular causality between burnout and the willingness to migrate. The intention to work abroad was affected by the emotional exhaustion dimension of burnout, depersonalization had a tendency to impact the willingness to migrate, while contemplating migration might evoke a certain degree of depersonalization in caregivers who are in a dilemma.

Gaal and his research team (Gaal P., Velkey Z. Szerencses V, Webb E., 2021) state, that Hungary is facing human resource shortages brought on by migration, especially after the EU accession in 2004 The financing restrictions on public provision were aggravated by the loss of thousands of health workers, who emigrated mainly to Germany, the UK and Austria, but, to some extent, also to the private sector within the country. The final push

came from the COVID-19 pandemic, which threatened to put the whole system to its ultimate test. They highlighted that the deteriorating conditions in the public sector and the migration-driven human resource crisis have generated growing dissatisfaction among health workers, which have from time-to-time erupted (e.g. spontaneous and organized protests, resignations of heads of departments, groups of doctors quitting their jobs in a particular hospital). These events provided munition for professional chambers, trade unions and other organized interest groups to lobby for improvements, mainly for pay increases. The Act, passed on 6 October 2020, brings the employment of health workers under strict central control with a new employment status similar to that of the armed forces. The Act also provides physicians with an unprecedented 120% salary increase and criminalizes informal payments. Gaal emphasized, that the reception has been overwhelmingly negative, however the first statistics show that only about 3-5% of the active workforce did not sign the contract by 1 March 2021. The implementation of the reform still faces serious challenges and the government eventually responded to the demands by offering additional funding to certain areas and pay raises to various groups of health workers. As conclusion they emphasized that the key of success would be proper understanding and addressing the motivation of both the health professionals and the patients in term of informal payment. Low wages are an important factor why doctors accept informal payment, while patients make those in order to access priority in health care system, to ensure adequate medical care.

Kovács and her team examined the consequences of migration of healthcare professionals from Hungary to foreign countries (Kovács et al, 2019) . They used the data of the Monitoring System of Human Resources in Healthcare System managed by the State Health Care Center and selected the data of the five medical specialties most affected by the migration of physicians for a six-year cycle (2010–2016). They have observed, that in Hungary the number of physicians involved in migration was the highest in anesthesiology and intensive therapy (23.5%), in surgery (17.9%), followed by internal medicine (7.9%), infant and pediatric medicine (7.4%) and family medicine (6.4%). According to their results, these specialists are mainly from the 50+ age group, so it is worthwhile and necessary to emphasize the training and retention of the appropriate supply. The aging workforce and the low supply of specialists are typical in the regions with a more disadvantaged situation. The analysis carried out by specialty showed that the most critical situation can be seen in the case of infant and pediatric specialists. More than 70% of pediatric and pediatric specialists are 50 years or older, while in family medicine they represent 68%, in surgery approximately two thirds and internal medicine 65.5% of the total number of all age groups. Only in anesthesiology and intensive care more than half of the working doctors are younger than 50 years old. The data also pointed out that there are marked regional inequalities in terms of care: the capital region and medical university towns and counties (Baranya, Csongrád and Hajdú-Bihar) are the least affected and in the best position in terms of specialist medical supply. The shortage of specialists in the selected five specialties is more severe in the counties of Békés, Nógrád, Jász-Nagykun-Szolnok, Tolna and Szabolcs-Szatmár-Bereg compared to the other counties.

Papp and his research team explored the primary healthcare and shortage of general practitioner (GP) in Hungary (Papp et al, 2019). This was longitudinal follow-up study including all general practices and GPs in period 2007–2016, based on data provided by the National Institute of Health Insurance Fund Management (NIHIFM). Analyses were performed on changes in number, age and sex of GPs by the practice type (adult, paediatric and mixed). As a result of the migration, in the most deprived areas, the number of GPs decreased by 8.43%. It decreased in all types of practices, in mixed by 7.7% and in paediatric by 6.5%. The number of adult practices with unfilled GP posts doubled, while the number of paediatric practices with a vacancy for a paediatrician more than tripled. The average age of GPs increased by 3.7 years in adult, by 5.4 years in paediatric and by 4.2 years in mixed practices. According to the results of this study in 2007, 52.27% of the GPs

were women, and this rate increased to 56.19% by the end of the decade. Papp and his team concluded, that the workforce crisis in Hungarian primary healthcare is progressively deepening and resulting in more severe inequity in access to healthcare.

Kovács D. and her coauthors did a survey on the Hungarian healthcare practitioners' economic- migration and career changing attitude (Kovács et al, 2018). The aim of their study was to measure of the mentioned attitudes and to present the influencing factors. They have used a self-edited questionnaire and a valid Effort-Reward Imbalance (ERI) questionnaire and 821 persons (nurses, physiotherapist, midwives, dietitians and nurses) have been included in the research. The studied population represented only 0.45% of the total filled healthcare posts in Hungary. More than half of the participants declared they are planning to leave the health care sector and 46.7% of the participants are planning to go abroad for work. More than half of the participants would leave the country particularly due to their low salary. Also, based on the results it has been concluded that the experienced stress at the workplace is stronger among those colleagues who are planning to leave Hungary or the healthcare sector. The level of the stress was the highest among nurses, however there was no significant correlation between the profession and the level of the work-related stress. Kovács and her team emphasized that the optimization of the healthcare practitioners' working conditions is a political and social interest and the reduction of the disadvantageous factors would require systemic intervention.

Vizsy and her team analyzed the motivations of Hungarian physiotherapists for working abroad as well as the satisfaction of the colleagues working abroad. In their research (Vizsy et al, 2019) they used a self-designed questionnaire and the Efford-Reward Imbalance (ERI) Questionnaire, in period between November 2018 and February 2019. 112 physiotherapists were included in the survey, mainly from France and Austria, as well as Germany, Switzerland, England, Italy, United Arab Emirates, Sweden and Belgium. Based on the presented data, it is not clear which percentage of the Hungarian physiotherapists working abroad have answered the survey. However, the available results showed physiotherapists' migration was primarily driven by the desire for a better quality of life, a more predictable vision and more favorable financial situation and better working conditions. The study emphasized the further foreign employment and remaining abroad is strongly influenced and significantly positively correlated with the financial situation and the perception of the current life situation. Deeper analysis showed the perception of the actual life situation is clearly related to the fact that it is not necessary to take a second job. 26.8% of respondents claimed highlighted no reasons for returning home, while 69.6% would return home with more favorable financial conditions and 51.8% with better working conditions. The change of these conditions would encourage more than half of physiotherapists working abroad to come home.

Szabó, Szöllősi and Talabér in their research (Szabó et al, 2020) examined the child healthcare system in Hungary, focusing on its strengths and challenges. Analysing numerous official domestic and international data, in their publication they presented several important conclusions, including the statement that Hungary will face a major shortage of paediatricians within ten years. They emphasized that the average age of paediatricians in Hungary is 59 years (46% of whom are aged over 60 years) and of the 1498 pediatric practices in the country, one-third are staffed by physicians aged 50–60 years. In Hungary paediatricians study for five years to care specifically for children, while family physicians receive only four months of pediatric training, which is not enough for them to have adequate competence in caring for children. All this could provide the conclusion, that ten years from now, many of physicians aged 50–60 years will be retiring and leaving many empty positions with no one to take them. They highlighted, that several efforts have been already made to solve this complex problem.

4. Conclusions

Although only 2,75% of the complete medical students population has been investigated, and most of these data only reflect their desires and intentions, the proportion of those who imagine their future abroad is still high (more than 40%). Further research on the topic, involving more participants in the survey would be required, however, it is clear that among the motivations for employment, the prevailing working conditions in healthcare, inadequate wages, and the general living conditions in Hungary are the most decisive. A salary increase may induce the repatriation of medical professionals working abroad, but the accompanying conditions of relocation imposed by the government may reduce the attractiveness of higher salaries, together with better working conditions abroad. There are still no defined government plans for the improvement of working conditions of healthcare workforce in Hungary. Examining the profile of migration, it can be seen that the situation is most critical in the professions of internal medicine, family medicine, and infant and pediatric medicine in terms of medical specialization, while in terms of county provision and demographics, there is the most prominent shortage of specialists in Békés, Nógrád, Jász-Nagykun-Szolnok, Tolna and Szabolcs-Szatmár-Bereg counties compared to other counties. Within ten years, Hungary will face a severe shortage of pediatricians. Low salaries and poor working conditions force doctors to either go abroad or work in private institutions. The average age of pediatricians in Hungary is 59 years, 46% of them are over 60 years old. The labor crisis in Hungarian primary health care is gradually escalating and will result in increasingly serious inequalities in access to health care. It has been observed that the burnout syndrome among health workers (doctors) increases the willingness to work abroad. Optimizing the working conditions of healthcare workers is a political and social interest, which would probably take a long time, but could ensure high-quality care in the long run. One of the most important conclusions of the review is that Hungarian healthcare workers migrated abroad primarily because of better quality of life and more favorable financial conditions, but some of the research results showed, that changes in these conditions at home would encourage them to return.

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FREIGHT TRANSPORT, WORK PRODUCTIVITY AND EFFICIENCY INDICATORS IN ROMANIA

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Abstract

Freight transport is certainly the most important branch of transport and certainly one of the most important branches of the economy in general. There is a close link between transport and the evolution and development of mankind, which is why the field of transport has always been of great interest and has undergone a multitude of changes throughout the history. The development of the freight transport sector varies from country to country, with significant differences from one country to another. Freight transport in Romania has not been an area of great interest, and this lack of interest is reflected in the lack of investment needed to operate properly and to make this area attractive and economically efficient.

Key Words: transport, productivity, evolution, indicators.

JLE Classification: A1

1. History and General Facts About Freight Transport

There is no clearly specified date related to the emergence of freight transport, this type of activity has always been present in mankind history, since people have always had the need of transport goods from one place to another. An important point in the evolution of freight transport was the point when the first railway appeared. With the advent of railways, people were able to transport goods much faster and in much larger quantities, which enabled the economic development of many countries. The industrial Revolution played a very important role in the development of transport because it created a huge demand for goods to be transported, this need pushed transport companies to adapt and to evolve in order to keep up with the increasing demand.

1.1. Definition of Freight Transport

The most appropriate definition of freight transport, from my point of view is: transport is an activity by which goods are moved from one location to another. This definition focuses only on the activity itself and does not take into account the complexity and the many branches that this sector of activity encompasses (Woxenius, 1998, p.63). The transport activity can be seen in two different dimensions: transport as an economic dimension, in that it makes it possible to move goods to geographic areas much further away from where they are obtained. The second dimension through which transport can be viewed is the social dimension in that it creates jobs, according to EUROSTAT in 2020 the total number of people employed in transport was 10.9 million, amounting the 5% of Europe's working population (www.ec.europa.eu/eurostat, 2021).

1.2. The Importance of Freight Transport

Freight transport as an activity is considered to be one of the most closely linked to the economic development of civilization, people have always needed to consume certain goods, goods that were not readily available in their surroundings and had to be brought in from other geographical areas. Transport is also historically important through its involvement in agricultural and food sectors. The high perishability of some foods made it

impossible to transport them by conventional means of transport, thus limiting traders to sell them only to customers and markets in their immediate vicinity (Garrison and Levinson, p.375).

2. Transport Efficiency Indicators and Work Productivity

Freight transport is an activity of great interest to people's daily lives because all the goods and services that a society consumes need to be transported. Transportation cost is an influential factor in the final cost of a good or service, which is why transportation specialists are always looking for ways to make freight transportation more efficient (www.bts.gov/archive/transportation, 2016). To this end, a number of efficiency indicators must be taken into account, namely: transport price, transport productivity, logistics cost, transport capacity.

The transport price is the cost paid by customers for the transport service. This indicator is very volatile and is influenced by a number of factors such as: mode of transport, specifics of the transport and goods transported, weight and volume of the transport, distance, place of loading and place of unloading.

The specifics of the transport and the goods transported, depending on the goods transported the transport has to be adapted, which means using certain vehicles or means of transport or using certain specific routes and ways to carry out the transport.

Transport productivity defines the output per transport unit. The simplest method and the one most often used by transport companies is the ratio of the tons per kilometer travelled by a transport vehicle. Another method of calculating the transport productivity is the ratio of daily transport per driver or transport vehicle. In order to find out the transport efficiency it is very important to take into account transport productivity and to find out correct and profitable cost per transport unit.

The weight and volume of the transport is an influential factor in calculating the cost of the transport because this factor determines the transport route, the means of transport and the transport mode used. There is a clear difference between these paths, means and specifics and therefore the weight and volume of the transport can influence the transport cost radically (www.ops.fhwa.dot.gov/FREIGHT, 2022).

2.1. Work Productivity and Factors Influencing the Work Productivity

Productivity can be defined as the value and the level at which certain factors are used in the economy. The relationship by which work productivity is determined is that between goods and services and factors of production.

Given the very high competition in the road haulage sector, for companies operating in this field understanding, knowing in detail and mastering the factors that influence work productivity is very important because they have to offer a very competitive price, but at the same time they have to make a profit in order to make this activity profitable (Pascual, et al, 2021, p.45).

The most important factors influencing the work productivity in the field of freight transportation are: the route from the place of loading to the place of unloading, the delivery time of the goods, the distance travelled from the place of loading to the place of unloading, the number of brakes taken by the driver, the age of the means of transport, the number of deliveries made per transport, the collection and timely delivery of the goods transported (Pascual, et al, 2021, p.45).

3. Evolution of Freight Transport in Romania From 2006 to 2019

Romania, in the period before joining the European Union can be classified as a country with a poor transport infrastructure in terms of quality but also in terms of distance

coverage at national level. With the entry into the European Union, which came with a number of advantages in terms of development of the transport industry, Romania was faced with the fact of not being able to take all these opportunities without a plan to redress the situation at a time when Romania had a poorly developed transport infrastructure, which made the transport sector unattractive for transport companies because it was not profitable, generating high costs in terms of fuel consumption and delivery time of the goods and even generating costs with the repair of the means of transport due to the poor infrastructure that progressively deteriorated the means of transport. Romania did not experience any significant growth since joining the European Union.

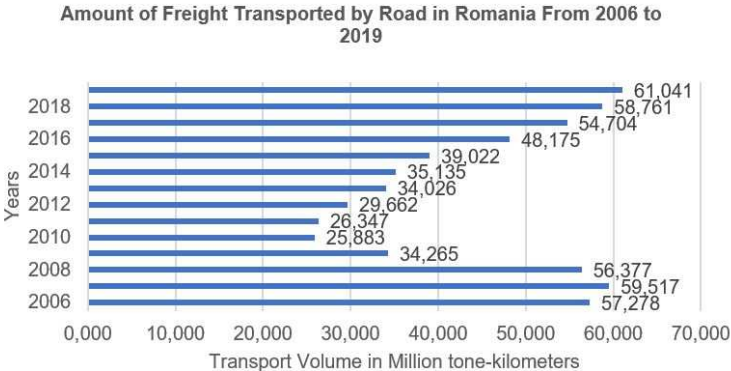


Figure 1: Amount of Freight Transported by Road in Romania From 2006-2019
 Source: (www.statista.com/statistics/romania-tonne-kilometers, 2022)

Analysing these statistics data, it is clear that Romania has failed to prepare its transport infrastructure in such a way as to take advantage of its entry into the European Union and has failed to attract international transport companies in order to grow this sector. One can also see the devastating effect of the World Economic Crisis and the fact that Romania took a long time to recover and reach a normal level of transport volume again. Romania could have benefited a lot from an economic point of view after joining the European Union and could have passed much more easily and quickly through the crisis period if the government had put more emphasis on the importance of transport infrastructure and if it had come up with concrete investment plans in this field.

Conclusions

Given the importance of this sector of activity, road haulage companies attach particular importance into studying the factors that influence the work productivity, the most important factors being: the delivery time of the goods, the number of deliveries made per transport, the age of the means of transport and the distance travelled from the place of loading to the place of unloading. Only by studying these factors and finding solutions or improving them can a company be competitive in the market and maximise its profits. In Romania, a lack of governmental interest in road freight transport can be observed over time. This lack of interest can be deduced from the lack of and efficient infrastructure and the lack of investment in this area. Romania did not take advantage of the benefits of joining the European Union either, remaining, but on the contrary, falling during the World Economic Crisis in terms of the level and the volume of the freight transport.

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INFLATION - A MACROECONOMIC CHALLENGE

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Abstract: Inflationary pressures and the uncertainty regarding the duration and severity of the Covid-19 pandemic, have significantly increased in the last year. Moreover, the start of Russia's war against Ukraine on February 24, 2022 further called into question the upward trend in the inflation rate. In this sense, the sudden and continuous increase in energy, fuel and food prices constitute new challenges for decision makers. The purpose of this paper is to analyze the evolution of inflation in Romania during the period 1990-2022, because this constitutes a topical macroeconomic challenge. Compared to the way of presenting the information from the bibliography used and found at the end of the paper, in this paper only the essential aspects, the particularities of the chosen research topic.

Keywords: inflation; challenge; volatility; Covid-19; uncertainty;

JEL classification:

1. Introduction

Inflation is one of the main tools of the functioning mechanism of market economies. This is also a very complex phenomenon, because over the years, it has revealed different forms, causes and with its appearance, it brings quite strong consequences on the entire economic system. This growth is differentiated according to the categories of economic goods in circulation on the market, according to the services of the production factors in various territorial markets. In addition, inflation represents the macroeconomic imbalance that can be found at the level of any state, being of a monetary nature and evident by the decrease in purchasing power, but also by a strong increase in prices, thus affecting all people. This paper aims to study and analyze the evolution of inflation and its impact on the economic environment in Romania.

2. Specialty literature

The inflationary phenomenon is the one that has been considered a controversial subject by many economists, each of them supporting their point of view regarding this process and thus highlighting the effects and ways to reduce it. An example can be represented by the conception of the authors Lipsey and Chrystal reproduced in the book entitled "Positive Economy" in which they argue that inflation, unemployment and growth represent the fundamental problems facing the economy in the current period. Samuelson argues that inflation occurs like disease for many reasons, with no single source. Part of inflation is due to demand and the other part is due to supply. Since it can be said that this phenomenon is so complex, because it is influenced by several factors, it takes place at an internal level, and with its appearance, it also leads to quite high costs.

3. Research Methodology

This part of the presentation of the research methodology aims to facilitate the completion of the next stages of the work by highlighting the methodology and the database used, as

well as the sources of information. The present work was carried out through a mixed research methodology, as it is based on qualitative and quantitative data. More precisely, through quantitative data, a macroeconomic analysis of the case study was carried out, these data being entered into the Microsoft Excel program to create graphs that allow an easier identification of the evolution of macroeconomic indicators. Regarding the qualitative data, they consisted of the descriptive analysis method used for the literature review, and several platforms were used for this stage, including Enformation, which includes a diverse base of platforms such as Scopus, ProQuest, ScienceDirect and many others. The time period analyzed is between 1990-2022, as the aim was to highlight the maximum levels of inflation recorded.

4. Case Study

The economic effects of the inflationary process differ from one economy to another depending on the economic policies adopted, the degree of development of each country, as well as the ability of governments to manage and control inflation as a whole. Regarding the analysis of the consequences of inflation, this is difficult to do, because while some economic agents gain considerably from inflation, the other part stands to lose. Thus, the intensity of the effects is closely related to the intensity of the inflationary phenomenon. It should be noted that in conditions of inflation, prices and wages do not change in the same proportion, as there are changes in the level of relative prices. Because of this change, two effects of inflation were identified, such as the redistribution of income and wealth of the population between different groups and differentiations occurring at the level of prices and production of various goods and services.

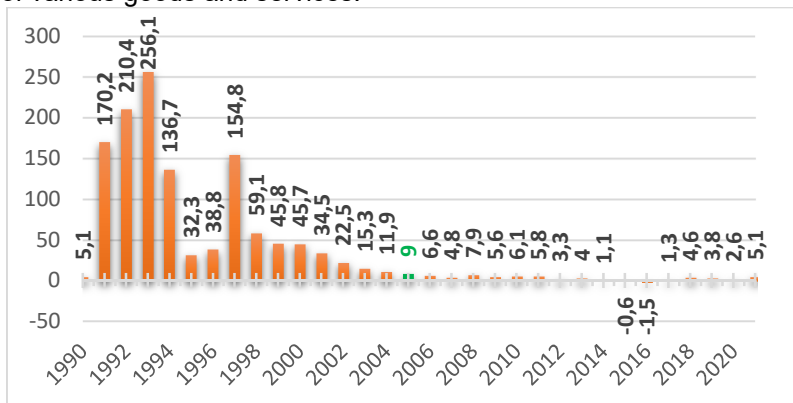


Figure 1: Evolution of the inflation rate in the period 1990-2021 in Romania

Source: Authors' processing based on data from the website of the National Institute of Statistics (INS)

As can be seen from the attached graphic representation, the inflation rate fluctuated significantly throughout the analyzed period, registering the level of 5.1% in 1990, and after this year, it registered very high values, the memorable year being 1993, at the level whose inflation reached a value of 256.1%. In this sense, due to the high level of inflation, investments were discouraged based on the uncertainty of the economic environment, the exchange rate of the national currency depreciated in relation to the currency, the trade balance became deficit, and unemployment increased. The pandemic shock, together with the measures implemented by the policy makers, have led to an increase in costs for certain sectors. Because the shock was multidimensional, namely originating from domestic and external sources, and having a negative impact on both demand and supply, the policy response was unprecedented, leading to a considerable increase in inflation. In the second quarter of 2022, the inflation rate reached 6.3%, being 5 times higher than the level recorded in the same quarter of the previous year (2021). In this

context, the economic environment was strongly affected and the standard of living of the population deteriorated even more, the majority of the population being strongly affected by the increase in food, energy and fuel prices.

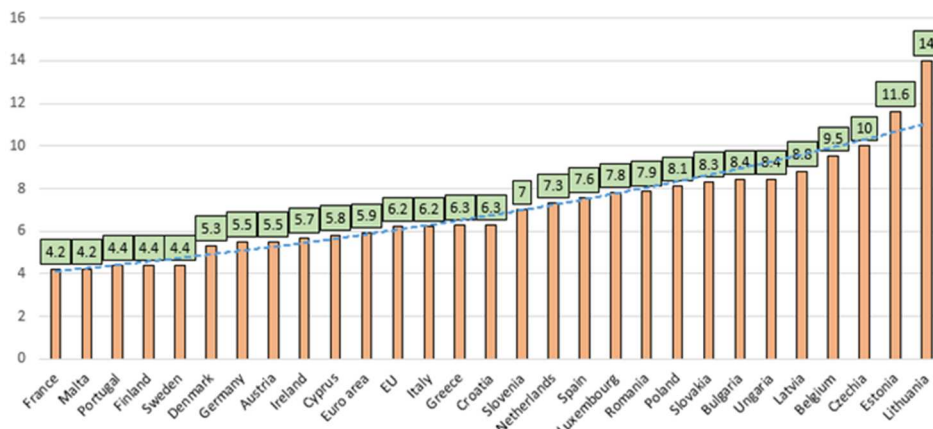


Figure 2: Evolution of the inflation rate in european states

Source: Authors' processing based on data from the website of the Eurostat

In accordance with the statistical data published by Eurostat, in February 2022, Romania ranked 10th among the member countries of the European Union in terms of inflation. With a value of approximately 7.9%, resulting in accordance with the European methodology for comparability with other countries, Romania was above the European Union average of 6.2% or the Euro Zone average of 5.9%, but favorably compared to eight countries belonging to the former Soviet bloc and Belgium with 9.5%. It should be noted that in 2022 the highest annual rates of price increase were achieved by the Baltic States, Lithuania 14% and Estonia 11.6%, these being the only countries that exceeded the 10% threshold. This limit was reached by the Czech Republic and Lithuania with 8.8%, Bulgaria and Hungary with 8.4%, Slovakia 8.3% and Poland 8.1%, decreasing from the value of 8.7% recorded at the end of the month January.

5. Conclusion

The causes of inflation in the post-communist Romanian economy were related to the increase in salary costs that were not consistent with the increase in labor productivity, the depreciation of the national currency, the evolution of taxation and the evolution of tariffs and prices of public utilities provided under monopoly conditions. In addition to all these things, the higher inflation in the Romanian economy is due to the delay in the reform of the banking and real sector, compared to other states in transition.

Also, following the analysis carried out, it can be seen how the inflation rate managed to decrease from the extremely high values, which were close to the hyperinflation threshold due to increases recorded over 50% (for example in the year 1993, the inflation rate was of 256.1%), up to a moderate percentage (inflation rate was 11.9% in 2004), eventually registering a downward trend. It should also be mentioned that the disinflationary process did not have a continuity, because there were periods in which inflation increased suddenly (in 1996 it was 38.8%, and in 1997 it was 154.8%) and in the immediately following period it had a much lower level, i.e. in 1998 it recorded the value of 59.8%. However, even if this strategy has led to the creation of a process of disinflation, this result is inferior to the results obtained by the other states, which have managed to have a single-digit inflation rate. Through the monetary policy in the first years of the transition, restrictive measures were applied, but also to allow the expansion of credit and the supply of currency in the Romanian economy. All these decisions led to increased inflationary pressures, which is

why other objectives were pursued. Currently, the level of the inflation rate is high due to the negative effects caused by the outbreak of the Covid-19 pandemic and the uncertainty that arose with the outbreak of the war in Ukraine, which constitutes new macroeconomic challenges.

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IMPORTANCE OF SELF-CARE IN PAYG PENSION SYSTEM

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Abstract: *The existing pay-as-you-go system in Hungary's pension system is under threat from demographic shifts. Less and less individuals will be required to support an increasing number of pensioners as the population is aging. This is because contributions from the current working population actively finance pensions rather than being paid out of accumulated capital. Therefore, the current pension system is highly dependent on the active workforce and the population. Pension funds can ease the pressure on the current pension system. Studies show a correlation between financial knowledge and self-care. Financial literacy is the key to involve the young generation in pension funds.*

Keywords: pension system, PAYG, self-care, pension funds, retirement

JEL classification: G53

1. Introduction

Current data suggest that Europe's population will start to decline from 2022 (ENSZ World Population Prospects, 2019). The average age in Europe was 37.7 years twenty years ago, but it is now 42.7 years. It's obvious from the trends that pensions will be a major concern in the upcoming decades. In contrast, however, there is still little interest among young people in pension funds. Pensions' biggest drawback is that they are not tangible, i.e. there will only be consequences in the long run. People operate in a reactive mode (Földvári and Szathmáry, 2020), which means that when a problem occurs, they just start to act then.

2. Biggest threat of the PAYG system, aging society

Europe became the continent with the oldest population and from last year its population shows a declining tendency (ENSZ World Population Prospects, 2019). The fertility rate, i.e. the number of newborn children per woman, is 1.54 (Eurostat, 2021), leading to a long-term population decline. The dropping birth rate and the rising life expectancy are the two fundamental causes of the ageing society. One of Hungary's main problems in the future will also be population ageing. According to the Population Research Institute under the worst-case scenario, Hungary's population could fall to as low as 6 million 920 in 40 years (Kapitány and Rohr, 2013). Paul A. Samuelson's presumptions, according to which the elderly are dependent on the working population and current payments cover pension contributions, form the basis of the existing pension system. (Samuelson, 1958). The pay-as-you-go system can also be observed to be based on intergenerational care, similar to that present in traditional societies, and to create a social risk community (Bozsik and Paczolai, 2007). The population reduction and aging are the current pension system's biggest flaws. The largest challenge with changing the current pension system is the so-called double-payer dilemma since those who currently contribute to the PAYG system would also need to save for their own retirement (Myles and Person 2001). On the long run the demographic and economic pressures cannot be ignored, there will be transformations towards a more privatised, partly funded pension, which will change the welfare system for the elderly (Giuliano and David 2012). It is foreseeable that, in addition to the state system, a more significant role will be given to self-sufficiency and, within this, to voluntary pension funds. While in 1970, five workers contributed to the pension of one retiree, in 30 years' time, two workers will have to do so the same (Szabó, 2018).

3. PAYG system

Twenty years after the attempts to strengthen the private pension, more and more CEE countries have returned to the funded pensions strategy and focused on the PAYG system. Hungary had the biggest revisit by nationalising the prefunded pensions (Orenstein 2011). By now, Hungary has a two-pillar pension system. The first pillar, the pay-as-you-go – based on intergenerational care and solidarity (Bozsik - Paczolai, 2007) – is the cornerstone of the pension system. The second pillar is the voluntary pension fund system, where people can provide for their own supplementary old-age pension. Furthermore, the most significant change has been the empowerment of people to decide about the future of their pension (Kolos and Kovács, 2007), which requires financial awareness. Currently there are less than 40 pension funds with a total of 1.1 million accounts (Pannónia Nyugdíjpénztár, 2021). Under current regulations, a person can be a member of more than one fund. Therefore, between 0.5 and 1 million people have accounts, which is 20% of the active workforce (Pannónia Nyugdíjpénztár, 2021). The state is aware that voluntary pension funds are an essential part of the current two pillar pension system, so it subsidises their membership through tax relief. Each year, the amount paid into the fund is increased by 20% of the contribution paid, up to a maximum of HUF 150 000, provided that the personal income tax paid in the year in question is sufficient enough (NAV, 2008).

4. Pension funds

The lack of basic financial literacy is a problem in many households even nowadays (Bodie and Merton and Cleeton, 2009). Numerous studies have revealed that people's worries about retirement tend to grow as they get closer to the end of their working lives, but they tend to decline as they get further away from retirement age (Rooij 2011, Boisclair 2017). Valus and Bacová (2018) point out the problem, the parents of the 18-25 aged young adults do not have enough experience with pension funds – based on Baláž's (2012) research, Slovaks begin planning for their retirement the earliest in their 50s, therefore they are unable to offer advice to their children. A decade earlier, Fornero and Montico (2007) found that financial literacy among adults has a beneficial impact on the likelihood of saving in a pension fund in Italy as well. García (2021) in her latest research, confirms these results and points out the same, enhancing financial knowledge among Mexico's young adults is required to move from passive to active retirement planning. Individuals with higher education have a more substantial earning potential and a better understanding of the need for participation in retirement planning (Lusardi and Mitchell, 2011).

5. The key for younger generations is financial literacy

Make voluntary pension savings an option for consideration. How can this be achieved? Younger generations with a future-oriented perspective are more likely to save for retirement (Rolison, Hanoch and Wood, 2017). Lusardi and Mitchell (2007) discovered similar findings to the Italian researchers (Fornero and Montico); the results show in the United States of America that those who are financially literate are more likely to prepare for retirement and that planning is substantially linked to wealth at pre-retirement age. International research by Hasler and Lusardi (2017) also confirms previous findings, and they found a strong link between financial literacy and pension savings in the G-20 economies. It is important to assess and define financial literacy (Gróf, Süveges, Szemán, 2017). The researchers above point out the same results that there is a significant correlation between financial literacy and willingness to invest. Those with more outstanding financial awareness ratings are more likely to plan ahead of time.

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PREVENTION SAVES LIVES AND REDUCES HEALTH COSTS

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Abstract: Maintaining a health system, at the highest level of performance and ensuring the health needs of the population, is a major challenge for all states. Health expenses are constantly increasing, being influenced by technological progress, innovative treatments or the aging of the population in correlation with the existence of age-related chronic diseases. An important component regarding the decreased of health expenses is prevention, as medical conditions can be detected in the early phase, and their treatment requires significantly lower costs compared to the aggravated forms of the disease. For the period 2014 - 2018, Romania allocated, on average, more than 68% less financial allocations for prevention (from GDP), compared to the European Union average, while countries such as Italy, Finland, Sweden, Germany and the Netherlands they have allocations between 27-36% above the European average. Romania is in the penultimate position at the level of the European Union, allocating 0.08% of GDP (2018) for prevention in health, with a direct impact on the number of critical patients and high treatment costs.

Key words: prevention in health; health expenses; cost reduction through prevention

JEL classification: A12; H51; I15; I18; P43

1. Introduction: Even if Benjamin Franklin's words: "An ounce of prevention is worth a pound of cure", (Labaree, 1961), were referring to fire prevention, they are perfectly applicable in any field, including health. Prevention in health means, in addition to maintaining a proper state of health and lowering the mortality rate, a significant reduction in health expenses. Various authors have carried out research on reducing health costs through actions to eliminate fatal diseases (Bonneux L, 1998), reducing the demand for medical services (Fries, 1993), trying to answer whether prevention saves lives or just reduces costs (Grootjans-van Kampen I, 2014).

At the level of the European Union, a majority of the registered deaths are caused by three main conditions that include the circulatory system, respiratory system and neoplasms, for the year 2018, representing a rate of more than 26,000 deaths per 100,000 inhabitants out of a total of 35,676 registered deaths.

2. Analysis of prevention spending in the European Union

By analyzing the data (Eurostat, 2022), it is found that the average percentage of GDP expenditure allocated for prevention in health, for the period 2014 - 2018, is 0.21%, countries such as Italy, Germany, Finland, Sweden and the Netherlands allocating above the EU average, with percentages ranging (on average) between 0.36 - 0.38% of GDP.

At the opposite pole are Luxembourg, Malta, Greece, Cyprus, Romania and Slovakia, which in the same period, allocated percentages between 0.08 - 0.11% of GDP for prevention in health.

For 2018, Romania is in the penultimate position, among 26 member states of the European Union, with a budget allocation of only 0.08% of GDP, ahead of Slovakia (0.05%).

Table 1: The situation regarding prevention spending in the EU, percentage of GDP

Country	2014	2015	2016	2017	2018
Italy	0,38	0,37	0,37	0,38	0,41

Germany	0,36	0,36	0,36	0,36	0,37
Finland	0,32	0,37	0,37	0,36	0,37
Sweden	0,33	0,34	0,34	0,35	0,37
Netherlands	0,40	0,36	0,36	0,34	0,32
Slovenia	0,26	0,24	0,25	0,25	0,26
Estonia	0,19	0,20	0,21	0,22	0,24
Denmark	0,22	0,23	0,24	0,24	0,23
Czechia	0,24	0,20	0,21	0,22	0,22
Austria	0,22	0,23	0,22	0,22	0,22
Bulgaria	0,22	0,21	0,21	0,21	0,21
France	0,22	0,21	0,21	0,21	0,21
Croatia	0,19	0,20	0,21	0,21	0,21
Iceland	0,20	0,19	0,20	0,20	0,21
Hungary	0,19	0,19	0,22	0,20	0,20
Spain	0,19	0,19	0,19	0,19	0,19
Ireland	0,26	0,20	0,20	0,19	0,18
Belgium	0,19	0,18	0,16	0,16	0,17
Portugal	0,17	0,17	0,17	0,17	0,17
Latvia	0,11	0,11	0,15	0,14	0,16
Lithuania	0,11	0,13	0,14	0,14	0,15
Poland	0,17	0,17	0,20	0,16	0,14
Luxembourg	0,11	0,11	0,11	0,11	0,11
Malta	0,15	0,12	0,11	0,11	0,11
Greece	0,12	0,11	0,11	0,10	0,10
Cyprus	0,04	0,09	0,09	0,09	0,09
Romania	0,09	0,10	0,08	0,09	0,08
Slovakia	0,13	0,14	0,08	0,07	0,05

Source: Eurostat, <https://ec.europa.eu/eurostat/databrowser/bookmark/db92632b-795b-41dd-a6ac-f450c286ce7a?lang=en>

3. Analysis of the main causes of death in the European Union

Following the analysis of the data provided by (Eurostat, 2022), for 26 member states of the European Union, in 2018, 75.87% of the causes of death were caused by three major groups of conditions, namely diseases of the circulatory, respiratory and neoplasms. Of the total number of deaths registered in 2018, 43.09% of deaths are caused by diseases of the circulatory system, 25.11% by neoplasms and 7.67% by respiratory diseases.

In 2018, Romania registered the penultimate position, with a total rate of 1,474 deaths per 100,000 inhabitants, 59.26% of which were caused by diseases of the circulatory system, 18.65% by neoplasms and 6.42% by diseases of the respiratory system.

The average rate at the level of the European Union of deaths per 100,000 inhabitants is 810 cases, Romania recording a rate of over 660 cases/100,000 inhabitants in addition to this average.

Table 2: Main causes of death in the EU, 2018, rate per 100,000 inhabitants

Country	Diseases of the circulatory system	Neoplasm	Diseases of the respiratory system
Spain	227,7	229,96	101,04

Luxembourg	262,3	237,24	85,31
Finland	329,33	218,71	38,41
Belgium	237,33	243,62	111,66
Italy	281,04	247,18	66,00
Sweden	296,3	230,91	68,16
Cyprus	292,68	212,28	91,88
Netherlands	246,52	281,76	90,62
Denmark	235,66	287,02	127,64
Malta	311,22	240,07	100,16
Portugal	286,87	248,48	116,58
Ireland	277,91	269,5	125,41
Greece	337,69	246,2	94,73
Austria	376,95	242,5	64,01
Germany	373,57	254,73	76,84
Slovenia	403,38	312,16	53,93
Czechia	556,76	278,03	89,6
Poland	526,11	314,87	84,85
Estonia	605,73	300,8	48,52
Slovakia	597,08	313,33	86,96
Croatia	609,43	330,61	59,11
Lithuania	782,16	278,78	48,14
Latvia	818,15	300,86	46,59
Hungary	738,71	342,86	87,83
Romania	873,5	274,85	94,59
Bulgaria	1.075,92	233,81	70,84

Source: Author processing from the database Eurostat, [hlth_cd_asdr2]

4. Conclusions

Health expenditures in Romania are among the lowest in the European Union, with a direct impact in terms of mortality rates from preventable causes, both in terms of disease prevention and treatable cases.

The high mortality rates for treatable causes show us that the health system in Romania fails to provide the population with the necessary and timely treatments to avoid deaths.

This paper shows the existence of a correlation, at the level of the 26 analyzed EU member states, between the funds allocated for prevention, respectively health promotion and the mortality rates caused by the three major groups of conditions, diseases of the circulatory system, respiratory and neoplasms, with implications direct in reducing health expenditures.

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TERRITORIAL MOBILITY OF THE ROMANIAN POPULATION. CAUSES AND EFFECTS

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Abstract: The present article intends to outline an overview of migration from rural to urban areas, which is registered in Romania, presenting in a detailed manner the causes and effects of this process. Romanian citizens from rural areas move to the country's big cities to enjoy the amenities of urban areas. In the current context, migration constitutes the impulse of the public from one topographical location to another, thus connecting temporary or permanent settlements. However, this process like any other brings with it both positive and negative economic, social and demographic consequences, which will be presented in detail in the present article.

Keywords: migration; history; economic; social; work;

JEL classification: J11; J15; N9;

1. Introduction

Internal migration is, now, one of the most important factors leading to the reduction of the poverty rate and the facilitation of economic development. However, the internal factors that affect population mobility within Romania, as well as the relationship between internal and economic migration, are difficult to understand. This paper aims to provide an analysis of population mobility in Romania, to understand the relationship between internal migration and economic development. It was decided on this topic, because it is crucial to understand the connection that is made between internal migration and the economic development of the Romanian state in order to design appropriate policies that facilitate development, the promotion of workers' rights, as well as the prevention of food shortages determined by the imbalance created between the number of urban and rural inhabitants (Afsar, 2003; Satterthwaite et al. 2010).

In this context, the fundamental objective of this work is to carry out an analysis of the mobility of the population in Romania, to understand the relationship between economic development, fiscal policy, and migration. Achieving this objective requires obtaining answers to the following questions:

- What is the evolution of the internal migration process in Romania?
- What are the particularities of population mobility from rural areas to urban areas?

In the last part of the paper, the obtained results will be presented in a detailed manner, focusing on the previously presented questions. The results section thus reveals the implications of the findings as well as future research directions.

2. Specialty literature

Over time, migration flows became more heterogeneous and complex, and new conceptual frameworks emerged by the end of the 20th century. The new economic theory of labor migration (Stark and Bloom 1985; Stark 1991) derives from the neoclassical perspective and is its most refined version. The key feature of this approach is that it considers migration as a family or household decision rather than an individual decision. According to this perspective, migration allows the diversification of household resources in the event of a failure or risk to local income sources. Thus, older relatives and those who

remain in the country of origin can rely on remittances, thus ensuring the well-being of older cohorts, especially in developing ones. While the new economic theory of labor migration incorporates the consequences for countries of origin, dual labor market theory (Piore 1979) focuses on destination countries. This approach also moves from the micro-level perspective of earlier economic theories to a macro-level explanation of the structural factors that determine migration. Piore's approach asserts that a constant labor demand for foreign workers is an intrinsic feature of labor markets in modern industrial societies.

3. Research Methodology

The paper entitled "Migration from rural areas to urban areas. Causes and effects. The Case of Romania" is based on a mixed research methodology, as it combines both the descriptive analysis method used to introduce the current state of knowledge, and the dynamic macroeconomic analysis to identify the evolution of the migration process in Romania. Moreover, this paper investigates the link between migration-economic development-fiscal policies. The main sources of data that were used are taken from the websites of Eurostat, the National Institute of Statistics, and the International Organization for Migration, as well as the European Commission. Finally, the results of the research are presented in the work through tables and graphs, and the theoretical information underlying the scientific approach was processed from specialized works and articles in the economic and social field, as well as from books and studies both at the national level, as well as internationally, relevant to the research area.

4. Case Study

In the last two decades, there has been a considerable change in the migration patterns in Romania, internally. During the years 1970-1990, the predominant direction of the migration process was from the rural to the urban environment. Starting from 1992, a change in direction could be observed, given the fact that the number of people migrating from villages to cities decreased, and mobility in the opposite direction, from urban to rural, began to gradually increase. In 1997, the number of migrants from urban to rural areas became greater than the number of those moving from rural to urban centers. An important point to emphasize is that this change in pattern is considered a natural result of the deindustrialization process. For this reason, one of the first reactions of people, when the strength of the labor market decreased, was to return to the countryside. Most of these migrants returned to the countryside, where agriculture became an important means of subsistence. It should be noted that the urban-rural migration process has become dominant as a share in total migration since 1997, the territorial picture of the structure of internal migration being strongly differentiated. Against the backdrop of the fall of the communist regime, there was a migration of the UR type, specific to the post-December period in Romania's history, which is mainly characterized by immigration flows from Moldova. This type of immigration was also strongly encountered in Iasi, Botoșani and Bacău. Relatively high rates of urban-rural migration persisted in the first decade of the new millennium amid rising real estate prices in cities. Numerous Romanian citizens moved quickly from the development of urban centers to the nearby villages causing a process of under-urbanization of these areas. For this reason, the regional distribution of the migration process, at the internal level, is quite uneven. There are some major regions that are attractive and many others are just source regions for internal migration.

For the analysis of the territorial mobility of the labor force, a central role is played by the flow from the rural to the urban environment, as well as from the urban to the rural. Thus, in agreement with the adjacent graphic representation, we can state that during the analyzed period, especially after 1995, the rate per 1000 inhabitants of people who decided to change their residence from urban to rural is significantly higher than those who

decided to move to the urban environment. The boom in people who decided to move from rural to urban areas in the year 1990 occurred because immigration was controlled by the communist regime until 1989, and after its change, it was decided to lift restrictions and increase the desire to move of the population from rural to urban areas. At the same time, economic and political-administrative factors had an essential role at the beginning of the analyzed period. Economic restructuring decisions, especially those in industry, the loss and insecurity of jobs, the lack of funds and the difficulty of purchasing housing, but also the high cost of living in the city have led more and more people to reorient themselves to the countryside, as can also be seen from the adjacent graphic representation.

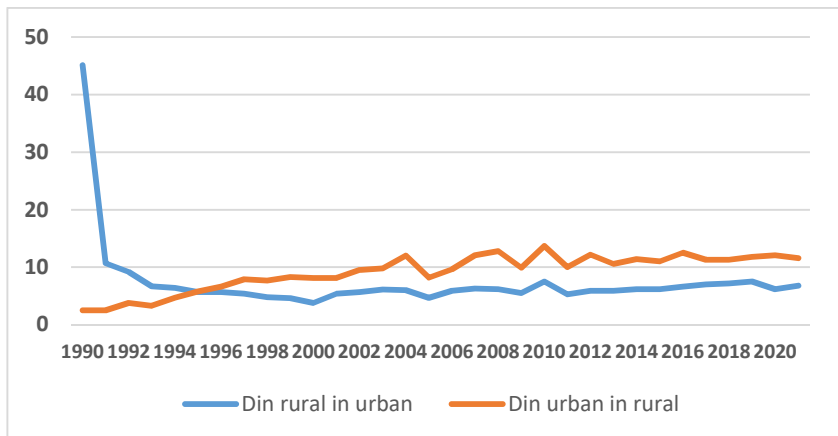


Figure 1: Structure of internal urban and rural migration flows (rates per 1000 inhabitants)
Source: Authors' processing based on data from the website of the National Institute of Statistics (INS)

5. Conclusion

In conclusion, it can be stated that the demographic dynamics of the last decade confirm the fact that Romania's population has decreased considerably. Now, there are positive values, indicating increases in demographic size in urban and peri-urban areas. The rest of the territories that are located outside the urban polarization areas have registered major demographic changes, either resulting mainly from a negative natural increase, which was marked by an increase in mortality at the same time as a decrease in the birth rate, or because of both internal and external migrations and external.

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"LET'S PLAY SURVIVING...!" - THE IMPACT OF ENVIRONMENTAL CHANGES ON HR CONTROLLING

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Abstract: *The case study presents the impact of the accelerating changes in the external environment on the HR controlling function (changes in management reporting requirements, decision-making focus, KPIs, data sources; HR's strengthening position) through the last 10 years of Ongropack Ltd. The study provides an excellent example of how the reference company responded to the radical environmental changes in the macroeconomic dimension of the last ten years (2015-migration, 2020-COVID, 2022 - war, rising raw material and energy prices) (1) with actions taken at the management level in the microeconomic dimension. (2) How did management's decision data needs position HR increasingly higher? (3) What HR controlling tools were affected by these changes? (4) What controlling reports have HR used to support management decisions? The case study analyses data from real corporate management documents and accounting sources. The conclusion also provides a literature linkage. The study helps to deepen applied HR knowledge and supports knowledge transfer based on a Best Practice approach.*

Keywords: HR controlling; KPI; decision making; management report; change management; case study

JEL classification: M50

1. Brief introduction to Ongropack

Company name: Ongropack Ltd, Activity: plastics processing and trading. Year of establishment: 1993. Location: Szirmabesenyő, Northern Hungary, Hungary. Ownership structure: 100% familiar ownership (2009-, before 1993-2008: subsidiary of BorsodChem Rt). Markets: 93% foreign market (EMEA + Central Asia, Korea, Australia, Canada), 7% domestic market. Raw material: PVC (poly-vinyl chloride): turnover: 24.2 billion Ft, headcount: 290 people

Markets, products and technologies: Pharmaceutical industry (calendered technology): pharmaceutical film. Food industry, packaging (blown technology): Folpack film. Construction (extrusion technology): plastic sheeting - cladding, cover, profile. Advertising industry (extrusion, calendered technology): plastic foam sheet, graphic film.

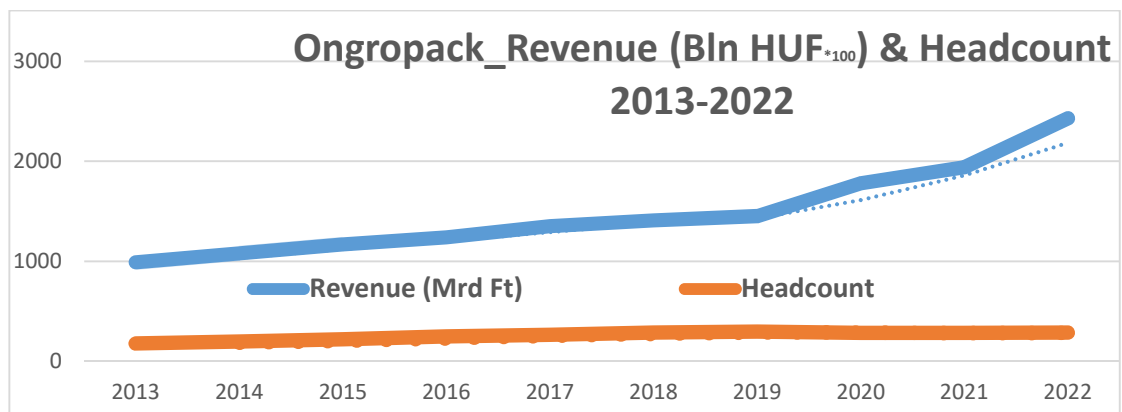


Table 1: Ongropack_Revenue and Headcount_2013-2022

Source: Ongropack Ltd, Economic Directorate, HR

2. Environmental changes and their impact on the company**2.1. Baseline_2013**

BACKGROUND: Ongropack Ltd. is on a growth path after the buy-out and change of ownership from the parent company BorsodChem (leading Hungarian chemical raw materials company: isocyanate, PVC, aniline) in 2009 and is growing at a rate of 15-20% per year. The keys to this growth are: (1) Restructured and efficient organisational and operational processes. (2) Professional market research and sales work by a separate "Sales" unit within the work organisation, replacing the former contract sales agent (broker) system; (3) Fast and smooth customer support. (4) Improved product quality. (4) Continued commitment to investments in technological efficiency and capacity expansion.

HR: following the change of ownership in 2009, a separate corporate HR manager position has been created (one-person HR), with non-professional functions (e.g. full EU tender administration).

HR CONTROLLING: none, data sources (payroll, personnel files, analytics) is outside the company ("quasi outsourcing", left with former parent company). Ad hoc HR manager/executive/ CFO data requests from BorsodChem HR.

No radical environmental impact on company development in the first 5 years (2009-2013). However, the 10 years 2013-2022 bring a challenging period. In addition, the company outgrows its site infrastructure...

Period	Number of radical environmental impacts	Name of radical environmental impact	Number of corporate projects launched	Number of HR projects (within corporate projects)	HR activity as percentage of strategic projects
2009-2013 (5 years)	0	-	-	-	-
2014-2017 (4 years)	2	- Site "outgrowth" -"Arab Spring" impact	8	1	13%
2018-2022 (5 years)	4	- Moving to a new site -COVID - Russian -Ukrainian war - Raw material and energy price inflation	23	7	35%

Table 2: Environmental changes and HR activity of Ongropack

Source: Ongropack Ltd, Management, HR

2.2 Radical environmental changes, impact on the company and HR controlling**2.2.1. Site „outgrowth”**

IMPACT ON COMPANY 1: new "greenfield" site is in an excellent location 20 km south of the headquarters, on the outskirts of the regional centre, close to the M30 motorway access (design 2014-2016, construction 2016-2018, project cost: 26 Million EUR). Medium-term staffing in exchange for government subvention. Sales and revenue growth moderates to 7% per year. Significant changes in the organisation, operational and decision-making practices of the company (formation of boards of directors, weekly time management), change of the basic logic of decision-making from production to sales-oriented.

HR IMPACT 1: HR manager staff change (quality change), one-person HR remains. Profiling and process improvement takes place (Best Practice approach), classic 3-structured task delivery is established (recruitment, labour, training). 1 trainee (October 2016) and 1 labour administrator (March 2017) are recruited. (Front/ Back Office). To reduce costs, outsourcing of payroll administration "migrates" between providers.

HR CONTROLLING IMPACT 1: Autonomous HR controlling task provision, reconciliation of reporting requirements and KPIs, (as Dugelova M.- Strenitzerova M. (2015) later confirmed). Confidence index starts to rise. Data source is the outsourcing payroll payroll software. From October 2016, starts to export monthly "Full Database" with the data structure specified by HR. This provides partial independence from outsourced payroll, with immediate and fast reporting capabilities.

2.2.2 "Arab Spring" and migration

COMPANY IMPACT 2: 8% of the company's markets are in the Balkans and North Africa. Reduced planning and security of logistic ("delayed, lost" goods), lack of personal customer relations. Market presence in North Africa (Morocco, Tunisia, Egypt) is declining. Company can make up for lost sales from other markets.

HR IMPACT 2: Recruitment database registers applicants from Iraq, Syria and Jordan, irrelevant

HR CONTROLLING EFFECT 2: no detectable impact

2.2.3. Moving to a new site

COMPANY IMPACT 3: There is space for newly acquired machinery and equipment; technological lay-out and material flow optimised; additional costs for technology and maintenance and BC rent are significantly reduced (buildings are returned in series); immediate access to M30 (logistical advantage). Dual site management, duplicated production requires temporary „surplus" employment, new functions and jobs emerge (e.g. Site Maintenance Department). Product output and sales increase by 10%, product quality increases and becomes fully flat (significant market advantage).

HR IMPACT 3: When the move takes place in September 2018, HR is directly next to the Owner and the Managing Director, physical "distance" is eliminated, trust deepens. Recruitment and employment tasks are quadrupled, HR internship programme to be launched, at the end of which 2 trainees are employed (1 September 2019). HR plays a key role in change management (communication, conflict management, new corporate culture, company bus service, running a two-site customer reception system). Staff turnover increases from 10 to 30% (taking up the regional pattern). Preparations are made to end outsourcing of payroll.

HR CONTROLLING IMPACT 3: (1) HR Controlling Dashboard is launched in January 2018 (2) Ad hoc reports related to change management are issued: headcount analysis by site, fluctuation rate over 12 month, residence, long-distance bus schedule matching, shift model analysis, list of "non-transfers", Miskolc salary benchmark, beta graph. (3) KPIs of government subvention for the site development: number of graduates report, labour cost report.

2.2.4. COVID

COMPANY IMPACT 4: (1) Sales: 30% (60% in foil business) market loss in March-August of 2020 (restrictive effect of legislation: quarantine, tourism-catering stops, retail sales decrease, market caution). (2) Logistics: immediate border closures causes procurement, logistics and transport management problems (unpredictability, significant increase in freight rates) (3) Health: unpredictable loss of human resource capacity in production, increase in inactivity rates. The fear factor appears.

HR IMPACT 4: HR "stays on board" while most "flee" to HO. Consideration of HR aspects becomes more pronounced in management decisions (HR is the topic 1 in management

meetings), a close working relationship is established between Management and HR, daily internal communication is led by HR. Priority is given to retaining key people with know-how, managing quality exchanges. Development and regulation of home office and Home Office (exlex status in the national legal hierarchy for 8 months); management of job-retention public subsidy tender.

HR CONTROLLING EFFECT 4: 24 individual ad hoc reports and analyses requested at a glance from management in March-April of 2020. Within the COVID project, 4 sub-projects with KPIs (staff rationalisation, leave and working time management, Home Office, payroll support) are launched; daily reporting at the "corporate operatv trunk" meeting. Reports requested by managers are available, accurate, timely, objective data, visualised, HR controlling reports provides valid and relevant data, fed into decision centre.

2.2.5. War

COMPANY IMPACT 5: 10% of our markets are Russian and Ukrainian, impact: immediate destruction of Russian market, our experimental colour printable "Matryoshka" Folpack R&D project is stalled. Ukrainian pharmaceutical film market boom brings extra profits (financed by Ukrainian war economy).

HR IMPACT 5: none, "Ukrainian refugees" effect is irrelevant

HR CONTROLLING EFFECT 5: no measurable effect

2.2.6 Inflation (raw materials, energy, wages)

COMPANY CONTROLLED IMPACT 6: increase in raw material by 50%, in auxiliary materials by 30-250%, in electricity price by 140%, in transport cost by 45%; increase in product selling price by 70%, but company can pass this on to customers. while embarking on a vigorous "greening": a solar park and heat pumps are being installed. Construction industry orders are down by 50-70%. Acquisition of the machinery of a "bankrupt" Hungarian company at a getaway price opens up a new market with significant volumes (pipe insulation).

HR IMPACT 6: HR's position is significantly strengthened, it becomes an "expert" and a member of the "inner decision-making cabinet". 40% of the savings generated by insourcing the payroll service used for HR payroll development (individual career and salary plans).The HR job descriptions becomes differentiated, from multitask to functional tasking.

HR CONTROLLING EFFECT 6: Payroll and the full-scale HR database is brought in-house in 2022, after 3 years of preparatory work! Ad hoc reports are faster; HR response time and reporting speed increases by 2.5x! Significant increase in prestige, HR manager and HR employee in charge of payroll have been trained in HR controlling tasks ("quasi HR Controlling group" is formed), they have mastered the possibilities of software specific data collection and reporting.

3. Conclusions and literature links

(1)The number and intensity of environmental changes affecting the firm has increased significantly in the last 10 years compared to the previous 20 years. (2) Management has been faced with unexpected decisions. (3) The previously well-functioned decision making had to be left and new aspects had to be introduced into that. (3) The changing mechanisms and data requirements of decision making have mostly strengthened the controlling functions within the company. (4) Some changes have had a greater impact on HR controlling than on other corporate controlling functions (New Site-2018, COVID-2020). (5) The HR Controlling function has been able to meet changing management needs at a higher level than expected (decision making focal points, relevant KPIs and reports, more accurate sources of root data) (Anderson V. – Caldwell C.(2018) details the role of HR as an „Integrator” & „Change Champion”). (6) The key role of HR Controlling has "lifted up"

the whole HR organisation within management (from the periphery to the decision making core). „HR department takes a leading role in crisis situation” Lukic J.- Lazarevic S. – Jaganjac J (2021) says.

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DOMESTIC VIOLENCE INCREASE IN ISRAEL DUE TO COVID-19

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Abstract: *since the spread of Covid-19, Israel and other countries suffer from lockdowns and social distance, which impose different kinds of restrictions. On the one side, many organization closed and unemployment increased, bringing about economic problems and distress. On the other side, family ties were damaged due to inability to sustain close relations with some family members and too frequent interactions with others. Unfortunately, conflicts within families, controlling behaviour and domestic violence appear more often. Purpose of this paper is to examine the phenomenon of domestic violence and its expansion during the Covid-19 crisis, to propose and classify strategies of dealing with it, including encouragement of public systems providing more information and support to domestic violence victims. The author strives to reveal methods of supporting domestic violence victims through public and private treatment organizations.*

Keywords: Violence; the Covid-19 crisis; domestic violence; Israel.

JEL classification: I12; I14.

1. Introduction

In 2020, in the month of March, we witnessed the spread of the Corona epidemic in Israel as well as in the world, and as a result the state imposed restrictions on the public as a type of "closure" and not being free in daily life from the restrictions, The limits and also these guidelines would oblige the public to close their homes and close workplaces. This situation was a challenge to exacerbate the distress for those who experience domestic violence (Rivkin et.al., 2020).

The seclusion at home and the social disconnection and disconnection from sources of support could lead to an increase in the number of victims of domestic violence, and we would also witness the worsening of the risk factors. Because the family is the arena where the acts of violence take place, whether it is towards the women or whether it is towards the children and a very low percentage was defined towards the men (Rivkin et.al., 2020). This was a result of staying at home for most of the day without going to work or school and not even for leisure, staying at home and together with the deterioration of the economic situation (Rivkin et.al., 2020).). Then the family members are together for many hours under stressful conditions. And the poorer the sources of income, the greater the chance of violence against the women or the victims who are forced to stay in the same place with the aggressor, therefore the risk of cases of domestic violence is increasing, and on the other hand, the possibilities of receiving help are decreasing.

1.1. The effect of the Covid-19 pandemic on domestic violence

A pandemic always brings about a kind of anxiety whether it is for life or for health, that may contribute to increasing the cases of domestic violence especially by men towards their partners (Capaldi, Knobel, Short and Kim 2012, Harville et al. 2011). An increase in the phenomenon of domestic violence also occurred in many countries even before the corona virus, like the disaster of the tsunami such as was in India or Hurricane Katrina in the United States (this is also defined as a disaster, like the plague). The studies proved that there was a 50% increase in domestic violence (in India) (Rao, 2020). The increase in violence in the family is a result of the physical crowding in home, which may increase the risk of violence between the spouses (Eysikowitz, Fishman, Mash and Gosiniski, 2001). This density is a fertile arena for the outbreak of conflicts that create or increase violence against women. The seclusion at home and the lack of ventilation and the entire state of emergency empowers the offending men so that they tend to exaggerate their behaviour in controlling women, because in seclusion there is social disconnection from her family members (Weizman and Behrman 2016). In Israel, a study conducted by Dr. Tal Erzi on the vulnerability of domestic violence reported about 30% of verbal and mental violence and about 26% of financial violence and 9% of the families who answered a physical violence questionnaire and also 7% reported sexual violence (Rivkin et.al., 2020). Those who reported were more from the Arab sector than from the Jewish sector if it is physical as well as economic and even sexual violence (Rivkin et.al., 2020). In the research findings, it should be noted that only 29% of the entire society did not experience even one type of violence, and the rest did experience one or even two types of violence. As a result of the gathering at home, the ability to locate victims was very difficult because the public and social frameworks were closed. And most of the victims also stay at home with the violent spouse, which makes it difficult for the victim to contact the police or social services for assistance. That is why it was urgent to look for solutions and ways that could help the police and welfare that track and save the victims (domestic violence in the face of the corona crisis, preliminary information). That is why we bear witness not only to the impact and increase of violence in the shadow of the Corona and to an increase in the number of crimes, but also to an increase in the number of requests for help from the police and the authorities and welfare, and on the other hand, there was the limitation of distance and home quarantine and family distance, all of which made it difficult to locate and identify violence and crime that needs to be reported (the effect Corona on the activity of law enforcement agencies).

1.2. Coping methods and training needs in general

In Israel, ways of coping with domestic violence in the community and activities for the treatment of women victims of violence included work of the probation officers who continue to carry out investigations and handle their work in the case of violence and issue supervision orders in cases it is needed. These officers were instructed to contact the cases referred to them from victims of violence and those treated for domestic violence offenses. Possible victims were administered a proper treatment and the officers accompanied and monitored them in providing an appropriate response to their needs. The police stations have expanded their service and availability, the stations remained open and worked 24/7 to provide advice and help.

2. Conclusion

This paper goal is to raise awareness of violence against women during the Corona crisis. This situation has the effect of awakening the vigilance of the general public to the situations of violence inside the houses in the shadow of the corona and also to encourage the attention of friends, neighbours and family members of women who may be at risk during the quarantine period during the Corona crisis (Rivkin, 2020). All possible ways to report cases of violence such as telephone messages, online reporting, remote reporting procedures and also remote investigations, by video call or zoom are welcome and should be supported, especially in Arab sector of Israel.

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MANAGEMENT OF SPORTS ORGANISATIONS

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Abstract: *The article aims to address organisations belonging to the world of sport and to try to understand the essential structural characteristics of sport organisations. Organisations operating in this context are shown to live in a constant process of adjustment (mainly due to the professionalization and commercialisation of sport), which results in the existence of a great variety of structural forms, dynamic in nature as they are continuously adjusting to the changing environment. The paper presents a review and analysis of the literature on the organisational structure of sports entities and sets out the particularities of organisations operating in the world of sport, as well as the main elements to be taken into account when looking at their structural characteristics.*

Keywords: organisations; sport; management; development; integration.

JEL classification: Z29.

1. Introduction

An important part of the literature on organisations refers to the way in which they manage to divide and coordinate the tasks they carry out, orienting them towards the achievement of a specific objective. This division of labour is a fundamental aspect of the definition of organisational structure and is also known as the process of differentiation. However, once work has been divided into different tasks, it is also essential to coordinate the parts to achieve a common goal, a process known as integration. In this sense, differentiation and integration are two key processes in understanding the structure of an organisation (Kipper et al., 2019:448).

Differentiation and integration are related to the degree of complexity of the organisation: the greater the differentiation, the greater the need for coordination and control, hence the more complex the organisation. Organisations can have different levels of complexity, which explains the variety of structural compositions that exist. But this is not only related to differentiation and integration, but is also associated with the influence of factors such as the external and technological environment faced by the organisation, as well as internal characteristics such as the nature of personnel, traditions and decision-making, among others. This reflects that complexity should be studied from a multifaceted approach and not from a priori assumptions such as the traditional relationship between size and complexity (Ziora, 2020: 346).

Differentiation is a possible dimension to measure the complexity of an organisation, which can refer to horizontal, vertical differentiation or spatial dispersion (Hall, 1973). The first, horizontal differentiation, refers to the way in which the tasks performed are subdivided among its members into routine and uniform tasks (standardisation), or to the division of tasks according to the degree of specific knowledge required to perform them (specialisation). Vertical differentiation is associated with the hierarchical levels of control and decision-making in the organisation; and finally, spatial dispersion relates to the spatial distribution of personnel or activities (Hall, 1973).

The process of differentiation of an organisation has to be accompanied by a process of integration aimed at coordinating the tasks carried out in the organisation (Hodge et al., 2003). To achieve this, it is necessary to define control mechanisms, communication channels and lines of direction that shape each organisation's particular way of coordinating and achieving the organisation's goals. In this sense, integration contemplates a formalisation of rules, policies and procedures, and a centralisation aimed at defining the place where decisions are made within the organisation. Formalisation and centralisation are structural mechanisms for integration and reflect the level of complexity of the organisation, although there are other non-structural mechanisms that also contribute to the integration function, such as liaison roles, team building and organisational culture (Hodge et al., 2003).

The current definition of sports organisations is quite broad, so that in order to study them in depth and learn about their structural characteristics, it is essential to define the different types of organisations that can be grouped under the concept of sports organisations. The breadth of the concept makes it possible to include within the definition a vast number of organisations belonging to the world of sport, organisations that differ in their relationship to their environment, in their mission and in the means or resources they use to achieve their objectives. Organisations that produce sporting goods, those that produce sporting events, those that televise sporting events, those that promote sporting activities, etc. can all be considered as sport organisations. However, each of these organisations have different goals, operate with different types of resources and differ in their relationship with their environment, which will undoubtedly determine the existence of different structures depending on the type of sport organisation under study.

The current literature on sport organisations mostly refers to those organisations whose purpose is the promotion and development of sport, either through sport practice, sport competition or the definition of the norms and rules that guide both practice and competition. These three ways of promoting and developing sport are related to the three elements that make up the definition of sport: physical activity, competition and rules.

Each of these organisations is centrally responsible for one of the three dimensions of the concept of sport - this does not mean that it cannot develop any of the other two activities, albeit to a lesser extent. This distinction is interesting in order to understand the complexity of the world of sport and the boundaries between these organisations which, although they differ in their main objective, in the activity they carry out, in the level at which they operate and in the specific entities that represent them, all respond to the higher purpose of promoting and developing sport.

2. Influence of context on the structural design of sports organisations

Since the 1960s, organisational theory has increasingly emphasised the influence of context, i.e. "the set of circumstances that the organisation must deal with" (Hodge et al., 2003), because of its effects on the design and behaviour of an organisation. Among the contextual factors most frequently mentioned in the literature are the size of the organisation, the technology used and the organisation's environment. All these factors, from the perspective of contingency theory, determine the management and structure of an organisation.

The literature on sport organisations also tends to give relevance to these contextual factors and, in particular, to the environment. The environment of sport organisations is made up of other organisations, which may include government departments, clubs, local, national and international partners, multi-sport promoting bodies, educational institutions, sponsors and many other organisations and although the relationships with these differ, they are all fundamental to the achievement of the purpose of promoting and developing sport. (Parker, 2021: 45)

For sport organisations, the relationship with the environment is characterised as being of the competition-interdependence type. These organisations need the other organisations in the sport sector for their survival. On the one hand, they compete with each other for access to scarce resources, but on the other hand, they need each other to produce the competitive sporting encounter, which is fundamental for the promotion and development of sport. Competition for access to resources is due in sport, as in most sectors, to the fact that resources are scarce and limited. In the case of sport, this is reflected in the fact that often one particular sport has more resources than others, or even that within one sport, one particular team has more resources than the rest. Despite competition for resources, both sports and teams need each other to promote and develop physical activity and regulated competition.

The very nature of competition in sport is very different from competition in other areas. In sport, the purpose of the encounter is not to eliminate the weaker competitor, but there is an interdependence between opponents and a need to maintain, to some extent, fairness and balance between competitors. Only in this way is it possible to preserve the uncertainty of the outcome, which is what ultimately holds the spectator's interest. In this sense, what happens in the relationship between organisation and environment in sport responds to the very nature of the world of sport, stamping its stamp on the operations and procedures of the organisations involved in it.

The political, economic and social situation in which sport organisations operate is also often mentioned as a contextual factor. The increasing social relevance of sport promotion and development in modern society puts sport in such a position that it is affected by the political, social and economic situation around it. The political situation affects it in that one government may have a greater interest in promoting and developing sport than another; the economic situation in that a richer country has more resources to promote and develop sport than a poorer one; and the social situation in that in one country a sport may have achieved greater popularity than in others, or sport in general is more developed than in others. Therefore, the political, economic and social context relates to the relevance of sport in society and the resources that exist for the promotion and development of sport, and therefore affects the internal operations of sport organisations.

Another contextual factor is technology, which can "refer to the knowledge, tools, machines, information, skills and materials that are used to complete tasks within organisations" (Hodge et al., 2003). Although it has not been a widely considered contextual factor in the literature on the structure of sport organisations, certainly the changes in the technology used in the sport sector have brought about important consequences at the level of sport organisations.

One of the technologies used by sport organisations is the so-called information and communication technologies (ICT). The advances in ICT have resulted in interesting opportunities for these sports organisations, which have found new sources of resources. First, radio, then television, and today, the Internet, have become tools for the transmission of sporting events and for the dissemination of activities aimed at promoting and developing sport, which is closely related to the processes of commercialisation and professionalization that sport has been undergoing in recent times and which have generated important changes in the organisations and people involved in the world of sport. (Wagstaff et al., 2012: 26-47)

A third relevant contextual factor is the size of the organisation. "With increasing size comes increasing complexity. As an organisation grows, its operations and structure invariably become more difficult to manage" (Hodge et al., 2003). The most commonly used measure of size in organisational theory refers to the number of people in the organisation, but that does not mean it is the only way to measure it. In the case of sport organisations dedicated to the promotion and development of sport, in addition to the total number of people in the organisation, the number of volunteer staff in

relation to the professional staff working in the organisation, budget issues and sport and non-sport staff are also often considered.

In summary, the three contextual factors that are often taken into account when looking at the structure of sport organisations are: environment, technology and size, which are very relevant when looking at the structure of sport organisations, as they are related to two fundamental processes that sport has undergone in recent times: professionalization and commercialisation.

3. Conclusion

Sport has become a key element in modern societies due to its progressive link to the construction of values such as identity and recognition of a community, of a nation, its contribution to economic and social development and its synergy with education, culture and health.

The long-term prospects for the growth of sporting activity as an integral part of leisure time activities, together with the economic and social importance of the sector, are posing various challenges to public and private administrations, business sectors and academic sectors. In order to carry out rational planning and management, there is an urgent need for awareness and a real commitment to form managers and sports managers capable of positively influencing the transformation and strengthening of physical activity and sport, from training levels to high performance levels, including social and recreational sport.

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FINANCIAL AUDIT QUALITY INDICATORS AS A SUPPORT FOR IMPROVING REPORTING FINANCIAL

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Abstract: *Audit quality and financial reporting quality should be complementary. We consider that the role of the audit was and is up to now a role with a validating character, we raise the question of whether the audit profession can develop strictly in the same direction taking into account technological evolution and the dynamic nature of the economy. The direction of the audit evolution towards consulting is inappropriate and even raises the issue of conflict of interest, the auditor being the one prohibited from providing advice to audited companies. Thus, realizing at a professional level the need for the profession evolution, the direction towards which it is heading is uncertain. Through the following study we propose to determine if the audit can evolve by identifying correlations between audit quality and financial reporting quality if the auditor can contribute in increasing the relevance of information presented in companies' reports through key audit indicators, and whether an oriented trend in improving reporting quality may affect the auditor's objectivity by changing the focus.*

Keywords: audit key indicators; non-financial reporting; reporting package improvement

JEL classification: M42

1. Introduction

Audit quality is a sensitive and widely researched topic in the specialized literature, but the subject has not yet drawn a series of clear conclusions. The audit itself is an assurance service that should certify the correctness of financial information, but how can we certify the quality of insurance service? Financial statements – in the case of large companies – require audit opinions to be published. In this sense, after the investigations the auditor can propose changes in financial statements. As the quality of the audit increases, the relevance of the information presented in financial statements and reporting quality should increase also. Through the obligation of presenting the key audit matters starting with the related audit reports from 2016, the direction of the audit does not change, but it improves in terms of communication with users of financial statements. There are many initiatives to develop some key indicators of the financial audit, but we cannot say that it has reached a consensus.

Also publishing the key audit matters is relatively recent (having a history of seven years from the obligation through ISA 710, although there were countries where there was a statutory obligation since 2013, countries such as the Netherlands and Great Britain). Professional organizations and audit oversight institutions from several countries (Germany, Netherlands, Portugal, Switzerland, United States, United Kingdom, Canada, India, Singapore, and South Africa) have defined a series of quality indicators for financial auditing, but the number and nature of indicators have not been a constant. Several studies investigate the influence of various indicators.

2. The role of the audit in the current economic context is dominated by technology

Debates based on auditor objectivity and independence raise the issue of familiarity of the auditor with clients, and in response, the Sarbanes-Oxley Act of 2002 does not allow auditors to provide consultancy and introduces the obligation of auditor rotation, because as close the link between the audit partner and the client, the greater the risk of fraud, in this case the auditor's objectivity and ability to perform the audit service is to be questioned. There is evidence in the literature that the degree to which the auditor identifies with the client – the image and importance of the client are factors that can determine the identification of the auditor with the client – endangers professional scepticism by manipulating materiality and in that there is a possibility that some debts may not be required of the client to be included in the financial statements (Bamber, E. M., & Iyer, V. M., 2007). In the specialized literature, some studies confirm that a long tenure brings improvements in audit quality and auditor knowledge does the job easier (Gul, Fung, & Jaggi, 2009). Studies demonstrate that the ethical culture developed in audit companies protects the auditor's objectivity from deterioration, which can be an important tool in terms of audit quality (Svanberg, J., & Öhman, P., 2016).

The role of audit in the economic system dominated by digitalization has attracted the attention of organizations and professionals at an international level, the IAASB (2016) opened an initiative on this topic to respond to technological development in the most effective way for the public interest. It was emphasized that among the capabilities of the audit service and the expectations of the users of financial statements there are differences and the transition from sampling methodology on the assumption that the audit tests will still leave extremely narrow paths for justifying the failure to detect fraud in the financial statements. Auditing plays a key role in the credibility of financial statements, and distrust of the audit service may lead to the disappearance of the service. Auditor credibility is a sensitive subject because reputation is essential in what regarding insurance services. According to a study consisting of an interview applied to professionals in accounting and auditing in the UK (De Widt, D., Llewelyn, I., & Thorogood, T., 2022), the competencies of auditors are credible, but in the context of the reduction of audit fee from recent years it raises the question of ensuring a fair distribution of human resources on audit projects.

3. Analysis of specialized literature on audit quality

According to ISA 701 (IAASB, 2015), which became applicable starting with financial statements related to 2016, the auditor must include in the audit report the key aspects (KAM – key audit matters) that led to the expression of the opinion. Key audit matters are those items that according to the professional judgment of the auditor, they were of particular importance in the process of auditing (IAASB, 2015). Asbahr and Ruhnke (2017) analyzed a sample of 132 listed firms from New Zealand based on quantitative statistical methods, that following the presentation of the key audit matters in the auditor's report, users of the financial statements had more in trusting profitability indicators because they understand how the revenue and profit side was analyzed by the auditors. Key audit matters influence investor decisions among non-professionals, but only if there is no resolution (Gold, A., & Heilmann, M. 2019)

According to the PCAOB (2020), audit quality has improved considerably since 2003, but there is a significant need to continue with an audit quality improvement plan going forward, and progress can be achieved through a combination of prevention, detection, deterrence, and remediation. Because finding audit weaknesses is not enough, steps to avoid repetition deficiencies in the audit process will need to be recorded.

Because audit quality cannot be directly observed, users of the financial statements rely on the reputation of audit firms to determine quality, and factors such as auditor education and training tend to be ignored, and according to the study by Al Shanti (2022) in the UAE, auditor experience and education play an important role in quality the audit.

The quality of the audit varies according to various factors such as: professional training, the experience and skills of the auditor, how to allocate responsibilities in the audit team, allocation audit hours as well as the fees charged for audit services (Hațegan; Crucean, 2019). Effort submitted in the audit increases the chances that the auditor will identify errors in the financial statements and propose adjustments for those. If the errors are not corrected, the probability that the opinion is omitted increases auditor to give a modified opinion, in this way the quality of the audit contributed to the increase in quality financial reporting (Tusheng; Chunxiao, 2020). There is evidence to support that diversity gender, ethnic diversity and foreign directorship significantly influence audit quality (Akpotir, V., A., 2019). According to Robu (2016) auditor turnover has a significant influence for the quality of the audit through the influence it has on the relevance of the intended financial information investors.

4. Conclusion

For the subject of audit quality, the history is written right now. The objective of this paper is to understand the way in which the financial reporting package can be improved by assessing audit's quality. We observed that the audit profession is reorganized in order to respond to the needs of the users of financial statements.

Between November 12, 2021, and February 18, 2022, consultations organized by the Commission took place in Europe on the quality of financial reporting. According to the results, corporate governance is the component valued as being the least efficient and effective. In the same study it was found that respondents, although they believe that quality indicators could have a beneficial effect on reporting or audit quality statutory, they are sceptical about the ability to define these indicators, underlined the idea that although various organisations have defined audit quality indicators, there is nothing accepted unanimously. In terms of how the audit contributes to the quality of financial reporting, respondents stated that they were satisfied with the effectiveness of the audit, but had doubts about efficiency and consistency, as there is no harmonization of statutory audit among members European Union.

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THE MOTIVATION OF RURAL TOURISM CONSUMERS FOR THE SERVICES OF SMALL AND MEDIUM ENTERPRISES

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Abstract: *Rural tourism plays a significant role in developing rural areas of many countries, contributing to the wealth of rural communities through direct, indirect, and induced effects. This social-economic phenomenon contributes directly and indirectly to the emergence of new small and medium enterprises in rural areas and the wealth of the community. Getting to know the preferences of tourists visiting rural areas has a fundamental relevance for the small and medium enterprises in the field of tourism to present a fair offer and develop sustainable tourist policies. Understanding their perception of the rural areas and what they are looking for is essential because it determines how they travel. Furthermore, a rural tourist product may be consumed differently by various tourists or even by the same tourists in different situations. Consequently, research concerning preferences is necessary to determine tourist interests in rural areas. The orientation of small and medium enterprises in rural tourism towards a market segment characterised by expectations or preferences reflecting the strong points of the destination leading to a competitive advantage, i.e., by attracting and satisfying the optimal segment.*

Keywords: entrepreneurship, rural tourism, motivation, rural tourism consumer, recreation

JEL Classification: L83, Q26, R29, Z32

1. Introduction

As the degree of urbanisation has increased globally, there has been a growing demand for nature-based tourism. The wish to enjoy recreational activities in nature, far away from the city, may be understood as a symptom of feeling disconnected from nature and the subsequent wish to reconnect to it. It is characterised by recreational trips to rural areas near the cities – a landscape usually featuring agriculture and proof of human presence, but also places with natural landscapes not altered by human intervention, situated further away from home, often labelled "wild", seen as free from human interferences and requiring far more time and expenses to arrive to the destination (Slocum & Kline, 2017).

A research study of 1997 carried out in Great Britain (Countryside Commission, 1997) reported that the most important motivations of rural tourism were relaxation, unpolluted air, silence, and physical activity such as fitness. Furthermore, additional studies have recognised that rustic images were perceived as highly distinct compared to rural ones. They exemplified the importance of environmental elements of rural destinations in creating opportunities far from the urban lifestyle and motivating tourists to visit rural areas.

Currently, two new stimulating trends signify the profile of "modern rural tourists": the quality of the environment, tourist services, and growing interest in authentic experiences (Lane & Kastenzholz, 2015). Another factor contributing to the development of rural destinations is the higher trend of taking frequent pauses throughout the year. It has also been concluded that tourists no longer focus exclusively on the summer season but make time for short-distance trips throughout the year (e.g., long weekend breaks). Moreover, tourists are motivated by all local resources available (landscapes, accommodation,

environment, and architecture) within a destination to make every minute of the trip count (Oriade & Robinson, 2017).

Small and medium enterprises getting to know the preferences of tourists visiting the rural environment have a fundamental relevance for a valid offer and sustainable tourist policies. Understanding how these tourists perceive rural areas and what they are looking for is essential because it determines how they travel. Furthermore, a rural tourist product may be consumed differently by various tourists or even by the same tourists in different situations (Roberts & Hall, 2001). Consequently, research concerning preferences is necessary to determine tourist interests in rural areas.

2. Rural tourism consumers

Whereas some studies on the general characteristics and benefits sought by rural tourism consumers have been developed in various countries, the changing nature of the rural tourist market requires further updated research to shed new light on the situation. Furthermore, the specific character of each rural area studied dramatically influences the nature of tourism (Molera & Albaladejo, 2007).

Numerous studies carried out in diverse countries have been studying the interest of tourists in the rural environment. Such studies are hard to compare due to the distinct methodologies and objectives and the lack of consensus regarding the identity of rural tourism consumers (Lane & Kastenzholz, 2015). Nonetheless, these studies highlight a growing interest in the worldwide phenomenon and standard research models. Still, they also prove to be heterogeneous regarding the populations studied and the context of the various geographical and cultural destinations. Some of these studies use a segmenting analysis regarding the rural tourist market. Several authors suggest that the rural tourism market tends to comprise mostly middle- and high-class tourists – with high instruction levels and all age categories; generally, national tourists who travel by car, often with their families (Bel et al, 2015). Some studies conducted in France, Scotland, and Germany show that – despite the high socioeconomic level of many rural tourism consumers – expenses are lower compared to urban and beach tourism (Frochot, 2005). Studies carried out in various countries point out the categories of tourists preferring rural areas: families with children seem to be an important segment, especially for farm holidays, while couples seem to also prefer holidays in rural areas; groups of friends travelling together represent another category (Polo et al, 2014). There is a wide variety of the socio-demographic profile and behaviour of tourists, with many authors indicating growing diversity, dynamism and innovation potential for rural tourism, which corresponds to the growing level of general travel experience among tourists and increased expectations regarding the new attractive and diverse tourist experiences associated to lifestyle changes (Huang et al, 2016). Research has proven the diversity of purposes for visiting rural areas. They include general and typical tourist motivations and behaviours to be practised anywhere (food intake, shopping, socialising, relaxation, family reunion) (Bel et al, 2015). The specific objectives related to the rural area concern mostly nature and landscape, as well as relatively passive fun or outdoor activities (Prestholt & Nordbø, 2015). The frequent reference to the romantic seeking of rural culture and rural lifestyle seems of secondary interest in many countries (Frochot, 2005). The nostalgic chase for a rural lifestyle is visible among the unique and increasingly popular interests, such as those associated with wine and local food consumption (Bel et al, 2015). Whereas rural culture, traditions, and lifestyle are not the primary attraction point of many rural tourism consumers, a general cultural insight, curiosity and interest in exploring the various cultural traits of a territory and the involvement in visiting the general tourist attractions motivate many rural tourism consumers (Huang et al, 2016). Park et al. (2014) suggest a continuity of coveted benefits varying from relaxation-oriented groups (seeking urban comfort) to learning-oriented groups (rural experience).

Similarly, Huang et al. (2016) discovered a motivational dimension focusing on learning and recreation among the visitors of heritage sites in South Carolina. Upon recognising the relevance of the cultural motivation of rural tourism and the possible connection to other motivations, the researchers concluded that the recreation-oriented tourists were more interested in sports activities related to nature and less in adventurous activities. Still, they also revealed a set of activities (shopping, local gastronomy, attending festivals) attractive to all. Another traditional motivation – sometimes nostalgic – of rural tourism, reported in many studies, is origin tourism focusing on visiting family and friends. In South Africa, for instance, the most significant segment of domestic trips is recorded in the context of visiting friends and family; many rural tourism consumers maintain family ties after migrating to the city (Rogerson, 2015).

In other countries, interest in nostalgic visits to rural places of origin or where relatives live is also a relevant but not dominant reason (Bel et al, 2015). Engaging new experiences are featured by innovative rural actors, too, aware of the market trends and the unique resources of the destinations, as in Alqueva, Portugal, where they use the night sky as their primary source of attraction (Lane & Kastenzholz, 2015). In rural tourism, one must not neglect the social dimension of the trip. Several studies point out the interest in socialisation within the groups of travellers as being the most relevant motivation (Pesonen, 2015), while they highlight the role of the interaction with the host (Kastenzholz et al, 2015), not always a primordial motivation, but which has been proven to contribute to a memorable rural tourist experience significantly.

3. Conclusion

The interaction with the host may increase potential connection with the rural lifestyle and local food consumption, as well as buying unique local products, thus extending the rural tourist experience and contributing to the sustainable development of the destination. There is a consensus regarding the rural tourist market heterogeneity concerning the motivations, benefits, and activities required, thus involving a significant development and innovation potential for products and destinations, maybe even focusing on different market niches or differentiated approaches. The orientation of small and medium enterprises in the field towards a market segment characterised by expectations or preferences reflects the destination's strong points, leading to a competitive advantage, i.e., by attracting and satisfying the optimal segment. Segmenting research studies in rural tourism has become relatively more popular during the last decade, thus responding to the new challenges within rural tourism practice – increasingly more professional and competitive.

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THE BENEFITS OF IMPLEMENTING SUSTAINABLE STRATEGIES IN ORGANIZATIONS

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Abstract: *Sustainability is a concept used and applied in various fields of activity, various disciplines, but also in everyday life. As regards the sustainability of organizations, it is certain that they adopt sustainable strategies more and more often, but the question that arises and we want to answer through this article concerns the benefits that organizations gain from adopting them. In this article we have combined a series of studies and research from which we have learned the main advantages that sustainability brings to various organizational forms.*

Keywords: sustainability; sustainable development; benefits; sustainable strategies.

JEL classification: M14; L81; Q56; D23.

1. Introduction

Sustainability is a term used more and more often in today's society, which became a real phenomenon in the last decade. This phenomenon of sustainability has increased especially in the context of increasing resource constraints and in the context of the deterioration of ecosystems and the environment. Thus, the traditional role of organizations to provide goods and focus on producing profit is not enough to guarantee a sustainable development of the company.

In the context of a company, sustainability is represented by "the management of the organization in such a way that it will be able to offer future generations social and environmental programs" (Danciu, 2013). If we take a look at the broader sense of sustainable development, it implies the sustainability of the company's operations that require the use of resources so that the company operates over a certain period of time, thus ensuring the profit of the organization. Therefore, we can state that a company can achieve sustainability only when it manages to achieve "economic efficiency, social equity, but also the preservation of the environment" (Danciu, 2013).

As studies show, in the last decade, companies became more and more focused on adopting sustainable strategies for a multitude of reasons. A 2017 Cone Communications CSR study (Cone Communications CSR Study, 2017) found that "87% of Americans prefer to buy products from companies that defend environmental and social responsibility, which demonstrates the importance of sustainability in business." Also, a study by Forrester Consulting in September 2021 found that "more than one-third of brands set long-term goals and distance themselves from business partners who do not meet their sustainability standards" and "53% of companies surveyed have a priority to improve sustainability strategies" (Damen, 2022). The same study shows that "41% of companies invest in transparency strategies to show their vision of sustainability and progress in the field."

2. The benefits of adopting sustainable practices and strategies according to the analysis of the first companies in the Corporate Knights ranking

Consumers who want sustainable products and services have a huge impact on organizations, as shown by a 2019 Nielsen report in which 81% of respondents said it is "extremely important or very important" for them if companies implement programs that

improve the environment. In another study, 90% of millennials mentioned that “organizations need to act to help with social and environmental issues” (Porter Novelli/Cone Gen Z). However, in order to give consumers what they want, businesses need to understand consumer behavior, observe product life cycles and even bring new marketing strategies. The next stage is the development of new business models, designing new mechanisms through which the company can satisfy the wishes of consumers in accordance with sustainability. The company is able to create practical platforms for the future. These platforms are grids that use technology to manage “energy generation, transmission and distribution to all types of sources, according to consumer demands” (Nidumolu, Pralahad, & Rangaswami, 2009).

Over time, companies have become increasingly concerned about solving the sustainability issues they face. Their sustainability performance is regularly evaluated by consulting companies that make up the top of the most sustainable firms following rigorous surveys and methodologies. In recent years, Corporate Knights has been making such charts, and we will focus on the latest ranking published by them in January 2022. In 2022, they published a ranking of 100 companies based on a survey of “7000 subjects with incomes above \$1 billion based on sustainability indicators” (Corporate Knights, 2022). We note that in this ranking the first place is occupied by Vestas wind systems. Vestas has evolved from the production of hydraulic cranes and is currently the largest producer of wind turbines, responsible for about one-fifth of the global installed wind power capacity. Moreover, among their latest performances are the start of work on a turbine in the North Sea, which is the largest renewable energy project in Europe, and their main focus is the reduction of the carbon footprint associated with its turbines.

Following the publication of the Corporate Knights ranking, Vestas issued a press release explaining some of the reasons why it won the title. From the press release (Vestas, 2022) we learn that the company’s success is based on a sustainability strategy they adopted in 2020. Thus, the strategy has set sustainability performance as a core priority across the entire value chain, including the entire supplier network. Since its launch, Vestas’s sustainability strategy has increased their performance in several areas: „ongoing sustainability initiatives include circular product design initiatives, reducing CO2 emissions and production waste production, aligning sustainability goals with strategic suppliers and replacing all combustion vehicles with electric vehicles”. Henrik Anderson, President and CEO of Vestas, said: “Vestas has successfully helped our partners avoid carbon emissions of more than 1,7 billion tons over the past four decades.” Vestas Vice President and Chief sustainability Officer said: “Improving our sustainability performance has been an opportunity for Vestas to create more value for our partners. By prioritizing sustainability across the entire value chain, including our supplier network, we have created far more opportunities to collaborate and foster the maturity and expansion of the renewable energy industry.”

In the company’s sustainability report we also find the main targets it has set for the coming years. By 2025, they want to reduce carbon emissions from operations by 55% compared to 2019, reduce the accident rate to 1.5 and increase the number of women in leadership positions to 25%. By 2030 they want to achieve „carbon neutrality in their operations, reduce carbon emissions in the supply chain by 45% compared to 2019, reduce the accident rate to 0.6 and increase the rate of women in driving positions to 30%”, according to their sustainability report. What we see from these targets is that the change is done gradually, in safe steps and calculated so that the company can only benefit.

Of the total 100 companies in the Corporate Knights ranking, 23 of them are from the United States, 13 from Canada, 3 from South America, 41 from Europe/UK and 20 from the Asia-Pacific region. Ten years ago, in the EIRIS report, personal property company Puma ranked first, being the most sustainable company at that time. In the 2022 ranking,

it only managed to rank at position 77, obtaining the rating (C). The national Australia Bank, which ranked third in 2012, has now fallen to number 44.

3. Other benefits of adopting sustainable practices according to recent studies

Recent research (El Khatib, Alabdooli, AlKaabi, & Al Harmoodi, 2020) reveals that “adopting sustainable project management practices helps reduce costs, increase opportunities and profits, and facilitate organizational success.” However, the research also shows that “sustainability involves additional costs and an increased commitment to natural and economic resources to ensure the success of projects”.

According to another study (EY Romania, 2020) 80% of respondents “state that integrating sustainability into decision-making has a long-term impact on operational performance”. According to the survey, 74% of respondents “believe that integrating sustainability principles into business strategy and operations management is a priority for the companies they represent.”

Another study by Next Energy Technologies (Holbrook, 2022) showed that “a third of respondents (33%) reported loss of profit to the advantage of competitors due to non-adoption of sustainable practices.” Having more than 53.000 consumers in the United States, The Natural Marketing Institute found that 58% of them “consider the environmental impact a company has when making decisions to purchase goods or services and are more inclined to choose to buy from a company that leans toward sustainability”.

Last but not least, sustainability is not only beneficial in terms of reducing costs, but can even lead to increased profits. In a 2014 report (Rogers, 2016) “Properties with purpose: How organizing for sustainability can benefit the bottom line,” McKinsey surveyed 40 companies to understand sustainability challenges and learn how they can “gain value from sustainability.” According to a study by Deutsche Bank, “those companies with a high degree of sustainability (environmental, social and governance) outperformed the market in the medium and long term.”

4. Conclusions

Adopting sustainable strategies and practices brings a plus to organizations from a multitude of points of view. We have noticed from the study that consumers take these aspects into account when deciding to choose an organization from which to purchase goods or services, but there are many other reasons including reducing costs, helping the environment, increasing opportunities and bringing success to the organization. By presenting the Vestas company in detail, we hope that we exemplified a sustainable company model that serves as an organizational model to other companies.

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THE CONCEPT OF DIGITAL ENTREPRENEURSHIP - THE 4TH INDUSTRIAL REVOLUTION

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Abstract: *Entrepreneurship is increasingly popular nowadays. Some entrepreneurs are forced to act according to circumstances, but for others, entrepreneurship is a life dream, intending to make it more meaningful and satisfying. Entrepreneurship is an essential and powerful mechanism for changing the world.*

Considering conceptual literature, the study identified definitions of digital entrepreneurship, how industrial revolutions lead to digital enterprise models, and how the digital ecosystem was developed in Romania. By understanding the characteristics of digital entrepreneurship, the individual will be able to create new business ventures or transform existing businesses through the development of digital technologies. The conclusion of this study is that digital entrepreneurship brings new opportunities for entrepreneurs to reach individuals much easier and faster by making use of algorithms and data to help potential consumers and manage their preferences through particular and tailored advertising.

Keywords: Digital entrepreneurship, Digital technology, Business enterprise, Entrepreneurship, Digital transformation.

JEL classification: L26, M13, M15

1. Introduction

Digital entrepreneurship is the creation of an enterprise to produce and generate revenue from digital goods across electronic networks (Guthrie, 2014). The entrepreneurs involved in digital entrepreneurship are digital entrepreneurs. At the same time, the resulting ventures or firms, which provide economic and social value for themselves or their communities, are referred to as digital enterprises (Davidson, Vaast, 2019) and (Zhao, Collier, 2016). Sussan and Acs (2017) referred to the digital ecosystem as a self-organized, sustainable and scalable system that encourages information sharing and innovation. Davidson and Vaast (2010) focused on social interactions in the context of digital technology; on the other hand, Nambisan (2017) reported that the digital ecosystem fosters digital entrepreneurship; moreover, digital networks enhance innovation and generate ideas among a group of entrepreneurs. Lastly, Smith et al. (2017) characterized the digital ecosystem and mentioned that the digital ecosystem is established on bonding and bridging concepts, explaining that bridging represents connecting individuals within a network, and bonding refers to an individual's behavior within a network to share solidarity, and support to adhesion. The entrepreneur must create value both for himself, in particular, for the team, and society, in general. Therefore, digital entrepreneurship cannot be developed without innovation. The purpose of this study was to provide an overview of the concept of digital entrepreneurship, how it developed, and what are its implications in society. In recent years, digitalization has brought a significant shift in how entrepreneurs conduct business today. The paper is structured in three chapters that describes the evolution of entrepreneurship and digital entrepreneurship through the industrial revolution,

their impact on business ecosystem, the development of digital entrepreneurship in Romania, and lastly the conclusions.

2. Digital entrepreneurship concept and industrial revolutions

Creating an industrial revolution requires three elements: catalyst, market, and people. The first industrial revolution took place at the end of the 18th century (1765) - the beginning of the 19th century, being marked by the transition from manufacturing to mechanized production (IED, 2019). According to Britannica (2022), the catalyst of this revolution was the steam engine, invented by James Watt. Based on this invention the first factories were created in which they implemented production processes. Workstations appeared where employees were clustered together performing numerous production tasks. Also, the market was characterized by small shops near the factory to which the customer had to travel and purchase the desired goods from the limited supply available. The majority of the population worked in agriculture, but with the mechanization of work, most of the agricultural jobs disappeared, being replaced by machines. Thus, as an alternative, people turned to manufacturing activity in factories. They were forced by circumstances to learn new skills to cope with the activity in the new jobs (Pambuccian, V., 2016).

The Second Industrial Revolution (1870) took place in the latter part of the 19th century – the first part of the 20th century, with the invention of the electric motor (IED, 2019). Combining this new catalyst with the practices used in Ford factories, specifically the conveyor belt, production evolved into a new stage (Mokyr, J., Strotz, H. R., 1998). Thus, the workstation included a small number of workers gathered around the conveyor belt and being specialized on a certain part of the production process, which led to a significant increase in productivity. This iterative system of production was also the foundation for the introduction of robotic arms into production in the mid-20th century. The market also developed a new aspect, and shopping centers (malls) appeared, in which the customer had at his disposal the offers of various producers of goods in a single space. The specialization of work, the appearance of the conveyor belt and even some robotic arms led to the decrease of employees in factories (Pambuccian, V., 2016). It was an era when industrial growth created wealthy entrepreneurs and a comfortable middle class supported by workers. (Niller, E., 2019). Again, the individual had to identify new opportunities, thus the service sector developed resulting in the development of the education system preparing professionals for the new economy.

The Third Industrial Revolution (1969) started from the second half of the 20th century and continues today (IED, 2019). It is marked by the invention of the processor as a fundamental element in the development of computing machines - computers. With the development of computers and the science of programming, production moved to a new level. Thus, workstations were increasingly taken over by robotic arms, resulting in goods being produced exclusively by industrial robots. The industrial robots are becoming programmable virtual conveyor belts. The market also became a virtual one with the development of the Internet, being represented by e-commerce through websites where the consumer can purchase the goods they want from home, all at a click away. Examples of such sites are Amazon.com, Aliexpress.com, eBay.com and many others. Additive manufacturing (3D printing), artificial intelligence and bio-informatics are other technologies contributing to the expansion and restructuring of the third industrial revolution, paving the way for the fourth industrial revolution, which The Economist (2012) argues that it would have already started with these new technologies. The current technological development is a factor that will lead to the elimination of millions of jobs, which will cause the individual to develop a creative spirit. (Pambuccian, V., 2016).

Klaus Schwab, Founder and Executive Chairman of the World Economic Forum, mentioned in his rapport that the acceleration of innovation and the velocity of disruption

are hard to comprehend or anticipate and that these drivers constitute a source of constant surprise, even for the best connected and most well informed. On the supply side, many industries are seeing the introduction of new technologies that create entirely new ways of serving existing needs and significantly disrupt existing industry value chains. (Schwab, K., 2016).

On the whole, there are four main effects that the Fourth Industrial Revolution has on business—on *customer expectations*, on *product enhancement*, on *collaborative innovation*, and *organizational forms*. Whether consumers or businesses, customers are increasingly at the epicenter of the economy, improving how customers are served. Physical products and services, moreover, can now be enhanced with digital capabilities that increase their value. Meanwhile, a world of customer experiences, data-based services, and asset performance through analytics requires new forms of collaboration, particularly given the speed at which innovation and disruption are taking place.

Also, with the advancement of technology, many service-sector jobs are at risk of being replaced by machines, this includes jobs in the field of education, transportation, and government services. While this may result in some negative consequences, there is also potential for a green revolution with cleaner and more efficient energy technologies. In order to find solutions that work for everyone, it is important to take into account the world as it is rather than how we wish it to be (Roubini, N., 2015).

Powered by data and algorithms, businesses could strengthen their innovation capacity through public-private partnerships and co-located technology platforms hosting industry and research communities. Increased connectivity brings also benefits to employers and employees, such as remote working, flexible working hours and virtual teams. As more people connect to the Internet of Things to produce and exchange goods/services among them, a sharing economy will take shape. The mix between digital communication and the internet will make possible the deployment of an automated transport and logistics system (Vandivinit, J. 2016).

3. Romanian digital entrepreneurship

In the last 70 years, the IT industry in Romania has undergone several development stages that we could analyze from several perspectives.

3.1 The stage between the years 1950-1989 in Romania

Between the Second World War and the Revolution of December 1989, Romania had a closed leadership, with an economy based on collectivization, industrialization, agriculture, and cooperative relations with countries with similar leadership systems. Although an agro-industrial spirit has characterized the country, since 1950, the focus has been on developing computing techniques (Baltac, 2007).

During this period, working conditions were difficult due to limited study resources and information access. Regardless, Romania continued technological progress. The period between 1957-1967 was marked by the development of the first Romanian IT applications for computers, favoring their use not only for research but could also have a practical utility. For example, "an automatic translation application was created to translate from English to Romanian. Also, other applications were created and used for calculations. The application was used to construct the Vidraru dam, built in 1965 on the Argeş River, and the ROMEXPO exhibition pavilion in Bucharest. Lastly, other applications were created in the field of computing techniques in construction and even in the field of railway transport" (Baltac, 2007).

3.2 The stage between the years 1989-2007 in Romania

Globalization, symbolized by the fall of the walls between nations and the shaping of greater cooperation between countries (Friedman, 1999), imposed a system of rules that

all had to obey. During that time, Romania was transitioning from a directed economy to a market economy. In the context in which Romania benefits from a cheap labor force very well trained in the science of computer technology, the large IT companies have attracted numerous human resources.

"Each year, 5,000 new graduates enter the IT job market" (Baltac, 2006). At the same time, the Internet penetration rate increased suddenly, reaching 1.8 million accesses in 2005, which meant a 96% increase compared to the previous year. Romania consequently became a strategic partner for companies that chose to invest in IT. Romania thus became a strategic partner for companies that chose to invest in IT.

3.3 EU post-accession stage (2007-present)

One of the main requirements the European Union imposed on Romania was infrastructure development. During the communist period, Romania had no telecommunications networks, offering Romania the possibility of building the infrastructure using the most advanced technology at that time, optical fiber (Stenovc, 2015). As a result, Romania became the leading position in terms of Internet speed (Haraga, O., 2011). Access to the European Union gave Romania the facility for companies to compete in the European business environment. As a result, the most important IT centers in the country have developed around the large university centers in this industry, namely: Bucharest, Cluj-Napoca, Timișoara, and Iasi. In this context, the IT industry in Romania began to grow significantly, so in 2012, "the total value of the software market in the country amounted to 572.3 million euros" (Brainspotting, 2014). In 2014, "the fiscal value of more than 13,700 IT companies in the country reached approximately 16 billion lei, with an increase of 26.04% compared to 2013" (ARIES, 2015). According to the data obtained and processed, in 2019, the revenues generated by companies operating in the IT industry were around 32.3 billion lei, while in 2020, their value exceeded 33.1 billion lei, an increase by over 2.5%. For 2018, the value was clearly lower than both years, just over 25 billion lei (Neagoe, O., 2021)

Conclusion

Based on the information presented, digital entrepreneurship is a term that describes how entrepreneurship will change, as business and society continue to be transformed by digital technology. Also, digital entrepreneurship creates changes in entrepreneurial practice, and education. Not only did business models get shaped around digital potential, but many new forms of business did not exist until modern advances in digital technology. I found that digitalization has had a profound impact on entrepreneurship, transforming both the theory and practice of entrepreneurship. However, this review demonstrates that there is still much more to be learned and that future research needs to adopt a more comprehensive approach that evaluates the multiple dimensions of digitalization.

The purpose of this study was to provide an overview of the concept of digital entrepreneurship, how it developed, and what are its implications in society. In today's business ecosystem, digitalization is generating numerous effects through transformative and rapid change. As a result, it is essential for entrepreneurs to ensure associated outcomes to be able to identify unexplored opportunities in the business.

The conclusion of this study is that digital entrepreneurship brings new opportunities for entrepreneurs to reach individuals much easier and faster. Digital organizations are able to use algorithms and raw data to help potential consumers and manage their preferences through particular and tailored advertising.

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MODERN PATHWAYS TO FACILITATE THE CO-CREATION PROCESS OF THE TOURISM EXPERIENCE

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Abstract: *Information and communication technologies have revolutionised the entire tourism industry and empower today's tourist to be both a producer and consumer of their own tourism experiences, as well as helping to add value to other travellers' experiences. Due to the large number of users, social media platforms have contributed significantly to this phenomenon. This paper aims to highlight, through a brief literature review, the modern ways that facilitate the process of co-creation of tourism experiences through the active participation of consumers together with other stakeholders. Facebook groups and influencers have turned out to be an extremely useful connection tools in creating value in tourism experiences.*

Keywords: co-creation; tourism experience; social media; Facebook groups; influencers.

JEL classification: M31; L83; Z32.

1. Introduction

In the tourism industry, technology significantly improves information flows between different stakeholders. Advances in Internet and mobile technology over the past decades have led to radical transformation, which has revolutionised this sector (Yuan et al., 2019). In the middle of this transformation lies the digital tourist (González and Liviano-Solís, 2020) who takes part in creating the tourism experience (Ratten et al., 2019).

As customers have gained more and more power and control using the Internet, today's businesses need to engage in a dialogue with them (Binkhorst and Den Dekker, 2013). The traditional company-centric model of value creation, in which consumers were considered "outside the company" has become obsolete, replacing it with a customer-centric philosophy (Prahalad and Ramaswamy, 2004). In this context, the concept of co-creation emerged, and since then, it has become a topic of interest for many scholars. Although it enjoys notoriety in the literature, there is still no consensus between researchers on the definition of this concept, the authors defining it according to the context of the research (Pham et al., 2022). The basic idea of co-creation refers to the active participation of the consumer in the creation of products and services by investing time, effort, or certain skills (Sugathan and Ranjan, 2019) together with other stakeholders to share and create value (Pham et al., 2022).

In tourism, co-creation describes how destinations, tourism companies and residents, collaborate with tourists to produce greater value tourism experience. It also involves consumers collaborating with other consumers (Morrison, 2022), facilitated by technological developments.

2. Methodology

This article aims to develop a theoretical framework on modern ways that facilitate the process of co-creating tourism experiences through the active participation of consumers together with other stakeholders. Considering the theoretical approach of this paper, the research includes a synthesis of the literature review of the most relevant articles on the topic, using Google Academic web search engine.

3. Social Media as a Facilitator in the Co-creating Process

Technological development and the forces of social media are now entirely shaping the world of tourism (Yüksel and Yanik, 2018). The importance of these platforms is given by the large number of users that increases from one year to another. According to the latest data released in July 2022, there are more than 4.7 billion social media users globally, which is more than half of the Earth's population. (Kushner, 2022).

In the field of travel, social media has immediately become a popular tool that consumers use to seek information about their upcoming holidays, help them engage in collaborative planning, and use it to memorialize their travel experiences through various forms of posting, messaging, and sharing media content (Leung et al., 2013). One of the advantages of using social media platforms is that they facilitate dynamic interactions in a public space between consumers and tourism businesses, such as travel agencies, but also between consumers themselves (Dolan et al., 2019). By its interactive nature, “social media engages and empowers consumers, leading to a highly involved co-creation process” (Zhang, 2019) creating value through User-Generated Content (UGC) (Lam et al., 2020). Studies show that UGC has greater validity and legitimacy than conventional sources to obtain travel-related information. Researchers have concluded that travellers increasingly depend on online recommendations from travellers who have already visited a particular location (Kitsios et al., 2022). In this context, Facebook groups and Influencers provide a great contribution to co-creating value of tourism experiences.

3.1. Facebook Groups

Facebook group is “a place to communicate about shared interests with certain people” (Facebook, 2022). Like real-world communities, Facebook groups reinforce norms that foster a sense of belonging and connection between people. For this reason, these communities formed on the social media platform Facebook contribute significantly to the co-creation of the tourism experience (Bolzán and Mendes-Filho, 2021). In such online travel communities, participants seek advice and reliable information about other group members' travel experiences. The tools offered by Facebook groups “encourage members to actively participate with minimal effort by uploading posts, sharing relevant content, writing recommendations and dis-recommendations” (Roth-Cohen and Lahav, 2019).

3.2. Influencers

In general, influencers are those individuals who can interact in the online environment with a target audience, stimulate their engagement and communication and/or sell a product or service (Bu et al., 2022). Influencers can be celebrities, professionals, or even ordinary people. They manage to build a considerable community of followers on online social media platforms, establishing credibility due to their knowledge and expertise on certain topics and thus succeeding in persuading the audience to act on their recommendations (Ki et al., 2020; Digital Marketing Institute, 2021; Geysler, 2022)

In the field of travel, ordinary people who have become famous by their own communication and self-promotion capabilities (Khamis et al., 2017) are very credible because the target audience can identify with them. Travel influencers explore the world and capture authentic moments from their vacations using digital cameras or smart mobile phones, then “package” them as stories and share them with their communities on their own pages on social media platforms, and often also engaging in dialogue with interested followers (Duffy and Kang, 2020; Gholamhosseinzadeh et al., 2021), and in this way stimulate customer value co-creation behaviour (Bu et al., 2022).

4. Conclusion

The emergence of co-creation and the ease of collaboration between tourists-tourists, tourists-tourism companies and other stakeholders have become perhaps the most significant change the industry has experienced, resulting from a long period of digital development in the global tourism sector. The control that travellers now have over every phase of their journey has revolutionised the entire sector, and the reputation of this phenomenon should motivate and challenge everyone involved in the process to increase the value of tourism experiences.

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Examining the success of the 2017 European Universities Basketball Championship as one of the priority projects of the University of Miskolc

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Abstract: *Hungary regularly hosts various international sports events, which in most cases are successful in terms of the level of organization, the level of interest and feedback from the participants and international sports federations. The effects of a prominent international sports event on sports development, infrastructure, tourism and country image are significant, so success has serious positive effects, just as the consequences of an unsuccessful organization can be serious. Project management has a key role in this. Hungary, and within it Miskolc and the University of Miskolc, hosted the 2017 European Universities Basketball Championship (hereinafter referred to as the European University Basketball Championship). The highlighted sports event can be interpreted as a complex project. Based on its size, timing and effects, the investigated event was one of the priority projects of the University of Miskolc, which posed many challenges to the Organizing Committee, i.e. the project management. During the study, I analyse the success of the project and look for correlations.*

Keywords: project management, project success, sports management

JEL classification: H43; O22; Z29

1. Presentation of the project examined

The organization of the University Basketball EC was considered a complex task, a temporary organization was created for its implementation, with specific goals, resources, and fixed deadlines. These properties correspond to the typical characteristics of a project (Görög, 2001), so we can talk about a project in relation to the investigated sports event. According to its classification, it is an event-type project because the implementation time was fixed. Projects that are extremely complex and include several (e.g. investment, research and development, and/or service) subprojects are usually called super projects (Görög, 2001). Of course, the complexity and effects of the investigated event cannot be compared to that of an Olympic Games, but these characteristics can also be observed here. Even if it was not directly the task of the Organizing Committee, sub-projects such as the renovation of the Miskolc University Sports Hall, the development of Miskolc University's basketball life, or the creation of an organization and services suitable for hosting future international sports events were realized in parallel with the event, under the guidance of the participants in the organization. The event had many legacies, new opportunities and projects followed from the project deliverables.

1.1. Facts about the international sporting event

The event, as one of the oldest and largest European University Championships, the most watched sports event by European higher education institutions and the European university sports scene took place July 16-23, 2017. The event is not attended by national university teams, but by university teams, typically the national champions of their country, and the participants were in the 17-30 age group. A total of 16 men's and 12 women's university teams from 16 countries came to the event, representing around 330 athletes. Together with professional staffs, referees, organizers and volunteers, nearly 600 people took part in the European University Championship. The total income of the event was 106 million forints (approx. 346,000 euro at that exchange rate), and the total expenses were

98 million forints (approx. 320,000 euro at that exchange rate), the difference was spent by the Organizing Committee on the development of the basketball department of the University of Miskolc. The organizers have been preparing for the organization of the international sports event for almost 3 years.

1.2. Project ownership structure, project management

The complexity of the task was also reflected in the multi-actor project ownership structure and project management. The Hungarian University Sports Federation (MEFS), the Hungarian Basketball Federation (MKOSZ), the University of Miskolc and the Municipality of Miskolc did not appear as sponsors, but as active actors in the implementation, so these four partner organizations can be considered the owners of the project. The top leaders of these organizations formed the Board of Patrons, and their managers and/or specialists formed the Organizing Committee. The involvement of the Government of Hungary was essential in terms of legitimizing the event, this was realized through the Ministry of Human Resources, the state secretary responsible for sports held the position of chairman of the Board of Patrons.

The European University Sports Association (EUSA), the right holder, concluded a tripartite contract (Attribution Agreement) containing the rights and obligations related to the event with its Hungarian member organization, MEFS, and the Organizing Committee, thereby establishing a different system of relations.

Given that the Organizing Committee was not an independent legal entity, an organization providing a legal and economic background was needed, which exercised rights and assumed obligations in accordance with the decisions of the Organizing Committee. This role was played by the Sports Club of Miskolc University (MEAFC).

1.3. Project cycle

I divided the project cycle into stages of preparation, planning, implementation and closing. The preparation phase began with the formulation of the intention to organize the event and lasted until the organization right was obtained. In the meantime, important steps were taken, such as the substantiation and investigation of the justification of the intention to organize the event, consultation with the partner organizations (who later became the owners of the project) about whether the organizing fits into their strategy and whether they can support it. In this phase, the application documentation was compiled, and international inspectors visited. The planning phase can be counted from the acquisition of the right to organize the event to the formation of the Organizing Committee. In this stage, the agreements defining the goals of the event and laying the foundations for its implementation were concluded. Of course, a budget plan was drawn up as early as in the preparation phase, but the overall endorsement of the partner organizations was replaced by specific grants. The implementation phase began with the formation of the Organizing Committee and the definition of goals, responsibilities and tasks. The implementation can be divided into several parts. On the one hand, the organizational areas that run parallel to each other: accommodation, catering, transportation, facilities, competition program, accreditation and event office, communication, marketing, involvement and coordination of volunteers. On the other hand, the coordination, follow-up and revision of the organizational areas and the budget as necessary (project management). And thirdly, to organize the event, which lasted from the arrival of the first participant to the departure of the last participant. The closure meant professional and financial closure, including tender settlements, written and/or personal reports to sponsors and individual project owners.

2. Examining the success of the project

I would like to examine the success of the project according to Mihály Görög's hierarchical model. The model consists of three levels of success that presuppose each other (fulfilment of primary project goals, satisfaction of project owners, satisfaction of interest groups involved in the project), where the success criterion at a higher level contains to some extent the success according to the criteria located below it, but the success according to each level can be interpreted on its own (Görög, 2007).

2.1. Evaluation based on primary project objectives

The project was completed on time, with a total revenue of HUF 106 million and a total expenditure of HUF 98 million, i.e. a positive budget balance of HUF 8 million. It was not only possible to fully meet the quality requirements of the international sports federation for certain organizational areas, but also to reach the higher quality level set as a goal by the organizers in several cases. In addition to the satisfaction of the project team, I also rank the satisfaction of the international sports federation at this level. In his official report (Official Report of the European Universities Basketball Championship 2017), Peter George, the technical delegate present on behalf of the EUSA, who is an internationally recognized authority on the sport of basketball, called the event in Miskolc one of the best organized University Basketball EC of all time.

2.2. Evaluation based on the satisfaction of the project owner organization that initiated the project

In connection with the project, we can talk about four project owners, who already formulated their main strategic goals in the planning phase, such as the desired returns of the project result (organization of the event). The reputation of the University of Miskolc among European higher education institutions was strengthened through sport, and its sports hall was renovated. In the case of Miskolc, in addition to direct tourism revenues, we can talk about the promotion of the city's values and other PR benefits. For MEFS, the development of university basketball life and the strengthening of its position in the European university sports life were important and realized. The goal of the MKOSZ strategy was to strengthen the Hungarian university basketball championship and basketball life in Miskolc through the event. Among these, there are some that were fulfilled immediately after the event, and some that could only be judged 1-2 years later. In any case, it is sufficient confirmation that the four organizations will work together again at the 2024 European University Games, which have been won in the meantime.

2.3. Evaluation based on the satisfaction of interest groups involved in the project

The organizers did everything to make the participants feel as comfortable as possible. In comparison with the previous University European Championships, the meal was given priority (this was reflected in the quantity, quality and variety), the accommodation was considered good, and the accompanying programs and information for the participants were the strength of the event. The delegations (athletes, official attendants) expressed their satisfaction in a number of ways. The other interest group is the volunteers, for whom the event was able to provide several benefits (e.g. sports organizing experience, practicing a foreign language, building relationships). At this level, as well as at the two levels below, the project can be considered successful.

3. Conclusions

Based on the examination of the success of the project, it can be stated that the event was successful from the point of view of the organizers (project management), the clients (project owners) and the participants (interest groups involved in the project). The organizational practice of international sports events can be described by three groups of success factors: task orientation, relationship orientation, random effects (Szabó,

Dancsecz, 2009). Random effects, such as extreme weather or riots, did not affect the outcome of the event, the probability of their occurrence was close to zero (indoor sport, and neither the event nor the host settlement posed a security risk). Thoughtful, appropriate planning played a major role in the achievement of the set task goals. Regarding the relationship orientation, it can be stated that the involvement of partner organizations is considered a key factor in the success of the event. The partner organizations provided significant financial and non-financial support (e.g. provision of services, professional support, provision of permits) and performed actual tasks for the success of the project. The project management consisted of the managers and/or specialists of the partner organizations, however, the effective cooperation was strengthened by additional synergies.

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INNOVATION AND DIGITALIZATION IMPLICATIONS IN ECONOMIC GROWTH. STATISTICAL ANALYSES AT U.E. LEVEL.

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Abstract: *The current study highlights the statistical relationships that exist between a series of indicators specific to innovation, digitalization and economic growth. In the knowledge based society, further economic development is achievable through innovational breakthroughs as well as by making digitalization a basic characteristic for most of every day activities. In the light of this statement, the current study conducts a correlation analysis and a regression analysis for the indicators: Global Innovation Index, Digital Economy and Society Index and annual gross domestic product per capita for the period 2019 – 2021. Based on the following findings, economic growth can be linked with innovation and digitalization.*

Key words: economic growth; innovation; digitalization; internet; research; economic development.

1.Introduction

In the last two years, economic growth has been stalled due to the COVID-19 pandemic's impact on social and economic activities. As a consequence, the employment rates in both developed and developing countries had lowered and as a chain reaction the poverty rates had begun to rise.

With regards to economic growth and through the perspective of the previous pandemic, the importance of innovation and digitalization is given by the fact that they offer a better range of solutions to unexpected situations. According to the Global Competitiveness Report 2020, between 88 and 115 million people had been expected to be pushed into poverty, whereas 245 million full-time jobs had been expected to be globally lost. Given that these cumulative losses amount to a decrease of the global productive capacity by 8.6%, the importance of innovation and digitalization is further accentuated ([GCR 2020](#)).

2.The Means Through Which Innovation and Digitalization Positively Influence Economic Growth

As far as digitalization is concerned, the digital services and technologies had not been efficient enough in order to cope with the economic and employment demands imposed by the pandemic. In addition, apart from the COVID-19, digitalization is one of the key components of economic growth through the fact that digital skills are no longer optional, but necessary for nowadays business, workforce and workplaces. In the past decades economic growth has been achieved through digitalization and the automatization of routine tasks. Therefore, it is only fitting that further economic growth will imply the further automatization of new tasks, tasks that previous technologies could not replace. As a consequence, the workforce that accomplishes such replaceable tasks must be ready to adapt to these possible changes in order to avoid unemployment. This type of readiness is achievable through updated education that focuses on the importance of digital skills, numeracy skills, innovative thinking and life long learning.

According to the Digital Economy and Society Index Full European Analysis 2022, the percentage of people with at least basic digital skills is relatively low (54%). Given that the majority of jobs require at least the basic digital skills, the target set for 2030 is of 80%.

As digital skills will become a more predominant characteristic of the everyday individual, then the rate of employment will increase, as well as the possibilities for higher wages. Thus, economic growth is achievable through one of the many benefits digitalization presents. In addition, given that the actual context of the digital and knowledge based economies implies that individuals should have digital skills, it is observable that the individual's focus towards gaining such skills will prove economically beneficial ([Habibi, F. Zabardast, M.A. 2020](#)). Furthermore, the shortage of ICT specialist presents a positive perspective for employment possibilities. Given that the current reported vacancies for ICT specialists must be filled in the near future, this makes room for economic growth through the means of digitalization and the innovational outcomes. ([GCR 2020](#)).

Further economic development implies the existence and usage of advanced technologies. As a consequence, in order for enterprises to generate added economic value, they need to adopt digital technologies ([Sabbagh, K. et al 2013](#)). According to the DESI Full European Analysis 2022, Finland and Sweden have the greatest number of small and medium-sized enterprises with at least a basic level of digital intensity. Therefore, the degree of digitalization can be correlated with the level of economic development and as a consequence growth patterns can be established for countries such as Romania and Bulgaria that score the lowest in this category. As such, the indicator used for depicting digitalization will be the Digital Economy and Society Index (DESI). It is composed of data regarding internet accessibility, pricing, types of technologies used by businesses, overall population's digital skills, the degree by which public services can be completed online, the degree by which population can interact with the public authorities via internet ([DESI 2022](#))

Although technology is the product of innovation and positively influences economic growth, the key strategy for securing the technological potential consists of the expenditure with research and development. As a consequence, innovation represents the end result of R&D expenditure, whereas new technologies represent the end result of innovation. The characteristics of innovation within a given country determine its ability to produce advanced products, which in turn lead to increases in productivity and economic growth. The success of the previous decades' economic growth is correlated with the advancement in technologies, communication and information ([Bilbao-Osorio, B.2004](#)). Thus, it is only fitting that future economic development has as its base innovation's end results. In addition to this, innovation can be responsible for the development of technologies that address energy consumption. If previous decades' economic growth happened primarily because of the consumption of resources, then future economic growth might be the result of innovative consumption of renewable resources ([Sohag K, 2015](#)).

Innovation can generate economic growth on the long run as long as investments are made for the development of new types of products and technologies that are useful to the society. Such a task is achievable through long term thinking and the acceptance of the risks innovative activities present. Innovation is not represented by breakthroughs alone, but also by failure, time and capital consumption ([Ulku. H, 2004](#)). According to the Global Competitiveness Report 2020, countries can achieve sustainable economic growth by defining their innovational priorities and by identifying key markets for investments. Within these markets, innovation is responsible for providing solutions that can address economic challenges. In the light of this statement, the Global Innovation Index (GII) will prove a valid indicator in relationship with the economic growth.

3. Statistical Analyses of data Related to Digitalization, Innovation and Economic Growth

The impact expenditure with research and development have towards innovation and later economic growth has been highlighted in the studies of [Ulku. H, 2004](#), [Bilbao-Osorio, B.2004](#), [Sohag K. 2015](#). The current study attempts to demonstrate two

hypotheses. The first hypothesis outlines the positive influence digitalization and research expenditure have towards innovation, whereas the second hypothesis consists of the positive influences innovation and digitalization have towards GDP per capita. Therefore, we shall proceed and outline the statistical relationship between GDP per capita, the expenditure on research & development, digitalization and innovation for the 27 EU member countries. The table below highlights the indicators we are about to analyse, as well as the unit measures and time period.

Table 1: Data sources

Indicator	Time period	Measure Unit	Source
GDP per capita	2019-2021	1.000 euro / capita	Eurostat
Gross domestic expenditure on research & development	2019-2020	% of GDP, value between [0,100]	Eurostat
Digital Economy and Society Index	2019-2021	Index value of [0,1], corrected to [0,100]	DESI
Global Innovation Index	2019-2021	Index value of [0,100]	GII
Households with acces to internet	2019-2021	Percentage value	Eurostat

The regression analyses we are about to present are highlighting the degree by which the Global Innovation Index is determined by 1) the gross domestic expenditure with R&D alone and 2) R&D expenditure and DESI. We believe that between digitalization and innovation exists a circular relationship, the two positively influencing each other. As digitalization is incorporated to a greater extent in every day activity, then information sharing and the processing speed of data will facilitate innovation. In a similar way, as innovation is responsible for generating new and more advanced technologies, then the processes specific to digitalization are conducted in a more enhanced environment. The results obtained from conducting the regression analyses with regards to how DESI and R&D expenditure positively influence the GII are presented in table 2, where GII is the dependent variable.

The results obtained from the two regressions conducted, based on the 54 observations (27 EU countries for the years 2019,2020) highlight the fact that the inclusion of the DESI accounts for an addition of approximately 0.220 to the R Square. Therefore, the models presented explain the variances of the GII by 50% and 72% respectively. Furthermore, an increase of the R&D expenditure by 1% of GDP accounts for an increase of the GII by 3.78 units (when the DESI is part of the equation) and 5.89 units respectively (when DESI is not part of the regression model). As far as digitalization is concerned, although the influence is not defined by intensity, an increase of the DESI by 1 unit leads to an increase of the GII by 0.45 units.

Table 2: GII evolutions based on DESI and R&D expenditure

Independent variables			Formula	R Square
Constant	R&D Expenditure	DESI		
37.63*	5.89*	-	GII= 37.63 + 5.89 * R&D.E.	0.50
22.46*	3.78*	0.45*	GII= 22.46 + 3.38 * R&D.E. + 0.45 * DESI	0.72

* Data is statistically significant ($p < 0.01$)

Source: Data processed from table 1

Having outlined the existing relationship between the independent variables of this study (the focus still remaining the dependent variable: GDP per capita) the next part of the analysis addresses the correlations that exists between the selected indicators. In addition, with regards to the second hypotheses, we will conduct a regression analysis, in

order to quantify the influences DESI, GII and the degree of households with access to the internet have towards the GDP per capita. The argument behind choosing internet access as an indicator for explaining GDP per capita is that it facilitates access to information and knowledge, thus proving significant for both the DESI and the GII.

Table 3: Pearson correlation analysis results

	GDP	Internet access	DESI	GII
GDP	1.00			
Internet access	.649**	1.00		
DESI	.605**	.737**	1.00	
GII	.650**	.719**	.720**	1.00

** Correlation is significant at the 0.01 level (2-tailed)

Source: Data processed from table 1

As can be seen from the table above, there exist strong and positive relationships between the chosen indicators. All three variables have a positive relationship of strong intensity with the GDP per capita. This can be presented as follows: the more digitalized and innovational a country is, the higher the GDP per capita can be expected to be. Similarly, the greater the percentage of households with access to internet, the greater the GDP per capita. Furthermore, strong influences exist between the independent variables as well. Thus, as the DESI score of a country will be higher, then the GII will increase as a consequence. The same goes vice-versa: as the GII score of a country will be higher, then the DESI will increase as a consequence.

Table 4: Regression analysis

SUMMARY OUTPUT

Regression Statistics

Multiple R	0.706
R Square	0.499
Adj. R Sq.	0.479
Std. Err.	15.615
Observatio	80.000

ANOVA

	df	SS	MS	F	Significance F
Regressor	3.000	18,421.409	6,140.470	25.183	0.000
Residual	76.000	18,531.202	243.832		
Total	79.000	36,952.611			

	Coeff.	Std. Err.	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Constant	-144.30	38.40	-3.76	0.00	-220.79	-67.81	-220.79	-67.81
Internet acces	1.307	0.553	2.361	0.021	0.204	2.409	0.204	2.409
DESI	0.325	0.298	1.089	0.279	(0.269)	0.919	(0.269)	0.919
GII	0.946	0.373	2.539	0.013	0.204	1.688	0.204	1.688

Source: Data processed from table 1

Based on table 4's data, the following formula can be written :

$y = -144.30 + 1.307 * x_1 + 0.325 * x_2 + 0.946 * x_3$, where y is the dependent variable (GDP per capita, 1.000 euro/capita) and $x_i, i=1,3$, are the independent variables. The degree by which households have access to internet is a defining indicator that positively influences GDP per capita. This might be due to the fact that internet represents both a basic and a mandatory resource specific to today's knowledge based economy. Therefore, internet means access to information, knowledge, skills and abilities. These in turn are responsible for the further development of technology, through the means of

digitalization and innovation. An increase of the DESI by 1 unit leads to an increase of 0.325 (thousand) euro per capita, while the increase of the GII by 1 unit leads to an increase of 0.947 (thousand) euro per capita. Access to internet appears to have the highest influence among the 3 indicators. An increase in the percentage of households with access to the internet can lead to an increase of 1.307 (thousand) euro per capita. Thus, the second hypothesis is confirmed. Furthermore, the results show that the regression model explains up to 50% of the variance in the dependent variable. We believe that in order to obtain a higher degree of determination, a broader span of years is need, considering that innovation and digitalization represent economic growth strategies whose positive influences require time and resources in order to materialize.

4.Conclusion

The results of the statistical analyses conducted have demonstrated the hypotheses set initially. Therefore, we conclude upon the positive influence digitalization and innovation have towards economic growth. The fact that the value of the R Square is of only approximatively 0.50 is due to the fact that in order for innovation's results to be seen, there is need of a broader period of time. Furthermore, the inclusion of the indicator depicting internet access represents the emphasis on the importance of digitalization. This importance is related to access, sharing of information and the degree of the individual's digital efficiency.

In order for economic growth to be an objective achievable through innovation, the relationship between the two and expenditure with research and development must be taken into account. As can be seen from table 2, R&D expenditure has a positive influence on the GII, which in turn positively influences GDP per capita. Consequently, as a country experiences economic growth, it must maintain further investments in research and development in order for innovation to create new means for economic growth to be sustainable over time.

Further studies regarding the implications innovation has towards economic growth might add research and development expenditure on the list of indicators for a regression model. As for this study, due to the fact that R&D data were not available for 2021, we implemented a model that does not take into account such a type of expenditure. However, we targeted its implication in determining the value of the GII (table 2), thus indirectly establishing a relationship between R&D expenditure and GDP per capita, for the period 2019-2020.

From a statistical point of view, the findings presented in table 3 are useful to the extent that given a government's efforts and policies towards the implementation of strategies targeting digitalization, positive results can be expected at an innovational level as well. Thus, the positive impact on economic growth is accentuated.

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LITERATURE REVIEW: DIGITAL TRANSFORMATION AND DIGITAL CULTURE OF AN ORGANIZATION

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Abstract: *This paper aims to provide an overview of academic research in the field of digital transformation and digital culture. This study provides a summary of most of the key aspects of digital transformation and digital culture. The working tool was literature analysis. The digital transformation is affecting the corporate landscape. Leaders embrace it wholeheartedly because they recognize its importance and power. But when companies move from pilot programs to broad adoption, they often hit an unexpected hurdle: culture shock. In this paper, I consolidate existing evidence drawn primarily from the literature, map the terrain by sharing key observations, and suggest future research opportunities in this ubiquitous field.*

Keywords: digital culture; digitalization process; digital transformation; digital; technology; digitization; technology

JEL classification: M1, M15, O3, O33, L86

1. Heading: Introduction

Due to the many changes in the business world, as a result of the intensification of competition between economic agents to obtain competitive advantages and ensure leading positions in the market they operate in - and not just survival within it, we identify an increased importance given to digitization. The end of the nineteenth century is the one that started the research process on the subject of digital transformation (DT), a process advanced by Jensen and standing out since then under various ramifications – technology and data management related to digital systems (Kraus et al. 2021; Jensen, 1981). As a result of the ever stronger wave of digital transformation found in the business environment, this topic is one of interest, having a very vast area that offers new possibilities for analysis.

2. Article objectives and research methodology

The criterion for carrying out the specialized literature review was based on the identification of key words (digital transformation, digital culture), according to Estellés-Arolas and González-Ladrón-De-Guevara (2012). The main purpose of the document is to provide an overview and guidelines for the concepts of digital transformation and digital culture. In general, a literature review is a systematic method of collecting and synthesizing previous research (Baumeister & Leary, 1997; Tranfield, Denyer & Smart, 2003). The starting questions are: What is digital transformation? How important is it for organizational success? Can an organization be digitized if its organizational culture has not been digitally updated?

3. Digital transformation and digital culture

With the advent of new technologies, companies have to go through a massive transformation that affects not only products and services, but also the transformation of business models. These models cannot be upgraded without a relevant digital culture. Stolterman and Fors (2004) view digital transformation, additionally referred to as digitalization, as a version of commercial enterprise driven by "virtual generation utility

changes in all factors of human society". It is commonly carried out via digitization, the "cappotential to show existing services or products into virtual variants, and as a consequence provide benefits over tangible product" (Gassmann et al., 2014). Fitzgerald et al. (2013) regards digitization because of the use of the latest virtual technology to allow most important enterprise improvements. Despite the developing awareness of the importance of virtual technology and its effect in reshaping the activities of the entire enterprise, businesses suffer from the lack of proper assimilation of virtual technology. Therefore, they fail to fully utilize the advantages received through their investments in these technologies. Digital transformation can be supported by the digitization of previously analog gadgets and supply operations, organizational tasks, and managerial strategies, which enable each start-up and connected players to compete in new ways (Iansiti and Lakhani, 2014). Considering the existing definition, it can be summarized that digital transformation is about connectivity and the recombination of assets as previously disconnected devices, activities, people and businesses are brought together. Digital transformation stems from the development and application of digital technologies in business (Slavova, 2016). Therefore, digital transformation is very well broken down at the moment of digitization, and this is supported by several authors (Gebayew et al., 2018; Maltaverne, 2017; Vial, 2019; Warner and Wäger (2019). According to Ross (2017) digitalization and digital have different parts of speech - common nouns and adjectives. Digitalization involves the technical modernization of business production, being linked to minimizing costs and recording operational performance.

Digital transformation cannot occur without support from the organizational culture, there must be a correlation between them (Kupiec, 2021). IBM (2021) said that ensuring cultural transformation is based on the process of integrating new technologies, and culture is a curious one to ensure success. Often, traditional companies' biggest challenge in the digital transformation process is culture change. This difficulty is also generated by the fact that this culture, or at least a large part of it is unconscious (Westerman, Soule, and Eswaran, 2019). Digital culture is the corporate culture that encourages and supports the use of digital technologies to achieve sustainable business success (Rudito & Sinaga, 2017).

Therefore, the following key aspects are highlighted:

- Markus and Benjamin (1997) noted over the years a shift in interest from technological to managerial and organizational issues;
- To achieve a successful digital transformation, changes should occur at multiple levels at intervals of the organization as well as an adaptation of the core business (Karimi and Walter, 2015);
- According to Kazim (2019), digital transformation produces changes in 5 component dimensions of an enterprise (the use of technologies, the value creation process, the business structure, human resources and financial aspects) - which is answered by flexibility and openness to change;
- Due to its expansion and importance, digital transformation is seen as a true global market. This is how a new economy, the digital one, is marked (Cozmiuc and Pettinger, 2021);
- The aspects of digital culture that an organization in the midst of a transformative process must take into account are: impact, speed, openness and autonomy; it is based on continuous experimentation, breaking anti-collaborative barriers, clear data and appropriate decisions for solving problems (Westerman, Soule, and Eswaran, 2019);

4. Conclusion

It could be said that all technologies leave an imprint on the human environment and modify it to some extent, thus changing (more or less radically) the conditions of existence of different cultures. Change and transformation are critical to building an organization that can thrive in the digital age. As Vial (2019) also claimed, digital transformation requires deep changes in the organization, these referring to the structure, processes, strategy and culture. This article is a starting point for identifying the interdependencies between digital culture and digital transformation, as well as the culture variables that favor the transformative process.

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EVALUATION OF AI GENERATED CONTENT IN THE GOOGLE ADS SYSTEM

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Abstract: *More and more consumers and businesses have access to the Internet, which has fundamentally changed advertising opportunities. There are various inbound and outbound marketing strategies that can reach consumers in different ways. Google Ads, which emerged at the turn of the millennium and defined itself as the world's first company to use machine learning technology, has become a market leader in several areas. In the digital world, the billboards of traditional marketing can be described as ads that ensure that consumers are reached in a form that is equipped with visual and textual content. Since they are capable of increasing website traffic by up to 300%, this can be interpreted as an opportunity that is also considered favourable by businesses. It is also suitable for testing content elements. Finally, the role of artificial intelligence is constantly increasing, and more and more companies are using it as a kind of competitive advantage. In this research, the role of the content creator is examined, within the Google Ads system under real market conditions.*

Keywords: *Digital Marketing; Artificial Intelligence; Advertising; Google Ads; PPC*

JEL Classification: *M31; M34*

1. Introduction

According to the Hungarian Central Statistical Office (KSH, 2020), 94% of companies have Internet access and 63% have a website. Moreover, the number of online transactions reached 68 million in 2021, worth 1,203 billion forints (GKID, 2022). In order for companies to gain as much share as possible, they can use various techniques in the digital space (Bleoju et al., 2016). Click-based advertising is another such tool. The most commonly used platform for such purposes is Google Ads (Mehta et al., 2007). The closed auction system was initially based on keywords (Za and Tricahyadinata, 2017). Later, the targeting and segmentation option was expanded, and currently 4,809 factors can be set to reach the target audience (Vidhoarder.com, 2022). In addition, optimal design of content elements is necessary for efficiency (Alcouffe, 2013). This study was about whether AI-created or marketer-created content performed better in the Google Ads ad system.

2. Literature review

The Ascend 2 (2019) study on marketing strategies showed that the main goal of companies is still revenue generation (64%), the best tool for this is content marketing (54%), while ad placement is in 4th place (34%). Researchers have identified 5-12 channels in digital marketing (Siddiqui, 2020, Lane, 2022). In this paper, I focus on PPC-based advertising. The importance of this topic is confirmed by the results of Josifovska's (2022) study on PPC statistics, according to which search engine advertising spending will exceed \$191 billion by 2024. Hill (2019) confirms that display ads can increase website traffic by 300%. Ahmed and Kwon (2014) emphasize that despite the existence of various online advertising channels, companies usually opt for display ads, which are studied by

many researchers from different perspectives. Online advertising can be calculated in different ways. Mangani (2004) was the first to set it up in a framework. Fjell (2010) studied the relationship between cost and click-through rates. The latter is consistent with consumer acceptance (Yang and Zhai, 2022). Dean (2022) used 4 million search results as the basis for his study CTR, to determine click-through rates for organic results. On average, the first non-advertised result has a click-through rate of 27.6%, while the tenth result on the same page has only a tenth of that. Within ads, Lincoln (2021) focused specifically on display ads and found that the click-through rate in this case was only 0.46%. However, there are other ways to measure performance, but this area is theoretically underdeveloped (Järvinen and Karjaluoto, 2015). Bonini (2018) examined the metrics that can be used in the Google Ads system, which also influenced this study. Due to space limitations, I will not discuss Google Ads ad settings. According to Google.com (2022), display ads can reach 90% of internet users through websites, videos, and apps. Gale (2022) addressed segmentation in his research and suggested focusing on market behavior rather than keywords. Among machine learning techniques, unsupervised focuses on this, leading to a novel approach to clustering and segmentation (Adoni, 2018). According to Data-flair (2019), Google calls itself the first company to use machine learning technologies, and Google itself confirms this on the Google Developers page (2022). AI has a significant impact on daily life and is estimated to be worth over \$136 billion by 2022 (Howarth, 2021).

3. Research method

The literature review confirmed that among the applicable channels of digital marketing, click-based ads, which include display ads, are an effective solution to reach consumers. Instead of surveying consumers, the study evaluates the role of artificial intelligence in content creation, its performance, and its impact on conversions through this advertising channel.

The advertising channel is the Google Ads Display Network, for which I first hired a marketer to create copy and a photographer to create images. After that, two ads were created in the Google Ads system. The base company sells video and photography services for weddings, and the specific ads were created in that context, with the goal of requesting a quote for the service. The ads followed the system below:

The content elements of the ads reached an excellent level, based on the Google Ads system (they contained the right amount and quality of text and images). The ads were shown only to women aged 25-44 living in Hungary (consistent geographic and demographic targeting was used). The ads only included the life event "getting married soon" as an additional option to narrow down the target audience. The ads ran for 10 days within a specified time period (affected time period: 09/09/2022-19/09/2022). The ads were run with a constant - low - budget. The additional settings of the ads were adjusted as much as possible, so that only content differences provided information.

4. Results and conclusions

If we assume that the precision settings made in the Google Ads system were able to display the ads at the same time, under the same conditions, and to the same target audience, then there is no variable other than the difference in the text and image content of the ad. The number of clicks in the marketer's case was 103, while the artificial intelligence with the same budget achieved only 95. The ads created had a much lower click-through rate than the average (Lincoln, 2021): only 0.08 and 0.09% compared to 0.42%. However, the cost per click is much lower than the market average (Bobchenok, 2022): 49-54 HUF instead of the average 274 HUF. On average, the conversion rate is

between 2-5% (Kim, 2022). The marketer's ad achieved a rate of 1.94%, while AI's ad achieved only 0.94%.

From the cost of HUF 5,090, 2 macro conversion events worth HUF 798,000 were completed for the marketer, with an expected ROI of 15,597%*. In the case of AI, one conversion event was completed, corresponding to ROI in this case 7739%*.

*A peculiarity of the wedding photography and videography market is that the time between sending and accepting an offer that meets the needs of consumers is relatively long. The value of the price offers submitted is listed in the "Estimated Conversion Value" line. These offers have not yet been accepted, but when they are accepted, the values in the line "Estimated ROI" are converted to real values.

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An overview of the impact of grant financing on agribusinesses in Dambovită County: Analysis of sub-measure 4.2 supporting the processing of agro-products under the National Rural Development Programme 2014-2018

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Abstract: *The continued growth in world population is naturally driving the sustained rise in global demand for food and agricultural products. The European Union is no exception, having shown average annual population growth rates of 0.3 in the past decade. Fuelled by this demographic push, together with the rise in income levels and in particular the growth of the global middle class, the demand for food is estimated to grow by 70% over the next 30 years. Demand in Romania mirrors these trends and, in order to meet it, greater awareness is needed of the country's rural environment and the need to accelerate rural economic development. The objective of this written piece is to review the impact in Dambovită County of one of the measures of the National Rural Development Programme for 2014-2020, namely measure 4.2 that offers support for investments in agricultural products processing and marketing.*

Key words: investments; financing; growth; sales;

JEL classification: A19

1. Introduction

Romania's rural environment is the main setting of the country's food production and a basis for its food supply chains. Its performance deeply affects all aspects of daily life including in the urban centres, through the availability of supply and the quality of the products it generates.

The rural environment is a key contributor to economic growth. According to National Bank data, much of the country's economic growth before the pandemic was sustained by consumption. This trend was confirmed by numerous studies, including for instance by the consultancy Flanders Investment & Trade in 2018 in a study based on European Commission data, which had forecasted that indeed private consumption would be the main driver of economic growth in Romania.

Growing demand for foods and beverages is a main contributor to such sustained consumption levels. As the natural "host" for this industry, the rural environment thus makes an important contribution to the country's economic growth providing the basis for the production and processing of food and beverages.

2. Background

In order to meet the growing consumption and demand for foods and beverages, it is crucial to increase the number of producers, to train the next generation of agricultural entrepreneurs and workers, and to extend and modernise the number of food growing sites in the country.

All these were priorities in the NRDP for 2014-18, which provided financing for rural economic and social development.

One of the actions of the Programme was "sub-measure" 4.2 which provided financing for the processing and marketing of agricultural products. The target beneficiaries have been economic enterprises, non-corporate, individual entrepreneurs, family-owned businesses or households.

This sub-measure encouraged the retention inside the country of the value-added associated with the processing stages of agricultural materials, contributing to increased

income levels, higher profit margins and the growth in the number of employees for those enterprises that received support under this sub-measure. Conversely, exporting these raw materials for processing, and then importing the finished goods, would adversely affect the agro-foods trade balance of the country.

Romania plays an important role in the European food industry. It is among the top 5 EU Member States for production of cereals – together with France, Poland and Germany, it accounted for 50% of the EU's 2015 wheat production.

In 2019, Romania held first place in the EU for the production of maize and sunflower according to the National Institute of Statistics. The country's agricultural output has been consistently growing since the country acceded to the EU, with some negative fluctuations in years of drought, such as 2020, but subsequently followed by positive rebounds.

It can be thus concluded that agricultural production in the country has been performing well. Nevertheless, the processing of primary inputs and the subsequent marketing of the resulting products has much potential for improvement.

3. Research Methodology

This paper uses quantitative analysis of information from datasets provided by the National Agency for the Financing of Rural Investments (“AFRI”) and examines the effects on enterprises from Dambovitza County of the financing received under sub-measure 4.2 of the NRDP 2014-2020.

The position of the County between three main industrial centres in Romania, Bucharest, Ploiesti and Brasov, means that it has a significant potential to be a supply centre for agro-foods products including to these industrial hubs.

A wide variety of agricultural activities are practised in the County owing to its diverse geography. For example, in the south, in the low-lying plain areas, the main crops are cereals and those grown for edible oils, like sunflower. Another category of crops widely grown in this geography are vegetables, especially along riverbeds.

This analysis has looked at the 13 companies in the sector that have benefited from sub-measure 4.2. It provided support in the form of grant financing covering a share of the eligible expenditure for proposed investments, of 50% for SMEs and family owned businesses, or 40% for large companies. This support can range between €600,000 and €1.5 million.

Three indicators were selected as best suited for the analysis of the impact of the financial support received by enterprises: sales and profit figures and the number of employees.

Given that the period when support under measure 4.2 was provided was 2014 to 2020, this analysis assumes that the effects of supported projects on the enterprises' overall performance must have become visible towards the end of this timeframe. As such, the paper analyses the evolution of the three chosen indicators in 2019-2021.

4. Findings

On a cumulated basis, the three indicators for the 13 companies analysed have improved over the period. Figures 1-3 below show this positive trend.

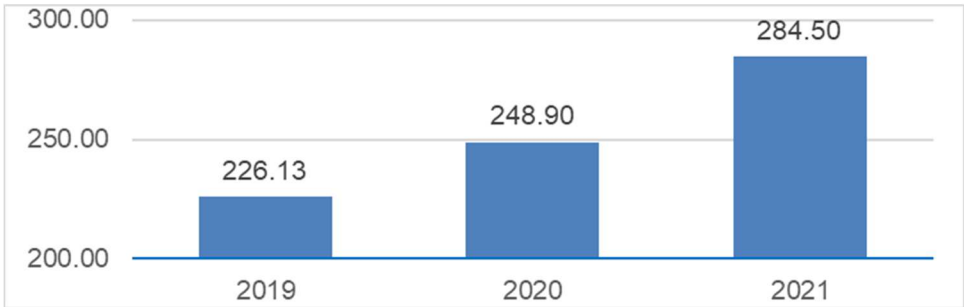


Figure 1: Total sales of the group of companies analysed, RON million

Source: The Ministry of Finance

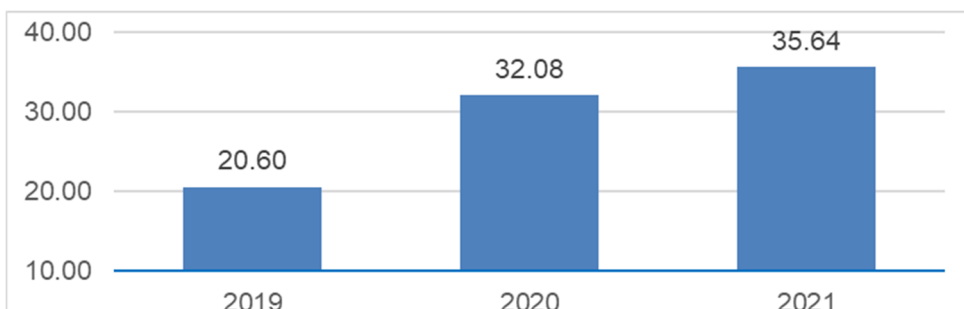


Figure 2: Total profits of the group of companies analysed, RON million

Source: The Ministry of Finance

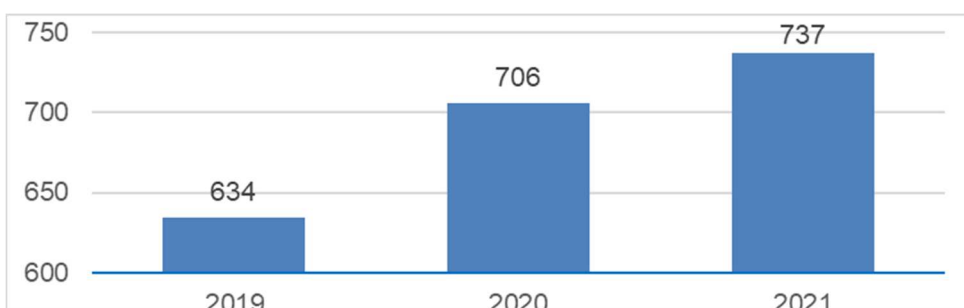


Figure 3: Total employees of the group of companies analysed

Source: The Ministry of Finance

There is some variation within the group. For instance, with regards to sales, the sample ranges from just over half a million RON in 2021 for the smallest company, to over 100 million RON in 2021 for the biggest. With regards to how this indicator evolved individually, it is noteworthy that it has increased for most enterprises (and in most cases considerably) except for two that have seen decreases in sales. However, this was compensated by increased profitability, seemingly indicating increased efficiency of activities.

Profit figures have all increased for the sample of enterprises. While the number of employees has fluctuated, and even decreased for some, overall, the total number of employees has increased.

Differences in performance are also likely due to size differences. Smaller enterprises which have accessed support for projects with longer implementation periods – typically, for the construction of storage facilities or production halls, with an implementation timeline of 3 years – the effects show up in the data later. Also, it is likely that large enterprises would have the capacity necessary to deliver projects more quickly than smaller ones.

The longer lead times to observing the effects of the support can also be due to the specific activity financed. For examples, some companies grow shrubs, which have a growth and eventual harvesting cycle of more than two years.

5. Conclusions

Overall, the three indicators of sales, profits and employment have improved at the level of the group of beneficiaries of sub-measure 4.2 in Dambovită County. The figure shows that the overall positive evolution of these selected indicators has coincided with the period immediately following the contracting of NRDP grants and the implementation of supported

projects, meaning that sub-measure 4.2 had an overall beneficial contribution to the performance of the enterprises.

It should be noted that the number of beneficiary enterprises that received grant support under sub-measure 4.2 has been very low relative to the total number of firms active in this sector in the county.

One of the reasons could be the application cycle which is complex. In order to encourage more enterprises to access such financing support, several improvements could be made including the simplification of the application cycle, the introduction of fiscal benefits/tax breaks for companies that conduct supported investments, and developing the consultancy market in this field so that advisory experts raise awareness and promote more actively such support opportunities to potential beneficiaries.

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NEW MODELS OF THE ECONOMY, POSSIBLE SOLUTIONS FOR THE CURENT CRISIS (SYMBIOTIC ECONOMY AND COLLABORATIVE ECONOMY)

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Abstract: *Currently, the world is facing numerous social and economic challenges. To deal with them, people have to quickly adopt different measures. This paper proposes a comparative, holistic analysis with interdisciplinary approaches, both from the economy, as well as from biology, chemistry, to find the best alternatives to the possible problems we are facing.*

Keywords: Symbiotic economy, collaborative economy, economic crisis

JEL classification: Z13

1. Background

The Covid-19 crisis, climate change, the rise of China, the war in Ukraine, all prove that we live in a VUCA world marked by uncertainty and multiple crises. Every day, world news proves that what happens in the world affects the whole planet. The question we ask ourselves is how can we find our way through this stream of major changes, information, without feeling disarmed? Unfortunately, all that is happening around us does not indicate that we live in good times for optimism. Turning on the TV or connecting to social media is to risk falling into depression. The news is full of massacres, war scenes, resource shortages, natural disasters decimating populations, and predictions promising an apocalypse. However, what we need to do is to understand some of the mechanisms at work in the prevailing catastrophism, such as the new models of economy, based on collaboration, cooperation, symbiosis. The international scene is largely dominated by start-ups and labs. The political and strategic weight of the United States depends on its ability to maintain its technological lead over China. The Chinese say the same - but for themselves. At the 20th CCP Congress, Xi Jinping set a course to become a "great modern country" by 2035, to "lead the world" by 2049 - the 100th anniversary of the regime. Beijing launched the "China 2025" programme to create national champions in the same sectors as the Americans (Frachon, 2022).

Pascal Boniface in his book (*Dans 50 idées reçues sur l'état du monde (2022)*) mentions that we have witnessed a crisis of multilateralism: never has the gap between the reality of globalisation and the limits of collective management of the world been so obvious. Too many actors have been more interested in finding external responsibilities than in finding solutions to the suffering of their own people. Europe remains an El Dorado of prosperity and peace for those living outside it, while there is considerable fatigue and discontent within it. Today, in addition to the resource crisis, the energy crisis has come the war crisis, this involves a refugee crisis. In 2021, new asylum seekers in the EU were mainly from Syria (more than 98,800 people or 18% of the total), Afghanistan (83,700 or 16%) and Iraq (26,000 or 5%). (UE Parliament, 2022) The Russian invasion of Ukraine forced millions of people to leave their country. There have been 8.8 million border crossings from Ukraine since the start of the war. (UE Parliament, 2022). In this context there are new economic theories coming up with innovative, human-centred solutions, such as the collaborative economy, the symbiotic economy and the attention economy.

2. The symbiotic economy

The symbiotic economy is a radically new economic theory: an economy capable of making human beings and ecosystems live in harmony. *Symbiosis* comes from (Greek *sumbiôsis*) which means to live together. A close association between two or more different organisms, mutually advantageous, even essential for their survival. (Larousse, 2022) Symbiosis is a type of obligatory relationship between two or more organisms from which both benefit. In the absence of one of the organisms the existence of the other is in some cases not possible.

The author, Isabelle Delannoy, provides a synthesis of the many techniques and research that have emerged in recent years: permaculture, circular economy, economy of functionality, sharing and collaborative economy, social and solidarity economy. Thus, by combining the advantages of each of the above-mentioned models of the economy and finding their common elements, we achieve amazing results (Delannoy, 2021).

The symbiotic economy is based on the symbiosis between human intelligence, the power of natural ecosystems and the technosphere (tools). By finding the right balance between the three, it is possible to produce without depleting resources, but by regenerating them. Theories of symbiotic economics mention that in many areas it is possible to reduce the use of materials by more than 90%, and another is to replace the use of metals and minerals with plants, thus saving human beings from being sent to the bottom of mines. The author mentions that using the principles of symbiotic economics, cities/communities can be created that are self-sufficient in water, energy, and fresh food, combining forest buildings and filter gardens, digital cities and winter gardens, bike highways and self-built vehicles, agriculture, and local factories. In the book *Symbiotic Economics*, the author presents six principles of symbiotic economics; principles inspired by life, by nature, and emphasizing human value.

The six principles of symbiotic (Delannoy I. , 2021) are: *collaboration* between all actors involved; *respect for the integrity* of each actor and resources; theories of common flows accessible to all equally; (material and immaterial theories (interests and values)); priority use of ecosystem services; the search for *optimal efficiency in the use* of resources (material, energy or information resources); seeking to integrate human activities into the planet's major cycles, while preserving its overall ecological balance. The author mentions that there are 3 types of ecosystems: living ecosystems, industrial ecosystems and social ecosystems and these create a new economic logic. The symbiotic economy, also inspired by the natural world, attempts to provide all those implicated within the process to a shared benefit.

This means that each of the actors involved in this economy (be it society or the environment) can achieve complementarity and benefit from the synergies produced by their exchange. Nature does this - for example, bees collecting pollen actually benefit another entity (flowers facilitating pollination). It is a mutually beneficial exchange.

The symbiotic economy involves 3 directions: 1. developing ecosystems (regenerative agriculture, ecological engineering, crop rotation); 2. reducing extractive activities (industrial ecology, circular economy, etc.) and 3. sharing collective intelligence (collaborative economy, social enterprises, peer to peer, open data, etc.). The question that arises is how we can bring all three directions into a symbiotic relationship.

Starting from the words: infinite growth is impossible on a finite planet, the symbiotic economy prioritizes the use of the services provided by living ecosystems, which allows the creation of its own materials, its own energy, the supply of materials for other industries, the maintenance of the planet's ecological balance, the absorption of carbon, and even the " rejuvenation " of humans physically and mentally by encouraging social relationships.

3. The collaborative economy

The development of the collaborative economy gives rise to the most varied interpretations: while some see it as a promise of sharing, alternative consumption and new forms of solidarity, others stress, on the other hand, the risk of "uberisation" of entire sectors of the economy.(A., Acquier, Masse, Carbonne, 2016). Achieving sustainable prosperity will require a major reorientation of society's priorities towards improvements in social equity, economic security and environmental quality (T., Jackson, P. Victor, 2020). The collaborative economy (sharing economy) is a peer-to-peer economy. It is based on the sharing or exchange between individuals of goods (car, housing, parking, drill, etc.), services), or knowledge (computer courses, learning communities, etc.), with monetary exchange or without monetary exchange (donations, bartering, volunteering), through a digital platform for networking. The Council of State of France has defined 5 types of collaborative platforms: platforms for the creation of common goods cost-sharing platforms; and contributory economy platforms brokerage platforms; activity platforms. (MEF, 2017). Collaborative consumption is an economic model in which participants share access to goods and services. It differs from the classical system, where each participant is the sole owner of the good or service consumed.

4. The relation between symbiotic economics, collaborative economics and circular economy.

The symbiotic economy is a symbiosis between human intelligence, the environment, and technology. It is human intelligence that is required to find a balance between all these elements, this balance will allow production without depleting resources, but, on the contrary, by regenerating them. This new form of the economy will be able to respond to climate challenges. It is regenerative, green, inclusive and innovative. The symbiotic economy has elements of the collaborative economy, the circular economy, and the innovation economy.

The circular economy provides a coherent and structured framework that brings together a set of strategies that all contribute to a common goal: satisfying society's needs while preserving resources. (Stratégies de circularité, 2018). Applying the principles of the circular economy requires the involvement and collaboration of all actors in society, from the companies that produce goods and services, to the consumers who buy them, to the governments that implement programmes and legislation.

A model of the circular economy, can be seen in the figure below.

CIRCULAR ECONOMY

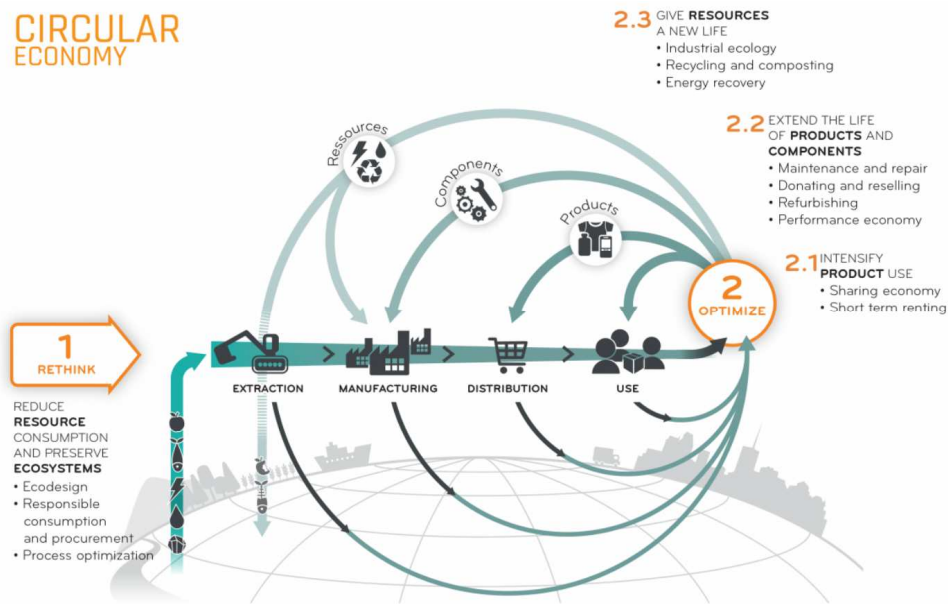


Figure 1: Circular Economy
 Source: Stratégies de circularité, 2018

We can resume that, the first step is to Rethink(reduce) and second is to Optimize. In step 2, we can also see the role of the collaborative (sharing) economy.

The Collaborative Economy Working Group- Groupe de travail sur l'économie collaborative (GTEC, 2018) formed in the winter of 2018 in Quebec, following a 4-week discussion, concluded that within the collaborative economy, digital technologies facilitate and enhance transactions between individuals and organizations. This is where the exchange of goods, services or resources such as knowledge and ideas takes place. Within Digital Platforms goods/services are made available through an instant, simultaneous connection of people and organisations. The working group mentions that the collaborative economy has different facets, practices, and modes of exchange, which can be grouped under the following four basic characteristics: - Use of excess capacity; the temporary pooling or permanent redistribution of the capacity of a good or resource beyond its usual use, so that more can be done with what already exists.

Use rather than ownership; the simplified ability to access an asset or expertise without having to own or hire it. Thus, buying an asset is reconsidered by preferring to use it instead of owning it on a rental basis - Multi-functionality; challenging the idea that a good or service is intended for a single pre-determined use or function -Dematerialisation of intermediaries; replacing digital platforms with intermediaries from the traditional economy makes it possible to put people, businesses and organisations in direct contact (peer-to-peer exchanges).

Andreas Kamilaris and Francesc X. Prenafeta-Boldu (A. Kamilaris, F. X. Prenafeta-Boldú, 2018) have developed a collaborative economy ecosystem (Figure 2) that includes the following elements of the collaborative economy: transportation, money and finance, sharing goods, sharing services, sharing experiences, communities and agriculture.

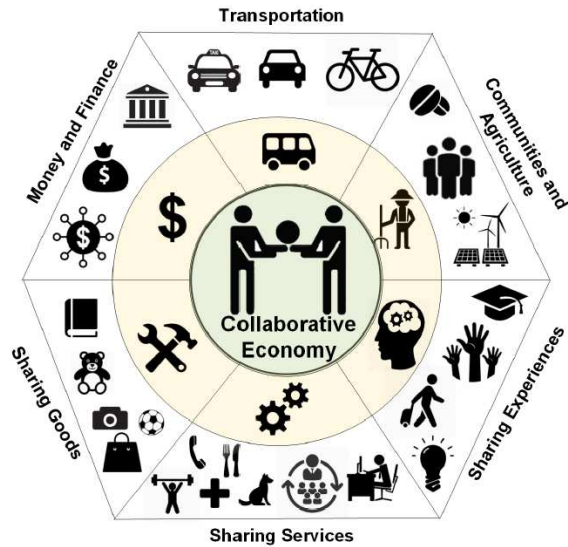


Figure 2: The ecosystem of CE (Collaborative economy)

Source: A. Kamilaris, Francesc X. Prenafeta-Boldú, 2018

As we can see in the figure above, all the elements of the collaborative economy form an ecosystem by creating interdependence between all the actors involved and achieving a synergy. This creates an open relationship. The authors mentioned above mention that the most recreational form of the collaborative economy is to share experiences with other colleagues: knowledge, education, know-how, best practices, volunteering for good causes or in exchange for training and accommodation, tourism.

From the above, we can conclude that the symbiotic economy is the one that embraces the other types of economy.

An example of a symbiotic circular economy can be seen in figure 3.

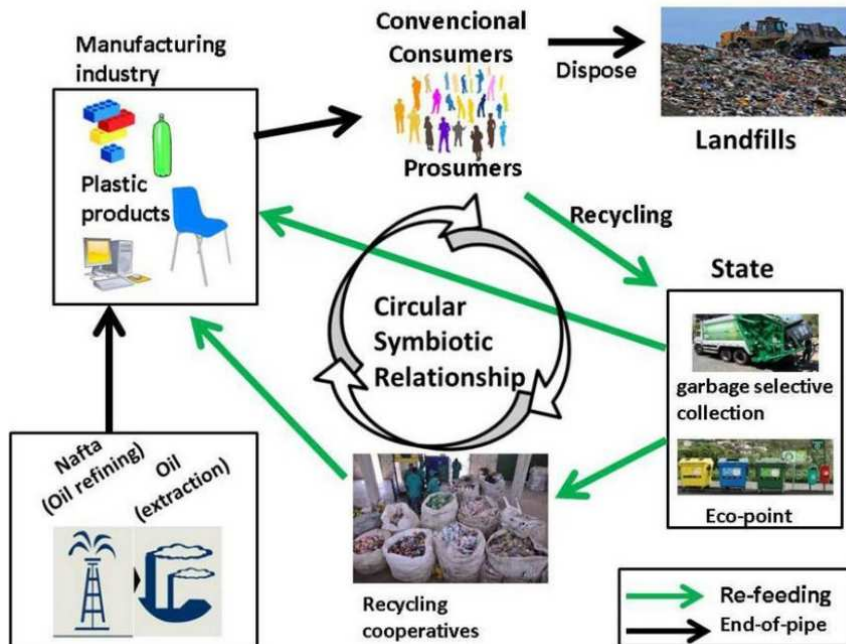


Figure 3: Circular Symbiotic Relationship in the Plastic Industry
 Source: Luciano Ferreira da Silva and all, 2017

The economic models presented above are collaborative and resilient models and they fall under the umbrella of the economy of symbiosis. The economy of symbiosis, through the virtues of symbiosis, creates a positive openness, a virtuous interdependence between all actors. We are obviously in the virtuous circle of the circular economy, but also in a new way of collaborating more in a network with economic actors, territories, social actors. Everyone supports each other. It is a beautiful living organism based on a new way of relating where there are not competitors but real partners. Together they are stronger and more resilient. Together, we can create a new economic paradigm that can amplify our positive impact on the planet while renewing global prosperity.

An example of industrial symbiosis is the Zona Franca Barcelona. Zona Franca Barcelona is running a project on industrial symbiosis, the project aims to stimulate cooperation/collaboration between companies from different sectors in order to generate new business opportunities through the exchange of resources and knowledge. The symbiosis model implies that services, waste or by-products of one industry or industrial process become raw materials for another industry. In this way, materials are used in a more sustainable way and contribute to the creation of a circular, symbiotic economy.

4. Conclusion:

The business as usual clearly cannot continue as it is, and the symbiotic economy has many advantages. Thus, the two economic models involve social, economic, industrial and environmental innovation and creativity to change the current system in terms of behaviour, economics and technology and allowing a sufficient level of decoupling between economic growth and environmental pressures. The response to various crises is to put the economy on a sustainable path: bioeconomic activities that exploit living mechanisms, horizontal collaborative practices facilitated by the digital revolution, transformation of economic and innovation patterns towards circularity and decarbonization.

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EFFICIENT EVALUATION OF INNOVATIVENESS AND INNOVATION PERFORMANCE IN IT COMPANIES - A PRAGMATIC, CONTEMPORARY, AND COMPREHENSIVE MEASUREMENT FRAMEWORK

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ABSTRACT:

This theoretical paper aggregates a wide volume of research notes to describe a comprehensive, practical and effective measurement framework helping managers in IT companies to correctly evaluate and understand the level of innovativeness and the innovative performance of their companies. Recent academic literature indicates that the orientation towards various measurement approaches and types, multiple categories of respondents, multiple references and scales of evaluation, and a diversity of perspectives (both quantitative and qualitative) is able to provide more clarity, a profound understanding of the matter and strong evaluation relevance, for further highly productive business decision-making. Some traditional innovation measures like number of patents, number of new ideas or volume of new products are demonstrated as irrelevant in the specific context of the IT industry, whereas parameters expressing the novelty degree of the new products, processes or services are essential in making the difference between minor incremental changes and market-creating radical innovations.

Keywords: Innovation Management; Innovation performance; Innovativeness; IT Companies; Information Technology; Software.

JEL classification: O32

1. Introduction

Firms naturally consider performance measurement of critical importance, to understand the results of their work and to further improve their strategies and tactics. Organizations use a variety of measures to practically assess the value they produce, such as profitability, market capitalization, new product introduction and patents. Innovation performance measurement cannot be separated from other performance measurement practices and should be a part of the business performance measurement system, comprised of various financial and non-financial measures (Saunila & Ukko, 2013; 2014). Moreover, innovation performance measurement is mostly needed to assist decision making during the early phases of innovation development (Haldma et al., 2012; Saunila, 2017).

Despite its importance, the organizations' innovativeness (the capability level of producing innovation, a measurement focused on processes) and innovation performance (measures focused on products and their specific impact on sales, profitability, ROI and other business results) does not benefit yet of a universal, standardized, objective, generally accepted and applied method of evaluation. Numerous studies have explored the innovation performance measures, and many researchers have long acknowledged that it is difficult to choose suitable indicators to measure the innovation performance of firms (Romijn & Albaladejo, 2002). Adams et al. (2006) observed that measurement of

innovation performance does not appear to take place routinely within management practice in organizations, but this field has received increasing attention within the last two decades and tends to become a structured process instead of a rudimentary and subjective evaluation strategy (Bititci et al., 2012).

The Information Technology sector is one of the best performing in innovating the contemporary economy and also one of the most recently developed areas, so it has not yet built a comprehensive and coherent set of methods, techniques and practices to help management assess innovation capacity and performance. This paper aims to provide a set of relevant and efficient parameters, from which managers can choose the most appropriate evaluation elements for the type, size, specific business model of the organization, specific business and market which it addresses. By correctly and longitudinally measuring their innovative capabilities and outputs, organizations and managers will be able to deeply understand the impact that creativity and organizational capacity to produce new ideas and products can have on concrete business results and will make correct and solid decisions regarding medium- and long-term business development.

2. Theoretical background

A large spectrum of methods and instruments measuring organizational innovativeness is mentioned in the academic literature, their variety and complexity being increased by the specific differences between industries and the research approaches. In the academic literature, four areas of innovation performance measurement can be found: those focusing on inputs, process, outputs, and outcomes. Inputs refer to the resources provided for innovation (personnel, funds, equipment, ideas); Process measures cover the phenomena occurring between the inputs and outputs of innovation and mainly refer to time, cost, quality, and project's progress; Outputs are the direct results of innovation activities (new products, new services, new knowledge) and reflect the outcomes, namely the performance implications of innovation: market success, revenue, profit, market share, customer satisfaction (Janssen et al., 2011; Saunila, 2017). When referring to innovativeness, this paper will focus on inputs and processes, while innovations' outputs and outcomes will conceptually cover the innovation performance.

A mix between objective statistical or financial data and subjective perceptions captured via surveys and interviews appears as a comprehensive evaluation tool in the majority of the academic articles published within the last decades. As a consequence, using simultaneously a quantitative and qualitative approach, involving multiple or composite indicators in determining a firm's innovativeness provides the advantage of a more systematic, realistic and encompassing approach, while a universal composite indicator is still a desirable yet untouched objective (Carayannis & Provan, 2008).

At the same time, a superior level of objectivity and evaluation data credibility could be reached by asking respondents to use multiple scales of evaluation: by reporting their results in absolute numbers, by comparing their perceived performance to the results of their market rivals or by comparing their concrete performances against the organization's declared objectives.

3. Conclusions, managerial and practical implications

As a synthetic result of all this wide academic background, to correctly evaluate and coherently measure the innovative performance and the business performance of the IT companies, a complex set of perception-based measures and parameters, extracted via surveys applied both on employees and top managers is defined and listed in the table below. The items in the survey questionnaires should ask relevant respondents to provide both evaluations based on absolute numbers and personal perceptions related to specific

references (company's stated objectives, competitors' performances). All measurement factors are backed by academic research literature and are selected by evaluating their relevance for the addressed industry.

The most relevant and impactful factors that can be taken into consideration to evaluate *the organizations' innovativeness* are presented in Table 1:

Innovativeness Factor	References
Compared innovativeness	Fischer et al., 2014;
Strategic focus on innovation	Pallas et al., 2013
Speed of R&D processes	Prajogo & Ahmed, 2006; Prajogo & Suhal, 2006
Speed to the market of the new products	Prajogo & Ahmed, 2006; Ferraresi et al. (2012)
Encouragement of initiative to implement ideas	OECD, 2005; Fischer et al., 2014;
Effective adoption of new ideas;	OECD, 2005; Parida et al., 2017;
Technological novelty	Fischer et al., 2014; Parida et al., 2017;
Degree of novelty of the new products	Romijn & Albaladejo, 2002; Fischer et al., 2014;
Degree of radical novelty of the new products	Carayannis & Provan, 2008;
Increase in innovation expenditure	Calik & Bardudeen, 2016
Introduction of new products or processes	Calik & Bardudeen, 2016;
Other measurement indicators	Hung et al., 2011;

Table 1: Measures of Organizational Innovativeness

The most important factors mentioned by the academic literature to measure **the innovative performance of the organizations** are listed in Table 2:

Innovation Performance Factor	References
New products' turnover in total turnover	OECD, 2005; Ferraresi et al., 2012;
New products' turnover per employee,	Kafouros et al., 2008; Tsai, 2009;
Increase of competitive advantage due to innovation	Hung et al., 2011;
Increase of profitability due to innovation	Pallas et al., 2013;
Increase of turnover due to innovation;	OECD, 2005; Parida et al., 2017;
Achievement of market share objectives by new products	Baer & Frese, 2003;
Achievement of sales revenue objectives by new products	Pallas et al., 2013;
Achievement of ROI objectives by new products	Baer & Frese, 2003;
Achievement of profitability objectives by new products	Baer & Frese, 2003;
Decrease of unit cost of production	Hung et al., 2011;

Table 2: Measures of Innovation Performance

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THE STRATEGIC CONTRIBUTION OF PEOPLE, PURPOSE, PRINCIPLES, AND PERSONALIZED PERKS TO THE ORGANIZATIONAL EMPLOYER BRAND

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Abstract

The study approaches the very new and insufficiently documented field of employer branding, from a novel perspective, based on the science of Marketing and focused on a pragmatic and transactional view of the labour market, with the purpose to formulate a structured functional framework able to cover all the parameters contributing to the definition and communication of an attractive employer value proposition and an effective employer brand. The research is both qualitative and quantitative, combines two detailed organizational case studies, consistent focus groups with 157 participants, interviews and a solid survey with 770 respondents, to define a comprehensive marketing Mix for Employer Branding and to validate four hypotheses. Purpose (Mission and Vision), Principles (Values, Behaviours, CSR initiatives), People (Brand's Population) and Personalized Perks (Learning & Development, Health & Wellbeing, Work/Family Balance mainly seen as Flexibility and Personalization) are the most important parameters able to differentiate employer brands and contributing to the most attractive contemporary Employer Value Propositions. The framework and its conclusions should be further tested on different economic sectors, countries and professional profiles.

Keywords: Employer Branding, Employer Value Proposition, Employee Experience, Talent Management, Organizational Culture

JEL classification: M31

1. Introduction: A power shift in the labour market

Organization's reputation is an important factor in their choice of an employer (Auger et al, 2013), whereas companies with a bad employer reputation pay at least 10% more as annual salary, compared to well-reputed competitors (Burgess, 2016). McKinsey reports that multinational corporations have lost their superiority in attracting global talents, while local competitors develop competitive offers for the best professionals (Dewhurst et al, 2012). Employee turnover can disrupt businesses and destroy profitability: the average cost per one employee leaving a British organization is £5,800, going up to £20,000 for top executives (CIPD, 2008). The long-term performance is increasingly dependent on the quality, stability and engagement of the human resources. In tech-related industries, the battle for highly skilled employees is even more intense as competition for customers and is expected to grow and expand to other sectors (Grobe, 2003). Managers must focus both on meeting the needs and desires of existing employees, and in attracting human capital with rare and valuable skills, to provide differentiation and business value in the economy of knowledge (Armstrong & Taylor, 2014). Companies must invest in branding, to define themselves as "*great places to work*", to attract and keep talents (Claydon & Thompson, 2017).

2. Theoretical framework on Employer Brand and Employer Value Proposition

Employer branding include the activities to promote, both within and outside the firm, a clear view of what makes the firm different and desirable as an employer (Backhaus & Tikoo, 2004). Consistent academic literature already covers this field, but many of its key concepts and aspects still need more research (Backhaus, 2016). Employer branding is seen as an effective strategy to align employees' behaviour with the company's brand promise (Moroko & Uncles, 2009), and even to effectively support and enhance the corporate brand (Maxwell & Knox, 2009). A successful employer branding program will result in the organization formulating an attractive, convincing and unique "value proposition" for its employees (Barrow & Mosley, 2011). The Employer Value Proposition (a mix of employee - centred offerings, benefits, experiences and contexts, provided by an organization) must include features designed to attract, retain, and motivate employees (Wickham & Donohue, 2009) and is the result of a good and effective marketing mix approaching workforce as a customer, targeted to "buy" a long-lasting relationship with the organization.

3. Methodology, research design and objectives

The aim of the research is to provide theoretical and practical value and to describe how Marketing principles, frameworks and tools can be used in a practical and creative way to build the reputation of employers of choice. By building on the theoretical construction and practical applications of previous research (Șupeală, 2018), this paper verifies the relevance and the consistency of the contribution of People/Population, Principles, Purpose and Personalized Perks to the Employer Value Propositions of the companies in focus. Four hypotheses covering the objectives of the research are formulated and investigated in this study. For each hypothesis, at least two methods of investigation are used to check validity and practical impact. The research is both qualitative and quantitative, to achieve a profound analysis of the psychology of the actors in the labour market. Direct observation is followed by a complex analysis combining quantitative methods (case study, focus groups, interview, interactions) and quantitative tactics, by using methods from econometry and statistics in a survey applied on 770 voluntary respondents. The field research is based on triangulation and covers at least three viewpoints: the official managerial perspective, the current and former employees' opinions, and the external observer's approach, expressed in media references, public reviews, market reports and other independent sources. Two comparative case studies, explored in detail and great depth, provide valuable and valid scientific information (Yin, 2013). These cover official and unofficial data about the culture and labour market positioning of two highly representative organizations headquartered in Romania, active in retail and industrial production, with a significant component of software development.

Primary data is directly collected from organizational sources, via observation, formal and informal discussions, and interviews. At the same time, the hypotheses of the research are investigated by primary data collected in direct contact with more than 157 professionals in HR, Marketing and Management in four cities of Romania, participating in workshops. Another fundamental source is represented by the 770 Romanian respondents to an organic online survey. The survey was open from December 20, 2019 to January 25, 2020 and gathered 770 validated respondents, representing a consistent opportunistic sample created organically, through distribution via online social networks.

4. Major results and discussion

To build a solid Employer Value Proposition, organizations should leverage People (Brand Population), Principles (and Brand Personality), Purpose (including Mission, Vision, Products or Services), Personalized Perks, Product (job and work experience), Price (Pay Policies), Placement, Promotion, Physical evidences, Professions (and Industry),

Partnership (Processes and Procedures) and the organization's Partners. All data collected in the research fully confirm the four hypotheses: *Purpose, Principles, People and Personalized Perks play the most important role* in defining an attractive Employer Value Proposition and communicating a powerful and distinctive Employer Brand.

Purpose is a fundamental parameter in the Employer Branding mix, and of strategic importance, because it provides organization's original identity and a unique distinctive direction. Companies' interviewees, focus groups participants and the majority of the respondents of the survey underline the importance of the corporate mission and of their products for motivation and orientation in their teams but for building and communicating a unique organizational culture as well. A high human goal as a profound meaning to work is essential for obtaining people's professional engagement, and the organisational purpose is the specific idea, the engine and the essence of the organisation, its vision, the reason why it was born (Pink, 2011).

Principles (ethical values and behaviours) and *Brand Personality* are integral to organisations' Employer Brand and define a collective understanding of norms and standards (Biswas et al, 2017). Firms able to attract and keep valuable employees have strong principles from which do not deviate, innovate continuously in response to market signals and rely on strong communities of autonomous and responsible employees (Hamel, 2012). Company's values must be logically derived from the organizational mission, describing a coherent ethical framework, with leaders validating through praise the exemplary team members (Epley & Kumar, 2019).

The People (Brand's Population), including leaders, shareholders, and all existing and previous employees, represent one of the most important vectors of the Employer Brand, because people act as brand ambassadors (Graham & Cascio, 2018). To perform as brand ambassadors, current employees should be empowered to create and share online and offline authentic content about their professional life. At the same time, good quality and sincere storytelling featuring top executives makes the difference between mediocre and extraordinary employer branding tactics (Burgess, 2016). An employer must understand what its employees seek for, and HR activity must involve understanding employees' values. By portraying, in the employer brand, the same values that the employees tend to value, organizations will be able to maximise the opportunity of retaining talents.

The Personalized Perks (Learning & Development, Health & Wellbeing, Balance seen as Freedom, Flexibility and Customization) represent all sorts of benefits and incentives that are not performance-related and are provided with no discrimination, in an impersonal manner, to all the organization's employees, as a pool of choices they can freely access. The organizations' investments in programs of learning and development, health & wellbeing and a special attention allocated to flexibility, remote work and many other options related to work/life balance represent strong elements of value proposition and directly contribute to better results in terms of attracting and keeping the best professionals as employees or contractors.

5. Conclusions and managerial implications

The employer brand is a long-term investment and is stronger when employees act as volunteer brand ambassadors. Employee advocacy is seen as an organizational citizenship behaviour, illustrates mutual trust and respect between employer and employees (Cervellon & Lirio, 2016) and consists in positive and voluntary word-of-mouth communication developed by own workforce. Employees go beyond the formal requirements of their roles and show confidence and satisfaction, becoming vectors of positive influence in their social environments, and directly building organisation's attractive reputation (Yeh, 2014). Employees play the role of reputation makers or breakers for their employers, internalize the company brand image and project that image to customers, job

candidates, and other stakeholders (Frank, 2015). The consistent profit comes from the quality, motivation, creativity and loyalty of the human resource developing solid projects, products and services (Pitt et al, 2018), and authenticity bring superior efficiency compared to fancy marketing messages (Mosley, 2015).

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THE IMPACT OF REVOLUTION 4.0 ON ACCOUNTING ESTIMATES MADE BY THE MANAGERS OF LISTED COMPANIES

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Abstract: *In the era of digitization, it is necessary to rethink accounting estimates. Until now, accounting estimates were based entirely on previous experience and professional judgment, but artificial intelligence, which is already present in all fields, including the sphere of accounting measurements, tends to come to the aid of specialists to make estimates more reliable and relevant. As it is already known, accounting estimates are a great way to demonstrate a company's value to investors. In this paper we aimed to outline the footprint of Industrialization 4.0 on accounting estimates of listed companies, while also presenting the advantages and disadvantages of this Revolution 4.0.*

Keywords: Revolution 4.0; machine learning; accounting estimates; judgment and decision-making

JEL classification: M15; M41

1. Introduction

The German Federal Government and a strategic project regarding the technical vision of the future called their Consortium Industrialization 4.0. Industrialization 4.0 was first used by Henning Kagermann, Wolf Dieter Lukas and Wolfgang Wahlster in Hanover in 2011. Industrialization 4.0 is an organizational concept that consists of four principles: interconnection, information transparency, technical assistance, decentralized decisions. The society we live in every day, the economies, the jobs are all being transformed by industrial revolution 4.0. Technologies of all kinds are combined with each other using: artificial intelligence, data analysis, cognitive technologies and the Internet of things (IoT) to create digital enterprises that are not only interconnected, but perfectly capable of making informed decisions. This Industrialization 4.0 absorbs the interconnection of technologies, going beyond the framework of organizations and interfering with our daily lives. Machine learning processes allow us to make predictions about future events. "In the accounting and insurance profession machine learning has been used to predict fraud, bankruptcy, material misstatements and accounting estimates. The use of machine learning in accounting/auditing research and practice also raises concerns about its potential biases and ethical implications." (Cho et al., 2020)

2. Accounting estimates in the era of revolution 4.0

„The period of the fourth industrial revolution, called Industry 4.0, is characterized by new, innovative technologies, such as: Cloud Computing; Internet of Things; Industrial Internet of Things; Big Data; Blockchain; Cyber-physical systems; Artificial intelligence and so on.” (Zeba, et al., 2021) Management estimates are ubiquitous in accounting: most balance sheet and income statement items are based on estimates. However, these estimates are affected by objective estimation errors as well as managerial manipulation, thereby damaging the reliability and relevance of financial reports. (Ding, et al., 2020) „Accounting estimates are an essential part of the financial statements, most elements of the financial statements are based on subjective managerial estimates, we can exemplify with: fixed assets are presented in the financial statements at their net value; depreciation already being an estimate or accounts receivable, estimated net bad debts. Liabilities such as pensions and post-retirement benefits are estimates” (Ding, et al., 2020), and income

obtained from long-term projects or contracts with future benefits also include estimates. The most frequently encountered categories of accounting estimates made by management with the help of professional accountants were collected in figure no. 1.

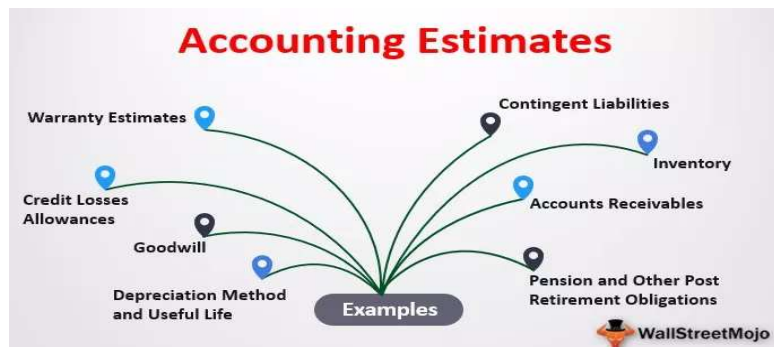


Figure. no. 1 – The most frequently encountered accounting estimates
Source: Accounting Estimates (wallstreetmojo.com)

Accounting estimates according to the definition given by the ISA represent a monetary amount for which the measurement within the accounting reports is uncertain, (ISA540, 2022) therefore in the absence of precise evaluation means, the value of a balance sheet item will be approximated. Estimates in accounting are made on the basis of the most recent reliable information available to the entity (Gamoi, 2020). The company's management is exclusively responsible for the accounting estimates presented in the financial statements. Accounting estimates are often made under conditions of uncertainty regarding the outcome of events that have occurred (these can be optimized with the help of artificial intelligence) or will be possible (professional judgment) to occur and involve the use of professional judgment. Machine learning, which has spread so quickly in various sectors of activity, in managerial practices, has the potential to provide independent accounting estimates. When used as an estimation tool, machine learning techniques such as: random forest, linear regression, artificial neural network and gradient boosting machine provide better prediction performance. „Machine learning can directly improve the estimation of an account balance, thus revealing the mechanisms by which machine learning can mitigate both intentional and unintentional errors.” (Ding, et al., 2020)

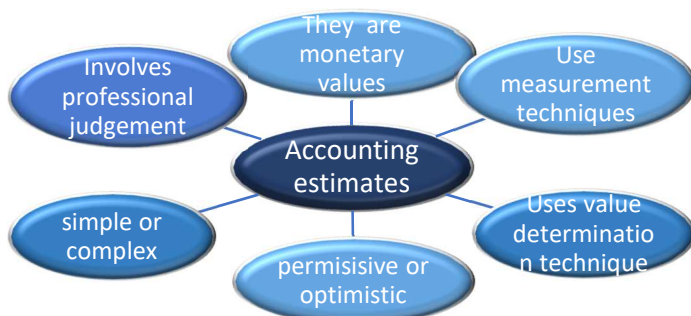


Figure. nr.2 - Characteristics of accounting estimates
Source: own projection

Entities need that managers to make accounting estimates in cases where the amounts in the financial statements are not directly observable, but these estimates due to

management's more limited knowledge, have a greater or lesser degree of uncertainty or another cause may be the subjectivity. These risk factors can only be eliminated with the help of the professional judgment shown by a professional accountant, because they constantly exercise their professional skepticism regardless of the complexity or nature of the company whose financial statements are prepared. The quality of accounting and audit work on accounting estimates continues to be an area of weakness and opportunity for



improvement(ISA540, 2022)

Figure. nr.3 - Judgment and decision-making process

Source: <https://www.chris-elgood.com>

Looking at Figures no. 2 and 3, the difference between accounting estimates and professional judgment can be observed. The most relevant differences are: accounting estimates materialize, but accounting judgment does not; accounting estimates use techniques accounting reasoning is based on monitoring, evaluation, decision. Accounting estimates use professional judgment, professional judgment comes from experience, accounting estimates can be made with the help of artificial intelligence algorithms such as machine learning, but professional judgment cannot yet be replaced by artificial intelligence. The benefits brought by revolution 4.0 to accounting estimates: Industry 4.0 generates changes by providing specific benefits. Among these we can highlight the following benefits: Improved efficiency, productivity, increased flexibility and agility, reduced costs, better customer experience, achieving a return on investment. Disadvantages Industry 4.0 brought to accounting estimates: Along with the various advantages of Industry 4.0, we can also identify disadvantages related to technology when several practices of automation are implemented in the development process, here we can mention: limited creativity, increase in unemployment, contribution to the problems of environment, IOT security, risk to underperform complex tasks, high initial costs. (Greensoft.ro, 2019)

3. Conclusions:

The benefits and challenges of using artificial intelligence in the „fourth industrial revolution driven by technological developments, artificial intelligence and the Internet of Things (IoT)”, (Fountain, et al., 2019); (Edquist, et al., 2021), guides decisions. The subfield of artificial intelligence-machine learning is capable of efficient implementation in the use of accounting estimates. However, a question arises: how long can we talk about Industry 4.0 as an unboom? because Industry 5.0 is knocking on the door that will bring a new paradigm of cooperation between people and machines.

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COLLABORATIVE ECONOMY - DEVELOPMENT OF TRADITIONAL ECONOMIC SYSTEMS

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Abstract: *On a conceptual level, a correct analysis of the functioning of an economic system or the development of a model regarding its functioning and evolution must refer to the relationship between independence and dependence of the system components. The focus has shifted from the organization of work as a traditional factor of production based on the division of labour to the organization of people in teams and to the identification and development of career management and skills. Experience has shown that dynamic performing teams can be more effective in an environment dominated by change than large organizations can do individually or individuals singularly. The operation of the collaborative economy is based on sharing, and not owning a good, for the reduction of costs and a better perspective regarding the environment, as well as for the development of communities. The present paper proposes a presentation of the most important theoretical aspects specific to each type of economic system (the market economy system, the centralized economy system) and the identification of the common points of the collaborative economy with each of the two systems, the way it manages to combine organizational features of economic activities that until recently seemed antagonistic.*

Keywords: Collaborative economy; Comparative Economic Systems; Comparative Studies

JEL classification: P500

Economic science – classical economic systems

Economic science arose as a result of the manifestation of the law of scarcity of resources. From its beginnings, the solution to this problem has been pursued at every level of its evolution. Economic science emerged as a recipe for a universe populated with imaginations and destined to create illusions. (Dinu, 2010, p 284)

The construction of the economic theory is also based on the development and study of models whose important elements represent behaviours or microeconomic constraints that are considered to be quite well known for the needs of the theory in question. Perhaps economic science is the most rigid of the entire spectrum of human sciences (Pohoață, 2011, p 15). Economic science, unlike physics, mathematics, biology, we can say that it studies more complex and unstable systems and leads to more fragile, more ephemeral laws.

The founders of economic science presented their vision of the functioning of an economic system in a language in accordance with the philosophical conception. It should also be noted that the economic systems are presented in a logical language with strong mathematical reflections, combining rigor and flexibility. (Jessua, 2006, p 337)

A system can be viewed as:

- a set of interconnected objects;
- an organized whole of knowledge, concepts or quantities;
- an orderly way of action, of organization. (Ciucur, et al., 2004, p 62)

Economic systems are the result of human mind and action. Over time they require a series of adjustments for proper operation. In the case of economic systems,

forecasting their dynamics is necessary to succeed in a correct and timely adaptation to changes in the environment (natural and human) in which we live.

In today's economies it can be said that businesses should not be run in the interests of the owners. Indeed, they are the ones who take risks that the other people involved do not share, they aim to optimize economic performance, so the profit increases, including the social contribution of the enterprise. But they are also the most mobile and the activities are organized in limited liability companies, that is, investors, in case of bankruptcy, lose only what they have invested.

Likewise, it is difficult to discuss a free market. The state has brutally invaded the market through its regulations. We consider the labour market that the state tries to manage through its institutions (employment agencies, various restrictions on access to the labour market).

And even if they talk about a market economy, decentralized, planning exists. Let's not forget the multiannual development programs of the European Union, but it is decentralized planning in the sense that each economic entity can participate according to its interest.

The economy in the current period

In the last decades, the way of thinking, gradually and of action, has changed quite a lot, both regarding how to understand economic-social development and how to achieve it. (Stiglitz, 2008, p 53)

Development means the transformation of economies, but also of people's lives. The way in which development is carried out is very important. Amartya Sen highlighted the high potential of education and the freedom it brings to people. (Sen, 2004)

At the moment, the factors that influence economic activity are distinct and varied: from natural conditions to technical-scientific factors and socio-political conditions. And yet there is a strong unity and interdependence between these determinants. In order to understand the content, the meaning of human activities, every time reference is made to the social and political environment of each state. We have numerous composite indicators that try to quantify, as much as possible, these influences of the human environment.

Economic cyclicity is omnipresent, so growth phases are immediately followed by stagnation and recession. Economic growth is valued as the solution for a well-being of the population, for a greater chance for a better life, and every time it is an important (if not the most important) goal of state economic policies. After all, economic growth is meant to lead to social well-being, and according to the recent desideratum of how to achieve it, it must allow a decent life for future generations regardless of region or state.

The world economy has evolved and is evolving in the context of obvious inequalities and gaps that manifest themselves on different levels. Therefore, the problem of economic growth can no longer be abstracted from the vital general economic problems at the world level, which humanity is increasingly facing: the deepening of the economic, scientific and technological gaps between countries, the prospective situation of the problem of food, energy and raw materials.

Many of the modern high-performing organizations are transforming and are no longer exclusively interested in maximizing profits, but are mainly aiming to stay in the business area, in effective competition with other high-performing organizations. Some organizations have undergone organizational transformations; they have tried to eliminate or at least greatly reduce pyramidal decision-making structures. Often the staff follow a flexible schedule, they do not necessarily aim to operate only from a physical office, they are willing to have several jobs even at the same time. In addition, no more attention is paid to all the classic task conditions in a job description.

Collaborative economy

The problems identified over time are trying to be solved by the collaborative economy. The collaborative economy is based on a number of features taken from the other economic systems and thus it can be said that it is a:

- sharing economy;
- economy from person to person ("peer-to-peer");
- integrated economy;
- collaborative consumption. (Anon., 2018)

There are many forms in which this type of collaboration can occur. In the current era, computer equipment and services allow any economic agent (producer, consumer) to access the information sought, to distribute it. Similarly, in the case of excess goods and services, they can be immediately directed to where they are needed. This transparency of the market, of information, often leads to an increase in the value of goods for various organizations and for the whole community.

Collaborative consumption, as a phenomenon, can be seen as economic and social understandings that assume that the respective community's access to goods and services is not restricted. where participants have shared access to goods and services. So, that indivisibility of demand that determines non-exclusion (any person can become a potential consumer), specific to the classical system of economic theory, is supposed to appear.

The collaborative economy relies on online platforms to compensate the lack of use of goods by their owners with the need for their use by non-owners of these goods. (Zhang, et al., 2018)

There are a number of benefits of the "peer to peer" economy. The easiest to identify independently and promote the concept of community and teamwork. Going forward, it is observed that business opportunities appear, and the fact that there is collaboration between organizations, they become stronger, more representative and can more easily access different lines of funding.

The collaborative economy can be said to be a social innovation. The ones presented are currently possible because all the necessary socio-economic conditions are met. In addition, the development of the Internet and information technologies is a determining factor in the emergence and development of the economic system specific to the collaborative economy.

The collaborative economy aims to identify the strengths of the two classical systems (the decentralized market economy and the decentralized collective economy) to enhance their value, and to transform their vulnerabilities into opportunities.

Economic science is dependent on a series of concepts, notions that ultimately incorporate, each separately, an idea. They are fundamental to the stated theories.

It is obvious that science has progressed. This determined and was also possible because a notion or a group of notions can give way to another notion, without affecting the knowledge obtained with the previous concepts. It is also the case of the collaborative economy, which does not abolish previous theories, but complements and uses them by adapting to new societal conditions. The ultimate objective, social welfare, remains unchanged. It is precisely this ability to transfer detailed results from one theory to another that gives it great strength. It can be said that notions and theories are discovered rather than invented and thus are determined by the general level of knowledge.

The essential principles of economic science are respected: the principle of causality, the principle of observability and the principle of complementarity (some concepts are incompatible with each other and then the interpretations are made through the prism of their mutual complementation; thus, a series of contradictory terms can be understood and reconciled). (Părean, 2014, p 15)

The market performs its functions under the following conditions:

- The decision-making autonomy of economic agents, that is, their freedom in the allocation and use of resources, in the organization and management of activities and in the valorisation of results. The guarantee of the autonomy of economic agents is private property.
- The economic levers of the market should reflect the changes in the economy (these levers are: price, wages, interest, etc.).
- The state indirectly regulates economic activity. The state establishes the legal framework for the functioning of the economy and ensures compliance with this framework, its intervention in the economy being mediated by the market's own economic levers.

Reality shows that there is a competition and market imperfection. Imperfect competition shows that there can be collusive situations between economic agents to dominate the market. Agreements between firms (cartels) are denounced by the traditional theory. But, the collaborative economy accepts these understandings in order to better meet the needs of the community. Moreover, these deals can also be made between buyers-sellers, as long as neither of them feel their rights are violated (eg Bolt, Uber, etc.).

The "peer-to-peer" economy is based on respecting all the functions of competition. All this is possible with clear compliance with market conditions. It is very important that the state provides only the appropriate legal framework for the development of economic activities (we can consider the conflicts, often brutal, between taxi drivers and those from "ride-sharing" companies).

From the command economy, the collaborative economy has discerningly adopted the idea of collectivism. Creating cooperatives through which participants manage to grow their businesses. It is probably the vegetable producers, who can determine the type, the level of production so that their businesses are profitable.

A classic firm usually maintains its traditional organizational and business model, but changes its asset stock to better meet the current needs of its customers and to attract new customers in less competitive market segments. in the integrated economy.

To succeed, an experimental strategy can be adopted in which the company uses the platforms of a "peer to peer" economy. It is observed that this integrated economy makes constructive use of the economic-social realities of the classical systems, which it transforms in favour of the citizen, of the community.

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The relationship between social factors and income inequality in Romania

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Abstract: *The article aims to analyze the relationship between the evolution of social factors (education, employment and social spending) and income inequality in Romania in the period 2000-2020, based on the time series extracted from the EUROSTAT database from the Standardized Database on Income Inequality in the World. The indicators were used: the educational level of the population, the factor employment rate and the expenditure on social benefits to analyze the association with the evolution of income inequality. The results of the study regarding the connection between the three social factors and income inequality lead to the conclusion that no association can be found between them during the analyzed period, but only within certain sub-periods short of time the association is valid, respectively the effectiveness of educational, employment and social policies can be notified.*

Keywords: income, inequality, social determinants, development

JEL CODES: C33, D63, O11, H55

1. Introduction

The relationship between social factors and income inequality is intensively studied by the economic literature in recent years. Income inequality is influenced by several institutional factors, but the sign or magnitude of the coefficients depends on the level of development of the analyzed countries. The literature on the determinants of income inequality is quite extensive, because there are many factors that can directly or indirectly affect income inequality. Jaumotte et al.(2013) argue that in general, the factors that influence inequalities include globalization, financialization, technological changes, also an important role in income redistribution (through social spending and taxes) can have the following: commercial and financial openness, economic development, employment, education, the endowment of skills and capital, the characteristics of the labor market, but also the design of fiscal policy. All these factors can have different effects from one country to another, depending on the level of development, culture, policy design or different economic characteristics.

The present paper aims to analyze the relationship between certain social factors such as: the level of education, employment and social expenses, and income inequality in Romania in the period 2000-2020, based on the time series extracted from the Eurostat database and from Standardized World Income Inequality Database. The paper is structured as follows: after the introduction, in the second section, the concepts we work with are presented, a brief review of the literature on various researches on the relationship between social factors and income inequality is inserted, in the third part, the relationship is analyzed these three factors and the Gini coefficient, and the last part is dedicated to the conclusions.

2. Theoretical background

A series of empirical analyzes are presented in the literature on the relationship between education and inequalities, using several indicators to suggest the endowment of skills resulting from education (level of education, adult literacy test scores, secondary education level or tertiary) or educational inequalities and their impact on income inequalities. In general, literatura economică susține ipoteza că nivelul educațional

promovează egalitatea socială. For example, De Gregorio and Lee (2002) analyzed the relationship between education and income distribution based on a panel data set for a wide range of countries, starting from 1960 to 1990, and concluded that an important role in reducing inequalities is played by the level of higher education and the distribution of education. Theoretically, the more unequal the access and opportunities to education, the more unequal the distribution of income in a country. Especially in the developing countries of the EU, there are regions where access to education is limited by social and economic factors and, at the same time, the lack of an educated and skilled workforce further hinders social and economic development, creating a vicious circle vicious against which the authorities should act. Istudor et al. (2020), says that education is a pull factor for migration, which in turn can affect inequalities. Aiyar and Ebeke (2019) argue that education is considered a driver of wage differentials. Walker et al. (2019) believe that quality education available to all is considered "a powerful engine" for promoting equality. Mehic (2018), studies the relationship between industrial employment and income inequality in 27 high- and middle-income countries from 1991 to 2014 and shows that industrial employment is negatively associated with income inequality. Sen (1997) argues that apart from income decline, unemployment has many other negative effects that could further increase inequality, including loss of freedom and social exclusion, loss of skills and motivation, psychological harm, gender inequalities and racial, health problems, loss of production, increased tax burdens, etc. There are many studies and opinions on the impact of social spending on income inequality. Ayad et al. (2020) Social spending is an important part of redistributive policy. There are several studies and opinions on the impact of social spending on income inequality. Niehues (2010) states that although the first-stage effects of social spending tend to have a negative impact on inequality, there are also some second-stage effects that are considered to have negative behavioral effects, which is interpreted as a positive impact on inequality. Such cases arise because redistributive policies have a negative impact on the incentives to work and therefore the supply of labor decreases. Roed. and Strøm (2002) believe that labor supply is more inelastic at higher income levels and more elastic for low income levels, this would particularly affect low-income groups and unemployment at such a level would increase, which in turn, it would have a negative impact on income inequality. In any case, most social spending (covering both social insurance and welfare benefits) is allocated to low-income groups, so the overall impact of social spending on income inequality would be negative.

3. The evolution of income inequality and social factors

3.1 The evolution of income inequality

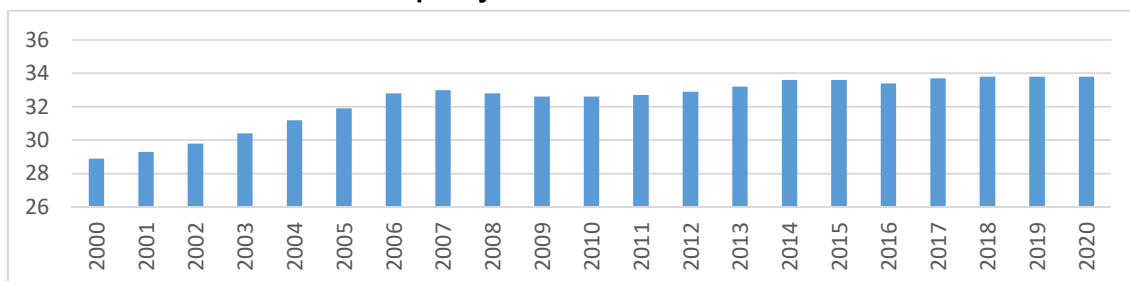


Figure 1: Gini Coefficient for income distribution in Romania (2000- 2020)

Source: Processing according to the Standardized World Income Inequality Database, 2022

The population of Romania is extremely vulnerable to income inequality, being among the first countries in the European Union in this regard. This is a serious concern, considering

both the negative developments in recent years and the close relationship between income inequality and the relative poverty indicator Militaru and Stănila (2015). Unfortunately, in Romania, poverty remained a pressing social and economic problem, despite the positive economic developments before the crisis. The fight against poverty and social exclusion must start with an analysis of inequalities in society and continue with a considerable commitment from governments, decision-makers and society. The issue of income inequality becomes very important because the distribution of economic resources can have a direct influence on social inclusion and poverty reduction. According to data taken from the World Bank, the Gini Coefficient shows an upward trend for the analyzed period, from 28.9 in 2000 to 33.8 in 2020. A considerable increase is registered from the year 2000 from the beginning of the analyzed period to 2007, inclusive reaching the value of 33. From 33 in 2007, it increases until 2015 reaching the value of 33.6 and the year 2016 shows a slight decrease to 33.4 and will increase again until 2020 when it registers the value of 33.8. This situation is influenced by the gradual decrease in the participation rate in education and training from 1.6 percent in 2011 to 0.9 percent in 2018. In fact, the unemployment rate in 2020 is increasing as a result of the impact of the emergence of the new Coronavirus that has created insecurity and economic crisis.

3.2 The evolution of the educational level of the population in Romania

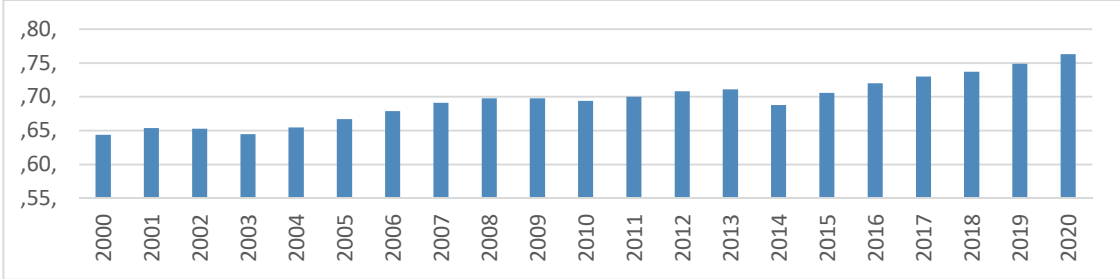


Figure 2: Evolution of the educational level of the population in Romania in the period 2000-2020

Source: processing according to Eurostat data, 2022

The evolution of the level of education in upper secondary, non-university post-secondary and tertiary education in Romania shows an upward trend over the analyzed period. The level of education in 2000 from 64.4 increases until 2001 to 65.4 and decreases until 2003 to 64.5. While the GINI coefficient shows a continuous upward trend in the period 2000-2007 from 28.9 to 33. From 2007 from 69.1 to 2009 to 69.8 the level of education has increased, while the Gini coefficient decreases from 2007 from 33 to 2009 at 32.6. The educational level drops significantly in 2014 to 68.8, while the Gini coefficient also increases in 2015, reaching 33.6. In the years 2018-2020, the level of education increases significantly, reaching from 73.7 in 2018 to 76.3 in 2020, and the Gini coefficient stagnates at 33.8 during the three years, 2018, 2019 and 2020. Following these analyses, it can be deduced that the evolution of the educational level of the population has a positive effect on income inequality if it is studied by sub-periods, but no association can be found between the two indicators. Studying certain periods from the data series for the years 2000-2020 it is found that when the level of education increases, income inequality decreases and vice versa. Otherwise, the educational level is a factor that contributes to the evolution of income inequality, because better qualified people will earn more. Access to tertiary education can be granted for different social categories. In developing countries, such as Romania, the costs of tertiary education are much lower than in developed ones, and therefore this can give young people from low and middle income deciles access to

education systems, creating opportunities for intergenerational mobility and increased income. In this way, as is proven, inequalities decrease.

3.3 The evolution of employment

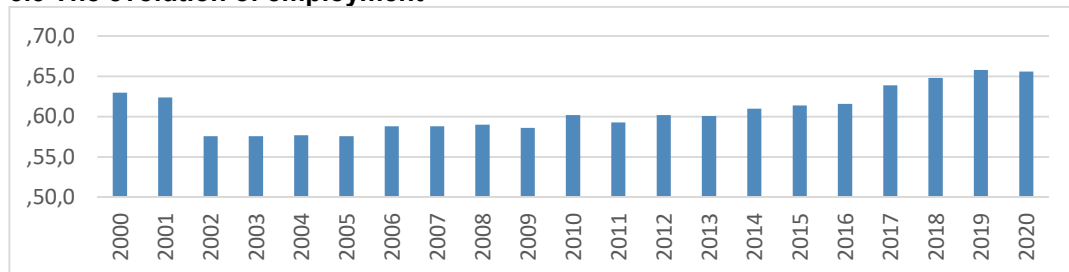
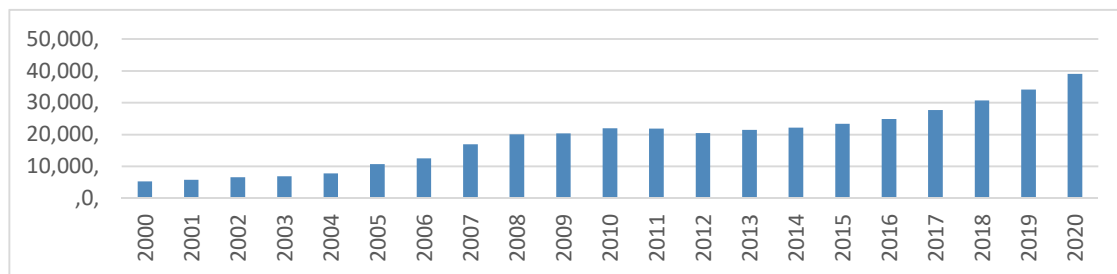


Figure 3: Evolution of employment and activity in Romania in the period 2000-2020

Source: processing according to Eurostat data, 2022

In the following I will analyze the evolution of employment in Romania, associated with the analysis of the evolution of income inequality. Thus, starting from 63% in 2000, the percentage of employment decreased to 57.6% in 2005. This situation is also due to the contribution of external migration and natural decline, which is otherwise evident at the level of the whole periods 2000-2017. While the evolution of the Gini coefficient in the period 2000-2005, it increases constantly and significantly from 28.9 in 2000 to 31.9 in 2005. In 2006 and 2007 the employment of manual labor maintains the same percentage of 58.8%, and the Gini coefficient increases from 32.8 in 2006 to 33 in 2007. In the period 2014-2016, the share of employment increases from 61% in 2014 to 61.6% in 2016, while the Gini coefficient shows a downward trend from 33.6 in 2014 to 33.4 in 2016. Between 2018-2020 employment fluctuates, increasing until 2019 and decreasing insignificantly in 2020, while the Gini coefficient stagnates. Stiglitz (2012) believes that the economic and financial crisis of 2008, during which unemployment rose steadily and employment fell, was a driving force of inequality, given the fact that it affected, to a greater extent, the income level of low-income social classes. Thus, a positive relationship is demonstrated between employment and inequality analyzed even on sub-periods as exemplified above, but no association can be found between employment and income inequality. This can be argued by the fact that employment affects the active population from low-income social classes, which leads to an increase in income inequality.



3.4 The evolution of social protection expenditures

Figure 4: Evolution of social protection expenditures in the period 2000-2020

Source: processing according to Eurostat data, 2022

Expenditures on social protection at the level of Romania register an increasing trend from 2000 to 2010, from 5298.84 million euros to 21938.92 million euros, and the Gini coefficient from 28.9 in 2000 increases until 2007 to 33 and decreases by 2010 to 32.6. It can be noted that in the period 2008-2010 the increase in social expenses is associated

with the reduction of the GINI coefficient, suggesting their effectiveness in terms of income inequality. Also, in the last years of the analysis period (2018-2020), the GINI coefficient is relatively constant, reflecting some effectiveness of social protection spending. Considering that no clear association can be established between social protection expenses and income inequality throughout the analyzed period and that in general the increase in social expenses accompanied by the increase in income inequality, this actually suggests the ineffectiveness of the state's intervention in the area of reducing income differences.

4. Conclusions

Following the analysis of the relationship between income inequality and social factors (level of education, employment and social protection expenses), no clear association of social factors with income inequality can be found over the entire analyzed period. Over the entire analyzed period, all indicators of social factors show increases, in the conditions of the increase in income inequality. Over certain short sub-periods, the increase in educational level, employment rate and wage expenditure can be associated with the reduction of income inequality, indicating a certain level of effectiveness of educational, employment and social policies. The determinants of income inequality should be carefully assessed and the government should try to moderate its excessive levels as they have a negative social and economic impact. Income inequality can be addressed at the government level through effective and inclusive public policies such as: greater tax progressivity, certain benefits and means-tested transfers (including social transfers in kind for education and health), inclusive education systems and more good or certain labor market policies (eg minimum wages) as well as stimulating investment in the economy to increase employment. In other words, public policies must prove effective in reducing excessive levels of income inequality.

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