„DIMITRIE CANTEMIR" CHRISTIAN UNIVERSITY

The Faculty of Tourism and Commercial Management
The Faculty of Marketing
in collaboration with
Università degli Studi di Messina

"GLOBALIZATION AND COMPETITIVENESS IN THE KNOWLEDGE-BASED ECONOMY"

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FACULTY OF TOURISM AND COMMERCIAL MANAGEMENT
BUCHAREST

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UNIVERSITÀ DEGLI STUDI DI MESSINA
ITALY

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PREFACE

Camelia Pavel, PhD

Globalization is a process with a long history. Some authors regard it as a phenomenon that accompanied humanity from the beginning of its existence and have argued that a form of globalization has been existed since the rise of trade links between Sumer and the Indus Valley Civilization in the third millennium B.C. Others state that the roots of modern globalization are associated with the Antiquity culture from Ancient Greece or Rome, the territorial expansion of our ancestors to all five continents, the first industrial revolution or the age of imperialism preceding World War I.

In its early form, globalization involved the convergence of nations and countries which meant cross-border cooperation. After few centuries, the next stage of globalization involved the globalization of companies and, in its current stage that started to take shape in the economic system and in the world between the two World Wars, and gathered pace after World War II, involve the globalization of individuals.

Contemporary globalization is an inevitable evolutionary process, sustained by some driving forces and includes: international economic integration, with a very high level of intra-industry trade in manufactures, that created a system of economic dependencies; capital market integration which explains the huge rise in foreign assets as a share of world GDP over the past two decades; voluntary mass migration, materialized in a high emigration rate in countries from Eastern Europe and Central Asia, the most important example being the liberalisation that has occurred within the European Union, where movement of people is one of the four freedoms guaranteed by the founding treaties; the creation of global institutions such as the International Monetary Fund, the World Bank or European Union, that contribute to co-operation among states, or World Trade Organization that consolidate commitments to liberalise.

Nowadays specialists in various fields of activity are focusing on issues connected with globalization due to their great impact on the development of national economies.

Due to globalization, Romania has started a number of reforms by means of which prices and markets have been liberalized, foreign trade control has been reduced, currency convertibility has been introduced and changes have started to be made in the ownership structure, all leading to increased competitiveness.

Direct foreign investments are perceived as an important and essential element for the process of changing and re-launching the economy, representing the main catalyst necessary for market economy and increased competitiveness in Romania. In the 21st century, the flow of direct foreign investments has greatly developed due to the massive expansion of transnational corporations – main elements of the globalization process. Last but not least, due to the great development of commercial exchanges between countries, foreign trade has become one of the key factors for economic growth.

Under these circumstances, we can consider that globalization and competitiveness represent the greatest challenge of our century, most specialists considering that Romania's own survival depends on the way in which these concepts are put into practice.

Therefore, ensuring competitiveness is a major priority not only for companies, organizations and individuals, but also for the academic environment.

In this context, benefiting from a particular scientific prestige and large national and international attendance, our conference that is now at its third edition, aims at providing the framework for relevant scientific debates concerning the challenges that "Globalization and competitiveness in knowledge-based economy" raise for any economist or researcher in the larger field of Economics.

April, 2013

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Considerations on the control and provision of food quality through traceability

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Abstract

As markets expended in Europe and in the world, the logistic chains grew more complex for all the goods, in general, and for food products, in particular. Given the nature of food products, the high number of primary and secondary processors, as well as retailers can and actually does generate problems in maintaining a "chain of quality" for these goods and in providing consumer safety. Therefore, we need to implement control systems and mechanisms that would trace down and ensure food quality in all the components along the logistic chain. Traceability is the most important of all these mechanisms.

Keywords: traceability, foods, quality, consumer

Traceability is an important element of the food quality management system both for the sector's enterprises and the relevant authorities in providing and controlling food quality and safety. In the quality management programs, effective procedures are designed both upstream and downstream in order to trace back the origin of food products (and their ingredients).

1. Factors stimulating the development of traceability mechanisms in the agrifood sector: definition

Traceability is an instrument the role of which is to provide the necessary transparency for applying effective control measures in case of major incidents. Moreover, through correct and effective implementation, it can contribute to increasing food quality, food safety and mostly consumer trust in these products' innocuousness in the long run.

This notion, which has long remained the purview of quality management specialists, has started to concern food enterprise managers and consumers alike, once the variety of products developed faster and wider. From the experts' viewpoint, traceability is *the ability to verify the history, location, or application of an item by means of documented recorded identification* (French Standardization Association – Afnor, ISO 8402).

From the consumer's viewpoint, traceability means to know where the product comes from and to be certain that it is harmless. From the producer's viewpoint, it means to be able to find, if necessary, the different components of a batch of products which falls under suspicion in point of its innocuousness.

Several concurrent phenomena contributed to the development of the traceability mechanism and to revealing the need to use it. Thus, the rapid and massive *diversification* of *food variety* (1) subsequently multiplied the sources of raw materials and implicitly the risks brought about by "mélange" (mixture) of raw materials. *The liberalization of the economy and the disappearance of customs borders* (2) inside the European Union resulted in an increase of the trade volume, on the one hand, and in the emergence of sanitary barriers, on the other hand. Last but not least, *the consumer's perceived need for safe consumption* (3) and for tracing back the link with the original food product by knowing the identity of the producers both for the raw materials and the end products.

2. The area and modus operandi of the traceability mechanism in the agrifood sector

Focused on the idea of batch, traceability operates at the level of (1) raw materials, (2) production, and (3) end food product. At the level of *raw materials* (1), traceability is used to follow their origin, their standardized quality features, and the conditions surrounding their production. At the level of *production* (2), it follows and establishes the stages of the food production process, the way they were carried out, the risks associated to each stage and which can emerge from the specific operations used to obtain that particular kind of food. At the level of the *end product* (3), traceability seeks to identify the entire range of items coming from the same production unit in order to pinpoint precisely the source of food quality and safety infringements proved by lab exams.

Starting from these three levels of action, the functioning principles of the traceability mechanism in the agrifood sector can be summarized accordingly for the logistical channel and for each and every component (Alimentationinfo.org 2013, Traçabilité).

Thus, *every economic operator – member of the logistical chain* (providers of agricultural exploitations, the agricultural exploitations, food industry, trade distribution) must (1) have a record system that would allow for traceability, and (2) keep the necessary information and whenever necessary to send it downstream, and (3) to make sure the preceding link is operating according to the pre-established principles.

Concurrently, *each economic operator at the level of industrial production must* (1) record and keep a series of parameters about every agricultural producer it has received supplies from as well as the raw materials it bought from them and used, (2) to indentify and record the batches that enter its logistical chain, and (3) to record the raw material batches it has actually used to produce the foods it is about to market. If this record cannot be done or is useless, the self-control systems (ISO, HACCP) provide for additional risk management measures, so the clients can be constantly kept up to date.

The responsibility to store the information needed for traceability and to provide it if necessary rests on the shoulders of each economic operator. The system can work only if each link and each economic operator fulfils this obligation. For this reason, the identification and record systems have to be checked.

3. Main operational goals of the traceability mechanism

At first, depending on the stated goals, food chain traceability was more or less extended upstream and downstream and also more or less precise. In the aftermath of the bovine spongiform encephalopathy/BSE crisis as well as of other food crises of lesser extent, it became obvious that the traceability mechanism must (I) provide solutions to contain and effectively manage the risks pertaining to the circulation of agrifood products, (2) to increase consumer confidence in the way the relevant sector works by increasing the involved economic players' credibility, and (III) to meet the economic requirements of companies that are part of the agrifood chain.

Traceability is believe to be *an instrument for containing and managing food risks* (I) because it is a must both (1) upstream and (2) downstream the agrifood chain when the goal is to have the retailers observe the food and consumption safety legislation as they are the main responsible for the conformity of the goods they are selling their customers.

Upstream the agrifood supply chain (1), traceability seeks up the chain to establish the origins of the raw materials and the specific components of the production process throughout it, in correlation with any available specifications ensuring that quality specifications are met (Doussin, 2000). Thus, the traceability mechanism made be included in the quality provision systems that food production units implemented during the 1990s (ISO

9004, chap. 16-1, and ISO 9002, chap. 4.7). Nevertheless, unlike these systems, in order to be credible, traceability follows only those risks that can be clearly identified, which is often difficult.

Downstream the agrifood supply chain (2), traceability follows the batches of sold goods and if any problems emerge, the traceability mechanism is the one that has the role to decide for recall (removing products of a suspicious batch from outlets) or return (an appeal to consumers to hand in or dispose of the products in their possession).

Traceability also *provides credibility to the information about the marketed food* (II). Given the ever more visible tendency to provide the consumer with information about the "history" (Doussin, 2000) of the consumed good (information about origin, production or transformation conditions), the goal of traceability is *to elevate safety levels* (1), and to *give the consumer the guarantee about the authenticity of the information* (2) on labels and markings. These quality labels applied by various economic players down the agrifood supply chain (agricultural brands, name of origin, bio-products) warrantee that certain specifications were followed.

As far as ensuring credibility is concerned, traceability does not add to already existing systems. It becomes a component of the offer which includes all the operations creating added value, such as the guarantee, security, authenticity, specific properties, homogeneity, and possibility for identification. Therefore, its actual contribution resides in its capacity to meet an ever more dispersed and severe demand and to participate in the innovation process.

Last but not least, it is about the *economic goal* (III) of the traceability mechanism. First of all, weak and imprecise traceability forces the economic player facing a quality and safety-related problem with some agrifood products to recall a large quantity of products off the market, with all the entailing losses and costs, and a stronger media impact the larger the number of affected stores (and potential consumers). A case in point is the very recent example of the fraudulent replacement of beef with horse meat on the UK and French markets or the case of aflatoxin-infested cow milk sold on the Romanian market. Although in both cases traceability has worked flawlessly finding the causes and companies involved, the economic losses down the supply chain have been relatively large.

Thus, in the first case, while the problem was not a safety-related one, the impact on the credibility of the companies involved in the affair had significant economic consequences. The French meat-supplying company practically closed down its relevant division, while the Romanian beef and horse meat exports collapsed. In the second case, while traceability proved that the safety-related misconduct was small and the safety risk for the consumer was low, the Romanian retailers' sales of milk plummeted following a drop in consumer confidence.

Secondly, using the traceability mechanism very precisely means particularly high logistical costs. For an enterprise which submits its production process and products to specific verifications and registration and thus has to work with a very large number of very small batches, the costs of a crisis are very low, yet the logistical burden can prove hard to bear. In view of this situation, if used pro-actively, traceability can be a very important means of communication. Apart from vouching for the quality and innocuousness of the product before the consumer, the traceability mechanism also proves that producers are serious and that they have the capacity to respond and take action should any malfunction emerge.

4. Ways of application and functioning mechanisms for traceability

In order for traceability to be effective and applicable information subject to verification must be defined and the way the chains are organized must be well known. Since

following every single product constantly is virtually impossible, batches were defined in the EU Code of Consumption. Thus, *a batch is defined as a number of units of production produced in a single plant using uniform production parameters*. However, if we define batches in this way, it causes real problems to producers considering that making a product implies a sum of processes and a mixture of batches of different raw materials. Therefore, it comes that for each participant in the food production chain, the specific definition of batches is the most important aspect.

The essence of the problem resides in the mixture of raw materials, and most food crises that have been sweeping the EU market have been initially caused by this phenomenon. In 1999, the dioxin crisis in Belgium proved that if somewhere upstream a processor uses a certain quantity of industrial oil successive mixing can then affect hundreds of poultry farmers and completely paralyze the agricultural and food circuit of a country.

In this context, the structure of chains plays a key role in the functioning of the traceability mechanism because the complexity of mixing is the higher the larger the number of raw materials that come from completely different sources. For instance, an European animal food producer normally uses US, Brazilian or Argentinean soy, Moroccan phosphates or sub-products made from grain from the US or from other EU countries.

Conversely, mixing sometimes is a way of improving and leveling food quality. For wine, grain or coffee, blending is a classical method of mixing batches of different origins. Thus, the producer obtains a constant quality while also "diluting" any problem without exceeding the acceptable limits.

In another train of thoughts, many times the measures meant to provide food consumer safety seek to ensure lack of contamination or to maintain it under a pre-established acceptable limit. In this case we can either conduct analyses for every single product or to observe preemptive measures.

One example is the fact that the absence of antibiotics residue in meat can be guaranteed either by frequent checks and analyses or by the farmer's commitment to follow "the withdrawal period" (the amount of time the residue of a molecule is present at levels higher than the maximum acceptable residue limits) before slaughter. More often than not the lab analyses just verify the effectiveness and good application of preventive measures.

Conclusions

For international trade, traceability becomes a key component in opening markets and globalizing the economy. Whether it is the use of hormones in animal farming or genetically modified organisms (GMO), the application of regulations that are specific to a region (meaning large economic entities such as the EU or the US) is today the main barrier in food trade. However, in order for it to be credible, this barrier must rely on control, and production chain traceability.

Concurrently, however, today's consumer and mostly the EU consumer is not willing to nor can he/she discard his/her feeding habits (dining out, instant food or half-baked food) for which, if he/she demands absolute safety, does not need the same amount of guarantee about the origin. Agriculture, which has seen a genuine revolution in terms of production methods, now tends to reconnect the bonds that were broken and ensure the safety of a food chain that has been rendered fragile by its increasing complexity.

However, whatever efforts will be made, the traceability mechanism and the measures it implies will be effective only when today's concerns turn into caution of each player of the various agricultural and food systems. The food producers must sound the alarm when the raw materials have abnormal characteristics. The veterinarian must highlight any

manifestation of illness. The industrial producer must indicate abnormalities met during various processes, while the consumer must make sure his/her fridge functions properly.

The current systems of production chain traceability and risk management, which are already on a very high level, will have to become more effective. At the same time, the concerns – be they justified or not – must be replaced by caution during production and supply.

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Managerial accounting and decision-making in terms of sustainable development

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Abstract

Managerial accounting has evolved historically, with the development of production of goods and the market economy - competition. With the market was the exclusive manufacturer due to shortages of goods demanded by consumers, so underproduction, the role of managerial accounting can be summarized in full costing to enable producers to adjust prices to the cost of moving . Over time, due to increased competition, changes occurred in market position, or economic power from producers to consumers, and by the emergence of new models of management, technical progress and so on, all influencing systems development managerial accounting oriented forecasting level and cost structure, and especially to their operational control. Managerial accounting has become, today, the most important source of information on economic activity both within the firm and the economy. Thus, there is need to implement alternatives developed managerial accounting that will produce a higher accuracy in accounting information and in particular to encourage the emergence of new information systems better adapted to the needs of internal users.

Keywords: managerial accountancy, decision making, cost, value analysis, sustainable development

1. Introduction

Management accounting has become, today, the most important source of information on economic activity both within the firm and the economy. Thus, there is need to implement alternatives developed managerial accounting that will produce a higher accuracy in accounting information and in particular to encourage the emergence of new information systems better adapted to the needs of internal users.

Managers manages the future and report consistently at this (Bouquin, 2004). The need for information is "caused" in general, the decisions to be taken. Either way, the information produced must meet the three criteria set by Emery (Emery, 1969):

1. information is valuable for the manager if it helps reduce future uncertainty;
2. additional information has value can affect decision;
3. information has value if it contributes to change "sensitive" to the consequences of a decision.

Presentation of management accounting in decision service is required to describe design decision. Herbert Simon, Nobel Prize winner for economics, author of famous works devoted to decision systems, presented in an investigation began what managers expect from management accounting (Simon, et all, 1954):

- ✓ allow a finding (keeping score): "things are good or bad?"
- ✓ draw attention (attention directing): "Why should inquire problem?"
- ✓ help solve problems (problem solving) "between different solutions, which is the best?".

2. Managerial accounting - an integral part of the management process

As part of the management process of organizations oriented management accounting is a key aspect of organizational activity, which it considers in its own perspective: the collection and use of resources. In fact, managerial accounting, geared especially toward providing information to managers, folds on the three key functions of management as follows:

- *planning*: management accounting in this process helps in setting future goals (strategic planning) providing information necessary for making decisions on production systems adopted pricing policy of the firm, trade policy and in estimating capital. In the budgeting process, management accounting role is particularly important in providing data on past developments in production, sales, etc.. In addition, it establishes budgetary procedures, they coordinate and help shape the functioning of the system of budgets. Finally, it aggregates different budgets in an overall budget (ie, main budget) for business and submit this plan to be approved by the manager at the highest hierarchical level;
- *organization*: interaction between management accounting and organizational process can be presented as follows: identification of an organizational structure and a better understanding of methods for determining the distribution of authority and responsibility is essential to determine the information needs of an economic entity. Instead, define the structure of data collected necessary information and of processing activities of management accounting information system (Oprea, 1994). Therefore, determining the structure of the data collected, processed and reporting activities of managerial accounting information system should be almost parallel with the organizational structure of economic and social entity they serve. That, while delegating organizational structure defines lines of authority and responsibilities of an economic entity, providing a general framework for planning, directing and controlling the activities to achieve objectives (eg profit maximization etc.), Managerial accounting is design and implementation of an accounting information for defining and building these relationships;
- *control*: managerial accounting help (support) review process and of how the extent to which objectives have been met or not realizing that reporting should look like actual achievements against goals. Control (Oprea, 1994), the basic function of management in a business organization involves monitoring the implementation of the policies, performance evaluation conducted at subordinate levels and correct any abnormalities, while managerial accounting, as an instrument of management control, can provide information and judgments based studies that allow the analysis of deviations from budgets and decision making. In other words, managerial accounting "assist" function control management activities identifying "problems" of the company.

Literature notes that across the organizational structure, where modern business communication and personal motivations (individual) are very important in determining the role that management accounting plays in achieving managerial functions.

The budget process includes all levels of management, therefore it is an important means of communication between managers at higher levels to the lower levels of the organizational structure in terms of objectives and their implementation, and the budget is completed, approved plans are communicated to all personnel involved. In this context, if the information contained in the budget is distorted (as generated by a faulty communication between different subunits of the organization) or if messages are lost, incorrect or misleading, vague or unclear decision will certainly be wrong.

Personal motivations (individual) goals are to potential conflicts between individual and socio-economic entities. Involve managers at all levels of the organizational structure in budgeting and setting targets against which performance is measured, is a mobilizing factor.

Also, decentralization of decision making authority to managers concerned sub divisional produce greater motivation to achieve peak burden (Oprea, 1994).

This type of accounting is focused mainly on future performance organization (Coombs, Hobbs, Jenkins, 2005). Managerial accounting is an integral part of the management process, providing essential information for:

- Control of current activities of the organization;
- Planning strategies, tactics and future activities;
- Ensuring optimal use of resources;
- Reduce the size of the subtask in decision making;
- Improving internal and external communication.

Likewise, management accounting information is useful for (VanDerbeck, 2002):

- Determining the selling price of the product;
- Gaining and maintaining competitive position;
- Performance analysis.

3. Managerial accounting and decision-making in terms of sustainable development

In other words, information systems management or management accounting focuses increasingly more on activities taking place at all levels of an organization to ensure success. Therefore, we can say that support decision-making of "adding value" of a company, managerial accounting endorses the following goals (Hilton, 2005):

✓ necessary information and planning decisions and proactive participation as part of the management team in decision making and planning / scheduling;
✓ assisting managers in the organization and control of current activity;
✓ motivate managers and other employees to achieve organizational objectives;
✓ performance measurement activities, subunits, managers or other employees of the company;
✓ assessing the competitive position of the organization and work with managers to ensure the organization's long-term competitiveness in the industry.

I concur with the view that "the current system of management accounting information, constrained by procedures and reporting times of financial statements is too slow, too complex and too distorted for help managers in planning and decision making" (Johnson, Kaplan, 1987)

Thus, the main imperative that should guide any organization in the current competitive environment characterizing are (Diaconu, 2003):

1. *customer orientation* - the best way to acquire an orientation - customer is to cultivate mutually beneficial and lasting relationships with customers. Kotler said: "customer retention organization costs less money than attracting new ones" (Kotler, 1997). In this type of business, the customer is no longer considered a cost for this, but one that brings profits. Therefore, the orientation manager, supported by information provided to the thorough management accounting is geared to satisfy all customers' wishes, hoping their loyalty. Comprehensive management accounting can bring value to an organization through better use of financial and non-financial resources and the needs of its customers faster than the competition and offering better quality products;

2. *orientation flexibility* - that company to make more effort to meet individual customer requirements. In this context, there is a shift from the old concepts of leadership through "top down control" (top - down control) to the new management style that encourages the "authorization from the bottom up" (bottom-up empowerment). This "organized disorganization" is a particularly Japanese management, the safest route, but not the easiest to adapt to market requirements. As a result, management accounting department

must be sufficiently "flexible" to respond to changes in the environment in which the firm operates;

3. *redesigning entire production system of the company* changing market conditions require design changes to the production system to be completely redesigned, i.e. mass production must become a custom production and delivery terms have to take into account the largely on customer requirements.

Applying an adaptive production should be based on the concomitant use of several tools:

- production on time (just-in-time);
- strict quality control;
- regularity and safety supplies;
- positioning provider near beneficiary;
- new telecommunications technologies;
- stable production schedules;
- early supplier involvement;
- value analysis;
- close relationship between partners.

The most important consequence of changes in production technologies under the influence of process automation is the changing relationship between direct and indirect costs. Using "keys" classic distribution of indirect costs is unreasonable and even deceptive in making a calculation of cost of production relevant and useful in decision making. Also, the importance of the production function is surpassed by that of other processes such as procurement, research and development, distribution, and other support functions (quality, maintenance, logistics);

4. *value feature that makes the request for any product* - the notion of value is extremely important today, as it was judged both in terms of products and from the point of view of the organization as a whole.

The value of a product is not just the difference between the selling price and the full cost of that product, but relative appreciation and fluctuating demand made by the utility offered by that product characteristics. Kotler says that "customer value" is "the difference between the total amount provided to the client (which is given to all the benefits it expects from a product or service) and the total cost to the client" (Kotler, 1997).

Management accounting in its present form fails to meet the requirement imposed by "value analysis" (finding the best compromise between cost and functionality of a product, while ensuring a level of quality necessary and sufficient);

5. *motivating employees, their necessity for accountability* - the management, based on information provided by managerial accounting department on tracking current and future developments in the field of human resources, has two solutions for motivating employees (Burlaud, Simon, 2000):

a) management by objectives, which aims to achieve greater effectiveness through better use of human and material resources. It is founded on the basic objective declining firm specific profit center objectives and exchanges between internal organizational structures can be based on a transfer pricing. Personnel imagination is stimulated and therefore he is more motivated to exercise duties as well, especially in the presence of a suitable reward system.

b) Participatory management by objectives that places personnel and sources of motivation at the heart of achieving the objectives assigned by management.

In this process, the needs and aspirations of staff is done once the meeting organizational objectives and employees are an integral part of the establishment and award of goals.

Elements which occur through any reconciliation because the overall objective of the company is perceived by all participants as endpoint are (Bouquin, H., 2006): delegation of responsibility; system costs and surveillance procedures adapted (the organization).

Managerial accounting department handles follow that produce these processes and, therefore, should provide the information necessary management to adopt the necessary decisions. This is very important especially in terms of labor costs, which, in many sectors, have a very large share in the cost of finished products or work performed/services provided;

6. *adoption of appropriate organizational structures* - the emergence and development of management accounting tools, organizational structure played a key role. This structure requires the use of specific tools for analysis and control its operation because, over time, occurring during a period instruments unusable or irrelevant information they provide, imposing thus creating another, more suitable structure emerged. A contemporary form of structural organization that characterizes firms in the current economic environment is that management is considering projects aimed at extending one company.

Johnson and Kaplan (Johnson, Kaplan, 1987) states that "innovations in project management occurred in 1950 and 1960 in the defence and aviation industry. These relate to:

- Project accounting, cost-volume-profit, zero-based budget;
- Accounting firms organized as matrix".

Project management means a transverse management. He is a structural configuration that has emerged with economic and organizational requirements that companies must meet. Project management requires a certain time management and management as a team, each project with a unique and non-repeating. Most times, about 80% of the project is defined performance since its conception and planning. It follows, therefore, need for an efficient pilotage these activities. Due to these characteristics, project management can be successfully used concurrently with Target Costing method (Cost - Target) cost calculation.;

7. *project and corporate culture as socio-organizational forms of power on organizations* - a socio-organizational vision as a way to power-up the company, may take the form:

a) an explicit vision - the draft enterprise - in this sense, corporate governance implement a plan through which clearly set objectives of the organization and the staff is motivated to achieve them by encouraging involvement in business life.

b) implicit vision - corporate culture (tailored to the needs of modern management) without management action cannot achieve: to guide individual decisions in the desired direction of the organization.

8. *quality, supreme imperative in the current economic climate* - is a characteristic quality of the products provided an amount of four components: performance, price, availability and services (Alazard, Separately, 2004). Quality is considered as total quality management (TQM) as one of the axes business strategy. In this approach, analysis activities each responsibility centers to identify links between them and total quality components, such as costs of prevention and detection. Can be analyzed, thus the operation of centers and support activities through methods based on decomposition processes in activities (ABC and ABM) or through which decomposition occurs and separate analysis of consumption Organization (bbz - zero-based budget).

Once identified measurement tools, quality management subject to review and may be defined as the fundamental objective in terms of cost and performance. Quality improvement process must be completed to identify the costs of this to say:

- ✓ The cost of quality management, cost consists of the cost of prevention and detection;
- ✓ Cost of poor quality, and cost consists of the cost of detecting errors;
- ✓ Errors cost, representing the cost of internal and external malfunction.

Conclusions

In accounting convergence conditions looming national and European management accounting management and organization will put its mark on the future development of companies in Romania, due to cultural impact on managerial accounting information systems.

Managerial accounting is constantly evolving to meet the changing needs of management. Strong international competition has generated new philosophy of action, and these views have given new directions of development of management accounting. Quality is no longer considered a given, and the expenses of permanent and recoverable scrap (requiring reprocessing) are no longer included in the product price. New operating systems - such as operating environment in real-time (JIT) and total quality management (TQM) - determines the economic entities to restructure their production processes and implement new procedures for allocating costs incorporate new computer systems costs. Fully integrated information systems exerts additional pressure on management accounting information system.

In conclusion, the purpose of management accounting is to make the information and techniques targeting tool, a "dashboard", a counsellor for establishing an economic and social entity operates internally as well as macroeconomic context. In other words, management accounting information is the most important source "database" management decision making. Information management accounting gives managers the best choice program and fixing a certain economic policy lines. Add to this the current trend of accounting information to become operative management by automating calculations. Creating information systems for management, rational and efficient, allowing close economic information in general and of the particular account of the requirements of modern management.

It appears so, as Professor H. Bouquin emphasize that although this accounting, or management accounting information to be diversified to produce several categories of managers, they are used in different ways. Therefore, they are considered, their diversity more complementary than competing. Whether a cost is superfluous "complete" is more useful than a cost "part" - both are useful if properly used and otherwise harmful.

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The managerial accounting role in the accomplishment of management functions within a commercial enterprise

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Abstract

The topic of this article is the role of managerial accounting within the present context. The article refers to the managerial accounting role within the contemporary enterprise by synthesizing the main theoretical notions and by providing a practical example regarding a commercial enterprise. A modern approach can be noticed due to the fact that the authors present the interdependence between managerial accounting and enterprise management. Managerial accounting is an additional method of control for the fiscal authority and also a method of control over production costs for the enterprise management; it is important in decision taking by enterprise managers.

Keywords: managerial accounting, cost calculation, enterprise management.

1. Introduction

The internal and external representation of a company is made by accounting. This representation justifies the existence of two circuits within the company's informational system – the first one is financial accounting, considered to be the "external face" of the company and the second one, describing the internal processes of the company, is called "managerial accounting" and is considered to be the "internal face" of the company.

2. Managerial accounting – an instrument for the modern management

Management accounting appeared in Great Britain and the U.S.A. at the end of the eighteenth century due to industry development and competition. Managerial accounting is different from production accounting because, in addition to production cost, it also deals with budgeting, decision analysis, control and decision making.

Managerial accounting, also known as "analytical accounting" in France - as it provides analytical information by cost and result - or as "management accounting" in Romania, is meant to be an instrument of decision making for the company's managers.

The American management accounting institute defines managerial accounting as it follows: "the process of identification, collection, analysis, processing, interpretation and sending the financial and non-financial information used by managers in order to accomplish the planning, evaluation and control functions within the company and to ensure the appropriate use of its resources".

Management accounting developed at the same time with the management methods and there is a demand for providing more and more analysis of the financial data regarding: increasing the quality of the company's products and services, diminishing the time needed for projection, creation and delivery of the products and services, as well as meeting the clients' needs. Thus, management accounting needs to provide information regarding the quantity of scraps, the cost for processing the low-quality products, the repairing cost during the warranty period, etc.

The functions of managerial accounting developed on the basis of management functions, so they are mainly: planning, controlling and deciding over administrative decisions and the objectives of managerial accounting consider the economic resources of the company, the economic process and the activity results of the whole company and its subdivisions.

An efficient managing accounting system allows the company to track the daily operations, to find and solve the problems, to make short-term and long-term plans and to evaluate the profit.

Demands for the presentation and analysis of the information provided by managerial accounting are not binding. Thus, it can be organized according to the necessities so that the accounting and fiscal result of the company can be determined correctly during any fiscal period; organizing management accounting is compulsory, but flexible and it can be adjusted according to the activity type each legal entity performs, to the type of the business firms/national companies/national institutes for research and development. Managerial accounting provides information regarding the assessment of some elements of the balance sheet, especially stocks, explaining some results by comparing effective costs to standard costs and selling price. The study of the variations and calculation methods that have been used ensure the decision taking regarding the necessary coercive measures.

The information regarding management accounting is also useful for analysing the costs and results of the activity performed so that efficient measures can be taken in order to increase the profitability of the company activity; it also provides the managers of different management levels with accurate and detailed information about the accounts, allowing them to direct the activity as they wish.

Depending on the type of the activity (production, commerce, services), management accounting ensures: record of the operations regarding expense collection and distribution (according to destinations, activities, sections, phases of production, cost centers, profit centers), calculation of: the acquisition cost, the production cost, the goods processing, the work performed, the delivered services, the current production and assets.

Managerial accounting has now become the most important information source regarding the company's economic activity. The information system of managerial accounting has been examined as a "black box", its role for the socio-economic entities being discussed, but how it applies this role has remained unclear.

As a conclusion, managers manage the future and constantly relate the present to it; the information is generally needed due to the importance of the decisions that are going to be taken within an economic entity.

The managerial accounting functions are oriented towards providing the managers with information and they are consistent with the three key-aspects of management as it follows: managerial decision-taking and performance appreciation as a vital management task,

managerial accounting being able to provide the information that is the basis of the studies and reasons allowing to take decisions regarding the future of the company. "The management decision represents the conscious process of choosing an alternative of action out of more possible alternatives in order to accomplish a task which, if applied, influences the behaviour of at least one person different from the one who decides". (Căprărescu, Stancu, Aron, 2012)

The same authors mention that by management decision we mean that: *the totality of elements is made of at least two elements: the existence of finality in previously established objectives; the influence on at least another person's actions and/or behaviour besides the one who makes the decision.*

The cost analysis and estimation, which is necessary in order to answer questions such as: "How much did I spend on materials?", "How much did I spend on producing a certain product?"

Planning and control: planning, according to the management literature, is a specific activity of the management provision function. By planning, the organizations' current activities are included in the prospective tendencies of their development and of socio-economic development on the whole. By planning, the management can set the organization's objectives, the action directions, can ensure the efficient use of all the resources of the organization; it can also provide an efficient coordination among all these, a correlation between the organization's activities and all the other partner-organizations. Plans are, in fact, managerial instruments based on the analysis of the material, financial and human factors of the organization which ensure a proper usage and an efficient coordination of the production factors. Control consists of the monitoring activities by which the company's management is assured that these activities have been accomplished according to the plan and makes correction possible, especially if serious deviation is noticed. Thus, costs, revenues and profits are essential elements of these processes, managerial accounting being an essential provider by budgeting and determining the cost of the standard products.

On the whole, managerial accounting is a management instrument for the company, having two main purposes: knowledge of costs and influencing the level of costs; as a consequence, accounting information must be integrated into the management system where it can be used to guide the behavior of the people in charge with resource distribution and this is where the phrase "*management accounting*" comes from.

We provide the following example regarding how to organize management accounting for trade in order to show the connection between the two disciplines, managerial accounting and management.

3. Case study regarding how to organize management accounting for trade. Calculation of the total cost regarding trade companies

Total cost of merchandise (Tc) includes the total expenses of the flow process that is: the cost of the sold merchandise (Csm) and other costs. The cost of the sold merchandise corresponds to the purchase cost of the sold merchandise (Camv) calculated by the financial accounting on the basis of a method of assessment of the output or depending on an average margin coefficient.

Other costs refer to the cost of sales (CS) and the cost of administration (CA). The calculation of the total cost is directly related to the cost object. Cost object in trade can be made of: a group of merchandise and a method of selling, en-gross, en detail, on order basis. Any absorbing cost includes: direct expenses and indirect expenses. The calculation of the total cost is directly related to the cost object. In trade, the cost object can refer to a stock, group or kind of merchandise/ goods. Cost object can be made of: a group of merchandise

and a selling type, en-gross, en-detail, order-based. Any cost with an absorbing character includes: direct expenses and indirect expenses.
a) Direct expenses are the purchase cost of the sold merchandise and some expenses related to object cost such as: transport expenses, commissions, advertising expenses, commercials, etc.
b) Indirect expenses related to cost object refer to input cost (except the direct expenses) and management cost.
The identification of the indirect expenses within object cost means their absorption; as a result of this process, indirect expenses turn into direct expenses.
The stages of absorption are:
1) The calculation of the absorption rate of indirect expenses (IAR) according to the relation:

IAR = Total of direct expenses / Basic absorption rate

The absorption rate is calculated separately, *for input* and *for management*.
The following can be used as absorption bases:
For input:
- Camv;
- turnover

For management:
- Camv;
- turnover;
- value added.

2) Calculation of indirect absorbing expenses within the cost of the cost objects (CIA) according to the formula:

CIA = RAI x the absorption basis of the cost object

For indirect expense absorption within the total cost, cost centers can be identified. There are expenses for these cost centers and a cost is calculated. RAI is determined separately, according to each center.

Example:

A company store's activity is to purchase different goods in order to resell them in stores or by mail (orders). The groups of goods that are subject to cost calculation were established as it follows: household items, furniture and clothing.

The company wishes a complete trimestrial cost calculation. To this effect, the following information is available:
a) Stocks on January 1, 200X are:
Consumables 4.250 u.m.
Household items 6.225 u.m.
Furniture 10.275 u.m.
Clothes 10.500 u.m.
b) Indirect expenses were allocated to the cost centers as it follows:
Supply Center (SC) 2.100 u.m.
Transport Center (TC) 6.000 u.m.
Expedition Center (EC) 3.500 u.m.
Shop Sales Center (SSC) 18.673 u.m.
Mail Sales Center (MSC) 14.577 u.m.
Administration Center (Adc) 12.180 u.m.
Transport Center and Expedition Center are considered to be auxiliaries and their cost is distributed to the main centers considering the following percentages:
Transport Center: 40% to SC and 60% to CV, out of which: 40% CVM and 60% CVC;
Expedition Center: 40% to CVM and 60% to CVC.
c) On March 31, 200X, the consumables stock was 6.650 u.m.

The stocks of goods are evaluated according to the purchase cost and, on March 31, 200X they were:
Household items 4.125 u.m.
Furniture 10.500 u.m.
Clothing 7.875 u.m.
The supply cost is absorbed by the purchase cost: 1/3 for household items, 1/4 for clothing, and the rest for furniture.
d) The turnover of the period (First trimester) was according to the total and the groups of goods:

Table 1. Turnover of the period

Groups of goods	Sales in store	Sales by mail-order	Total
Household items	22.500	7.500	30.000
Furniture	30.000	37.500	67.500
Clothing	22.500	30.000	52.500
Total	75.000	75.000	150.000

Sale prices are the same no matter how the goods are sold.
e) Absorption of the center expenses: CVM, CVC and CA is calculated according to the Camv.
Demands:
Calculation of center-cost;
Calculation of purchase cost of the goods and preparing the stock accounts;
Purchases during the period:

Solution :

1) Calculation of the center cost.

Table 2. Situation of indirect expenses

Elements	Auxiliary centers		Main centers			
	CT	CE	CA	CVM	CVC	CA
Total after distribution	6.000	3.500	2.100	18.673	14.577	12.180
Secondary distribution (RS)						
CT	-6.000	-3.500	+2.400	+1.440	+2.160	
CE				+1.400	+2.100	
Total R			4.500	21.513	18.837	12.180

2) Calculation of the cost of the purchased goods and preparation of the stock accounts
a) Calculation of the cost of purchased goods (Ca).
Ca = Pc + CA where:
Pc = price at purchase;
CA = supply center

Table 3. Calculation of the cost of purchased goods

Elements	Household items	Furniture	Clothing	Total
1) Pc.	15.000	37.500	22.500	75.000
2) CA	1.500	1.875	1.125	4.500
3)Purchase cost (1 + 2)	16.500	39.375	23.625	79.500

b) Stock accounts
According to the company, Camv is calculated:
Camv = Si + I – Sf

Table 4. Stock accounts

Debit	Material supplies		Household items		Furniture		Clothing		Credit
Si	4.250	5.100	6.225	18.600	10.275	39.150	10.500	26.250	Output
Input	7.500	6.650	16.500	4.125	39.375	10.500	23.625	7.875	Sf.
	11.750	11.750	22.725	22.725	49.650	49.650	34.125	34.125	

3) Calculation of total cost and results
a) Calculation of Camv and RAI:
Cc = Camv + CVM + CVC + Cad
RAI is calculated for center-cost absorption within the cost of goods
RAI_{CVM} = Total cost CVM / Camv
To calculate Camv by store, the ratio of the in-store sales, according to each group of goods, will be calculated as it follows:
Camv/houdehold/store = 18.600 x 22.500/30.000 = 13.950 u.m.
Camv/household/mail order = 18.600 x 7.500/30.000 = 4.650 u.m.
Camv/ furniture/store = 39.150 x 30.000/67.500 = 17.400 u.m.
Camv/furniture/ mail- order= 39.150 x 37.500/67.500 = 21.750 u.m.
Camv/clothes/store = 26.250 x 22.500/52.500 = 11.250 u.m.
Camv/clothes/mail -order = 26.250 x 30.000/52.500 = 15.000 u.m.
Total Camv in-store = 13.950 + 17.400 + 11.250 = 42.600 u.m.
Total Camv by mail -order = 4.650 + 21.750 + 15.000 = 41.400 u.m.
RAI_{CMV}= 21.513/42.600 = 0, 505
RAI_{CVC} = 18.837/41.400 = 0,455
RAI_{CAd} = 12.180/84.000 = 0,145
b) Total cost calculation and results.

Table 5. Total cost calculation and results

Elements	Household items		Furniture		Clothing		Total
1) Camv	13.950	4.650	17.400	21.750	11.250	15.000	84.000
2) CVM	7.045		8.707		5.681		21.433
3) CVC		2.116		9.896		6.825	18.837
4) CAd	2.023	674	2.523	3.154	1.631	2.175	12.180
5) Cc (1+2+3+4)	23.018	7.440	28.630	34.800	18.562	24.000	136.450
6) Turnover	22.500	7.500	30.000	37.500	22.500	30.000	150.000
7) Result(6-5)	- 518	60	1.370	2.700	3.938	6.000	13.550
8)Profitability (7/6x100)		0,8%	4,5%	7,2%	17%	20%	9%

Conclusions of the case study :
1) A profit of 13.550 u.m., representing 9% of the turnover has been made, which is quite modest; why 9%?, you can find the answer in the detailed analysis.
2) The most profitable is selling clothing, by mail – 20% of the turnover, but also in-store – 17%.
3) The least profitable is house holding, which generates loss and a modest profit. Why? The answer is provided by market research correlated to costs.
4) The calculation of the total cost gives the opportunity of knowing the efficiency of all kinds of merchandise for decision-making.

Conclusions

The topic of this article proves to be really interesting not only for the literature of the field, but also for the practice of the contemporary organizations. Thus, the ideas developed represent a support to those who are interested, providing a real summary of the concepts used in literature, as well as a case study – an example for companies in general and specific to the trade company.

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Reflections on quality of life of the productivity transfers between economic entities

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Abstract

This paper proposes a study on relationality between various economic entities - businesses, regions, countries - in productivity.

The analysis is based on the physiocrat criteria of value creation and on this basis is (re) interpreted the productive capacity and competitiveness of various entities.

As part of a larger study, the paper aims to formulate fundamental principles - useful for further research - on concrete manner of redistribution, through market mechanisms, the surplus value created.

Considering retrieval such transfers value in some dimensions of quality of life, stating the assumptions and some main criteria required for adequate modeling (submitted for testing).

Keywords: quality of life, service economy, productivity, intellect-intensive services.

1. Introduction

The present article deals with a very complex topic and, at the same time, a very actual topic for the economic theory and practice, both at national and international level. Modern economic theories reconsidered the role of productivity in economic growth, recognizing the leading role which it currently has in achieving economic and social progress and quality of life.

Paper starts from the issue of the role of servicity transfers and productivity in improving the quality of life of citizens, aiming at revealing main elements that define relationship between servicity, productivity and the quality of life, in the purpose of grounding optimizing politics for quality of life.

On the ground of the requirements of knowledge society and sustainable development, relevant features of the relations between servicity, productivity and quality of life are analyzed at world level and OECD countries. On this view, the role of servicity and productivity is critically analyzed: the paper builds a model concerning the relations between economic development and quality of life, with accent on productivity.

The main results consist (i) in finding the core relevant elements that characterize the results of "transfers" between servicity and productivity and the quality of life and (*ii*) in setting useful principles and measures to be applied, adequately, by policy makers, mainly with respect to general interest on servicity, productivity and quality of life.

2. Some aspects regarding the quality of life

Quality of life is a scientific field that grows continuously in all its facets: theoretically, methodologically and empirically. Quality of life is a familiar concept which appears in a multitude of contexts. The quality of life paradigm has at its core the notion of quality of life which is an evaluative concept treated in research by using both objective and subjective indicators.

During the past years, the quality of life paradigm entered a new development phase characterized by a better configuration and more efforts to overcome theoretical fragmentation, an enhanced development of methodology and a refinement of research methods, a crystallization of research community and an increase of visibility in the public space. Lately, the interest of a part of policy makers, in the topic of quality of life indicators, grown. The construction of social indicators systems including subjective indicators is such a step towards making available quality of life data for decision making and for the general public. (Mărginean, Precupețu, 2001)

Three conceptual approaches about how to measure quality of life have retained the attention of the Stiglitz-Sen-Fitoussi Commission.

1. The first approach is based on the notion of subjective well-being, developed in close connection with psychological research. This approach is closely linked to the utilitarian tradition but has a broader appeal due to the strong presumption in many streams of ancient and modern culture that enabling people to be "happy" and "satisfied" with their life is a universal goal of human existence. (Smith, 1830)
2. The second approach is rooted in the notion of capabilities. The capability approach has been gradually developed by the economist and philosopher Sen (2001). The two core concepts of the capabilities approach are functionings and capability. Individuals should have the freedom to choose among elementary and also more complex functionings. The foundations of the capability reflect a focus on human ends and on respecting the individual's ability to pursue and realise the goals that he or she values. Another important concept of the capability approach is the idea of conversion factors. These are factors that govern the conversion of resources into capabilities. Conversion factors take account of human diversity.
3. The third approach, developed within the economics tradition, is based on the notion of fair allocations, or resources. The basic idea, which is common to welfare economics, is that of weighting the various non-monetary dimensions of quality of life (beyond the goods and services that are traded in markets) in a way that respects people's preferences.

The dimensions of quality of life from the report that Stiglitz-Sen-Fitoussi Commission are:

1. Material living conditions; 2. Health; 3. Education; 4. Personal activities including work;
5. Political voice and governance; 6. Social connections and relationships; 7. Environment (present and future conditions); 8. Security (economic and physical nature).

These dimensions of quality of life are important when we evaluate how the transfers' value can influence the quality of life (Stiglitz and collaborators, 2009).

3. Servicity. The servicity transfers

Intellectual activities are conception, coordination, organization, control-guiding-management of the economic activity in general and of various specific business in particular, with results either direct, relatively concrete, such as are guided scientific research and even education, or appear as embedded into the material product (as 'dissolved' into it, dispersed if we may say so); marketing, engineering, consulting and such like bring the material-energetic mechanisms into operation (Jivan, 1998).

The manufacturing industry, containing the intellectual resource embedded into technique, has been obviously promoting such very resource that is distinct and specific to the human being, to mankind. It is a part of the concept of intellectual capital, i.e. as a juridical form of ownership of factor intellect. Conception and pre-figuring of the activities, action decision, programming if the case be, and such like bring contribution for all the activities in the economy. The conceptual contribution is increasing with the complexity of the human activities augmenting from one sector to another, of the human society as a whole, and from one epoch to another. High level human activities and our whole society development is possible only if based on the intellect's contribution, larger or smaller, function of the actual needs and of the general development of society.

The concept of intellectual capital, as a juridical form of ownership of factor intellect - i.e. of distinct resource, specific to the human being, to mankind.

In theory, in the servicity approach, the contribution of an economic entity for covering human, natural, social needs (economic here included) is the plus of utility that, strictly, varies indirectly with the contribution of the economic entity for itself. As a rule, the performers of services are paid at a price lower than the value of the service performed to client, as well show it Malthus and Dupuit, if suitably generalizing and corroborating their ideas (Jivan, 2008); Marx seems to have thought alike as he elaborated on his exploitation theory. Which does not mean that productivity of the performers of services is lower: they only benefit of a smaller share of their contribution to society, as the 'lion's share' is endorsed by others, through routine inertia, through misinterpretation and mainly because of the concrete market negotiation, wherefrom respective shares of which economic participants result, of the plus-product; so run the market mechanisms.

O. Giarini makes it a point to show that the ever newer and costlier technologies incorporated into production (especially industrial) will always yield results (Jivan, 2011); see also the comments on the topic, mostly in Jivan (2008). Examining such phenomenon in detail, scientific research (i.e. the intellectual services new technologies are based on, for innovation and implementation) is easily noticed to use science and such like resources. Such activities are run at increasing returns, while today's diminishing results are the material productions' alone.

If we were to assess the effects of each sector strictly based on its own capital necessary, we would understand that the intellectual tertiary sector yields more net effects, i.e. is more "productive" than the industrialized sector which detains incomparably larger physical capitals. Such discriminations are difficult to be noticed and recorded in today's statistics and accountancy.

In certain areas (i) an economic activity may organize for technological optimization (mechanization, may be even automatization; thus touching at high productivities); yet, when occurring, there remain areas (ii) of the economic action impossible to mechanize, because of their very immateriality. Secondly, at societal level, the service way of performing (i.e. addressed to another person than the performer; to a customer, in the market form) is still preserved in that activity. If economic service entities are approached outside of this role, taken alone, per se, then such immaterial activities may be recorded with relatively low productivity. Such simplistic approach alone can account for the problem of the relatively low, or else slow growing, productivity of services. Therefore, as already said, it is our belief that the most important for economic analysis is the basic role of economic activities in the economy (Djellal, Gallouj, 2008).

In manufacturing industry the total production obtained per the huge capital used is lower than in the tertiary intellectual sector. It only comes out larger if related to labour, as in manufacturing industry the production recorded in statistics and accountancy covers, besides wages and other type payments for the economic agents' subsistence, also the profit later

found in investment and in material expenditure. Or, most models as a rule relate assessment to the labor employed. But such production recorded in manufacturing industries comes mainly from the contribution of the intellectual services.

Industrialized type activity, especially the manufacturing industry, is not the biggest producer, but is the biggest consumer. A hierarchy of the productivities thereof would come out exactly upside down: by attributing to manufacturing industry what actually expresses everybody's contribution, manufacturing industry will own the larger part of the whole of the economy's produce, hence will consume more than strictly its own contribution.Highly specific economic policies are therefore needed, for directing investment into immaterial activities, like mainly education and research, here included investment into creation of better working conditions thereof.

An economic agent can thrive by growing his incomes and diminishing his expenses. Growing incomes is not obligatory generated by some very innovative technical solution or improving quality, but it may simply come from market negotiations; as well as diminishing expenses may come not only by a very attentive spending of money or by other technical solutions, but also simply from market negotiations: the economic actor may have a better (than his partners and competitors) capacity of imposing bigger prices to his own outputs (to the inputs of his customers) and lower prices to his inputs (i.e. to his suppliers' production). The most common way is not the creative one (which brings a general surplus for the whole human society), but rather the cunning way, bringing only an individualist plus, in the detriment of others, of the environment, of the planet, of the future generations. Such a way can be better seen in the servicity approach and means certain redistribution from other entities, in his behalf (Jivan, 1993).

Figure 1 shows the relations between servicity, labour productivity and quality of life when we planning the quality of life.

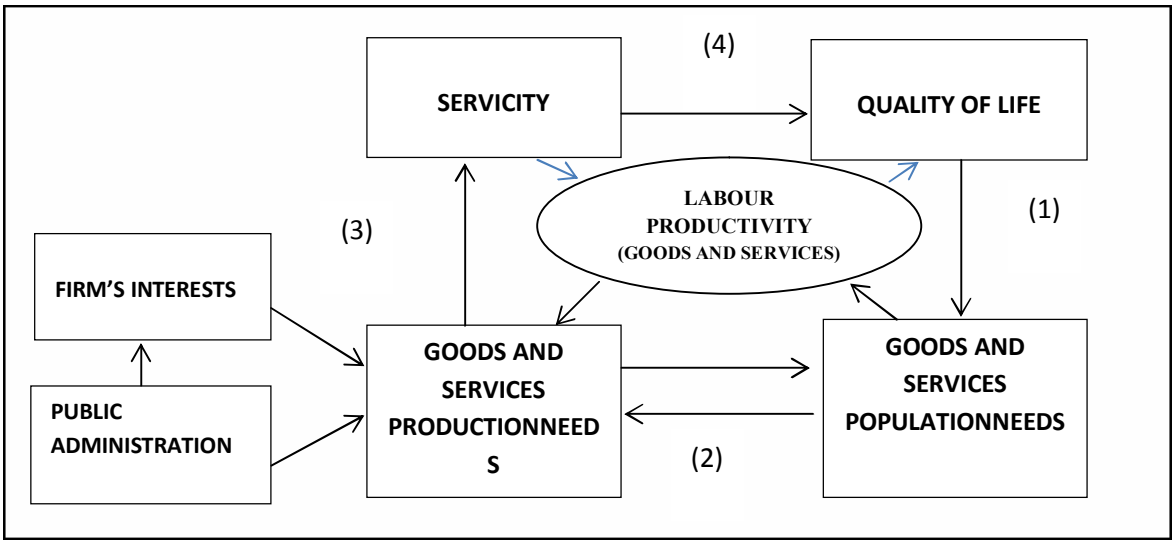

Figure 1. Planning the quality of life - The relations between servicity, labour productivity and quality of life

The relations between servicity, labour productivity and quality of life in achieve the quality of life are presented in figure 2.

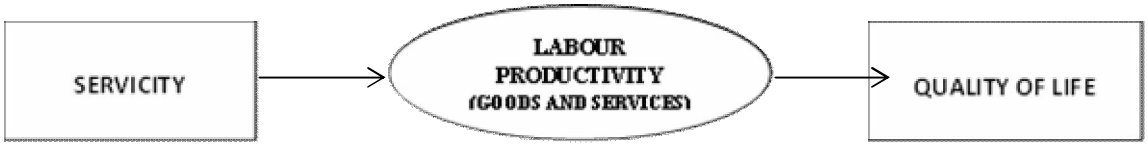

Figure 2. Achievement of quality of life - The relations between servicity, labour productivity and quality of life

4. Links between servicity, productivity and quality of life

Quality of life is related to economy: two-way connection (depends on and influences) in space and time, as shown in figure 3 (Jivan, Popa, 2012).

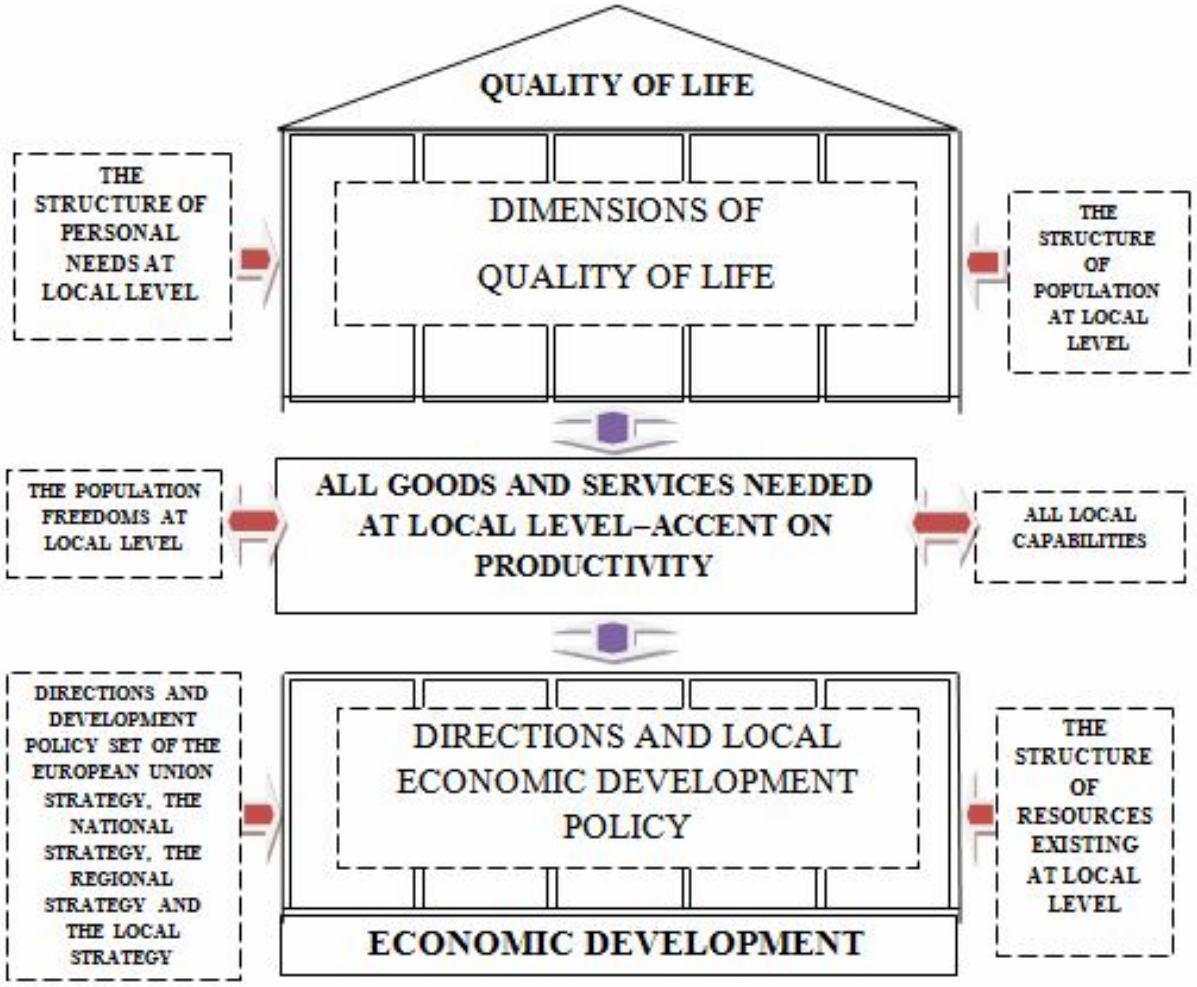

Figure 3. The Model: Economic Development – Quality of Life

Economical property with "transfers" from one company to another, resulting transfers from one branch to another in space and time, resulting transfers from one territory - including the region / country - to another.

Those "transfers" seemingly purely economic became transfers in quality of life. They are made by trade, specifically, by negotiation.

From a technical standpoint, they are held, usually in the economic entity (company, region, country) more productive (in the intrinsic value, of the word) to others.

Distribution is made from the entity with more servicity and receiving entity shall be calculated higher productivity. The transfer means that the manifestation of servicity sand shape can be found in differences of productivity.

The differences of productivity can have an important impact on quality of life.

Figure 4 maps the statistical relationship that might exist between labour productivity and standard of living in countries that are members of the Organisation for Economic Co-operation and Development (OECD).

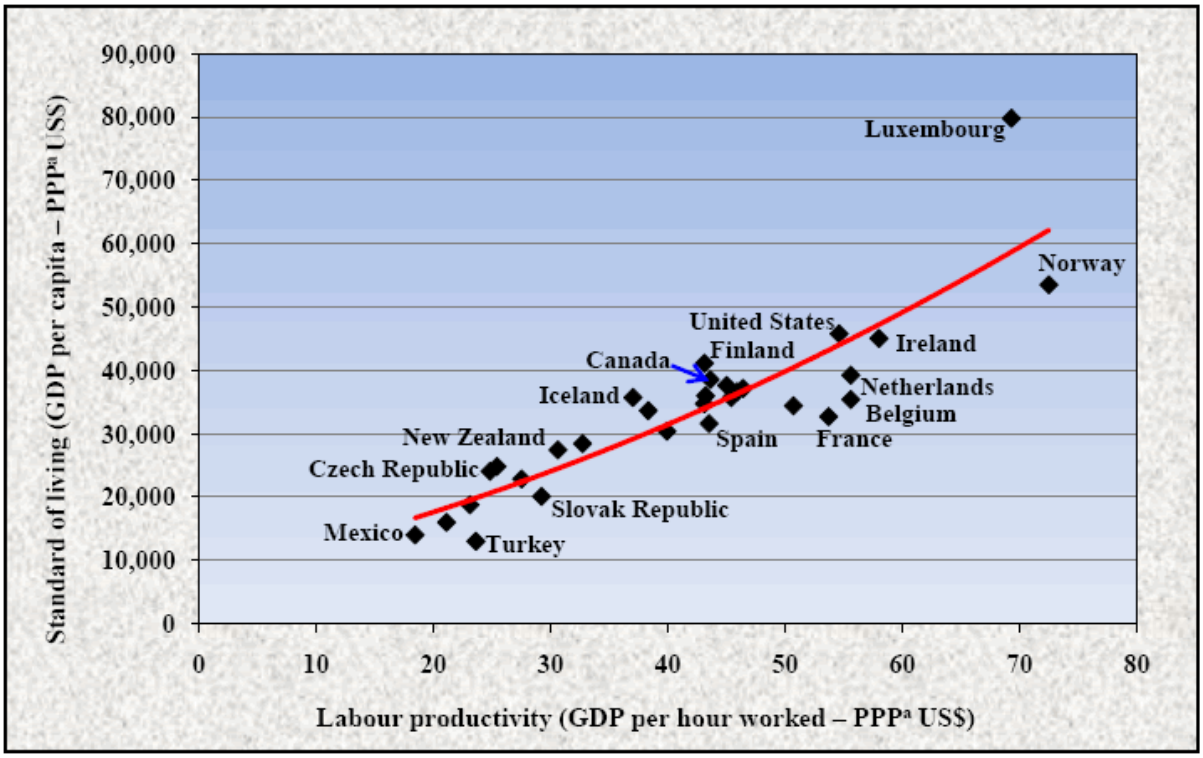

Figure 4. Standard of Living and Labour Productivity in OECD countries, 2008

Source: OECD, National Accounts of OECD Countries, Main Aggregates, Volumes 1 and 2, 2009.

The line drawn through these points (average productivity level and average standard of living) represents the correlation between the standards of living and labour productivities among all these countries. The slope of this line is positive and the correlation between the two variables is statistically significant and robust. This relationship suggests that higher productivity levels translate into higher standards of living.

Figure 4 also indicates that, in some cases, higher productivity levels do not translate into greater material well-being. Luxembourg and Norway decisively lead all other OECD countries in labor productivity and standard of living, but Ireland, the Netherlands and Belgium, with the third, fourth and fifth most productive labour forces among OECD countries, respectively, do not have the third-, fourth- and fifth-highest standards of living.

Standard of living, as measured by GDP per capita, is evidently not the sole indicator of quality of life, but standard of living and quality of life go hand in hand. Non-economic factors such as good health, leisure opportunities, income and personal security, stable family and community life, income and gender equality, human rights and a healthy environment are also important.

Figure 5 maps a composite quality-of-life indicator against the standard-of-living indicator of GDP per capita across many OECD countries in 2005. The quality-of-life indicator incorporates nine factors that the Economist Intelligence Unit derived from life

satisfaction surveys, with respective weights assigned according to results obtained from quantitative measuring techniques and final values or scores calibrated between 0 and 10. The nine quality-of-life factors were material well-being, health, political stability and security, family life, community life, climate and geography, job security, political freedom and gender equality. The line drawn in Figure 5 represents the correlation between the two variables across these countries. The correlation is positive, statistically significant and robust.

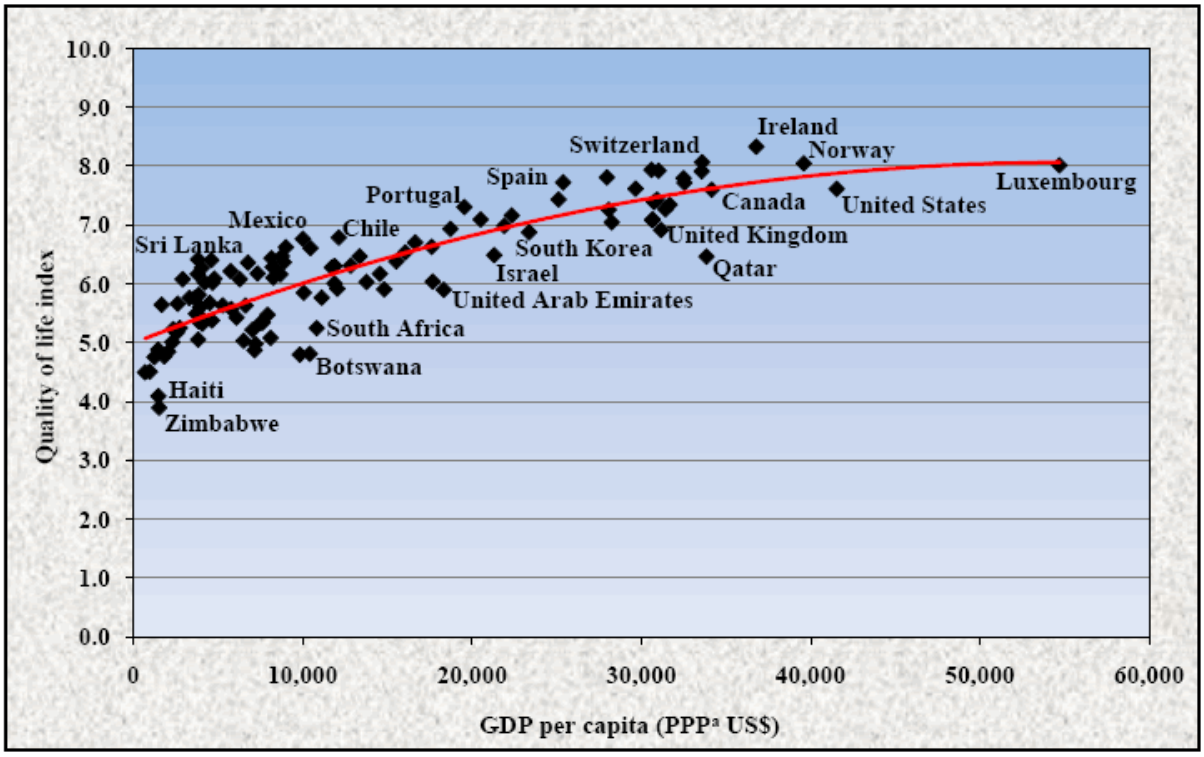

Figure 5. Quality of Life and Standard of Living in OECD Countries, 2005

[a]Purchasing power parity.

Source: The Economist Intelligence Unit, Quality-of-Life Index,(2005).

When it comes to the quality of life as measured by the Economist Intelligence Unit's index, there was not much difference in being placed first or 20th. The country in 20th place, Austria, has a quality of life comparable to that of the first-placed country, Ireland. The difference in score between the two countries was slightly larger than 1 (using a 10-point scale).

Although the quality of life may be about the same in the 20 countries of the world that scored highest on the Economist Intelligence Unit's index, the composition of this quality of life is not.

Overall, we can say that the statistical relationship between standard of living and quality of life is a positive one. A high standard of living clearly means a high quality of life, and vice versa. Simply put, the richer a people are, the longer they can expect to live, the more literate, educated and skilled they are likely to be, and the better family and community life they are likely to share. Trading off one quality-of-life criterion for another also appears possible. Therefore, combining these conclusions withthat higher productivity translates into higher standard of living, leads to the assertion that material well-being, good health and longevity, leisure and environmental quality are the fruits of a productive economy. Being more productive provides more choice among these "fruits." (Shaw, 2009).

5. Results of “transfer” links

he results of „transfer” links between servicity, productivity and quality of life can be seen in the profit of a company, in the GDP for a region and total wealth of a country.Finally, these transfers are found in quality of life.

The shape of the „transfer” links between servicity, productivity and quality of life can be seen on three level: company level, regional level, country level.

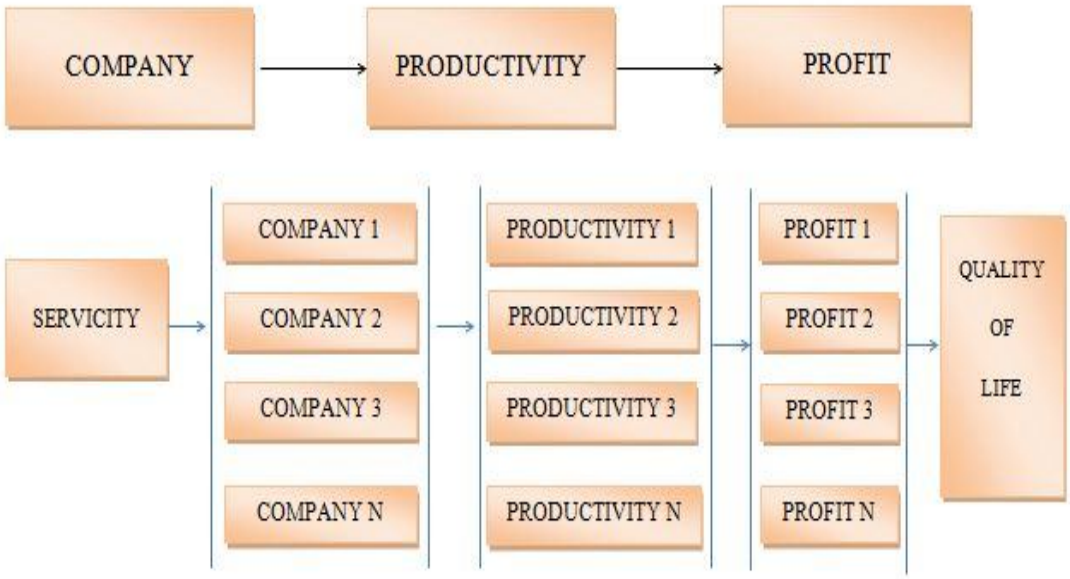

Figure 6. The results of „transfer” links at level of companies

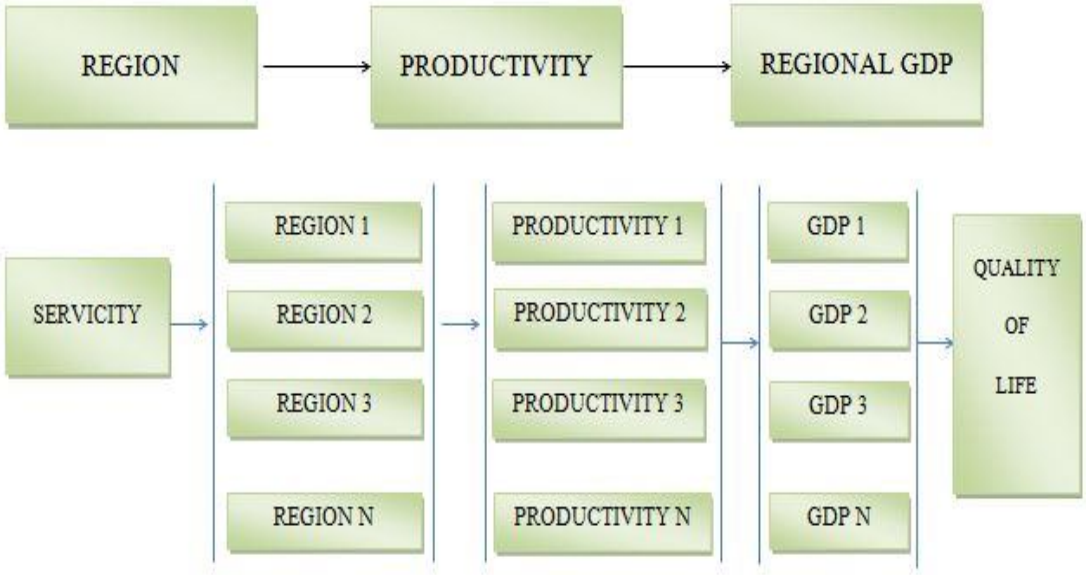

Figure 7. The results of „transfer” links at level of regions

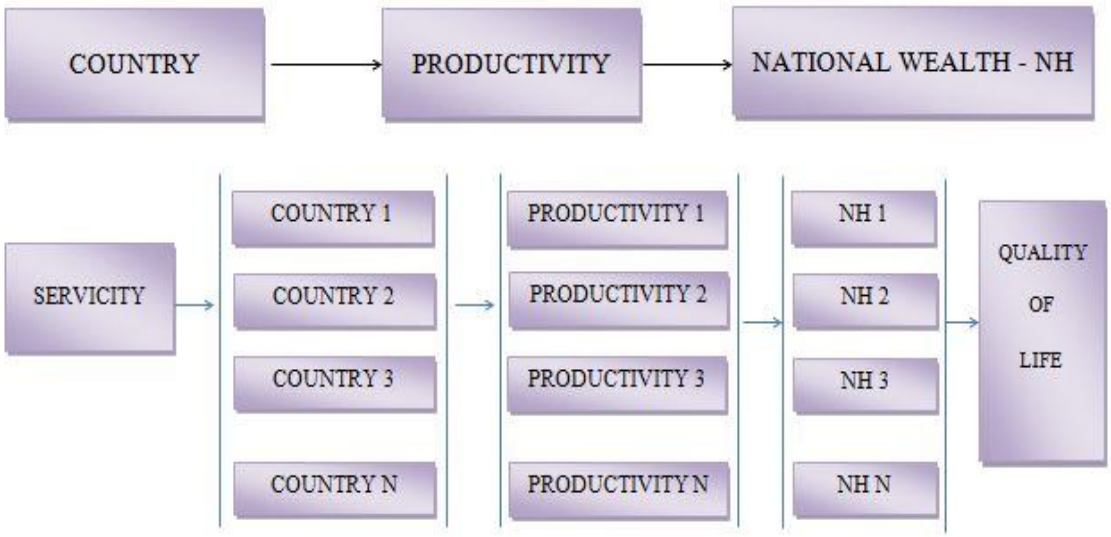

Figure 8. The results of „transfer" links at level of countries

In a survey, the World Bank estimated the total wealth of 120 countries, including produced capital, natural resources, and the value of human skills and capabilities.

The researchers of the World Bank divided the total national wealth into three parts. The most important part includes the intangible capital component of total wealth, for example good education, efficient administration, and justice system. The other two components are produced capital and natural resources. Produced capital includes buildings, infrastructure, and urban land. Natural resources include forest resources, agricultural land, and sub-soil assets, for example oil. The table 1 shows the total wealth by type of country.

Table 1. Total wealth $ per capita and percentage shares

Income group	Natural capital	Produced capital	Intangible capital	Total wealth	Natural capital share	Produced capital share	Intangible capital share
Low-income countries	1925	1174	4434	7533	25%	16%	59%
Middle-income countries	3496	5347	18773	27616	13%	19%	68%
High-income OECD countries	9531	76193	353339	439063	2%	18%	80%
World	4011	16850	74998	95859	4%	18%	78%
Romania	4508	8495	16110	29113	15%	29%	56%

Source: World Bank Report, (2006). Where is the Wealth of Nations? Measuring Capital for 21st Century, Washington DC

While Europe heads the top-10 list, Africa dominates the bottom-10 list. Nations listed as among the poorest countries are characterized by high levels of natural capital - at least 25 percent of the total. Moreover, the survey indicates that the intangible capital

component of total wealth is predominant, even in developing countries. From this survey we can see the link between the transfers of servicity from one country to another with productivity at local level and quality of life. Table 2 shows the results of „transfer" links servicity – productivity on the dimensions of quality of life.

Table 2. The impact of results of „transfer" links servicity – productivity on the dimensions of quality of life

No. Crt.	Dimensions of quality of life	RESULTANT OF "TRANSFER" LINKS					
		Level of company	Level of region	Level of country			TOTAL
		Profit	Regional GDP	Natural capital	Produced capital	Intangible capital	
1.	Material living conditions	Y	X	X	X	X	4X + Y
2.	Health	I	Y	X	X	X	3X + Y + I
3.	Education	I	Y	Y	Y	X	X + 3Y + I
4.	Personal activities including work	X	X	X	X	X	5X
5.	Political voice and governance	I	Y	I	I	X	X + Y + 3I
6.	Social connections and relationships	I	X	Y	Z	X	2X + Y + Z + I
7.	Environment (present and future conditions)	Y	Y	Z	Z	X	X + 2Y + 2Z
8.	Security (economic and physical nature)	I	Y	I	Y	X	X + 2Y + 2I
	TOTAL	X+2Y+5I	3X + 5Y	3X+2Y+Z+2I	3X+2Y+2Z+I	8X	19X + 11Y + 3Z + 8I
	Legend:	X - result with high direct impact on the dimensions of quality of life					
		Y - result with middle direct impact on the dimensions of quality of life					
		Z - result with low direct impact on the dimensions of quality of life					
		I - result with indirect impact on the dimensions of quality of life					

From table 2 we can create the classification of the dimensions of quality of life based on the impact of results of „transfer" links servicity – productivity, as follow:

1. Personal activities including work;
2. Material living conditions;
3. Health;
4. Social connections and relationships;

5. Education;
6. Environment (present and future conditions);
7. Security (economic and physical nature);
8. Political voice and governance.

The classification of the dimensions of quality of life based on the impact of results of „transfer" links servicity – productivity may change depending on the degree of servicity or productivity being transferred.

Conclusions

A country's productivity is the key element of the quality of life of its citizens. Small improvements in productivity sustained for an extended period can make a huge difference in the quality of life. Modern economic theories reconsidered the role of productivity in economic growth, recognizing the leading role which it currently has in achieving economic and social progress and quality of life. Quality of life is a scientific field that grows continuously in all its facets: theoretically, methodologically and empirically. Lately, the interest of a part of policy makers, in the topic of quality of life indicators, grown.

In theory, in the servicity approach, the contribution of an economic entity for covering human, natural, social needs (economic here included) is the plus of utility that, strictly, varies indirectly with the contribution of the economic entity for itself.

Growing incomes is not obligatory generated by some very innovative technical solution or improving quality, but it may simply come from market negotiations; as well as diminishing expenses may come not only by a very attentive spending of money or by other technical solutions, but also simply from market negotiations. The most common way is not the creative one (which brings a general surplus for the whole human society), but rather the cunning way, bringing only an individualist plus, in the detriment of others, of the environment, of the planet, of the future generations. Such a way can be better seen in the servicity approach and means certain redistribution from other entities, in his behalf.

Quality of life is related to economy: two-way connection (depends on and influences) in space and time.

Economical property with "transfers" from one company to another, resulting transfers from one branch to another in space and time, resulting transfers from one territory - including the region / country - to another.Distribution is made from the entity with more servicity and receiving entity shall be calculated higher productivity. The transfer means that the manifestation of servicity sand shape can be found in differences of productivity.

From OECD Report, data shows that might bestatistical relationship between labour productivity and standard of living in countries that are members of the Organisation for Economic Co-operation and Development (OECD).

In a survey, the World Bank estimated the total wealth of 120 countries, including produced capital, natural resources, and the value of human skills and capabilities.

The results of „transfer" links between servicity, productivity and quality of life can be seen in the profit of a company, in the GDP for a region and total wealth of a country. Finally, these transfers are found in quality of life.

The classification of the dimensions of quality of life based on the impact of results of „transfer" links servicity – productivity may change depending on the degree of servicity or productivity being transferred.

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Factoring, special technique of financing international trade transactions

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Abstract

Factoring is a means of financing business, especially export-import transactions, less known in Romania. Maybe because of poor business environment popularize the term is as little known as it was a few years ago the leasing. Present in Romanian legislation since 2002, factoring appears as a contract between one party (called adherent), providing goods or service and a banking company or a financial institution specialized (called factor), which the last one shall finance debts pursuing and preservation against credit risks and adherent gives factor by way of sale, debts arising from the sale of goods or services to third parties.

The article is divided into three parts. In the first part I defined the concept of factoring, then. I made a classification of factoring and I presented the advantages of factoring the last part I approached development of factoring in Romania and international level.

Keywords: factoring, international trade, adherent

1. Introduction

Factoring represents the operation by means of which the client, called *adherent*, transfers the property of his bills to the bank, called *factor*, the bank having the obligation, according to the concluded contract, of cashing the customer's debentures, taking up also the risk of a potential non-payment.

According to the Law no. 469/2002, article 6, paragraph 2, letter b, factoring represents a contract between one part called adherent - provider of goods or services - and a banking society or a specialized financial institution, called factor, by means of which the latter ensures the financing, the debt monitoring and the protection against credit risks, while the adherent assigns (sells) to the factor the debentures resulting from the selling of goods or the services provided to a third person.

According to the law in discussion (article 6, paragraph 1), factoring can be defined as a debentures mobilization instrument**,** the effect of which is the accomplishment of the payment (taken from the main contract: adherent-assigned debtor) by the contracting parts.

There is in the *juridical literature (*Capatana, Stefanescu, 1987) an accredited definition, close to the nature and the objective of such a juridical instrument, which goes like this: "factoring represents the contract between two persons, stipulating the fact that one of them – the factor – in the exchange of a certain commission, takes up the commitment of cashing all the debentures (bills, documents attesting the providing of a service) which the other part – the adherent (seller, provider) – has to transmit him in exchange for money, therefore subrogating the factor from all his rights".

Within the *juridical practice,* factoring is frequently included in the *financing techniques category*. Yet, given the juridical techniques that it makes use of, factoring detaches itself from the traditional credit, which mainly presupposes offering funds; essentially, it represents "a credit through a debenture transfer" (Turcu, 2004), on the basis of

any juridical means, such as: debenture assignment, delegation, personal subrogation by payment. The adherent sells its bills to the factor (usually a bank) for e certain amount of money, at the nominal value of the bills or for a lower price. All the risks, including that of *insolvency*, become the responsibility of the factor, which has no right of regress on the adherent.

2. Forms and types of factoring. The advantages of factoring

The most important forms of factoring are *traditional factoring* (old line factoring), meaning that the factor pays the bills when they come into their possession; *maturity factoring,* meaning that factor pays their bills at maturity; *factoring without notice,* meaning that factor acts as an authorized representative and do not bear the risk of non-payment invoice factoring contract.

Types of factoring are divided according to several criteria:

a) Depending on area of coverage and method of collection and receivables management are:

-**partially factoring** - bills are subject to a selection process, not all are permitted to purchase; obligation to lies with adherent cashing bills because the factor does not take their management;

-**total factoring** - all bills are taken from adherent and administered by the factor. Factor will receive bills from the debtor, finance and operation covers credit risk.

b) depending on the time of payment the claims by factor are:

-**Factoring with immediate payment** (or old-line factoring) - factor pays the bills when their takeover

-**Factoring at maturity** – the adherent claims are paid to their maturity

-**Mixed-factoring** - Factor pays a part of bills upon presentation of an advance form (up to a maximum of 80% of their value), the difference will be paid at a future date

c) by transaction confidentiality can distinguish:

- **closed factoring** (also called Confidential Invoice discounting) - allows the customer to keep secret the fact that he used a factor

- **open factoring** - exporter / adherent assigns all debts factor notifying importers / borrowers

d) by right of recourse by the bank may have on adherent we talk about:

-**Factoring without recourse** - factor pays to adherent the bill or bills accepted value, usually 80% immediately after issuance and 20% within 180 days from the due date of the bill, even if not collected (whole or in part) one or more of the bills. In the period of 180 days from the due bill (s) the bank is trying to recover amounts from the debtor or possibly from insurance and reinsurance company that has insured against the risk of non-collection. Factor is not going to adherent in order to recover the bills not having right of recourse to it.

-**Factoring with recourse** - in case of default factor will recover uncollected amounts from adherent by exercising the right of recourse, by debiting the current account of adherent or use of guarantees

e) According to the participants in the factoring operation can be:

-**Domestic Factoring** - behind this operation is not standing an international commercial contract, takes place in the same country and, within them, interferes one factor;

-**International Factoring** - implies the existence of an international trade agreement, within the operation involved two factors (factor export and import). Export factor buys debts exporter (called adherent) to the importer, by ceding to them to the import factor.

The advantage of the adherent is major because it does not have to collect bills from a variety of customers, but they receive directly from the factoring company. The factor accepts the invoices on its risk, and if the debtor does not pay he can not demand payment from the adherent (except that the adherent does not provide to the Beneficiary services or

goods which are subject to the invoice). To assume the risk of non-payment of an invoice, the factor must first agree, in other words it will only work with clients who likes them and who provide guarantees. If he do not accept the invoices, factor can receive it under a contract of mandate, without taking the risk of default. Adherent has the obligation to notify customers that gave up his claim to the factor, and to the latter must pay.

The factoring benefits are primarily related to the ability to obtain financing in a very short time. Thus, banks and factoring companies provide financing invoices on the day of course after signing factoring agreement. Among the advantages are also found an improvement in "cash-flow", due to time needed to obtain liquidity much shorter than for a loan. Moreover, unlike credit, funds raised should not follow a particular destination can be invested according to the immediate needs of the client. For traders who seek factoring facilities are complemented by the fact that the number of documents to be submitted to the bank or factoring company is much lower than for a credit application. After analyzing the documentation, the factor may refuse to grant services only in case of shareholder link between adherent and debtor or in case of conditioning payments sales, advance payment or delivery. The adherent takes a full advantage form the discounts received at the immediate payment (early payment discount) or for ordering large quantities of goods (volume discount). With factoring, companies engaged in commercial transactions also benefits that can focus on business development through the expansion of production and sales, while factor deals with tracking cash and evidence conducted by factoring invoices.

3. Development of factoring in Romania and internationally

In Romania factoring has been developed recently. Although substantial benefits offered by factoring, Romanian companies have not resorted to a greater extent in this product category until 2001. Only then transactions exceeded 100 million euros. Meanwhile, in Poland transaction volume as 3 billion euros. Also, the Czech Republic, Hungary and the Baltic countries recorded higher volumes. The reasons for this discrepancy keep both macroeconomic conditions, and offer banking system. The absence of bank offer was a brake on expansion factoring, but the current trend is for higher increase. The rapid growth of banks' revenues from factoring operations (approximately ten times in the last six years) indicate increased trade and the need for liquidity of economic agents face competition stronger.

Factoring market, which activates financial firms specializing in commercial invoice discounting and administration increased by 43% last year, reaching a volume of almost 2.6 billion euros, according to the Romanian Association of Factoring (ARF). Relative to the size of the economy, this means 2% of GDP. About 40% of firms that applied last year to factoring have turnover of less than 5 million, and a third have businesses over 50 million. Locally, the factoring market is controlled by banks performing such operations by internal divisions, the largest players are BRD, BCR, UniCredit, Raiffeisen, Eximbank, RBS or Banca Transilvania. The Dutches from ING also have a subsidiary specializing in factoring, but the market place have made independent players such as Next Capital Finance and Romfactor. (http://www.zf.ro/banci-si-asigurari/piata-de-factoring-a-crescut-cu-43-anul-trecut-9372933)

BRD ranked second with a "excellent" among the best export and import factors within the organization Factors Chain International (FCI), the largest association of factoring in the world, with 257 members in 71 countries. Each year, FCI nominates the best banks and factoring companies in terms of quality international factoring services in an evaluation process by which each correspondent notes its external collaborators on the following criteria: quality, turnover traded between factors and communication. BRD factoring activity has increased significantly, by 53% in 2011 compared to 2010, reaching a turnover of over

900 million, corresponding to a market share of 35% and market leadership position. In the first three months of this year, factoring operations continued their positive evolution, with a high growth rate of turnover. Domestic factoring operations hold the largest share - 72% - while export factoring operations represent 18% and import factoring operation represents 10% of total turnover. From the perspective of type of operation (with recourse / without recourse), a significant share of 75%, hold operation without recourse by the bank takes the risk of default of borrowers transferred in factoring operations. Through these operations, customers benefit from the advantages of immediate funding, but also the certainty of collection of claims in insolvency situations or extended unpaid of debtors.

First market worldwide importance that factoring has appeared was the United States, where, until the 60s, most specialized firms were familial. Since 1980, banks have seized the opportunity to promote such services and have launched a massive acquisition of factoring companies. The key to success is not the size but of the market, so to the U.S reporting is inappropriate. It also does not matter much any knowledge of the concept of factoring. What matters is the proper organization of specialized companies and the realization that factoring industry has its own culture. For example, the exchange of knowledge between members of factoring networks, such as "Factors Chain International", contributed to the growth of professionalism. Consequently, national companies in the sector have become able to operate internationally.

The first form of factoring has been funded in the U.S. in 1808, after which, under its own regulations the activities promoted by a number of U.S. states, factoring quickly spread throughout the United States. In 1923 was adopted the world's first law of factoring in the U.S.

In Europe the first factoring company appeared in England in 1960. Present in all European countries are factoring companies, most of which belong to international groups such as the U.S. International Factors, Walter Heller & Co., International Factors France. Also, was promulgated detailed legislation in this area, in every western European country.

Among the countries in CEE (Central and Eastern Europe) last year Polish market had the highest value (16.21 billion euros), followed by Hungary (3.34 billion) and Romania (1.8 billion). The last places in the region are Slovakia (0.98 billion), Slovenia (0.65 billion) and Bulgaria (0.55 billion euros). Also factoring market in Poland has the largest share (about 4.6%) of GDP of the countries in CEE. This is followed by Hungary (share of 3.44% of GDP) and Slovenia (1.81% of GDP). In Bulgaria, the share of factoring in GDP reached 1.53% and 1.49% in Slovakia, the level is close to that of Romania, of 1.48%. Last year, Bulgaria had the highest growth market in CEE by 62% over the previous year, followed by Poland where growth was 35% and Hungary with an increase of 33%. In Romania, the advance factoring market was last year by 29% compared to 2009. In Slovenia, during the same period, the market stagnated and in Slovakia decreased by 13% (http://www.startups.ro/stiri/piata-de-factoring-din-romania-2-16-miliarde-de-euro-in-2011).

Globally turnover of factoring market last year was 1.222 billion, an increase of 3.75% over last year. Factoring market value in Romania was 1.8 billion in 2008, representing a significant increase of 63.64% compared to 2007 and ranks Romania in seventh place in a ranking of markets that have seen the greatest development in 2008. However, penetration of factoring services in Romania remains quite low (0.52%), compared with the average in the European Union (7-7.5%) and global average (3.45%), which means that, theoretically, Romania has a great potential for the development of financial assets.

According to Factoring Chain International, Turkey registers a participation percentage of 1.84% at European factoring, while Hungary has a contribution of 0.35%, Estonia of 0.36%, whereas Slovakia of 0.16% (Factoring Chain International, Preliminary Report, 2007).

Conclusions

Factoring is a commercial credit contract, involving a specialized company (banking company or a financial institution specialized) in the collection of bills called factor and a company providing products or services called adherent.

Factoring is a commercial- financial activity which consists mainly of strong acquisition by a legal person named factor, from producers of goods and services, the receivables that they have on their customers.

Factoring operation is essentially a transfer of commercial receivables from a holder to a factor to commit to recovery them and guarantee such operations even if temporary or permanent insolvency of the debtor, retaining for this a commission. Therefore, factoring is a complex technique consisting of at least two aspects: the transfer of credit and receivables, causing financial and legal nature.

Among the advantages are also found an improvement in "cash-flow", due to time needed to obtain liquidity much shorter than for a loan. Moreover, unlike credit, funds raised should not follow a particular destination can be invested according to the immediate needs of the client. For traders who seek factoring facilities are complemented by the fact that the number of documents to be submitted to the bank or factoring company is much lower than for a credit application. After analyzing the documentation, the factor may refuse to grant services only in case of shareholder link between adherent and debtor or in case of conditioning payments sales, advance payment or delivery. The adherent takes a full advantage form the discounts received at the immediate payment (early payment discount) or for ordering large quantities of goods (volume discount). With factoring, companies engaged in commercial transactions also benefits that can focus on business development through the expansion of production and sales, while factor deals with tracking cash and evidence conducted by factoring invoices.

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Non-observed economy and public finance: the impact of legal drug market

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Abstract

Prohibitionist policies on drugs failed to reduce their use, which grew in recent years in all countries. Despite law enforcement activities, the proceeds of the drug market for criminal organizations remain very high worldwide. The regulation of this market would result in substantial advantages in terms of costs and benefits for the community because of the emergence of illegal transactions. In fact, these transactions could be recorded in the official GDP, with significant effects in terms of budget and performance indicators of financial stability. The model presented in this paper has tried to systematize the costs and benefits of regularization highlighting the impact for the community. To the variables considered by the previous literature, we have added economic and financial aspects of the drug market in the official GDP. This approach could be extended to other parts of the economy with similar characteristics, with a significant effect in terms of budget and performance indicators of financial stability.

Keywords: Non-observed economy, cannabis legalization, drug market, financial stability.

1. Introduction

The Global Commission on Drug Policy at the UN admitted that "The global war on drugs failed, with devastating consequences for individuals and societies worldwide," asking governments to test "forms of regularization that undermine the power of organized crime and protect health and safety of citizens" (Global Commission On Drug Policy, 2012).

Worldwide data on drug show, in fact, as the use is growing for all substances and in all countries. Globally, the UNODC (2012) estimates that, in 2010, between 153 and 300 million people aged 15-64 (3.4 to 6.6 per cent of the world population in that age group), used an illegal substance at least once in the previous year. The most widely used drug is cannabis, growing in recent years, while other substances are stable. Always UNODC estimates that, despite the continued law enforcement, considering drug trafficking only, in 2009 global proceeds for criminal organizations were about 870 billion dollars, that means the 1.5% of world gross domestic product.

This negative balance of prohibition, together with the increasing need of the more developed countries to increase their revenue without introducing further taxes on income, business and property, have raised the debate on the possibility of regulating the drug market. This is particularly true in the U.S., where California voted in a referendum last November to abolish the prohibition of soft drugs, allowing cultivation and sale.

The debate focused on the calculation of the tax benefits for a State that intends to move from prohibition to decriminalization or even drugs legalization, especially soft drugs, and the effects that such a change would have on prices and consumption of drugs.

But the tax benefit is only part of the overall utility that a State may draw from the adoption of such policies. Regulation of the drug market, in fact, is closely linked to the official account of the public finances, because, until now, rules agreed internationally in ESA95 for the national accounts do not include in the calculation of GDP, and thus in all indicators of stability of the public finances of a state, the illegal activities, even though they now represent a significant part of the developed states' economy. In fact, while the undeclared or shadow economy is, as it is known, estimated and included in the calculation of the GDP, the illegal economy, that represents a large rate of transactions, is not included in national accounts. In the light of these events, this study, focusing on the Italian case, attempts to systematize the costs and benefits of the legalization of the drug markets in Italy introducing the added value of this market, so far illegal in the official accounts of the national GDP.

Ardizzi et al. (2012) estimates that in Italy the "non-observed" economy in 2008 has represented 31.1% of GDP, growing by 6.4 percent in just three years (2006 to 2008). This study split up this segment of the economy in two components: 1) the shadow economy (the legal transactions, but concealed from the tax authorities); 2) the illegal economy (the activity of production of goods and services whose sale, distribution or possession is prohibited by law, and activities which, although legal, are carried out by unauthorized individuals or organizations). The first one, for the period 2005-2008 in Italy, is estimated by the authors as the 16.5% of GDP, a value also confirmed by another research edited in 2011 by the Italian National Institute of Statistics (Istat 2011) which estimated how the flow of such transactions in Italy ranged from a minimum of 255 billion euro to a maximum of 275 billion in 2008, representing respectively 16.3% and 17.5% of gross domestic product. The illegal economy, however, estimated using the the *Currency Demand Approach* (CDA) methodology, represents on average between 2005 and 2008 about 11% of Italian GDP, an increase of 3 percent between 2006 and 2008. This value is also confirmed by the Eurispes data (Danna 2011), which, for the same period, estimated at over € 175 billion the volume of business from illegal activities, corresponding to 11, 3% of GDP.

The originality of this research primarily concerns two aspects. The first is represented by the benefit in terms of GDP determined by the legalization of the drug market, since it would move a significant part of production and transactions, which in this moment are not being recognized because they are illegal, from the accounts of the criminal organizations to the State budget, allowing a significant improvement of performance in indicators such as debt/GDP and deficit/GDP. Unlike what has been commonly affirmed in literature - where it is argued that the advantage of legalization is limited to the additional tax revenue generated from the production and sale of drugs, and the savings in the costs for the system of trafficking control and repression - we put in evidence the creation of new added value through the regulation of the drug market. The second issue is which market should be legalized. Almost all the authors focus on legalization of marijuana, or generally on soft drugs. But the effects of regulation would be even greater if the entire drug market was regulated, both light and heavy.

The work is structured as follows. After showing a brief literature review on the subject (paragraph 2), a variant to the Kilmer et al. model (2010) will be shown in order to measure the net impact deriving from the regulation of the drug market (paragraph 3). In the last section, some concluding remarks will be presented.

2. The most recent literature

Among the most recent contributions to the debate on the costs and benefits of drug legalization (Becker et al., 2006, Clements and Zhao 2009, Babor et all., 2010, Pacula 2010,

Pudney 2010, Reuter 2010, Werb et al., 2010, Kilmer et. all, 2010, Miron and Waldock 2010, Maccoun 2011, Williams et al., 2011, Kochenderfer et al., 2011, Caulkins et all., 2012, Van Ours, 2012), most of them (Clements and Zhao 2009, 2010 Caulkins, Pacula 2010, Caulkins et al. 2012) focus on the effects resulting by legalization of drugs, especially marijuana. Caulkins (2010) and Miron and Waldock (2010) are concerned on the price of the drug, definitely lower in the legal market because of the reduction of risks for producers and consumers, the increased automation and the economies of scale that can be introduced in the process of legal production. Other authors focus on the elasticity of demand for drugs compared to the price, to evaluate the response of consumers to the price reduction and therefore also the possible impact on health care costs related to the possible increase in consumption: according to Pacula (2010), regular users of soft drugs is expected to increase by 2.5% for every 10% price reduction; Clements and Zhao (2009), examined the data coming from Australia estimating the elasticity of demand compared to the price in -0.40; according to Caulkins (2010), it is difficult to estimate how the consumption would increase; according Boermans (2010), the Dutch case shows that the legalization of marijuana does not produce substantial effects on consumption; according to Van Ours and Williams (2007), a lower price reduces the age of initiation, but has no effect on the duration of cannabis use.

Becker et al. (2006), presenting a model that assumes competition and thus zero expected profits, argue that the prohibition did not have the consequence of reducing consumption, but only the effect of increasing the costs of production and consumption of drugs, and the cost to repress the phenomenon: substantially a reduction of collective well-being. They conclude that, under certain conditions, the prohibition is less effective than a situation in which drugs are legalized and taxed. Some authors dwell on the effects of legalization in some countries, mainly the Netherlands: MacCoun (2011) maintains that the Dutch coffee-shops could be responsible for the separation of the markets of light and heavy substances, and rather than increasing the shift from consumption of soft drug to heavy drugs, it may have reduced it; according to Reuter (2010) drug marketing in the Netherlands may have led to an increase in users, but the access has not led to an increase of consumption for the Dutch population; Korf (2002) indicates that the use of cannabis in the Netherlands shows trends that are very similar to those of other European countries that did not decriminalize cannabis. Conant and Maloney (2010) focus on the choice between which drugs continue to consider illegal and which legalize.

Other authors (Kochenderfer, et al., 2011, Kilmer *et al.,* 2010, Miron and Waldock, 2010), however, have focused on the economic aspect of the problem, considering in particular the tax consequences arising from legalization of soft drugs. Kochenderfer et al. (2011) argue that legalizing the production and sale of marijuana would allow a modest reduction in the costs for the suppression and a significant increase in tax revenues, which, however, will hardly be enough to persuade the public to change their minds about a taboo that has lasted for centuries. Kilmer et al. (2010) constructed a diagram to evaluate and systematize the effects of the legalization of marijuana in the U.S. and its net impact on the state budget. To the benefits of legalizing (i.e. savings for the State budget), they add the cost of new regulations. In addition, it is estimated the best level of taxation and the cost of preventing tax evasion, and the total amount of tax revenues from the sale of legal marijuana. It is also estimated as the level of consumption may change when the price of the drug changes in the legal market. The authors conclude the paper by saying that by legalizing marijuana the retail price, excluding taxes, will be reduced of more than 80 per cent. The final price to consumers will depend heavily on taxes. Consumption is expected to increase, but it is not clear how much, because we don't know either the shape of the demand curve or the level of tax evasion (which reduces revenues for the State and for the producers and the prices for consumers). The net impact on the state budget is uncertain, because the variables

are many. Miron and Waldock argue, however, that the legalization of drugs in the U.S. would result in a reduction of public spending (police, judiciary and prison system), for about 41.3 billion dollars a year and it would also generate a revenue of about 46.7 billion dollars a year thanks to tax on the production and sale of drugs, assuming the it would be used the same tax rates applied for tobacco.

3. A logic model to assess costs and benefits of legalization of the drug market

Although it is not possible to analytically quantify the net impact of the legalization of the drug market (being an illegal market, there are obviously limited data available), it is still possible to build a logical model to assess the overall effect of a regulation policy, systematizing and comparing the costs and benefits that it would produce.
The model, which reproduces the work of Kilmer *et al.* (2010) on the legalization of marijuana, can be represented by a diagram (Fig. 1 - Model A.R.C.A.) in which it is possible to standardize economic costs and benefits deriving from the abolition of penalties and sanctions on drug production, sale and possession.
The net impact of the drug market regulation can be determined comparing benefits and costs:

$$IN = B - C$$

where IN, the net impact of the drug market legalization, is the difference between benefits (**B**) and costs (**C**). Let's analyze these variables in detail starting from the costs.

The total costs of the drug market legalization can be divided into two categories: direct costs and indirect costs. The former relate to the regulation of the new legal market (the structure of the agency responsible for management of production and sales, control over legislation, awareness and consumer information - Kilmer *et al.,* 2010), and they could be estimated in an amount similar to the costs incurred for the regulation of the consumption of tobacco and cigarettes, which have a regulatory regiment similar to the one formulated in this hypothesis. Indirect costs depend on the increase in the consumption of drugs after legalization. An increase in consumption may lead to increased health care costs. As already mentioned, the literature does not have a dominant position on how the demand for drugs might change once the drug market has been legalized. According to Pacula (2010), regular users of soft drugs is expected to increase by 2.5 per cent for every 10 per cent of price reduction; for Caulkins (2010) is difficult to assess how consumption could increase; according to Boermans (2012) the Dutch case shows how legalization of marijuana does not produce substantial changes on consumption; and finally, Van Ours and Williams (2007) affirm that a lower price reduces the age of initiation, but has no effect on the duration of cannabis use. Therefore, a quantification of the health care costs related to a possible increase in the demand for drugs, following the legalization of the market, is not possible.

The benefits of the regulation of the drug market are numerous and include aspects that cannot be economically quantifiable. We can divide them into benefits closely linked to the regulation and quantifiable $\mathbf{B_Q}$, and not-quantifiable benefits that are indirectly related to the drug production and marketing chain $\mathbf{B_{UQ}}$ (positive externalities).

$$B = B_Q + B_{UQ}$$

The direct benefits are basically three: 1) the reduction in government expenditures used for banning the production and sale of narcotics **(G),** 2) increased tax revenue coming from taxing the production and sale of substances **(T);** 3) and the emergence of production

and transactions from the illegal drug market, and the consequent growth rate of official GDP **(Y).**

$$B_Q = G + T + Y$$

As for the reductions in government expenditures on prohibition **(G),** these include essentially the lower costs that law enforcement **(G_P)**, judiciary **(G_J)** and prison system **(G_A)** would incur if the crime of producing and selling drugs would be abolished.

$$G = G_P + G_J + G_A$$

Tax revenue **(T)** is calculated by taxing the production and sale of drugs, similarly to what happens with alcohol and tobacco. Miron and Waldock (2010) suggested a methodology for estimating tax revenues **T** and cost savings **G.** To calculate the lower costs for the government they use the following procedure: it must be calculated the percentage of arrests for drug violations over the total amount of arrests and then this percentage must be multiplied for the component of the state budget allocated to law enforcement **(G_P)**; similarly for the judiciary system, It must estimated the percentage of cases for crimes related to drugs and then this percentage needs to be multiplied for the component of the state budget devoted to civil and criminal justice **(G_J);** finally, the percentage of prisoners for crimes related to drug trafficking must be estimated and then multiplied for the component of the state budget allocated to the management of prisons **(G_A).**

The sum of these components can be used to assess the reduction of overall government expenditure resulting from the legalization of the drug market. In addition to these benefits, tax revenue from taxing the production and sale of drugs, by applying the rates used for tobacco, should be also calculated and considered as part of the overall economic advantages for the state budget A study by Miron and Waldock concludes that the legalization of drugs in the U.S. would result in a reduction in public spending of approximately 41.3 billion dollars a year and would generate a revenue of about 46.7 billion dollars a year.

In a study by the University "La Sapienza" (Rossi, 2009), which applies this methodology to the Italian case, it was estimated an annual economic benefit of almost € 10 billion from the legalization of the drug market: in particular, the Treasury would save about 2 billion a year in costs for enforcement of prohibition (police, courts, prisons), and would collect about 8 billion a year from sales taxes (5.5 only from cannabis).

On the cost savings side, however, we should consider the observation made by Caulkins (2010) and Kochenderfer et al. (2011) which have notice how, at least in the short term, the cost savings **G** would be lower than what expected in the model of Miron and Waldock. That is because the personnel in the enforcement, judiciary and prison systems, which are engaged in the prosecution of offenses related to the drug market, even with fewer arrests, fewer processes and less prisoners, would still remain employed in the public administration. We think that only in the medium to long term, these could become structural downsizings and substantial cost savings. However, it should be considered that such people, not involved anymore in repressing drug-related activities, could focus on other crimes, contributing to a more efficient law enforcement, judicial and prison system.

The last component of the direct benefits - the innovative topic of this *paper* - is the emergence of a component of GDP that is not accounted for in official statistics resulting from the production and transactions that currently take place in the illegal drug market **(Y).** In fact, while the black economy (legal transactions, but concealed from the tax) is included in the calculation of the GDP, the illegal economy, even if it represents a high

percentage of the total production, about 11% of GDP in Italy (Ardizzi et. al, 2012), is not included in the national accounts. The illegal economy component related to drug trafficking is rather high in Italy. According to some studies it is the main business for organized crime, with annual sales running at about 60 billion euro (Sos Impresa 2009). More conservative estimates provide a total revenue, for 2010, of about 24 billion euro (Fabi *et al.,* 2011).

The legalization of the drug market would raise the official GDP of an amount equivalent to the annual production value of the whole supply chain of drugs based on the national territory. In fact, this growth of added value could be lower if the production would take place abroad and only the selling activities in the national territory. But considering the prohibitionist, and therefore more expensive, regime of the majority of the countries, it is likely to expect a rapid growth of domestic production.

The contribution of this component to the public budget is very significant, since GDP growth results in the reduction of the *deficit/GDP* and *debt/GDP ratio*, which are the key indicators to assess the financial and economic soundness of a State, and which also strongly influence the cost the public debt. Furthermore, considering that in the Italian case the *debt/GDP ratio* will necessarily be reduced by one-twentieth per year, following the Fiscal Compact, by applying new taxes or new spending cuts and therefore risking to depress even more the economy, finding a socially and economically less painful 'other' way is another indirect benefit to be added to our model.

Considering that the proceeds of drug trafficking is estimated between 60 billion (high estimate by Sos Impresa) and 24 billion (Fabi et al., 2011), the legalization alone would result in an increase of the Italian GDP 2.15 percent and 4.43 percent per year. In addition, assuming that a) the stock of debt and GDP remains constant over time; b) revenues from transactions in the drug market are being accounted in the legal economy; c) and estimating about $ 10 billion in tax revenues from the taxation of production and sale of substances; under these assumptions (Table 1), in 2012, the *debt/GDP* would be reduced by 5, 1 points (high hypothesis) or 2.5 points (low hypothesis). The legalization of the drug market would be enough to comply with the provisions of the Fiscal Compact in Italy.

Finally, as for the indirect benefits mentioned in the model, we can indentify two types: those resulting from an alternative use of the resources released by the legalization and those related to the increase in overall well-being of the community.

Among the first we can include, as previously mentioned, both the release of resources to law enforcement, judiciary and prison system that can now focus on other crimes and improve the efficiency of the judicial and prison system, and the resources that are no longer necessary to achieve the objectives required by the Fiscal compact. Among the latter we can include the increased information on the substances purchased and the likely lower health care costs, a reduction in crime and violence related to drug trafficking, a lower income for criminal organizations and less capital to distort legal markets (usury, recycling, unfair competition), increase in the number of legal jobs, and the improving detention conditions of detainees.

Conclusions

In conclusion, the drug market is now established as the main business for criminal organizations, despite decades of repression and sanctions. The prohibition policy has failed to reduce the consumption of drugs, but rather had the effect of increasing costs. An intervention to stabilize the drug market, in a manner similar to those applied to tobacco, could have high economic benefits. Regulation and legalization of this market, in terms of costs and benefits to the community, would result in substantial net benefits, resulting primarily from the emergence of transactions, at this time, illegal. The model presented in

this paper has tried to systematize the costs and benefits of regularization, highlighting the impact for the community. To the variables considered by the previous literature, we have added another element: the inclusion of the economic and financial aspects of the drug market in the official GDP. This component has a significant effect in terms of budget and performance indicators of financial stability. This approach could be extended to other parts of the economy that have characteristics similar to the illegal drug market, such as, for example, the prostitution market.

The application of the model presented in this paper on illegal drugs to other markets can be a starting point for further research on analysis of illegal economy and public regulation.

Fig. 1 - Diagram to standardize economic costs and benefits of legal drug market.

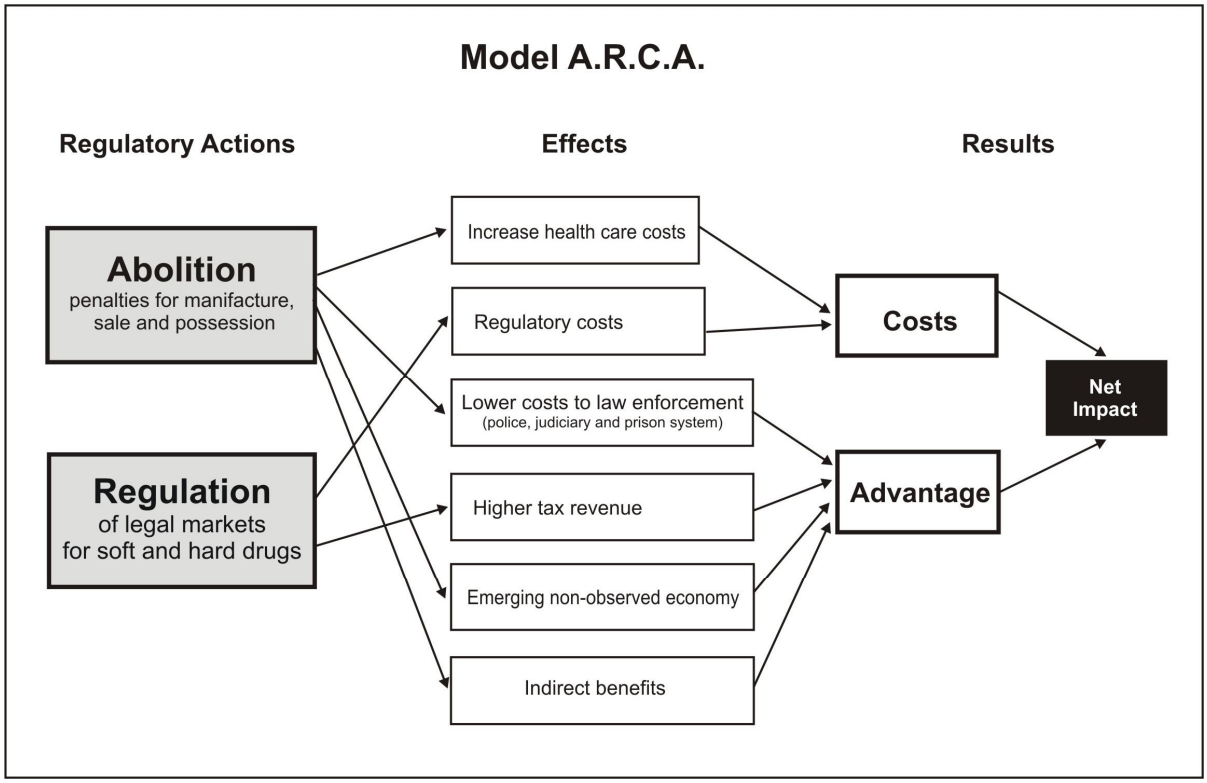

Table 1 Debt and GDP of Italy

	GDP	Debt	Debt/GDP	Incr. In GDP (%)	Reducing debt/GDP
2011	1580,22	1897,2	120,06		
2012 - Hight hypothesis (60 + 10 billion euro)	1650,22	1897,2	114,97	4,43	-5,09
2012 - Low hypothesis (24 + 10 billion euro)	1614,22	1897,2	117,53	2,15	-2,53

Source: Istat, Banca d'Italia

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Comparative study of budgeting systems within various European universities

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Abstract

Education in our country must take into account cultural diversity. Diversity in which we live can be regarded as a source of conflict as well as wealth, that problem (that needs solving), but as resource (generating development). This diversity requires special education policy that addresses the relationship between people belonging to cultures and different ethnic groups. Multicultural and intercultural education is of particular interest. The difficulties of social policies in different systems can be overcome if social reality known and accepted. A social life quality is not possible other than understanding, dialogue as a means of resolving the conflict, ability to open to other cultures and understanding differences as richness.

The purpose of this paper is to present budgeting systems in four different cultures and four different universities. The comparative study will present how each country manages its budgeting programs.

Our research tries to clear the budgeting issues in the context of achieving performance and proper quality. All analyzed universities of this study are considered representative for the area of their belonging. Even so, the research can be extended in the future to a larger sample, in order to obtain a much more accurate result about budgeting system for consistent and proper decisions.

Keywords*:* budget, cost, decisions, education, intercultural, performance, valuation.

1. Introduction

Communication is the process of creating and sharing information with one another. Rapid changes in technology, transportation and immigration are making the world into a small-intersected community, where understanding how different cultures communicate is extremely important. In order to achieve effective intercultural communication we have to understand how different cultures communicate. Our sample of has as components the following academic entities: The Bucharest University of Economic Studies, Frankfurt School of Finance & Management, The University of Cambridge and Maastricht School of Management.

In the public sector, performance can be defined as the characteristic of activities, programs, projects and of general overall activity, which reflects the optimum degree of distress in their financial and economic management. It also reflects the efforts made to use special methods and practices for obtaining the desired qualitative and quantitative results.

A key approach in conducting a sound management of public expenditure directed towards efficiency, derived from methods used in the foundation of public expenditure (Vacarel et all., 2007). Thus, over recent years, use of program budgets has been a method of budget elaboration and implementation that can effectively ensure the rational and efficient use of public funds. However, there are still many difficulties in the actual implementation of such a budget because it requires a real involvement of all stakeholders as to eliminate subjectivity and the formal aspects of established programs, and to provide and monitor the direct link between objectives, indicators and results.

2. The Bucharest University of Economic Studies – general description and budgeting system for decision making

The first entity of our research is The Bucharest University of Economic Studies. We tried to outline some issues related to:

- Defining elements of program budgets, status of implementation of performance-based budgets using program budgets key aspects to achieve performance through program budgets; (Boboc, Petrescu, 2008)

- Defining Elements of Program Budgets

Annual revenues have increased, approximately with 3,8% in 2011 compared to 2010. Analyzing the revenues' structure in 2011, it is known that the income share from the base activity of the total revenue was of 59,77%. The increased revenues for base financing it is in the rhythm of increasing revenues, on total university, of 22%, until 2008, when base funding had an increase of 15% compared to 2007. Consequently, year 2009 registered a decrease of 5% and in 2010 a decrease of 3,45%. In 2011, the revenues from base funding have recorded a fall of 16,62% compared to 2010.

According to the regulations governing the public finances (Law no. 500/2002 on public finances, the Order of the Ministry of Public Finance no. 1159/2004 for approval of the instructions on the programs content, presentation and structure), a program budget is an action or a coherent set of actions that relate to the same manager of a public institution, designed to achieve an objective or a set of defined objectives.

Indicators are established to assess results to be achieved within the approved funding.

Implementation and extension of financing based on programs have the following main advantages:

- making consistent decisions on how funds are allocated based on the priorities;
- efficient and economical use of public funds;
- identifying and highlighting indicators to express the expected results;
- establishing lines of action and expected results within the program duration. (Mandl, Dierx, Ilzkovitz, 2008)

To this end, the programs are accompanied by annual performance estimation, which must include: actions, associated costs, objectives, results and forecast for future years, as measured by precise and well justified indicators. Program budgets usually reflect public policy objectives set out in the Governance Program Strategy (Nispen, Posseth, 2009). The objectives of these budgets should be more related to effects and less to provide operational needs for public institutions. This type of budget causes concern to managers of public institutions for the compliance with the deadlines and approved indicators at the expense of concern to spend all the budgetary approved resources (Vacarel, 2002).

This is a strategic objective, because the actual transition from the budgetary classification structure to a budget structured on activities defined by objectives associated with performance indicators is a complex process, justified by the fact that the coverage of public institutions activities through programs containing targets and indicators requires clear

allocation of resources for the implementation of the programs and changing the organizational and functioning strategy of the institutions managing the budgetary programs.

During the period covered so far on the implementation of budgetary programs, the responsibility to run those programs was given to the managers of the public institutions. They have the obligation to adapt the programs to every subordinate institution they are required to manage, according to legal regulations specific to each program separately. Therefore may be cases where efforts can be localized to the upper level, while the effects are obtained at a lower level or cases with results felt at all levels. Defining priorities, as a basis for program budgeting, is becoming increasingly necessary, as for the countries of Economic and Monetary Union. A series of budget constraints are required in these countries, involving reducing costs while social needs are increasing (due to factors such as aging population that requires additional resources for health and social assistance) (Reviglio, 2001).

Setting priorities and the combination of performance indicators is not the necessary and sufficient condition for the success of these programs, resulted in achieving the desired performance (Boboc, et all, 2007). Thus, after the selection of programs follows the definition of objectives, with characteristics such as: not very numerous, coordinated, consistent, clear, measurable and with deadlines.

The indicators related to programs are physical or monetary quantities used to measure issues such as:

- achieving a high quality (excellence) at minimal cost (inexpensive), fulfillment of objectives (effectiveness) and
- obtaining the best ratio between resources and results (efficiency). In addition, depending on the characteristics and nature of each program, indicators can reflect the social impact and equity, and these may be obtained and compared with each other when they relate to identical activities conducted in different geographical areas or time periods.

According to the coordinates set for program budgets in other countries (like Spain), indicators associated to budgetary programs must have the following characteristics: be relevant, objective, unequivocal and available. In addition to these features others may be also necessary, such as: reliability, timeliness, comparability and consistency (Boboc, Petrescu, 2008).

For a clear description and to facilitate an adequate tracking of performance in achieving the desired budgetary programs, there has to be broad and enough indicators. From this point of view, there may be established:

- indicators of means - measure the costs and quantify the factors used directly or indirectly on the activity;
- physical indicators - measured in numbers or units;
- results indicators - measured actual results against the planned results;
- environmental indicators - collect data from outside the program that have an influence on it;
- impact indicators - measure the effect the program has on the affected group;
- quality indicators - measuring the degree of achieving quality within standards.

Taking into account the ratio between the indicators and the performance they have to describe, there are:

- effectiveness indicators - measuring the degree of fulfillment of the set objectives;
- economic indicators - measuring the conditions under which the entity that runs the program procure the necessary resources to implement it;
- efficiency indicators - measuring the efficiency of a service rendered or bought commodity, compared to its cost.

Efficiency can be regarded as economic value, being the only aspect which can be neglected at a cost increase related to economic welfare or social targets (Vacarel et all, 2007).

In fact, the three characteristics mentioned above are the general criteria for assessing the performance of public resources (Cretu et all, 2010). These criteria are set out also in the Council Regulation no. 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities as part of the principle of sound financial management.

Studies conducted so far in the field believe that many countries are moving towards a form of performance based budgeting (OECD, 2002). OECD Best Practices for Budget Transparency, OECD Journal on Budgeting vol. 1 (3)) However the actual implementation of the budget based on objectives and results is very difficult because there is rarely a direct link between result indicators and resource allocation (Petkova, 2009). Thus, years ago, many countries have abandoned traditional budget foundation methods in favour of modern methods, such as those from U.S. and France. In the U.S., P.P.B.S. method ("Planning Programming Budgeting System"), is oriented towards programs and study the short or medium term emerging needs. This method includes the following steps: distributing programs on government activities, performances valuation and reporting these performances.(Financial Management Reforms in South East Europe, IMF Working Paper no. 09/102) In France, RCB-method ("Rationalization des Choix Budgetaires") resulted from the need to adapt and improve the preparation of the basic principles of budgetary decisions and public finance management. (Cretan, Iacob, 2009).

Rationality of the expenses is based on the following elements: optimal policy and indicators of effectiveness, the system and objectives analyzes and the principles of budget management (Mosteanu et all, 2008).

Optimal overall policy is the result of summation of policies with the same characteristics which results in a set of decisions associated with possible situations. Optimal policy is associated with indicators of efficiency which in turn are the result of cost and performance requirements of state public services. Analysis of the objectives and the system constitutes the essence of modern methods based on permanent confrontation between objectives and means, between specialists and decision makers, taking into account the ongoing evolution of these reference factors.

Budget management principles as part of the RCB method involves developing a strategic plan, setting targets, monitoring results and creating an information management system on measures to achieve effects in rationalization of budgetary expenditure (Cretu et all, 2010). Program budgets implementation in different countries of south-eastern Europe, including Romania, reveals different aspects, as presented by Tandberg and Pavesic-Skerlep (2009). Romania has set the coordinates for the elaboration of the program budgets.

Since 2007, the Ministry of Finance has asked ministries to provide information on strategies, results, effectiveness and performance indicators. But data do not show full compliance and quality. For 2008 budget year, the requirements have been compromised as a result of the reorganization of government as there is no clear link between results and budgetary decisions. In Bulgaria, all ministries and state institutions have developed a program structure for their activities, including performance indicators. Budgets are developed based on established programs and according to economic classification, but accounting systems do not allow proper monitoring of implementation programs. Croatia has established a program structure, but efforts to introduce the program budgets have had limited impact so far. There is no clear link between government priorities and budget allocations and less importance is given to cost efficiency. In Serbia, a program structure has been established for five pilot ministries within the 2007 budget with the intention to be extended later on to other ministries. The introduction of performance indicators and, generally speaking, orientation to performance in this country, proves to be a long term effort. In

Slovenia a program structure is set, but the budget contains a number of indicators that do not focus on results and performance information and is not systematically used in the budget process. In Montenegro, a program budget structure has been established for several public entities, but their budget was not properly amended in accordance with this structure. In Moldova a program budget structure has been established for all ministries, but the programs are based on different conceptual approaches and they are often descriptions of activities.

The performance given by the established indicators should be in conjunction with other relevant elements for the success of programs (Mosteanu, et all. 2008). These main elements are presented:

- consistency of targets and indicators - in the sense that the indicators have a direct link with the objectives and cover them in full; (Reviglio, 2001). Budgetary transparency for Public Expenditure Control, IMF Working Paper no. 01/8)
- substantiation of result indicators on real data and calculations;
- linking budget of the program with cost and result indicators;
- establish a hierarchy of indicators within the defining elements of the program;
- correlating the time limits with the fulfilment of the program objectives;
- no significant differences between the needed funds, the approved funds and the used funds;
- review the progress throughout the program, taking into account that the budget plans are usually multi-annual, except for the institution support functioning programs;
- eliminate the risk of reaching erroneous data by ensuring that data used to calculate the indicators are complete or they are not affected by other factors unrelated to the indicator;
- existence of entities responsible for the program;
- compliance with regulations specific to programs;
- existence of standards (established by regulations) for monitoring performance indicators;
- adequacy of legal regulations;
- reality and opportunity of the priorities underlying objectives;
- existence of a competent and sufficient staff for the program;
- ensuring adequate transparency to achieve the objectives;
- making predictions for the coming years, statistical calculations, simulations to assess how to meet the objectives at their deadline;
- establishment of appropriate reporting framework on the progress towards the targets.

If in the case of economy the entity aims to quantify the achieved savings by different ways (on condition of not compromising the objectives set), measuring the efficiency and effectiveness of programs is a conceptual challenge for specialists, because of the multiple objectives of public sector and the issues of results quantification. In some cases, such as education, measuring outcomes is a strategic objective in the long run, because the resources invested in education are static and the effects are obtained dynamically, resulting in economic growth.

The elaboration of the budget based on performance should not be seen as an isolated action, but it must be part of a broader set of reforms, aimed at a public management results-oriented for providing better public services. This set of measures should include a number of organizational, institutional and oversight changes in order to increase public responsibility for performance.

At macroeconomic level, the performance related to the use of public funds is localized mainly to the objectives set by the governmental strategy of a country. In this case, precedence should be given to the consideration of the expected effects and to the premises

leading to these effects. Performance can be achieved not only through a direct relationship between resources and results but also by concurrent action of the management directed to control and regulation of economic processes. Therefore monitoring is an integral part of the program budgeting implementation and according to the practice of some countries, like Germany, that may be identified with the concept of "Controlling", which is a combination of qualitative and quantitative control tools, introduced to coordinate information and support decision-making processes, specifically for management.

At company level, controlling system requires a strict control in all processes not only financial, but also in sales, investment and human resources since only by integrating all these, one can understand the indicators showing the profitability of the company. Controlling function is needed in order to achieve business performance and by its pursuit the financial risk areas and the causes of deviations from an established business plan are identified and recommendations to improve company performance may be available. Controlling function is known as a key element of performance in management.

In the public sector, controlling occupies an important place in all decision-making and monitoring tools that are able to provide sound economic and financial management at the level of public resource users, generating performance in using these resources, with beneficial consequences for the state budget. Controlling function, as it is perceived in public institutions from European countries, is exercised only when funds are used as program budgets or product budgets. Product budgets are budgets related to permanent needs of an institution, which covers expenditure directed towards public services (such as granting of permits, certificates, licenses).

In this context, a new concept used in the audit conducted by some European institutions is to remember, namely the assessment. This is a form of controlling, with focus on effects external of an entity running a program or engaged in certain activities (influence on society, on the natural environment, other economic areas, etc.) and is performed by the same core responsible for the controlling. In other words, the assessment is a strategic controlling, which measures the effects outside the entity, effects usually felt much later than those inside. This valuation is most often performed by using existing statistics, conducted by specialized institutions (Budgetary Research Review Vol. 3, no. 1, www.buget-finante.ro). Where public funds are allocated to support certain categories of beneficiaries in making investments designed to have a favourable social and economic overall impact, assessment of the external effects can be made also:

- using data reported by the beneficiaries of the activity or program in response to the conditions on mandatory reporting of such data set by conventions, contracts, commitments, etc.;
- Analysis of the observance of conditions imposed to beneficiaries, such as requiring recipients to use the funds as agreed, subject to sanctions in cases of abuse and even the obligation to return the allocated funds.

The valuation is prepared during the activity planning stage and has to meet the requirement to obtain a durable result. This activity should be well set at the beginning, should have clear criteria so as to avoid costs with external evaluators. In the case of multi-sectorial programs, when tasks are dissipated in several institutions, a working group, a committee or a common structure has to be appointed, in order to be responsible for the development and full valuation of the project. Generally speaking, public sector performance valuation focuses on areas of public interest covered by programs, projects and may take different forms depending on the purpose, namely: formative assessment, summary valuation, ex ante (as a deterrent) valuation, mid-term valuation, ex post (after) valuation, internal valuation, external valuation (Mosteanu et all, 2006).

Regarding the valuation of programs I find most relevant mid-term valuation, during programs or activities, because they aim to eliminate failures in real time, and ex post valuations, at the end programs or activities. Importance has to be given also to the entity own assessment, which is made at the end of the year, together with the report on budget execution. In order to meet transparency requirements, this assessment has to contain non-financial performance information, including a comparison of performance objectives and actual results (OECD, 2002).

The main objective of these assessments is to highlight the value of a program, which involves the issue of value judgments on the extent to which a program's performance was good or not. To this end, assurance that value judgments are not arbitrary is needed. This assurance is difficult to ascertain because of impediments like: expressing vague objectives, the existence of several objectives in the form of results or consequences, and evaluating the program as it runs.

Chapter	2007	2008	2009	2010	2011	
					Abs. Value	%
Total revenues	259.760.230	319.296.122	262.954.289	232.545.274	241.500.561	-
Opening balance	55.813.589	63.268.622	54.195.622	47.231.452	54.652.122	-
Annual revenues, of which:	203.946.614	256.027.500	208.758.667	185.313.822	186.848.439	100
• Core activity	122.114.745	131.629.689	132.424.465	124.084.824	111.692.555	59.77
- Basic finance	50.200.393	57.537.753	54.745.286	52.858.720	44.071.710	23.59
- Own sources	71.914.352	74.091.936	77.679.179	71.226.104	67.620.710	36.19
• Reimbursable	-	548.733	958.565	516.776	-	-
• Posdru	-	802.658	2.479.523	6.842.351	26.619.843	14.24
• Special allocation	59.696.144	90.641.372	46.347.166	31.569.671	21.789.077	11.66
- Of which, investments	42.625.000	70.128.000	28.324.000	15.829.000	6.708.000	3.59
• Research	16.988.010	27.536.703	20.492.397	16.144.556	20.740.127	11.10
• Accommodation	5.141.820	4.504.088	6.029.372	6.117.275	6.003.238	3.21
• Microproduction revenues	5.895	364.285	27.179	38.369	3.599	0.002
Total expense, from which :	183.354.277	252.234.174	199.258.674	186.477.441	190.917.792	100
Expenses the income of basic activities, from which :	121.670.376	150.398.049	148.115.273	133.791.014	110.494.893	57.88
- Own revenues	75.532.117	98.673.952	86.086.221	79.885.372	66.211.286	34.68
- Core funding	46.138.259	51.724.097	62.029.052	53.905.642	44.182.294	23.14
- Scientific research expenditure in income	11.177.081	24.224.282	22.743.532	14.657.061	20.113.746	10.54
-Post-accession structural funds spending	-	-	3.029.245	12.257.852	36.468.470	19.10
Expenses from revenues	1.579.867	6.054.778	5.596.553	4.014.359	4.986.331	2.61
Additional financing expenses	48.917.273	69.520.287	19.756.839	21.754.809	18.851.777	9.87
Expenses from the incomes for micro production	9.680	2.456	17.232	2.346	2.575	0.001

3. Frankfurt School of Finance & Management – general description and budgeting system; German framework

The **Frankfurt School of Finance & Management** is a state-accredited private university in Frankfurt, Hesse. The university is also accredited by German Government and the Foundation for International Business Administration Accreditation (FIBAA).

Frankfurt School is committed to continuous development and improvement. As a private business school competing with other private and public institutions of higher education, they aim to guarantee leadership in value-added education services through quality management. The quality management system at Frankfurt School sets demanding goals and objectives for both students and faculty, and ensures that these goals meet our stakeholders' expectations for higher education, advisory services and research.

The quality management unit (a division of the department Program Design and Development) oversees Frankfurt School's accreditation processes and likewise supervises the quality management system. This system consists of a cycle of testing the achievement of predetermined quality goals and standards through internal and external valuation and/or self-assessment, i.e. as part of an accreditation process.

Annual Report 2012

For Frankfurt School, 2012 has been a year of highlights. The faculty has expanded again. New courses have been launched, most notably our Executive MBA and Bachelor of Management & Financial Markets for Professionals. The UNEP Collaborating Centre for Climate & Sustainable Energy Finance is making good progress. Their institutional accreditation has been approved, and they have extended their Executive Education Program. In actual fact, every department at Frankfurt School of Finance & Management has launched new activities this year, bringing Frankfurt School still closer to their goal of becoming a research-focused business school. In this annual report, they take great pleasure in presenting some of the high points of 2012.

Business Units`and subsidiaries`revenues 2011 was: 24 % of Executive Education, 21 % of Academic Programmes, 5 % of Publishing House, 30 % of Corporate offers & Services, 18 % of International Advisory, 2% of Efiport AG.

Revenue development of Frankfurt School including subsidiaries (Bill. EUR) were:

2007	48
2008	54
2009	62
2010	70
2011	69

Revenue development of "Corporate offers and services" (Mil. EUR):

2006	8151
2007	12.641
2008	14.110
2009	16.160
2010	18.773

Revenue development of "International advisory services and EFSE" (Mil. EUR)

2006	10.225
2007	11.236
2008	15.948
2009	9.700
2010	12.317

4. The University of Cambridge

The University of Cambridge is a confederation of Colleges, Faculties and other institutions (http://www.cam.ac.uk/).The University functions with a relatively small central administration, and with central bodies consisting of, and mainly elected by, the current academic personnel of the Faculties and Colleges.

A large part of Cambridge's day-to-day administration is carried out by teaching staff on behalf of their colleagues, and the University's governmental structure is democratic.

The way in which the University governs itself can appear complex. These pages outline the principal elements in these procedures in simple terms and define some Cambridge terminology. They are not an authoritative statement neither of the University's Statutes, nor of the legal position in relation to the rights and duties of anybody or bodies.

University of Cambridge Annual Report 2011

Studying at Cambridge is a life-changing experience. Their students may become academics pushing at the global frontiers of research and teaching, or leaders in either professional or public service or in commercial enterprise for which their degree has equipped them with essential skills.

In addition to joining a department or faculty, every student is also a member of a College, where enthusiasts from every subject meet and enrich each other. They remain a member of their College for life. Colleges are educational charities devoted to study across the range of disciplines. They are governed by Fellows, who are mostly academics employed in the University, and have chosen to take on College roles because they believe in the values of community and education. Colleges promote and sustain these values through the care they offer to their students, individually and collectively.

The sources of income of the University are:

- The Government, which through the Higher Education Funding Council for England (HEFCE) provides a block grant for teaching and a grant determined by the quality and volume of research through the Research Assessment Exercise last carried out in 2008.
- Students through fees charged for instruction and facilities.
- Research income from publicly funded Research Councils, charitable foundations, and through collaborations with the private sector.
- Benefactions and donations for current use.
- Investment income from their accumulated endowment and other assets.
- Income from services provided to external customers, including the customers of Cambridge Assessment and Cambridge University Press.
- A small but increasing income from commercialization of intellectual property.

The main investment pool generating endowment and investment income is the Cambridge University Endowment Fund (CUEF). The CUEF is managed on a total return basis, such that the amount distributed for budgetary expenditure is determined by a formula which has regard to the total return reasonably to be expected in the long term. The CUEF's

portfolio is largely invested indirectly through fund managers with this approach intended to maximize total investment return. A substantial proportion of the CUEF's current investments yield little or no income in the form of dividends, interest and rents. In the year ended 31 July 2011, distributions by the CUEF exceeded the income received from its underlying investments by £48m (2010: £40m), the balance of the distributions being funded by drawing on long-term capital growth.

In these financial statements total endowment and investment income includes the income from CUEF's underlying investments rather than the distributions made by the CUEF. The impact is that endowment and investment income is £48m less than it would have been had it been based on distribution, with a corresponding increase in capital gains (reflected in the statement of recognized gains and losses). For the individual trust funds and other endowment funds which have invested capital in the CUEF the full distribution remains available as income.

In conclusion, the University group's operations remained broadly at break-even in 2010-11. Operating costs were tightly controlled across all our academic activities, and Cambridge Assessment's activities were again at a significant financial surplus. Operating cash flows remain strong and the University's financial assets benefitted from good investment markets over the year.

Looking forward, the very tight expenditure constraints applied in 2010-11 were tightened further in 2011-12 and will continue to demand year on year reductions in real terms until 2015-16. The principal challenge for the University is to maintain this very tight funding regime whilst continuing to invest in essential research and teaching initiatives.

Consolidated income and expenditure account for the year ended 31st July 2011

		Year ended 31st July 2011	Year ended 31st July 2010 Restated
Income	**Note**	**£m**	**£m**
Funding body grants	1	203	205
Academic fees and support grants	2	127	110
Research grants and contracts	3	284	268
Examination and assessment services	4	266	260
Publishing and printing services	5	227	222
Other income	6	127	110
Endowment and investment income		17	18
Total income		1.251	1.193
Expenditure			
Staff costs	7	571	544
Other operating expenses	8	609	567
Depreciation	8	71	67
Interest and other finance costs	8	10	13
Total expenditure	8	1.261	1.191
(Deficit) / surplus on continuing operations	23	(10)	2
Transfer from restricted endownments		13	18

Surplus for the year retained whitin general reserved	24	3	20

Consolidated statement of total recognized gains and losses for the year ended 31st July 2011

	Note	Year ended 31st July 2011 £m	Year ended 31st July 2010 £m
(Deficit)/ Surplus on income and expenditure account		(10)	2
Increase in market value of investments			
Endowment assets	23	71	79
Fixed asset investments	13.24	87	88
New endowment capital	23	49	48
(Loss)/ Gain arising on foreign currency translation	24	(4)	6
Actuarial loss	24	(29)	(8)
Total recognized gains relating to the year		164	215
Total gains since the last annual report		164	
Reconciliation			
Opening reserves and endowments as previously started		1.871	
Total gains since the last annual report		164	
Closing reserves and endowments		2.035	

5. Maastricht School of Management

Maastricht School of Management has its roots in the Institute for Management Science at the Technical University in Delft (RVB), dating back to 1952. In 1989, the school moved to the historical city of Maastricht. As a key player in global education, they have more than 2000 students graduating each year in more than 20 countries, making them the largest and most international business school in the Netherlands. They offer the prestigious management degree programs of Master of Business Administration (MBA), Master of Science (MSc), Executive MBA (EMBA), Global Distance MBA (GDMBA), Doctor of Business Administration (DBA) and Doctor of Philosophy (PhD). They also offer a wide range of certificate and diploma based executive programs, including tailor-made programs, for those seeking to improve their knowledge and skills in specific competence areas, such as project management, or to deepen their understanding of specific core management disciplines, such as finance or marketing. Our programs are designed to stimulate creative management thinking, transforming knowledge of management theory into effective business practice. Most of their students are young professionals and mid-career executives from private companies, universities, governmental organizations and NGO's. Our graduates return to their respective organizations with greatly enhanced career prospects, as well as an enviable portfolio of global business contacts accessible through their international alumni network. In line with their mission, they are involved in management development research and other international projects throughout the world. Students regularly take part in their outreach programs in Bangladesh, China, Egypt, Germany, Indonesia, Jordan, Kazakhstan, Kenya, Kuwait, Macedonia, Malawi, Malaysia, Malta, Mongolia, Mozambique, Namibia,

Peru, Romania, Rwanda, Saudi Arabia, Suriname, Swaziland, Tanzania, Uganda, Vietnam, Zambia, or Zimbabwe.

Revenues decreased by 9 percent from EUR 12.9 million to 11.7 million. The gross margin of the educational programs and project related activities decreased with 2.8 percent. Due to a substantial increase in the number of students, the revenues from the programs conducted in Maastricht increased with 38%. However, given the lower tuition fee of these students, the gross margin decreased with 11%. The other educational programs showed a decrease of revenue, the programs conducted abroad by 8 percent, the DBA programs by 20 percent and the Executive programs by 16 percent.

The gross margin of these programs increased slightly compared to last year. Revenues related to international projects decreased by 21 percent due to the fact that all running projects ended in 2011. In 2011 the Projects and Consultancy department successfully focused on the acquisition of new projects, resulting in the start of several new projects in 2012. The gross margin increased with 7 percent, due to a better mix in projects.

With the decrease in revenues, personnel cost and other operating cost subsequently decreased. However some of these expenses were influenced by several nonrecurring expenses. As in previous years, MSM focuses on cost reduction.

Financing Ratios

MSM occupies a strong financial position. Solvency increased from 37 percent in 2011 to 40 percent in 2012. The current ratio increased from 1.89 in 2011 to 2.19 in 2012. In order to further improve the financial position, MSM will continue to focus on reducing the amount of outstanding debtors (http://www.msm.nl/brochures/MsMAnnualReport2012/).

Although not as high as the historic result in 2011, Maastricht School of Management managed to close the year with a net profit of € 343.000, which exceeded the objectives of 2012. The decrease of the net profit compared to last year was mainly caused by a decrease of revenues of all activities of MSM, except the Maastricht Programs. Besides lower revenues the net profit was also influenced by investments in the website of MSM and the start of the project “Communities of Learning” (COL). By implementing the concept of COL, MSM will move towards a professional virtual learning environment enhancing the ability to provide educational products in every corner of emerging economies and developing countries.

	2010	2011	2012
Revenues	13.683.002	16.121.497	14.806.783
Educational activities:			
- **Maastricht**	1.570.697	2.034.447	2.468.276
- **Abroad**	3.723.038	4.195.969	3.856.277
- **Projects & Consultancies**	3.653.974	4.608.165	3.783.712
Non – educational activities :			
- **Sustainable Development center**	1.114.704	953.579	514.285
- **Inter Bridge**	29.444	117.288	0
- **Subsidies**	2.804.409	3.155.913	3.069.089
- **Other**	786.736	1.056.136	1.115.144
Costs	12.957.833	14.885.448	14.463.297
- **Personnel**	4.940.753	5.593.354	5.415.968
- **Education**	5.209.200	5.927.487	6.059.825
- **Non- education**	452.029	328.364	140.269
- **Other**	2.355.851	3.036.243	2.487.235
- **Net result**	725.169	1.236.049	343.486

Conclusions

Ensuring effective budget implementation performance by public institutions is becoming increasingly necessary, given the economic crisis and the general public need to save resources. However that the move to performance budgeting is made with slow steps, especially by the Southeast European countries. In this group, Romania is on a better position than other countries, although during the program budgets elaboration, as method to ensure budget execution performance, the used data does not have an adequate quality and there is no direct link between objectives and results.

In this context, repeatedly identifying the key points providing program budgeting performance is an ongoing challenge for specialists in the field. One of the key points is to associate and develop performance indicators (György, 2010) and to ensure their proper quality.

In contrast, performance measurement raises problems because the public sector often cannot quantify the results. Therefore, occurring difficulties are related to methods used in performance valuation, so the result of the valuation will be based on sound data and contribute to consistent and realistic decisions.

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Impact of CEO remuneration on financial performances of fast moving consumer goods market

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Abstract

Contrary to the common belief, the concept of customer orientation is not an invention of modern marketers. This study supports the idea that even if performance measures are influencing the total remuneration amounts, these measures influence remuneration only indirectly and that the values of the basis remuneration and bonuses are more significant predictors of the value of the current remuneration amounts. The level of remuneration for CEO inside fast moving consumer goods market (FMCG) seems to be a consequence of performance resulted by a proper customer orientation Thus, we support the idea that current total remuneration amounts are based on the previous amounts, therefore finding no relationship between form performance and total board remuneration. Moreover, the dynamicity of the data collected suggests that there it cannot be created a single prediction for board remuneration using performance measures as every firm has its own means of adding value and therefore has different ways of accounting firm performance . In addition to this, the level of remuneration is represented in respect with the level the company is and every company has a different economic performance.

Keywords: remuneration, performance, customer orientation, management, development

1. Introduction

Phillip Kotler proposed a transition from traditional transactional marketing to relationship marketing: *"If...companies are to compete successfully in domestic and global markets, they must engineer stronger bonds with their stakeholders, including customers, distributors, suppliers, employees, unions, governments and other critical players in the environment. Common practices such as whipsawing suppliers for better prices, dictating terms to distributors and treating employees as a cost rather than an asset, must end. Companies must move from a short-term transaction-orientated goal to a long-term relationship-building goal".* Kotler believed that, due to the ascent of product piracy, the difference between businesses will not be made by innovative goods but rather by a constant extraordinary service.

In respect with this research, we analyze five companies `performance measures in the context of board remuneration and customer orientation.

The sample chosen is the financial data from the food retailers and wholesalers across Romania. The process data collection was composed out of process of using the online

interface of the fame database in order to choose companies which are significant to the study, to choose the variables needed for the study and to export the data as well.

From the first set of statistical analysis, turnover has been found to be a significant predictor for board remuneration amounts of Carrefour. From the same sample, the second regression has found profit before tax as an overall predictor for directors` total remuneration. The difference between the two is that the first regression model the data was split by groups, whereas in the second regression model, the data was ungrouped and therefore the regression analyzed all cases to create a general statistical model.

The basis amount of the last year and the value of the bonuses can predict therefore the value of the present year of the total directors` remuneration.

Even if after the statistical analyses there have been found clear correlations between firm performance factors and the salary of the directors, the result of the 2nd set of statistical analyses, last years` values have been found more appropriate than firm performance measures. As a result, the value of the total remuneration is more likely to be influenced by the value of the directors` basic remuneration and other emoluments given from the previous period and less likely to be influenced by firm performance factors such as turnover and profit per tax. It is indeed true that in some cases , turnover and profit before tax is an important predictor of the value of the total remuneration amount, but is not applicable as a generally accepted regression model.

There was found no relationship between firm performance and directors` basic fees remuneration (Knight and Tomkins, 2004, Conyon, 2000, Conyon et all., 2000, BebchUK and Fried, 2006, Duffhues and Kabir, 2008, Bebch and Fried 2003 etc., Gregg et all, 1993). The current research paper is in line with these findings and with the majority of previous research articles. However, the research paper is also in contradiction with the views of Main et all. (1996) and Hall and Liebman (1998). The data should be taken as it is; yes, the frm performance is indeed important and if the company does not perform economically well, the salaries of the directors will decrease, but statistically an increase in firm performance does not bring a correspondent increase in board remuneration.

In addition, firm performance measures have not been found as to directly influence directors` fees. In the same time, salaries of the managers of the companies with higher firm performance are less likely to be subjects to significant values decreases than the salaries of the managers of companies with lower firm performance (Stathopoulos et al, 2005). As a result, even if directly higher firm performance does not seem o influence directors` basic fees remuneration, these measures don`t influence these fees directly, but indirectly.

First, after the current findings have been presented, another analysis would have been done on different industries, other industries than the retail and wholesale food supermarket chains. Second, number of companies included in the sample would have been larger than 25 if there would have been significantly more time available in the process of data acquisition.

Thirdly, if there would have been more time and funds available, at minimum number of 15 interviews in person would have been done with the actual board members as they appear in the annual reports. One problem which could have been done with the actual board members as they appear in the annual reports. One problem which could have arisen was the way the questions were designed and how those answers are accompanied by complementary questions that refine and bring clearness in the response of the subjects, so that an answer to a question is not perceived differently from the interviewee to the interviewer. Also, there would have been a limit in which the interview as this requests are likely to happen. Requests in person would be most likely the chosen method of requesting interviews.

Fourthly, if data would have been analyzed on a higher number of companies, different surveys with specific - industry questions would have been developed, but the time required for the answers to come was not appropriate for the data to be collected. At least two

months would have been necessary in addition to the given period of time so that a significant proportion of the subjects of the survey would have had the time to reply to the survey request.

Fifth, the research could include in the future an analysis of the stock options given to executives, how these grants affect directors` remuneration and also if they are in line with the findings or Gregg (2010) or not.

More companies would have been chosen for one-by-one company analysis if there would have been more time available for data acquisition, extraction, transformation (so that is presented in a manner in which it can be read by software), analysis and also space for presenting and discussing the data.

The aftermaths of the corporate failures from the last decade have offered a good reason why further research should be done. It has been revealed the fact that one of the reasons why Enron`s issues have not been detected was that none indulged analyzing if the fees were or not explained by the firm performance (Chabrak and Daidi, 2007).

The importance of the study presented resides in determining if the performance criterion is an important factor which determines the board remuneration. Thus, the study tries to explain if the firm performance of the companies acting within the food supermarket industry is reflected in the wages of the directors.

Moreover, the research paper discusses the relationship between pay-performance at board of director`s level and not only in respect with the Chief Executives` wages. The hypothesis on which the framework is based is that every person be it principal or agent is looking only after their own personal interests. As a result, the agents (the managers) will be more likely to follow their own personal interests rather than the long-term company growth the principal desires (the shareholders).

Remuneration of executives from companies of which firm performance is high is less likely to decrease than the remuneration of executives from companies of which firm performance is low. (Stathopoulos, 2005). Contrary to these findings, there are studies which have found no relationship between firm performance and executive remuneration (Tosi et al., 2000, MAIN et al., 1995). As a result of this conflict between findings, a new study had to be developed.

The relationship between the company size and CEO pay has been found to be very strong (McKnight, P.J and Tomkins, 1999; McKnight and Tomkins (2004); Tosi et al. (2000). The first research questions tries to test if there is any relationship between turnover, profit before tax, return on shareholder funds ratio and total board remuneration. The second research question tests whether there is an existing relationship between turnover, profit before tax, return on shareholder funds ratio and CEO remuneration. Fourth, it is tested if the relationship between last year`s directors` salary and the level of total board remuneration is stronger than the relationship between internal firm performance measures and total amount of the last years` directors` basic fees and the amount of other emoluments such as bonuses given in the prior years. The aim of this fourth research questions is to show if the current year`s board remuneration is influenced more by firm performance or by previous years` amounts. More explicitly, if the directors are paid in accordance with their performance or if they are receiving their fees no matter the circumstances of the company. As a result, the relationship between firm performance and board remuneration must be evaluated.

The research had used secondary data from the largest Romania retail market active companies (Carrefour, Cora, Real)

When a shareholder having an important number of shares threats the management over its attributions, the compensation of the CEO in shares through option grants and LTIPs is always decreasing (Cyert et all, 2002). This is important as the shareholder is the only

person that can act against the abnormal and excessive increase of the director`s remuneration amounts.

Veliyath (1999) performed a study in respect with the relationship between firm performance and CEO pay and found market measures such as EPS not important in determining and influencing positively the CEO pay. The study is in contradiction with the study of Gregg (2010) and BebchUK and Fried (2003) who found a strong relationship between market-based measures and CEO pay.

2. Performance analysis of real hypermarket versus Carrefour versus Cora after increasing and decreasing CEO remuneration level

Through its ongoing and sometimes overlapping campaigns, Real Romania made considerable efforts to grow its business in a record time. But did these efforts materialize? To be able to draw a conclusion, an analysis of the financial data is required.

Thus, at the end of 2007, after its first year of operating on the Romanian market, the German retailer registered an *asset turnover ratio* of 0.41. Well below the minimum accepted level of 1.4, this ratio indicates that for every 1 LEU of owned assets the company generated sales of 0.41 LEI, with much of its money remaining stuck in inventory. Due partly to the CEO's ability to cope with competitors and raise customers' awareness as to what it had to offer, partly to the skepticism of Romanian consumers, this situation changed for the better in the following years, the value of the indicator increasing to 0.89 in 2008 and 1.38 in 2009. This evolution was due to the fact that during these years the turnover increased with a higher rate than total assets, also stimulated by the implementation of Real card. In 2010 the value of the indicator slightly dropped to 1.35, mainly due to the effects of the financial crisis, which determined customers to save their money, causing a 24.15% variation of total assets compared with 21.95% of turnover. However, given the circumstances, this was an unexpectedly small decrease. Expenses, mainly remuneration costs, were kept rather constant and revenues increased, proving that the company increased its efficiency, learning to make the most out of its assets, faster.

	2007	**2008**	**2009**	**2010**	**2011**
Accounts receivable turnover = T*urnover/Acc. receivables*	3.14	8.23	12.72	18	25
Assets turnover ratio = *Turnover/Total Assets*	0.41	0.89	1.38	1.35	2.25
Debt to equity = *(Total liabilities/Total equity)*100*	1140%	3309%	4702%	3580.7%	362.14%
Debt to assets = *(Total liabilities/Total Assets)*100*	92.13%	97.03%	102.41%	97.4%	78.16%

	2007	**2008**	**2009**	**2010**	**2011**
Revenues (mld lei)	3,798	13,908	27,460	33,434	34,991
Expenses (mld lei)	4,303	15,491	29,500	35,886	35,899
Net Loss (mld lei)	0,505	1,583	2,040	2,452	0,908
Avg. no. of employees	1577	4437	7205	7896	7530

In respect with Carrefour's data, the French retailer has a similar evolution of performance, but with a different approach of personnel costs. "The human capital is defined as the knowledge, skills, competencies and attributes embodied in individuals that facilitate

the creation of personal well-being." (Popa et. all, 2008). We notice that in Carrefour's case, the level of Profit before Tax influences CEO's remuneration, an increase in turnover leads to an increase in the value of CEO's remuneration and the value of CEO's remuneration is positively influenced by the value of the last years` basic fees.

	2007	**2008**	**2009**	**2010**	**2011**
Accounts receivable turnover = T*urnover/Acc. Receivables*	4.21	9.35	12.03	17	31
Assets turnover ratio = *Turnover/Total Assets*	0.55	0.78	1.43	1.67	2.91
Debt to equity = *(Total liabilities/Total equity) *100*	812%	2508%	3120%	2623%	178%
Debt to assets = *(Total liabilities/Total Assets)*100*	88.13%	92.1%	99.42%	90.5%	64.23%

	2007	**2008**	**2009**	**2010**	**2011**
No. of employees % of personnel	1577	4437	7205	7896	7530
Costs in total expenses	16%	23%	31.45%	38%	38.21%

*"Obsession with the customer should be the most vital factor in business success. The main priority of any business must be to win and keep customers, as failure to do so results in no profits, no growth, no jobs, therefore, no business."(*Burnley, 1950). This idea is applied by the CEO of Cora, another French retailer, but with different results then Carrefour and Real in respect with CEO's remuneration level and its influence over performance.

	2007	**2008**	**2009**	**2010**	**2011**
No. of employees % of personnel	1577	4437	7205	7896	7530
Costs in total expenses	16%	23%	31.52%	38%	38.21%
Turnover (mld. lei)	11.2	12.3	13.7	12	14.9

Conclusions

Hence, the complaint system should be used as a measurement device for customer satisfaction as well as a source of new product ideas. To sum up, customer orientation represents a company's interface with its clients, used to grow profitable relationships and improve service without increasing cost of service. Reciprocal by nature, it stresses that a company must first create value in order to receive value. In the current economic context customer orientation has known a staggering development. Also, the remuneration costs should be correlated with the importance of the companies (and in our case, FMCG are almost „vital") and with its forecasted objectives of performance. It much more difficult for a company to achieve the efficiency after customizing the management to face crisis then to develop a functonal system. Remuneration, also may be completed using the strategy of bonuses and awards offered beyond the fixed salary, especially for recognizing the performance of emplyees, and of CEO in particular.

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Role in banking supervision and financial stability

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Abstract

Supervision of banks address concerns of security and financial health of banks individually, rationale of prudential regulation of banks is concern for the safety of the banking system as a whole and, ultimately, the economy.
If, after performing surveillance actions, the National Bank of Romania breaches the law and prudential regulations or a precarious financial situation, it can apply a range of sanctions: written warning given bank, limiting the bank's operations, withdrawal of approvals data bank managers, withdrawing permit such bank, and a number of remedial measures, including measures establishing special supervision of the bank or its special administration.

Keywords: control, banking supervision, financial stability, central bank.

1. Introduction

Since the 90's it became clear that national financial markets, as components of the global financial market, you should apply a common set of rules for the regulation and effective supervision to prevent a manner that is consistent excesses and deviations can affect national or trans-national and can spread rapidly to other countries through specific channels of financial markets. Thus was created a number of institutions with attributions in shaping standards and rules of good practice in the regulation and supervision of financial markets components such as the Financial Stability Institute (FSI), the Basel Committee on Banking Supervision (BCBS), Joint Forum, the Financial Stability Forum, the Group of 20, IOSCO and IAIS. During this period, institutions such as the IMF, WB created long before the financial turmoil of 80-90 years, has increased powers and intensified efforts to assess financial stability. Thus was created the joint program of the two institutions, FSAP (Financial Stability Assessment Program), one of the most comprehensive and widespread financial health assessment tools. By mid-2009, of the 187 members of the two institutions, 125 have been evaluated at least once.

Their work banking supervision is carried on banking supervisory authority over all components of the Romanian banking entities that consist of tracking how these comply with regulations that are stipulated prudential requirements to ensure alicarea both policy and prudent banking practices in bank interest question and its clients, as well as the credibility and viability of the entire system. Given that a bank prudential runs throughout the range from granting the operating license and withdrawal, the legal relationship between the central bank as a supervisor and a commercial bank exists and is manifested in differentiated according to the specific issues when analyzed throughout supervision.

2. Efficient banking supervision

Supervision by the National Bank of Romania is done in different ways:
a) through periodic reports that banks have to submit in accordance with the relevant regulations,

b) during the presentation, to the approval authority, of the changes in the bank;
c) through inspections which the specialist staff of the central bank carries them at the bank and its secondary offices, both in the context of general topics applicable to all entities in the system and established during concrete check how the regulations apply to virtually the subject matter by the bank supervisory action.

In the first way, according to the regulations issued by the NBR in law enforcement, the bank sends periodic reporting to inform the supervisory authority the way he framed the activity carried on in the prudential requirements required by the regulations.

Based on this information, the central bank, a concrete and conclusive picture of the situation of the bank. If the violation of the legal right of these reports, it is sufficient supervisory authority to pass a sanction of those in article. 69 of Law no. 58/1998.

In the second way, the authorizing authority and supervision of the bank examines the documents submitted and may request additional information. To achieve the aim of supervision, banks are obliged to allow NBR staff and independent auditors to examine inspecting all documents and information relating to the management, internal control and operations of the bank, as they will be required. Right, guaranteed, the supervisors triggers their obligation to check all responsibility documents and information that are available at your disposal so that inspection actions to achieve its goals in the spirit and the letter of the law. Inspection actions are completed by an act containing factual findings of Supervisors, any acts which constitute violations of banking discipline.

Although bank supervision address concerns of security and financial health of banks individually, rationale of prudential regulation of banks is concern for the safety of the banking system as a whole and, ultimately, the economy. If, after performing surveillance actions, the National Bank of Romania breaches the law and prudential regulations or a precarious financial situation, it can apply a range of sanctions: written warning given bank, limiting the bank's operations, withdrawal of approvals data bank managers, withdrawing permit such bank, and a number of remedial measures, including measures establishing special supervision of the bank or its special administration. Supervision is exercised by a special committee set up for this purpose, consisting of five to seven specialists from the central bank, one of which will act as chairman and the other on the vice president. The logical preparation for entry into the euro area, Romania will join the single supervisory mechanism, optional left in Europe. For the non-euro vote will have much weight but that of the Euro zone.

Specifically, the European Central Bank will oversee nearly 200 banks operating in the EU. 6000 Countries States remain small banks, those with assets above 30 billion. In Romania, supervision of small banks will remain under the responsibility of NBR. European decision table, Romania will be part of a separate Supervisory Board at the Governing restricted to members of the Euro zone. Specifically, a non-Euro may propose modifications to a decision, but it could not block. Where a decision look a state outside the Euro zone, it will take a double simple majority, meaning that the first step will be if there is agreement of 50% plus one between governors Euro zone validating results or invalidating it be by a majority of non-Euro level. But the question remains at what cost in each Member State will feed a bank rescue fund. If summer is expected that the European Stability Mechanism to capitalize the banks, but to fund and Member for sovereign debt.

The compromise under discussion would be to create a separate node, no more than 20 billion euros. Disputes occur but when it comes to contributions. For now, the formula is considered proportional to population, which would disadvantage Romania, located in the EU 7th place ranking. In addition to the theoretical aspects of banking regulation and supervision, it is interesting to refer prudential and experience in this field. Banking systems in CEE - EU Member States: this category CEE countries recorded the highest level of Gross Domestic

Product (GDP) of the region is characterized by the high participation of foreign investors and the lowest level of state ownership in the banking system Maximum recording indicator of financial intermediation in the region (the ratio of bank assets to GDP here is 90.5%, compared with the average 85.5% and 50.5% acceding CIS).

Like other states, EEC-EU countries have been subject to shocks of transition, institutional and structural changes over the last decades. Some countries (eg the Czech Republic and Slovakia) have gone through transition relatively "easy" - with a comparatively low inflation, rapid progress in privatization processes and moderate deficit in current accounts and budget, while for others (e.g. Member Baltic), the road to a market economy was more difficult, followed by deep crisis, hyperinflation, prolonged recovery, and spectacular development. Instability waves have reduced the number of financial institutions in each of the EU-CEE banking systems analyzed. The vast majority of banks 6000 [EU] will remain in the custody of the national regulatory authority, and so they depend on mutual trust between bankers, who in the past has already proven to be more superficial than previously thought [...] Crisis sub prime showed how much banks are connected to each other. We realize that only when things degenerate [...], just look at what happened in Iceland, especially in business Fortis, the national interests came before the public interest.

Only a centralized monitoring for all banks can counteract this. In addition, not yet decided anything on two crucial steps: closing failing banks, and a joint financial safety net that would finally separate the fate States banks. Of the German Frankfurter Allgemeine Zeitung brings a whole volley of arguments that the new banking supervision is very bad news at a time when banks in the euro area are three times more indebted than Member States. The problem, according to the FAZ, is the omnipotence of the European Central Bank (ECB), an institution recalls daily. With its dual function as a central bank and supervisory authority, it will not be able to fulfill their function as guarantor of price stability.

A common oversight European banks makes sense, but is poorly housed under the roof of the ECB. Until now, it was only required to ensure price stability. Now she wakes up with a conflict of interest because of surveillance. Moreover, it is doubtful that the ECB will suffer these financial institutions who provide survival for years as a bank injections of funds. A decision "imposed" from Germany and "rip" the European financial market into two major blocks: the great institutions under the supervision of the ECB, and those with assets below 30 billion under the supervision of national governments. Daily Madrilenian especially critical that the Agreement meets German claims point by point. Pretext to hide this end is putting the ECB under the supervision of all European systemic risk. But the reality, as demonstrated by the case of Spain, is that small institutions are equally capable of poisoning the national banking system. And that fact invalidates the argument that the surveillance of German regional banks has no interest, as Germany would pay an eventual reclamation of these institutions. Risk is not bankruptcy, but contamination assets.

The financial system includes: - financial markets (such as money markets and capital markets), which channels excess funds from creditors (businesses or individuals who want to invest their money) to borrowers (i.e. those who need capital) - intermediaries financial (such as banks and insurance companies), which indirectly bring together lenders and borrowers (although borrowers can obtain funds directly in financial markets by issuing securities, such as shares or bonds) - financial infrastructure which allows the transfer payments and trading, clearing and settlement of securities. To protect the financial system and financial stability necessary to identify the main sources of risk and vulnerability, and all parties involved (such as financial institutions and supervisors) should be informed of the risks. If the record growth deceleration, which makes it more difficult repayment of loans by enterprises (due to lower sales) or mortgage the population (due to unemployment), banks could suffer losses.

Asset prices (such as securities, real estate or production equipment) could decrease or change suddenly causing uncertainty in financial markets and causing financial loss to investors. Banks could lend significant a sector and then could find that are vulnerable to any adverse development recorded by the sector. Banks could make large-scale investments in equity markets or bond, subsequently becoming vulnerable to falling prices in those markets. Banks, insurance companies and other financial institutions form the first line of defense against financial crises. They have the responsibility to maintain the viability and solvency, checking credit worthiness and managing the risks that they take. Measures taken by the authorities to prevent or mitigate financial crises are a second line of defense.

These measures include:

- prudential regulation (rules that financial institutions must follow to ensure effective risk management and safety of depositors' funds)
- disseminating information to promote market discipline
- prudential supervision (ensuring compliance with these standards by financial institutions)
- activities monitoring and evaluation, identifying vulnerabilities and risks within the financial system as a whole. If, despite all these measures, financial institutions get in trouble, it is possible that public authorities are forced to intervene.

National Committee for Financial Stability (CNSF) was established under the Agreement between the Ministry of Economy and Finance, National Bank of Romania, the National Securities Commission and the Insurance Supervisory Commission of the Private Pension System Supervisory Cooperation for stability financial and financial crisis management, signed on 31 July 2007.

The creation of this committee was due to the need to strengthen cooperation in the exchange of information between national authorities and the prevention, assessment and management of potential problems with systemic impact. However, by creating CNSF, Romania has aligned with EU requirements on financial crisis management, which, inter alia, the creation of a permanent national committee, with the participation of supervisors of the financial system and the Ministry of Finance. Agreement of 31 July 2007 establishes a permanent framework for cooperation between the Parties in the financial system and efficient management of financial crises. The main objective of the Committee is to ensure financial stability by promoting a permanent and efficient exchange of information between the States and the assessment, prevention and, where appropriate, financial crisis management at individual financial institutions, financial groups or financial market as a whole.

European Stability Mechanism (ESM) was launched on the sidelines of the Eurogroup meeting of 8 October, once held the inaugural meeting of the Governing Council and MES. ESM will be an essential element of the "wall of protection" Finance Europe and is part of the strategy to ensure financial stability in the euro area. Launch of the European Stability Mechanism marks a historic step in the evolution of European monetary union and building its future. Beyond the issue of the future developments, it is clear that the ESM will be perceived as a soothing presence, both within monetary union and beyond. MES is one of the tools for crisis resolution mechanism for the euro area. MES role is to provide support for stability, several instruments through financial assistance for Member States MES facing serious problems in financing or are at risk in this regard.

Globally, the European Stability Mechanism will be the largest international financial institution, having provided a solid capital base of 700 billion euros. Of this amount, 80 billion will become available until early 2014, a contribution of 33 billion euros will be paid by 12 October 2012. MES, which is a permanent mechanism will assume the tasks currently fulfilled by the European Financial Stability Facility (EFSF) and European Financial

Stabilization Mechanism (EFSM). Initially, this transition to take place in July 2013, but given the early entry into force of the European Stability Mechanism, will now operate in parallel with the EFSF. All new programs will be basically financed by MES. Essential decisions regarding how the new facility will be made by MES Governing Council, composed of the finance ministers of the euro area. European Stability Mechanism will also be a board of directors and a general manager responsible for the daily management of MES activities. Governing Council appointed General Manager of MES Mrs. Klaus Regling, CEO of EFSF.

Treaty on the European Stability Mechanism came into force on 27 September 2012 and has been ratified by all 17 member states of the euro area already completed ratification on 3 October 2012. The role of central banks in financial stability, achieving and maintaining financial stability has become a key policy objective in our societies. The economic crisis, which started in 2007, has captured the interest of economists in the conflict between maintaining price stability and financial stability. These two objectives pursued by central banks sometimes come into conflict because some measures adopted to preserve price stability may have negative consequences for financial stability. At the same time, economic theory states that price stability is a prerequisite for financial stability.

In the literature there is no generally accepted definition for the concept of financial stability. However financial stability can be defined as a condition in which the financial system - consisting of markets, market infrastructure and financial intermediaries - is able to cope with shocks, thus reducing the risk of disruptions in the financial intermediation process which are severe enough as to significantly impair the allocation of savings to profitable investment opportunities. Broadly speaking, financial stability is addressed as the point where the financial system is able to effectively position the savings to investment opportunities and can withstand shocks without major problems. This definition is based on the overall functioning of the financial system and suggests that the central role in promoting financial stability is owned by prudential supervision. Monetary policy is important in terms of efficient allocation of resources in the report that can help price stability.

Broadly speaking, financial stability is addressed as the point where the financial system can effectively position the savings to investment opportunities and can withstand shocks without major disturbances. This definition is based on the overall functioning of the financial system and suggest a central role in promoting financial stability is owned prudential supervision. Monetary policy is important in terms of efficient allocation of resources in the report that can help price stability. Narrow financial stability is addressed as a situation characterized by the absence of banking crises and the existence of a certain level of stability of asset prices and interest rates. If we define financial stability as being smooth path of interest rates, monetary policy becomes a more important role and flexibility on the use of its instrument may be subject to limitations - the conflict between price stability and financial. Financial stability of a system can be seen in conditions where there is not a systemic crisis. We can say that a financial system is stable if it has the following key features:

- The financial system must be able to pass effectively in smooth and resources from savers (people surplus) to poor people.
- The financial system should be able to absorb surprises and shocks in the financial and real economy.
- Financial risks should be assessed with precision and well-managed. If a feature or combination of features is not maintained financial system may become less stable, and at some point might exhibit instability.

So financial system stability is maintained as long as it is able to perform the function of intermediation, thereby facilitating performance and economy is able to absorb shocks by

correcting imbalances arising as a result of adverse developments. Financial stability is important for any economy. With financial institutions operations essential for other economic sectors - foreign exchange, payments, financing, acquisitions of companies, etc. So, the crisis of the financial system can lead to blockages economy translated into direct losses and decreased economic growth or, in more serious cases, may even lead to recession.

Financial stability has become in recent decades an increasingly important objective of economic decision-making. During 1980-1990 regulating capital flows and capital markets has been removed in many countries, thus facilitating the expansion of the financial system in a more alert than other sectors of the economy. Activities have become more diverse, more complex instruments and risks more variable. Safeguarding financial stability requires the identification of sources of risk and vulnerability such as inefficiency in the allocation of financial resources from savers to investors and incorrect assessment of price stability or mismanagement of financial risks. Identify risks and vulnerabilities is because monitoring financial stability must be forward-looking: inefficient allocation of capital or shortcomings in pricing and risk management may compromise the future stability of the financial and economic stability.

In assessing financial stability are two kinds of risk analysis of micro and macro analysis. The first analysis focuses on the progress of individual institutions and their aims to limit volatility by protecting depositors. Macro prudential analysis turns to the financial system as a whole and aims to limit system-wide instability.

The idea is to entrust the authority responsible for macro-prudential policy with the task of monitoring, identification and mitigation of systemic risks. Systemic risk refers to the liquidity or solvency problems of a bank in the system that can cause liquidity problems and other institutions. Another approach refers to the risks that come from outside the financial system. Increase Relevant public debt and asset prices, together with macroeconomic disruptions (imbalances important in the global economy, rising prices of goods) can have a detrimental impact financial stability. In the current crisis, a matter of national and international interest is the division of responsibility for maintaining financial stability.

The authorities concerned to ensure financial stability: central banks, banking supervisors, market surveillance authorities, the authorities of the insurance, competition, public finance ministries, the Ministries of Justice, etc.. In most countries, financial stability is the responsibility of the central bank, the Ministry of Finance and the Financial Supervisory Authority. There is a general consensus that the central banks have a key role in ensuring financial stability, although there are no rules or patterns that reflect the way of realizing this process, and analyze the process economics have always supplemented by intuition.

Conclusions

Central banks must deal with the various forms of instability - monetary and financial that interacts with each other in a complex and changing. Therefore, the principle of separation of monetary stability policies of financial stability policies is no longer valid. However, contemporary economists and central bankers are generally agreed that financial stability should be included among the objectives of central banks. Only they have the same vision of financial instability, which reflects the above mentioned complex and proteiform of this phenomenon.

The conclusion from this analysis is that financial instability is a polymorphic phenomenon, likely to have very different ways from one country to another and from one time to another. And a major aggravating factor in the financial crisis and credit prociclitatea natural resonance effects exerted on other financial markets. Recommendation arising here

can be formulated as: credit - whose overgrowth is the factor that triggers the worst financial crises - should be subject to rigorous oversight. And this, especially since the recent crises such as the Japanese crisis of the 80s or subprime crisis in 2000 showed that, in the past, to underestimate the importance of credit and, in general, banks' balance sheet items transmission mechanism of shocks generating crises.

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Protecting consumers against unfair terms in contracts with banks

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Abstract

A termination clause deeply illegal, especially if we meet lease situation which, if parties are more leases breach by user of any of them leads to the termination of any other on-going contract between the two parties. In case of termination of the contract for such reasons, the remaining rates paid by users are due in full by way of damages in favour of the lessor and the property must be returned to it. Therefore, the user must pay the entire contract, but remains without good that it intended to acquire the lease. Same consequences occur and in the event that the property is stolen or totally destroyed, although in these cases there can be up to any fault of the user.

Keywords: unfair, credit agreement, banks, good faith

1. Introduction

Nationwide, there is no question of a real consumer choices based on advantages of contractual clauses inserted into contracts with banks. Apparently contractual clauses contained in offers banking companies on the Romanian market are different, but in reality, a careful reading, the differences are only of forms, their ultimate effects are identical. National legislation in the banking system after undergone several modifications and additions can be characterized at least as defective and perfect. It allows and even encourages sometimes by its provisions, a number of abuses of the Romanian leasing companies (donors) to the detriment of customers (users). Moreover, given the fact that usually credit agreements are contracts of adhesion, meaning you cannot negotiate contract terms, the user is not able to protect themselves from the outset by the demolition of law clause in a contract such a situation.

It would be desirable for the legislature to adopt novel solution UNIDROIT Convention on International Financial Leasing, Ottawa, 1998, the provisions of which were taken up and applied by the world\'s major countries: USA, France, Italy, Russia, Belgium, Finland to This Convention expressly provides user the right to terminate the lease, to repayment of sums already paid, if the supplier is good or delivers a good that does not meet user. Banking companies are competing to insert abusive clauses for termination of the contract as the fault of the user, such as criminal investigation if the partners / shareholders / directors, in case of default, for two months, any charges invoiced of Finance (including unpaid fines get paid by the lender and this) in case of termination by the user of another lease or bank loan without the lender has notified in writing.

A profoundly unlawful termination clause, especially when we meet lease situation which, if parties are more leases, breach by User of any of these lead to termination of any other contract in place between the two sides. In case of termination for such reason, the remaining rates paid by users are due in full by way of damages in favor of the lessor and the property must be returned to it. Therefore, the user must pay the entire contract, but remain without property you intend to acquire the lease. Same consequences occur and in the event that the property is stolen or totally destroyed, although in these cases it could be a fault-to-

user. Unfortunately, there is no provision in the legislation to limit lease termination reasons that leasing company may insert in the contract. The only hope of declaring them as abusive user remains under Law no. 193/2000, however, presents many shortcomings law and does not cover the entire range of contracts that contain abusive clauses.

An equitable settlement of this point of view we find the UNIDROIT Convention on International Financial Leasing, Ottawa, 1998, the Romanian legislator would not be sorry to have regard to future legislation amending and completing the lease. This convention provides that the financier has the right to declare due and to collect the lease payments remaining to be paid only in case of a breach of ("substantial default") of the lease and in any case only after giving the user a chance to correct violations and only after proving that he did everything he possibly can to limit the damage.

2. Unfair terms in contracts with banks

NBR representatives campaigning in unison with commercial banks for trial in the High Court of Cassation and Justice Lawsuits customers against unfair terms in credit contracts. On the other hand, charges clients by the movement favoring banks. NBR motivate their position by the fact that judicial decisions on unfair impact of large masses of the population, and the High Court could provide a unified practice, an idea supported by the representatives of the banks involved in the process. ICCJ, Romanian supreme court in the judicial system, has the ability to unify jurisprudence. In the event that a particular category of cases get to be the judgment on appeal to ICCJ opens the possibility of creating a unified practice in the Supreme Court and lower courts. This can lead to greater predictability of justice for that class of litigation, security benefit for civil circuit. Customers do not lose simply because their processes would come to judge the HCCJ. Moreover, banks headed by NBR sky Notwithstanding Justice to have the High Court that ultimately there would most decisions were in favor of banks.

At the national level there are around 3,000 cases where customers have sued banks. Of these only 22 were won by the bank processes. Act upon which clients can sue a bank is 193/2000, which had to be modified with the entry into force of the new Code of Civil Procedure. Under pressure from the IMF, the government postponed the law July 1, promising that until then to make impact studies. Stake these pressures is related to changes in the law. If until now the bank, where the court gave a consumer prevailed was forced to modify the contract that client, from July 1, banks may be required to modify the terms of any credit agreements if a client obtain a favorable decision. If this bill would apply to banks in Romania could register losses of 600 million euros a year, according to a report released by the Romanian Banking Association (ARB). Civil Sentence no. 3183, the first of its kind in Romania, was pronounced in case no. 22437/303/2012.

This sentence, were found absolutely void under Law no. 193/2000 (on unfair terms in contracts concluded between traders and consumers) clauses revision level credit interest and commissions that were at bank and declare early maturity without specifying the reason, and without it being mentioned in the contract. Thus, by court order, have been declared unfair fee grant and monthly management fee, the bank is obliged to refund any amounts received on account of such commissions when concluding the contract and up to now, plus legal interest. It was also decided to cease the receipt of such amounts in the future. We mention that the sentence was pronounced and against IFN Mortgage Credit Europe Since the decision is final and can be appealed only recourse will be requested voluntarily execution of its provisions, otherwise will start to foreclosure against the bank.

It seems that banks wrongly perceive Romanians at least 600 million euros in credit agreements imposing of unfair terms, translated by unilaterally increased interest, extra fees

and penalties expensive. Basically, the avalanche of final judgments that have already forced banks to eliminate these unfair clauses, so scared to bankers that support NBR asked the Justice Ministry to amend the new Code of Civil Procedure. This manner of banks, to eliminate the inconvenience of legislation in place to comply with regulations is not new. In late 2010, the law approving Ordinance 50 was amputated just after the same pattern. According to Article 4 of Law 193/2000, a contractual term which has not been negotiated directly with the consumer will be regarded as unfair if, by itself or together with other provisions of the contract shall, to the detriment of the consumer and contrary to the requirements of good faith, a significant imbalance between the rights and obligations of the parties.

Those are considered unfair contractual clauses:

1) give the bank the right to unilaterally change the terms of the contract without a valid reason which is specified in the contract.

2) require the consumer to submit to contractual terms which had no real opportunity to get acquainted with the signing of the contract,

3) requires the consumer to fulfill their contractual obligations, even when the bank has not met in the its,

4) automatically entitle the bank to extend a contract for a period determined by the tacit consent of the consumer, if time-limit within which it could express option was insufficient,

5) give the bank the right to alter unilaterally without the consumer clauses product features and services to be supplied or the delivery of a product or a service execution time,

6) give the bank the right unilaterally to declare conformity of products and services provided by contractual provisions,

7) give the exclusive right Bank to interpret contractual clauses;

8) restrict or cancel the consumer\'s right to claim compensation in cases in which the professional does not fulfill its contractual obligations;

9) requires the consumer to pay a disproportionately high sum in case of default attributable to it, compared to losses incurred by the bank,

10) restrict or terminate the consumer\'s right to cancel or terminate the contract in the following cases: - the bank unilaterally altered the terms set out in clause 5) - the bank has not fulfilled its contractual - consumer bank imposed by contract clauses relating to the payment of a fixed sum in case of unilateral termination;

11) exclude or limit the professional liability for injury or death of a consumer, as a result of an act or omission of bank the use of products and services;

12) The consumer\'s legal right to exclude take action or exercise other legal remedy, asking him at the same time resolving disputes through arbitration in particular,

13) allow impose undue restrictions on the taking of evidence or evidence that the consumer has a call for evidence, according law, subject to other parts of the contract;

14) give the right professional to transfer contractual obligations to third parties - agent, trustee, etc.. - Without the consumer\'s consent if the transfer serves to reduce the guarantees or other liability to the consumer;

15) prohibit the consumer to offset a debt to the bank with a claim that he would have on the bank;

16) provide that the price of products is determined at the time of delivery or a seller of goods or service providers the right to increase prices without in both cases, to give the consumer the right to cancel the contract if the final price is too high in relation to the price agreed to time the contract.

17) allow the bank to obtain money from the consumer, if non-execution or completion of the contract by the latter, without providing compensation in the amount equivalent to the existence and the consumer, if a breach of contract by the bank;

18) give the right bank to cancel the contract unilaterally without providing the same right and the consumer;

19) give the bank the right to terminate the contract concluded for an indefinite duration without reasonable notice, except for some reason.

A contractual term which has not been negotiated directly with the consumer shall be regarded as unfair if, by itself or together with other provisions of the contract, creates, to the detriment of consumers and contrary to the requirements of good faith, a significant imbalance between the rights and obligations of a clause contract will be deemed not to negotiate directly with the consumer if it has been set free to enable consumers to influence nature, such as pre-formulated standard contracts or general conditions of sale applied by the merchants product or service market. Court of Justice ruled that abuse can be the result of a combination of clauses is within a same contract or possibly on the terms of another contract, contract-related dispute. So obviously lie with the national court to assess the unfairness of a term by examining contentious relationship-specific circumstances, the advantages and disadvantages of such clause.

In recitals court decision shows that "it can interpret general criteria used by the Community legislature to define the concept of unfair terms as provided for in Directive 93/13, however cannot rule with regard to the application of these general criteria of clauses particular must be examined in light of the circumstances of the case in question. " But the ECJ could make that assessment in cases where the disputed clause is drawn to the exclusive advantage of the professional, a consumer without a counterpart, such as a clause conferring jurisdiction. In accordance with Art. 4 of Law no. 193/2000, Article 78 of the Consumer Code (L.296/2004) and Article 2 point 16 of Ordinance nr.21/1992, abusive clause is the clause inserted in the contract, not negotiate directly with the consumer, creates its detriment contrary to the requirements of good faith and significant imbalance between the rights and obligations of the signatories. Sanction imposed an unfair term is null and void, the court may be requested at any time, from being held within the period of 3 years of specific relative nullity.

Absolute nullity of unfair terms does not result in nullity of the whole contract, the court can remove only those clauses which contradict the above-mentioned law, respectively, keeping the remaining provisions of the contract parties. Replacement / removal terms listed above must be also recognition of the unfairness of such terms. Indeed, as evident, as a result of a finding of nullity, the reparative function of this sanction, the court may order adaptation or restoration of the legal act (in this case of the credit agreements Underwriters) by replacing the right illegal clauses comply with some legal imperative. In addition, Art. 6 of Law no. 193/2000 states that all \'unfair terms contained in the contract and found either personally or through the bodies empowered by law will take effect on the consumer. "

Consequently, consumers may request the court to order: i replace the interest rate relative clause in that contract interest consists of fixed margin plus EURIBOR or ROBOR ii. removing clauses granting fee credit management fee and commission tracking risks, iii. removing clauses collaterals. According to art. 5 of the Civil Code., It is permissible by special provisions of the Convention or the laws that are interested in public policy and morals. Of those listed above, credit agreements were concluded with disregard of the rules of public policy interest. In this regard, we showed that there were conflicts with the statutory provisions of consumer protection rules to protect public order.

Indeed, according to the note underlying the Law no. 296/2004 Code on this bill aims to create a "general framework of the rights and obligations of consumers against the risk of

purchasing a product or service that jeopardize life, health or safety or affect their rights or legitimate interests" . An additional argument suggesting that public policy protects consumer protection legislation is clear from the provisions of Law no. 193/2000 that the chapter on sanctions governing administrative liability of the trader for breach rules on consumer protection (Art. 16).

As legal sanctions marital nullity meets:

- a preventive function for the parties, knowing that their act will be ineffective unless they comply with the law, will be diligent to make with respect to all legal conditions of validity
- a function repressive and sanctioning infringements
- a restorative function that ensures, on the one hand, restoring the rule of law violated, and on the other hand, damages caused by infringement penalized and sometimes adapting or restoring legal act by replacing the clause as illegal clause in accordance with legal imperatives.

Provided an unfair term in a contract document cancels, according to Thursday\'s decision of the EU Court of Justice (ECJ) in Luxembourg, which states that EU law permits Member States to ensure a level of consumer protection. ECJ in Luxembourg, following a court appeal Slovak consumer credit contract, has determined that national legislation may provide for the nullity of a contract between a consumer and a dealer comprising an unfair term if so ensure a better consumer protection. Thus, although EU law does not, in principle, than eliminating unfair terms, he still allow Member States to provide consumers a higher level of protection According to Directive 93/131, unfair terms inserted in a contract concluded with a consumer by a seller or supplier, imposed by it, not binding on the consumer. In this regard, a clause should be regarded as unfair if, contrary to the requirement of good faith, it causes a significant imbalance in the parties\' rights and obligations arising under the contract, to the detriment of the consumer. However, the contract containing such a clause continue to bind the parties if it can continue to exist without it.

Slovak court asks the Court in Luxembourg if Directive 93/131 allows it to declare the nullity of a consumer credit agreement containing unfair terms when such a solution would be most advantageous to the consumer. Thus, as specified by the national court, if declared invalid, the relevant consumers would only have to pay default interest at a rate of 9%, and not all borrowing costs for which would be much higher than the interest. In its judgment, the Court notes first that the objective of the Directive is to eliminate unfair terms included in consumer credit contracts while maintaining, if possible, the validity of the entire contract and not canceling all contracts containing such clauses. Next, regarding the criteria for assessing whether a contract may continue to exist without actually unfair, the Court notes that an objective approach should be applied according to the situation of a party to the contract, namely the consumer cannot be considered decisive criterion that decides the future fate of the contract. Thus, it precludes the assessment of whether a contract containing one or more unfair term may continue to exist without the clauses mentioned to be considered favorable to the consumer only the effects of canceling the contract in its entirety.

However, the Court finds that the Directive has achieved only partial and minimal national legislation on unfair terms, while recognizing Member States to afford consumers a higher level of protection than that for which it provides. Therefore, the Directive does not preclude a Member State from providing, subject to EU law, national legislation which allows declaring the nullity of the whole contract between a trader and a consumer that contains one or more unfair terms when it turns this ensures better protection for consumers. Finally, the Court replied that a commercial practice is to mention that a credit agreement for a lower APR than the real is false information on the total cost of credit to be qualified as a deceptive trade practice under Directive unfair trade practices, to the extent that cause or may

cause the average consumer to take a transactional decision that he would not have taken otherwise.

According to the Court, although this circumstance can be taken into account among other elements, finding the unfairness of a contract under the Directive on unfair terms, though it is not likely to establish itself automatically and only the unfairness of such terms. Thus, we must examine all the circumstances of the particular case before qualifying clauses in question. Also, the finding of an unfair commercial practices has direct effects in terms of the whole issue of whether the contract is valid.

Conclusions

Evaluation abusive nature or terms not associated with defining the main object of the contract nor the quality to meet the price and payment, on the one hand, or products and services offered in exchange, on the other hand, since as these terms are expressed in a language easily understandable.

Unfair terms contained in the contract and found either in person or through legally authorized bodies will not affect the consumer and the contract will continue to run with the consumer\'s consent only if after their elimination can proceed. To the extent that the contract can no longer take effect after removing clauses deemed unfair, the consumer shall be entitled to terminate the contract, may request, as appropriate, and damages.

Obviously these values interested public order.

Moreover, these rules are meant to protect and morals and good manners, because their purpose is to prevent or correct abuses or neglect traders. Consumers are trade counterparties who have neither the knowledge nor economic force traders to treat their contracts on an equal footing with traders.

The fact that certain aspects of contractual clauses or only one clause was negotiated directly with the consumer does not exclude the application of this law for the rest of a contract if an overall assessment of the contract shows that it was pre-sided professional. If a professional claim to a pre-formulated standard clause was negotiated directly with the consumer, it is his duty to present evidence in this regard.

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Electronic payment instruments

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Abstract

In terms of computer companies on a highly competitive global market, expanding electronic transactions is particularly dynamic in both the economy and banking. The latter is characterized by special dynamic supply products and services (e-banking, e-payment, m-banking, etc.). Development of commercial activities between participants situated in large geographical distances from each other cannot be conceived without the use of electronic payment systems. The introduction and use of electronic payment instruments ensure better management of business and liquidity of firms in less time and with lower costs.

Keywords: bank payment instrument, electronic money, credit card

1. Introduction

Use cash nowadays may suffer radical changes in the near future. For example, banks, always trying to reduce operating costs, developed concept of electronic money. This is for small daily transactions, thereby reducing the use of coins and banknotes of small value. Payment instrument type electronic money is a means of payment in the form of an information support standardized, secure and individualized, which allows the holder to use cash and cash equivalents in an account opened in the name of or for the payment of goods and services at merchants accepting transfers of funds between accounts and withdraw cash. Nationally, electronic money is regulated by Regulation no. 6/11.10/2006, regulation concerning the issuance and use of electronic payment instruments and relationships among participants in such transactions.

As banknotes and coins, electronic money can be used to pay for goods and services in shops, supermarkets and other places. Electronic money can be stored on some electronic devices can be charged from an automatic cash from a terminal located in the store or on the internet. Fulfills the same functions as cash - may be used to purchase goods and services can be exchanged for an amount in cash, can be transmitted from one person to another. - Can be used in the physical world by entering a card into a terminal or using wireless technology and the virtual world via the Internet from a computer or mobile phone. EMD contains information about an identifiable person who originally withdrew money from the bank. As for credit cards, electronic money identifiable allow tracking its path into the mainstream economy. Electronic money works the same way as cash. Once anonymous e-money is withdrawn from an account, the circuit can be made without leaving a trace.

Payment instruments type electronic money in Romania is quite limited. World, technology has produced significant changes in the processing of these payment instruments and new regulations try to adjust to this trend. In terms of computer companies on a highly competitive global market, expanding electronic transactions is very dynamic both in economy and banking. The latter is characterized by a special dynamic supply products and services (e-banking, e-payment, m-banking and so on). Development of commercial activities between participants located in major geographical distance from each other cannot be conceived without the use of electronic payment systems.

2. Electronic money

Introduction and use of electronic payment instruments provide better business management and liquidity firms in less time and with lower costs. Ecommerce means, acceptable value-added network use of applications such as electronic transfer of documents (EDI), the fax communication, bar codes, file transfer and electronic mail. The extraordinary growth of computer interconnectivity on the Internet, in all segments of society, has led to growing trend record companies to use these networks in the area of a new type of commerce, Internet commerce in which to appeal - besides the old services mentioned - and new ones. It is, for example, the ability to make purchases through the network, consulting electronic catalogues "on" the web or catalogues "off" on CD-ROM and payments through credit cards or electronic purses of.

For others, Internet commerce is the business relationships that take place between suppliers and customers through the network, as an alternative communication options "traditional" by fax or EDI communication lines dedicated to the value-added networks. Finally, another form of Internet commerce involves the transfer of documents - from the pro forma contracts or orders, to images or voice recordings. This new type of trade spurred demand for new but appropriate methods of payment. In the new concept of "global village" (global village), the development of commercial activities between participants situated in large geographical distances from each other cannot be conceived without the use of electronic payment systems. These new means of payment transfer permit comfortable, safe and fast money between business partners. Also, replacing coins and banknotes (current traditional forms of cash) by what we call electronic money lead, besides reducing the cost of issuing and maintaining the circulation of cash, and an increase in flexibility and security of payment systems.

In the field of electronic means of payment, research call in progress. Many existing systems undergoing experimentation, others have barely been investigated and analyzed. It is normal to be cautious and safety of these approaches keywords. Among the most popular means of payment electronic there are: - bank card systems, - on-line systems, micro payments, and - electronic checks. Many purchases of goods and services through the Internet is paid ordinary bank card (Visa, MasterCard, etc..). But card transactions on the card contain confidential and personal information of customers, information that can be intercepted during transmission through the Internet. No special software, anyone that monitors network traffic can read the contents of the data confidential and use them later is necessary to develop specific standards for payment systems, allowing legitimate parties involved in coordinating the transfer and use of proper security methods. In 1996, MasterCard and Visa have agreed to strengthen their standards of electronic payments into one, called SET (Secure Electronic Transaction). SET protocol aims seven goals security in e-commerce:

- Ensure payment instructions and information is submitted application with payment information.
- To ensure the integrity of all data transmitted.
- To ensure the authentication of buyer and that it is a lawful user of the card brands.
- To provide authentication vendor and that it accepts credit card transactions through its relationship with a financial institution acquiring.
- To use the best security methods to protect the parties involved in trade.
- To be a protocol that is not dependent on the security of transport and that does not prevent their use.
- To facilitate and encourage interoperability between software providers and the network.

These requirements are satisfied by the following features of this specification:

- Confidential information - to facilitate and encourage electronic commerce using credit cards, card holders is necessary to ensure that the payment information is secure. Therefore, the customer account and payment information should be secure when traversing the network, preventing interception of account numbers and expiration dates by unauthorized persons. SET message encryption ensures privacy.
- Data integrity - This specification ensures that the content is not altered their messages during transmission through the network.

Payment information sent by the buyer to the seller containing information request personal data and payment instructions. If any of this information is changed, the transaction will not be done correctly. SET protocol uses digital signature for data integrity. - Authentication Buyer - Seller needs a means of verifying the client, that it is lawful user of a valid account number. A mechanism that links the credit card holder and a specific account number will reduce the incidence of fraud and therefore the total cost of the payment process. SET uses digital signatures and certificates to authenticate its buyer. - Authentication Seller - This specification provides a means to ensure the provider has a customer relationship with a financial institution allowing it to accept credit cards. SET uses digital signatures and certificates to authenticate its vendor. - Interoperability - SET Protocol should be applied on a variety of hardware and software platforms. Any buyer must be able to communicate with the software or with any seller. For interoperability, SET uses specific protocols and message formats.

Buying electronics - In a typical scenario of e-commerce checkout process stages are:
1. Buyer may seek goods and services with more possibilities: - Use a browser to view catalogs online Web page the vendor;-Consult a supplementary catalog that resides on a CDROM;-Consult a paper catalog.
2. The buyer chooses the goods you want to buy.
3. Buyer is presented with a list of properties, including their price and total price, including tax. This list must be provided electronically server software vendor or client computer\'s electronic purchasing. Sometimes they accept price negotiation.
4. The buyer chooses the means of payment. Was considered mainly as a means of payment credit card (card).
5. Buyer sends Seller a request with payment instructions. In this specification, application and payment instructions are digitally signed by buyers who possess certificates.
6. Seller request payment authorization from the customer or its financial institution.
7. Seller sends acknowledgment.
8. Seller sends the goods or performs services requested in the application.
9. Seller request payment for goods and services from a financial institution customer.
- Cryptography in SET - To ensure payment security, SET uses RSA key pair to create digital signatures and classification. Therefore, each participant in trading has two asymmetric key pairs: a pair of keys "exchange" - used in encryption and decryption - and a couple "signature" for creating and verifying digital signatures. To mention that the key role "signature" is reversed where the digital signature private key is used for encryption (signature) and is used to decrypt the public (signature verification). Authentication is reinforced by the use of certificates. Before a recipient B receive a message digitally signed by a sender A wants to be sure he has the public key of A and not someone who was recommended as A through the network. An alternative would be for the receiver B to receive direct public key of A through a secure communication channel. Most times, however, this solution cannot be practiced. Secure transmission of keys is done by a "trusted third party" called Certificate Authority (CA), which I assure B that A is the owner of the public key it holds.

Certificate Authority certificates provide that link a person\'s name and a public key. It shows AC\'s user identity information. The CA creates a message with his name and his public key. This message, called certificate is digitally signed by a Certificate Authority. It contains information identifying the owner and a copy of the public key (exchange or signature). SET Participants will also be two certificates for the two pairs of keys: certificates "signature" and certified "parts". The certificates are created and signed simultaneously by AC. SET protocol introduces a new application of digital signatures, namely the concept of dual signature. Consider the following scenario: Seller B sends an offer buyer and his bank permission to transfer money, whether to accept the offer. But B wants the bank not to see supply terms, nor its buyer\'s account. In addition, B wants to make a connection between the offer and transfer, so the money will be transferred only if you accept the offer. He made all these digital signing both messages in a single operation that creates signature dual.

A signature is generated by calculating summaries duala both posts and linking the two summaries. The result obtained is calculated, in turn, a summary and, ultimately, the final summary is encrypted with the sender\'s private key signature. Have included a summary message for any of the other two receivers to validate the signature duala. A recipient of any message he can verify the authenticity of the summary generation, the summary of other message concatenation, and concatenation result summary calculation. If the new summary fits duala decrypted signature, the recipient can be sure of the authenticity of the message. If A accepts B\'s offer, send a bank and including summary indicating acceptance or offer. Bank transfer authorization can verify the authenticity of B and ensure that consent is the same offer that using summary authorization received from B and A summary of the offer presented to validate the signature duala. The bank can verify the authenticity of the offer, but can not see the terms of the offer.

In SET protocol, dual signature is used to make the connection between a command message sent to the seller and payment instructions containing the account information sent to the purchaser. When the vendor sends an authorization request to the purchaser, including payment instructions received from the buyer and order summary information. The purchaser uses the summary received from the seller and calculates summary payment instructions to verify the dual signature. Nowadays, more and more e-commerce products implementing SET protocol, which gives Internet Security card payments through cryptographic means. Founded in August 1994 cyber cash Inc. company. In April 1995 U.S. proposes a mechanism to secure payment card transactions, based on your own server and providing customer service for sellers. Using cyber cash server can provide marking and immediate control transactions. On the other hand, passing through the server makes the system slower and dependent on its response times. This makes cyber cash less comfortable and more expensive, especially for small cash payment transactions. But public-key encryption provides a high level of security.

Cyber cash implement a protection system that makes credit card used on the Internet. The company - which provides software for both sellers and for buyers - runs a gateway between the Internet and the networks of major companies bidding authorization card (Figure "electronic payments using cyber cash"). Buyer start by downloading specific software wallet, who accepted encryption and transaction processing. Just like a physical wallet can contain several different credit cards, wallet buyer\'s software can be used by the client to record more cards, which will then make payments. A similar software vendor providing services. ECash is an example of the electronic payment system which uses electronic mail or the Web for implementing a virtual wallet concept. It was developed by company DigiCash Co.. the Netherlands, the company founded by the famous researcher of cryptographic systems, David Chaume. First demonstration of the system was made in 1994 at the first Conference WWW through a Web link between Geneva and Amsterdam. Was later implemented by banks in the

U.S. (Mark Twain Bank of Missouri), Finland and other countries. It is the first entirely software solution for electronic payments.

ECash is a completely anonymous payment system that uses numbers in bank accounts and blind signatures technique. Transactions are between buyer and seller, which must have accounts at the same bank. Buyers must notify the bank on the fact that they want to transfer money from their accounts in so-called normal eCash Mint account. At any time, the buyer can interact remotely by computer or with Mint account, and using a soft client can withdraw funds to disk or here. The format of these funds is electronic - 0 and 1 suite of cryptographic protection. As a result, the disk becomes a real buyer "electronic wallet". Then you can execute payments between individuals or by companies through these eCash. The principle of operation of eCash - eCash has a private nature: although the bank keep a record of each and every deposit withdrawals eCash mind, it is impossible for banks to establish subsequent use of eCash. This property is due to the use of public key cryptosystems RSA with a key length of 768 bits. Besides anonymity payments, and non-repudiation eCash ensure, that the property of resolving any disputes between buyers and sellers on the recognition payments. Also, by checking the bank\'s database, double spending is prevented any of eCash.

Just like real money (bills, coins), electronic money can be withdrawn from accounts eCash or store to be exchanged. Also, just as with physical money, a person may transfer possession of eCash account of another person. However, unlike conventional money when a client pays another client, electronic bank plays a seemingly modest, but essential. ECash is a payment solution online software, which consists of interactions between three entities: - bank, issuing currency, validates existing currencies and exchange real currency eCash - buyers who have bank account, which can be loaded Coins eCash or they can submit coins eCash - vendors that accept coins eCash in exchange for goods or services.

Electronic checks have been developed through a project of Financial Services Technology Consortium FSTC-. FSTC includes nearly 100 members, including most major banks, financial industry technology suppliers, universities and research laboratories. The technique of electronic check project implementation was done in a number of phases: generating original concepts, making preliminary research, build and demonstrate a prototype specifications for a pilot formulation and implementation of this system. Currently, electronic checks begin to be used in a pilot program with the U.S. Treasury Department that pays suppliers Department of Defense.

Electronic checks are designed to make payments and other financial functions checks on paper, using digital signatures and encrypted messages on Internet network support. The electronic checks is designed to ensure message integrity, authenticity and non-repudiation property, all sufficient conditions to prevent fraud from the banks or their customers. A check is a paper document, signed; authorizing the bank to pay a sum of money from the account you signed check after a specified date. Paper checks are the most used payment instruments (after using cash money) in most Western countries. They have the advantage that charges the payer and can be individuals, small businesses, banks, corporations, governments or any other type of organization. These checks can be sent directly from the payer to the cashier. Electronic checks (e-checks) are based on the idea that electronic substitute for paper documents and digital signatures with public key can replace handwritten signatures. Therefore, e-checks can replace paper checks without having to create a new instrument, thus eliminating the problems of legality, regulatory and business practices that may be caused by the change and impose a new payment instrument.

For an e-check must contain specific authority, and the optional digital signature (cryptographic), it is written in FSML (Financial Services Markup Language), a specific language, using standard SGML (Standard Generalized Markup Language). Document

structure and data that make up an e-check ur tags are delimited by "similar to those used in HTML (HyperText Markup Language), another language defined using SGML. Electronic checkbook - a handwritten signature is influenced by muscle movement hand and the particular biometric signer. They are very difficult for a counterfeiter to achieve a perfect fake signatures, even if the forger has an example of Signature. In contrast, a perfect forgery cryptographic signature may be made by any person who owns private key of the signer of law.\'s very difficult to establish, having a public key, if an email is genuine or forged checks. Smart cards containing electronic checkbooks or other cryptographic hardware device are just used to help ensure that the private key is protected better and, consequently, the signatures is achieved only by legitimate signatories. Such devices hard standardizes and simplifies key generation, distribution and use, so it can be a high level of confidence.

Conclusions

The speed with which technology is evolving Internet is impressive. If now it is estimated that several million people who use Internet services in every moment, their number will increase exponentially in the coming years. From a recent survey revealed that if a year ago 70% of Internet users appreciated the e-mail as the main benefit and only 30% of the web, today 50% of people consider first e- mail, the Web, and 40% already 10%, commerce and electronic payments. In this area the revolution has just begun: to note that electronic payments is a kind of e-mail in relation to real money as represent-mail a few years ago, a revolution in communications between people. Far from being solved security issues and acceptability necessary electronic payment systems, heavily researched and tested today, will progress rapidly becoming a reality site Cyberspace future years.

The law regulates the activity of payment service providers and issuers of electronic money license terms and conditions thereof, the transparency regime of performance conditions of payment, issuance and redemption of electronic money, rights and obligations of service payment of electronic money issuers in connection with the provision of services in a professional, service users\' rights and obligations, prudential supervision of payment service providers and issuers of electronic money. In conclusion, after the implementation of the new law is expected that payment services and electronic money issuance to enter the riverbed of supervision, which would prevent unfair competition and protect the rights of consumers of these services.

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Corporate Governance – model of business excellence

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Abstract

The globalization of the economic, social and political life led to increase the interest of the investors, creditors and other stakeholders, regarding the social responsibility of companies, the compliance with ethical principles, especially those relating to corporate governance to achieve business excellence. The appearance and development of the concept of "corporate governance" was a response to the need to define a new way of managing a corporation, taking into account the set of activities and all actions taken.
Economic performances correlated with social responsibility, represent a great challenge that organizations should respond, to regardless of the activity field. In this context, leadership to the highest level is responsible for identifying and implementing management techniques developed on the principles of corporate governance, ethics and social responsibility, so that the company could respond to the demands of all stakeholders. The present paper aims to support corporate governance considered part of the long-term performance and sustainability, based on the idea that the basic principles are the starting point in achieving the business excellence.

Keywords: international companies, corporate governance, business excellence, business ethics, internal audit, ethics management

1. Introduction

Corporate governance is a relatively new concept in the specialty literature, but it quickly extended, covering a variety of areas both in the economic and socio-political domains. Although the phenomenon has been brought into discussion since the 1970's, its importance was truly realized a decade later, when governance became the point of intersection of the interests of all involved parties in corporate activities. Fast development of the concept was imposed as a necessity in the early 1980's, especially in the economic environment, characterized by resounding failures of large private companies, which remained in the collective memory as the best examples of business failure. Based on these negative examples, identifying the most efficient models of corporate governance became a concern for many researchers and business people worldwide.

Especially, studies are based on the analysis of the elements that have led to imbalances in international economy. Turbulent phenomena had repercussions on foreign direct investments and implicitly on the stock market, leading to increased uncertainty and the appearance of a reluctance from the businessmen. In this context, the investors became more cautious and began to be concerned with the clarity and accuracy of the information coming from the external environment.

In an attempt to emphasize common causes behind business failure, but also from the desire to provide new solutions to the problems caused by the disappearance of large companies, a large series of reports have been elaborated, generally, to define the basic principles of the corporate governance. The most famous study elaborated in this regard is the Cadbury Report which highlights the fact that the management of the concerned companies was the main responsible of their insolvency, a situation caused by the inability of management to learn from their own mistakes and also by the *„emergence of major problems in the organization and operation of the internal control system"* (Cadbury, 1992). Following the analysis, it was demonstrated that while there is a relationship of interdependence between capital markets dynamics and the economic dynamics. Based on these considerations, the aforementioned report presents a series of recommendations regarding the development concept of corporate social responsibility, business ethics and corporate governance.

At the macroeconomic level, obtaining benefits derived from constructing an image of a country for investment and corporate reputation is actually the main purpose of governance policies implemented in the most developed countries aimed at sustainable development. Mainly, adopting the Corporate Governance Codes translates through encouraging ethical behavior and developing an organizational culture based on the principles of business ethics. Some authors consider that ethical principles have become a necessity that enables to develop plans and long-term forecasts, both in terms of the result of organization and the development of relations with the external environment (Spătariu, Asal, 2008).

At present, the financial and economic crisis has amplified the need for defining strategic directions, with clear objectives that provide certainty in achieving satisfactory financial results. Long-term vision allows implementation of management strategies that transforms companies into strong and complex economic entities with the capacity to anticipate potential risks and prepared to deal with internal and external pressures. Moreover, responsible organizations are considered to be mature organizations, ready to exploit any opportunity for business development, but still aware of the economic and social impact of their activities.

The evolution of the corporate governance concept has generated the emergence of a set of definitions that attempt more accurate and complete illustration of the notion. Generally, governance is perceived as a *"system by which companies are directed and controlled",* but this definition given in Cadbury Report represent a rather simplistic approach of the phenomenon.

The last decade researches have brought major additions that helped to build a framework in which the emphasis is on details. Some authors, with wider view on the issue, approach corporate governance as the core that *"groups all the mechanisms aimed at solving a problem of agency implicitly, conflicts of interests between shareholders and managers"* (Feleagă, N. 2006). According to other researchers, governance consists of *"the ways in which suppliers of finance to corporation assure themselves of getting a return of their investment"* (Shleifer, Vishny, 1997) or *"the way how a business is managed and controlled, facilitating the verification of the company's management team to achieve the objectives set out on its level"* (Dinu, 2008).

One of the most complex presentations belongs the OECD (Organisation for Economic Cooperation and Development) that approaches the phenomenon in a two-dimensional way, taking into account the overall relations between the involved parties (behavioral approach) and all acts regulating the relations (regulatory approach). The two OECD views have been undertaken later by other analysts who generated new interpretations of the concept. Thus, supporting the idea that corporate governance includes a series of relationships between numerous stakeholders (shareholders, top management, board of

directors, employees, suppliers, customers, banks and other lenders, regulators, community members in general) and business goals, the concept is materialized later in *"the set of processes, customs, policies, laws and institutions affecting the way people, manage or control a profit"* (Bălăceanu, Predonu, 2010).

Therefore, governance has become in a relatively short time a *"specific structure of distribution of rights and responsibilities among different participants in the organization such as managers, shareholders and other stakeholders, which establishes rules and procedures for making decisions"* (Tricker, 2012).

2. Corporate governance - the starting point in developing a sustainable business

Literature attaches great importance to the corporate governance models, following the basic characteristics of each model. The dominant idea suggest that besides helping to a considerable increase in profit, corporate governance support the companies growth, determining top management to integrate in decision making process the new requirements, trends and sizes of businesses.

The link between companies management and socio-economic responsibilities is very clear and accentuated by all practices required by corporate governance, practices that aim the way of achievement, manage and control, order to protect the general and individual interests. The connection of those three elements is considered to be a new business vision, which promotes the main values such as respecting human rights, protecting the environment and promoting the interests of the stakeholders in a such complex and dynamic world.

One of the most interesting approaches to this relationship belongs to the Vice-President of International Financial Group[1], specialized on consultancy for business issues, who has said since 2009 that *„good corporate governance practices instill in companies the essential vision, processes and structures to make decisions that ensure long term sustainibility"*(Kite, 2009). His statements are supported including by the Executive Director of United Nations Global Compact[2] which specifies that *„a wall-governed company takes a longer-term view integrates environmental and social responsibilities in analyzing risks, discovering opportunities and allocating capital in the best interest of shareowners"* (Kell, 2009). In his opinion *„there can be no better way to restore public confidence in both businesses and markets and build a prosperous future*."

One of the strongest arguments which support the idea that corporate governance represents a starting point in business development and creating a sustainable economy is that effective corporate governance is the glue between ethical and responsible practices in business and interests of all parties involved. Future organizations must understand that social responsibility will contribute to creating a positive image and a suitable environment for business development. Therefore, the commitment of companies to contribute to the development of the society by promoting a behavior with integrity and based on business ethics principles can only bring benefits to the company, stakeholders and society at large.

Multiple benefits which derived from corporate governance practices were frequently brought into discussion both nationally and internationally. Attracting new investment increases confidence of business partners, introducing decision transparency or limitating

[1] IFG, member of World Bank Group, is a company internationally recognized for their efforts to attract and retain investment by promoting the adoption of standards and best practices of corporate governance.

[2] UN Global Compact is a platform built for business and non-business entities, so its be permanently connected to the common goal of building a sustainable and inclusive world at mondial level. The construction purpose of this specific platform was to support the private sector for use of the opportunities and managing the increasingly risks, by recommending principles and by inserting certain values which will generate benefits to all parties involved.

power abuse in the organizations with a single decision maker are just a few examples that amplify the need to respect the principles of corporate governance. Researchers interested in the subject have shown that *"the establishing of corporate governance is not just a means of survival today, but it is a strategy to thrive"* (Feleagă, Dragomir, Bigioi, 2011).

Broadly speaking, corporate governance helps the awareness of the impact of company activity on the environment and society and also help changing business behavior. According to the latest research in the field *"governance extends throughout the entire organization and includes internal controls elements, ethics, risk management and risk functions, policies and procedures, internal and external audit"* (Ghiță, 2008). Achieving long-term success depends decisively the business vision of top management. The transition to a higher level is hardly accomplished. In this context it is essential for organizations to learn from past mistakes, so that they become strong enough to cope with the increasingly high pressures. Adaptability of methods, techniques, management practices and also of business strategies to the requirements of the external environment is basically the key to success in a so turbulent environment. However, maintaining core values will have a key role to achieve business excellence. As the famous Jim Collins said, the adaptation of strategies and preservation of values are *"magical combination between keeping the essence and stimulating progress"* (Collins, 2010).

3. The relation between Corporate Governance - Business Excellence

To excel in business means to be better than others, to be superior to them particularly by improving the managerial and financial performances. Business excellence is often described as "an ensemble of remarkable practices used in process of managing the organizations and achieving results, all based on a set of fundamental concepts or values." Business practices have evolved over time, they became internationally used models, illustrating how an organization should operate to achieve a high level of performance and excellent results. The issue of business excellence sustainability is very important for organizations, especially in these competitive times marked by profound changes wide world.

Also, business excellence represents the development and strengthening of the management systems and organization processes to improve performance and create value for stakeholders. Business excellence is based on quality management systems and also on the total quality management philosophy and strategies. Business excellence means achieving excellence in all that the management of an organization represents (including the administration and organization, strategy, customer focus, management systems, human resources and processes) and, most importantly, achieving some superior business results. Analyzing both the processes and activities of an "excellent organization" and all the factors due to which it has come to excel in business, "business excellence" refers to the performances given to organizations for the maximum level of credibility at market.

Evaluated and compared to certain reference criteria such as the criterion of excellence awards, the performances achieved by an organization may determine a particular *"business excellence level"* specific to the organization. Achieving excellence also involves and good governance of all processes in the organization and therefore corporate governance models can be used by organizations to achieve high performance in business.

Conclusions

It can be said that the corporate governance sums up management activities, ethics and social responsibility. These terms should not be confused because its have some differences. If management aims at organizing, coordinating and controlling the activities for

achieving clear, concrete and realistic goals, the corporate governance concept is oriented over leadership activities to achieve excellence in business, without having a fixed or predetermined landmark. Also, corporate governance is based on the principles of business ethics and social responsibility, but all the imposed rules aims to maximize the company value and increase its performance.

The relations between Corporate Governance - Business Excellence is quite obvious and cannot be challenged at the organizational level. Most organizations have understood that if they want to achieve high performances and business excellence must intensify the preoccupations for corporate governance systems. We can say that this is an essential condition for achieving success in business.

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The productive nature of education

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Abstract

A theoretical debate on the productive character of activities from the field of education is intensely exciting and, at the same time, extremely justifiable. It is well known that until almost two and a half decades ago, within the states with a command based economy, according to the specific conceptual-methodological system, labor from the field of education and the activity underwent within this field, but not only, were considered unproductive and were included within the unproductive sphere, with significant effects, direct and indirect, towards the people that were set inside that area, especially from a payment point of view, of other rights, of the social status. There is, however, a certain concept regarding the productive or unproductive character of labor. It was considered productive only the labor which produced new value, national income, meaning an addendum of value over its own worth, and, according to this perception, this condition was met only by labor from the activities of material production. The social-political and economical changes from those states were accompanied by the abandonment of many paradigms which were considered taboo, among which that which divided labor into productive and unproductive, and by the adopting of new concepts. Currently, it is thought that all the activities which create utilities are productive, in the sense that they add worth. The Phrase "newly created value" has been replaced by the phrase "added worth". The useful character of labor from the field of education cannot be questioned. There are many arguments which lead us to the conclusion that, according to the actual paradigm, the educational activity is productive, maybe one of the most productive ones at the present time.

Keywords: labor, intellectual capital, human capital, education, productive factors, work force

1. Introduction

The quality of work force as a factor of primary production (productive) factor is indisputable. We lean towards the phrase "productive factor" instead of "factor of production" taking into consideration the connotation of the term "productive" throughout time. The useful social-economic activity is the result of the combining and cooperating on different planes and many forms of at least three elements (nature, work force and capital), called, in the traditional theory of economics, factors of production. The three elements have greatly evolved through the development of human societies in a quantitative, structural and qualitative aspect, deriving from it the so called neo-factors of production, which, in our opinion, represent extensions of the traditional factors, especially of the work force and of the technical assets (equipments, from the simple to the most sophisticated ones).

The active role, and, at the same time, determinant within the system of the traditional production factors (classical) was assigned, and rightfully in our opinion, to the work force. It

was considered to be the only creator of new value (plus-value, plus of value over the one consumed naturally within the useful social-economic activity). Definitely, the work force was not able to do this on its own, but the technical capital itself was the result of human creation and even nature (earth) incorporated the effects of benefic intervention (to be honest, not all the time) of man. The economic activity is the essential component of the human action because within its sphere there are created, in principle, the goods and services which are not expendable to the existence and evolution of man and of the social communities. The work force is considered to be productive (creator of new value) to the extent in which it is involved in the production of material goods and services, respectively in the real economy. Thus, we reached, more or less justified, a dividing between productive and unproductive labor, a paradigm which has lasted all the way to our present days with well known consequences.

The mutations within the social-political structure have been accompanied, inevitably, by changes which are corresponding within the economical thinking and practice. The including within its sphere of useful activities (this time, more or less justified) of a wide range of human actions has allowed the attribute of "productive" to extent over the entire factors participant to the development of such actions. All the factors of production have become productive, creators of new value, a fact with which we justify our opinion previously expressed. We need to mention, however, that mutations have intervened in the perception of the productive or unproductive character of the participants to the economic activity. The phrase "newly created value" was replaced with the phrase "added value", which implies, more or less in a direct manner, the ability to create new value for all the factors which participate to production. If all these factors create new value there isn't any hindrance left in calling them productive factors. In our opinion, the expression is somewhat forced (the arguments and reasons are many). The signal which we received is that they must be considered productive (creators of new value, of an excess of wealth) all the factors that participate to the useful social-economic activity (the effects may be, however, sometimes antisocial).

The work force, respectively man's ability to perform a useful activity, we may call it from now on productive, is the result of its biological, native, born features with which he came into the world, but also of his knowledge, features, abilities and competencies which he achieved afterwards, especially through the process of training, until his active integration into the economical life, but not only, and furthermore, through other forms of training, formal or informal. Education is the essential element from the training of the work force, so, from the start it is justified for it to be considered as being a productive activity (the details are much more subtle however, and the specialty studies point this out quite well).

The work force, itself, a beneficiary and, at the same time, an essential product of the educational process, is viewed from a different perspective, in the sense that from now on it is a human resources, a human capital or an intellectual asset. Of course, man himself is not an asset, but what he gathers throughout the tedious process of his development, with efforts (material, etc.) which are not to be taken lightly at all, may be considered an asset. The differences from the technical or financial assets are pretty self explanatory. The productive nature of education is not limited to the fact (nor to the simple statement) that it is a creator of work force; education is a supplier of services of a certain type with much deeper implications into the social life, dissipated through its pretty subtle fibers.

2. Considerations regarding the human and intellectual capital

From the neo-classical concept of capital, as a factor of production, derive a dematerialized definition of it, which states that capital is a real active or not, which's value

comes from the fact that it is a present or future source of goods and services, respectively of income. The definition is significant to the extent to which it applies to multiple generalizations and allows the applying of principles of forming and managing of capital and other elements, not just simple equipment and buildings used for production (Jessua Cl. and colleagues, 2000).

We consider, particularly, that the definition may be easily adapted to the productive abilities of individuals, abilities which are connected to their activity. An individual is able to work because he has certain productive capacity, expressed through native abilities, knowledge, skills, and competencies. From the moment when they are used within a useful economic activity, all these elements constitute a stock able to generate goods and services in the present and in the future and may be approached like any other capital. We are talking, naturally, about "human capital" because they are all attached to a person.

We may draw a parallel with the technical capital. Thus, human capital may be accumulated because we are talking about a stock; consequently, the individual may invest in human capital, an asset which, throughout time, it may get old and depreciate. Also, the remuneration for labor may be assimilated to the remuneration of any capital, in the sense that individuals calculate the rates of efficiency for their alternative investments, starting from the salaries which they may receive and, based on these, they may determine the optimal investment policy.

The human capital is substantially differentiated from the other forms of capital because it is intrinsic connected to an individual and it cannot be transferred among individuals. Thus, there is no constituted market for the human capital, even if there may be markets for forming this capital. Assessment has important consequences. The human capital may not serve as a pledge because it cannot be objectified and it does not allow the same possibilities of loan like the elements of physical patrimony because it is not distinguishable and, at the same time, it generates important risks of ineffectiveness. Consequently, individuals who do not have a physical capital are confronted with greater constraints of cash than other individuals, fact which should guide them towards smaller investments in the form of the capital which is available to them.

The important role of qualifications in the process of production was highlighted a long time ago (Smith, 1776), when it was evoked the fact that the improvement of knowledge is a factor of economic progress. The idea was taken over by more economists, but until the middle of the previous century there wasn't any systematic analysis of this intuition.

From a macroeconomic perspective, the thesis according to which the characteristics of labor are just as important as the quantity of labor was developed during the post-war period, along with the quantitative study of economic growth and its resources. The quantitative increase of the aggregated productive factors could not explain the growth rate of the aggregated product. In contrast, there were evoked the qualitative improvements of the productive factors, especially for labor; the progress of the general level of knowledge and better health care (health, living conditions, etc.) made labor much more productive (Denison, 1962, Schultz, 1961).

The phrase "human capital" proved to be, however, very enriching at a micro-economic level. In the first half of the 1960's came out the first systematic application of the tools for economic calculation in the issue of forming and obtaining knowledge by the individual (Becker, 1964). A workers qualification, which represents his human capital, is obtained outside the work place or at the work place through professional practice. The place of development specific for labor is the school system - time and effort spent within it by an individual is his investment into human capital. This investment results from an inter-temporal choice, which's terms are the present sacrifice of income and future perspectives of income tied to the acquisition of human capital. That investment may be analyzed, thus, with

the aid of the tools for inter-temporal micro-economic calculation. Through the same reasoning we may determine the rate of efficiency for that investment into human capital, which should be, according to the logic of arbitration between different forms of capital, of the same order of size like the rate of physical capital efficiency. Another implication refers to the fact that individuals should be indifferent to the time spent within the school system, because the pulse of income tied to the improvement of qualifications should compensate only for the income sacrifice caused by the duration of the studies. The fact that this statement was not empirical checked proves the interest and importance of research targeting the human capital (Jessua et all, 2000).

Becker's theory and the works which he inspired are based on the hypothesis according to which qualifications are, indeed, productive. However, it was formulated a contrary thesis which generated a second important wave of research regarding human capital. According to it, an individual may make an investment into human capital seeks to solve an issue of imperfect informing, in the sense, that by investing into human capital, more productive workers try show potential employers their superior abilities, which they may not notice directly (Spence, 1973).

The phrase "intellectual capital" appeared in the business world during the last decade of the previous century. There are two separate ways of thinking about the intellectual capital, but somewhat connected with each other. One refers to information, in the sense that the power of the mind focuses on creation and extending the knowledge from within the firm. The other one, based on resources, is oriented towards obtaining profits from the unique combinations of intellectual capital with the corporal resources.

The components of intellectual capital are: a) market assets - those that derive from a beneficial relationship of the organization with the market and with clients (clients and their degree of loyalty, channels of distribution, contracts and different agreements); b) assets based on the intellectual property - know-how, secrets of marketing, copyright, patents and other rights, and c) assets centered on the human resources - refers to the activity and creativity manifested in solving issues, as well as to the qualities of leadership, contractor and management which the employees of an organization may have.

There are, currently, four great systems of measurement for the intellectual capital:

a) Budgeting human resources - the objective of this method is to quantify the economic worth of people within the organization in order to be used in the process of management and financial decision making. There were proposed three such models of measurement, and those are the model of costs, the model of human resource value and the financial model. In our opinion, all these models tend to be subjective and unsafe, in the sense that they don't offer the necessary trust because the measurements cannot be tested with a degree of certainty;

b) The added economic worth - the model was introduced as an incomprehensible measurement of performance which ties the elaboration of budget, financial planning, objective realization, performance measurement, communication between shareholders and stimulation through compensations in order to correctly register all the means through which the organization may create or lose value. The system doesn't present, however, systematically the structural components of the intellectual capital and leaves room for many ambiguities in application;

c) The method of balanced table - it measures the monetary and non-monetary factors, and it includes also the client's perspective, the internal processes the perspective of development and training, as well as a system of coherent relationships between these measurements. The method has, in our opinion, more of a role of completing the traditional perspectives by adding monetary elements;

d) The navigator model - according to this dynamic and holistic model of capital reporting, the intellectual capital is divided into human capital and structural capital, which, in turn, includes the organizational capital and market or commercial capital.

3. Economic approach on education

The economy of education was constituted into a field of the science of economics at the same time with the so called revolution of the human investment, which allowed the foundation of analysis of the educational system based on the analysis of individual choice, re-locate the education of school and university type into a more generous framework of training (at school or within an enterprise) and the correlation of the options regarding training with professional options. Among the many themes approached we can distinguish three major directions of research (Psacharopoulos,1996), thus: focusing attention, before all, on the efficiency of investment into education(during the 1960's); contesting the social benefits of education by the theories of filters and signal (during the 1970's), and the focusing of the theories of endogenous growth on the external positive effects of education and over its role as a primary source of growth.

The human capital of an individual is, as was previously stated, the stock of knowledge and competencies incorporated into him. The individual is the only one who can develop these competencies and knowledge by investing into him. Thus it is introduced into the model a function of individual production of human capital, respectively a function of raw investment expressed in physical units (Porath, 1967). In order to produce and incorporate into himself a quantity of additional human capital, the individual uses a fraction of his time different from his spare time, utilizes a quantity of training goods and services and appeals to the stock of human capital already incorporated into himself. The additional human capital has certain coefficients of elasticity towards the three mentioned elements, which signify the individual ability to use them. The individual chooses the optimum values of the fraction of time and quantity of training goods and services in order to obtain the optimum quantity of additional human capital. The stock of human capital is a variable of state; it is inherited from the past. The calculation of the rate of human capital accumulation takes into consideration the rate of forgetting and depreciation of the human capital. The rate of accumulation as high as the development of personal skills is greater and as the stock of already accumulated human capital is bigger, in conditions of ceteris paribus. Through recurrence, the rate of accumulation depends on the stock of human capital from the initial period, which is transmitted by the family and social environment of origin.

The individual seeks to maximize the income generated by his work throughout his active lifetime. He seeks to produce an optimum quantity of additional human capital, which equalizes the marginal cost with the actual value of the incomes which an additional unit of human capital will procure for him for the rest of his active life. This optimum quantity implies however a fraction of time, different from the free time, for training.

Thus, there succeed, two phases. In the first phase, the initial stock of human capital is too small for the production of additional capital to achieve its optimum level: the individual studies all the time. The second phase starts when the stock of human capital is sufficient for his growth to achieve an optimum level. The individual enters the labor market and divides his time, different from his free time, between labor and training. Taken together, these two phases constitute an optimum process of accumulation of human capital, until the age of retirement. The curb of the marginal cost is increasing, as well as the produced quantity, no matter which phase is taken into consideration, within a given period of time.

This analysis is generalized by a series of models, considering that the individual maximizes, besides his income from labor throughout his active life, the utility throughout his

entire life span, which permits to take into account, at least formerly, the non-pecuniary advantages of education. But the abilities of empiric prediction, even qualitative, of the models are the much weaker as these are more general. They are very sensible to the values of the parameters and are not solid from an econometric point of view. For this reason, the empiric studies followed different models. Still, the analysis of Ben Porath remains the best means to point out clearly the value of the unity of the obtained results and their limits.

The educational system exerts concomitant two functions, one of learning and one of certification. The theory of human capital, as it was certified at its origin, highlights the continuity of the process of individual accumulation generated by learning. But, the function of certification introduces through definition discontinuities (the obtaining or not of a degree), validated or not by the acquisition of a minimum stock of human capital. The educational system is sequential and branching. Certification fulfils an important internal function of orientation and incitement towards effort. The theoretical debates focused however on its external function.

Conclusions

The modern theory of human capital was developed initially around the group from the University of Chicago, intellectually coordinated by Theodore Schultz, the president of the American Association of Economics. Postulating the rationality of individuals, Schultz and his collaborators, Jakob Mincer, Gary Becker and those that followed, focused more on the study of relationships between the human capital and income from labor, more precisely on the study of variations of incomes depending on the level of the individuals' education. Becker realized a remarkable presentation of the theory of human capital, stating that individual income increase substantially depending on their level of education. Mincer and Becker restricted, in general, their approach on human capital to the analysis of the educational capital, highlighting the costs associated with investing in training, as well as the relationship between school and post-school investments;

The analysis on human capital of the last decades have started to define it as an educational capital, as a consequence of the impact of the theory of the human capital. It is shown that education represents, in fact, the essence of the human capital, its importance being superior to the components associated to the state of health (Blaug M., 1976). Comparison studies on the quality of education made in countries which are in transition and in those that are economically developed point out that this issue is one with which most Central and Eastern Europe countries are faced with;

Specialists think that the systems of education which do not develop among their students the ability to use their knowledge in real life situations, their creativity, and innovating spirit cannot be considered efficient learning systems. Graduates who lack these skills are exposed to the risk of unemployment, to social exclusion, to poverty;

Perspectives opened up by the theories of human capital are important and concern different fields. We consider that three of these justify a special attention. First, the concept of "human capital" sets into a new light the process of production and searching the optimum combinations of factors. The investment into human capital and the diversity of its causes illustrate the complexity of the strategies applied by entrepreneurs and employers. Second, on an aggregated plane and from a long term perspective, the combined study of economic growth and qualifications may reveal complex interactions. Thus, the human capital may be more or less productive depending on the time, triggering different phases of growth; at the same time, it may have multiple sources. The human capital has proved itself to be, especially, an important vector of endogenous growth. Third, the development of economies with a de-centralized market clearly shows that the social segmentation depends more and more on the

level of professional qualifications. One of the stakes of the theories of human capital have as an object of study these qualifications, respectively, to determine if they will allow for a better understanding of the social inequalities. The human capital articulates itself on the structure of remunerations and, thus, on the dividing of income and patrimony, because it is based on the relative efficiency of investments into qualification;

e) Gary Becker developed the theory of investment into human capital tied to the term of recovery of the investment into human capital. The human capital and, implicit, the investment into human capital, especially, the investment into education, determines the individual's ability to win, as well as his employment perspectives. Recent studies of OCDE confirmed the importance of investment into education as an essential determinant of growth and contemporary economic development;

f) An important motivation for the individuals to invest into education is tied to the accumulation of a stock of human capital, materialized into knowledge and competencies that generate the tendency for growth of productivity and, implicit, for potential income which the individual hopes to obtain, expressed, at the same time, in monetary and non-monetary terms;

g) The central idea of all the theories on intellectual capital and society based on knowledge is the fact that values have changed their hierarchy; the physical resources have come down a step to make room for the intangible resources which become a more and more important factor in the development and profitability of businesses;

h) In order for the effects of education on the development of human capital and economy to be maximum there have to be respected, in our opinion, certain conditions, as it follows: the first one - the quantity and quality of education, measured in the number of years of study, the percentage of the gross domestic product allocated to education, the rate of school participation, the school results and performances, to be high, and the educational offer to correspond to the current and future demands of the market of work force; the second one - the existence of a social-economic and stable political environment and a rhythm of accelerated economic growth, and the third - the differences between income at the individual level, respectively the salary must correspond to the level of educational and professional training of the individual.

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The cybernetic valences of competitive economy

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Abstract

Economy, as a theoretical thinking and practical action, has been permanently open to assimilation of top achievements of science in general and to their adaption to their own needs of analysis. Those that were proved especially important for economic science were the corpus-conceptual methodologies specific to the general theories of systems and cybernetics. The latest economic specialty literature is not, however, sufficiently generous for this issue, so there are spread, in our opinion, a series of ambiguous writings. The economic systems cannot be completely assimilated to the cybernetic systems themselves. We proposed ourselves, thus, in the present study, to identify the attributes of the cybernetic systems which find themselves, in a specific form of course, within the functioning mechanisms of the contemporary economic systems, especially within the functioning mechanism of the competitive national economic system. We focused on inputs, outputs, structure, state, functionality, behavior, connections, adjustment and self-adjustment, all these however from the perspective of an imperfect cybernetic system.

Keywords: inputs and outputs of the competitive economy; structure, status and behavior of the competitive economy; self-adjustment of the competitive economy.

1. Introduction

The progress achieve in the field of general theory of systems has boosted the further researching in all the spheres of human activities, including in the economic theory and practice. The beneficial effects of using and implementing the system of concepts and fundamental principles of this theory, corroborated with those of cybernetics, are undeniable. We think, however, that in certain circumstances, thinks were a little forced; it has reached the point, for example, when all the forms of manifestation and the levels of development of the economic acts and facts are considered cybernetic systems. In fact, it has become a trend among economists to consider that enterprises and the national economy in its whole are cybernetic systems. From our point of view, the economic systems are not pure cybernetic systems, but circumscribe a series of valences or attributes of them, in the sense that within the mechanisms of their functioning we can identify similarities with the universal principles of cybernetics - this is how we explain in fact the appearance and development of a research branch called economic cybernetics.

We go, this, from the reality that the contemporary competitive economy is a complex real system which envelops attributes of cybernetic systems and we define the economic system with cybernetic valences as well as an ensemble of ordered elements, including the relationships of inter-dependency between them, as well as between their attributes and properties (Dictionary of mathematics and cybernetics in economy, 1979). The economic system with cybernetic valences, in comparison with the cybernetic systems themselves, has

a series of properties that point out its specificity, flexibility and complexity. The most significant of these we consider to be the following: a) has its own functions and attributes, different from those of more complex formations in which they integrate into, of the analog systems from the same level and of its own components; b) it behaves as a part in relation to the more comprehensive system and as a whole in relation with its own components, and c) develop a multitude of activities with a complex character. The relations that set between the elements of the competitive economy system during its functioning are called inter-conditionings or connections and may be causal, of coordination or of subordination.

In order to define the competitive economy as a system with cybernetic valences we adopt the hypothesis of relative informational isolation and absolute penetration of energy and matter. It is accepted, this, that the inputs and outputs of information is controllable or observable, fact which allows the realization of the information-decisional management product. As a consequence, the contemporary competitive economy, in relation to itself, has a structure, a state and a functioning, and in relation with the exterior environment, have an input, an output, a behavior and a function. The structure of the competitive economy as a system with cybernetic valences is represented by the sum or multitude of its component elements and of the relations or connections between them - this characterizes the ensemble of the relations relatively stable between the components of the system, relations which have to be compatible with those respective components and with their properties. The structure of the competitive economy as a system with cybernetic valences conditions its behavior, in the sense that the action of the environment over itself is received differently depending on the inner order of the components and on the specific of the interdependencies between them. The state of the competitive economy as a system with cybernetic valences is expressed also by the specific of the interdependencies among them. The state of competitive economy as a system with cybernetic valences is expressed through the level of size which characterizes its structure at a given time (Băcescu, Băcescu-Cărbunaru, 1998).

2. The inputs, outputs and behavior of competitive economy as a system with cybernetic valences

The inputs and outputs refer to the connections between the national competitive economy and its ambient environment, in the sense that it marks the action of the environment over the national economy or the other way around. The contemporary national economy has a lot of inputs and outputs of a human, material, monetary, informational nature. Inputs, by the way in which they are directed, are of a type command-decision (emanate from the subsystem of management and have the role to direct the dynamics of the national economy) and of a coupling type (emanate from the subsystems which evolve in the space of the national economy and have the role to supply it with the necessary resources for developing the activity and ensuring the evolution on the path of economic growth). Outputs, by the way they are oriented are of an informational type (transmitted to the command system) and of a coupling type (transmitted by the subsystem which evolves in the space of national economy). The outputs of a coupling type may be, in turn, grouped into outputs for the emitting system, essential for the reverse connection, and outputs towards other systems. The analysis of competitive economy as a system with cybernetic valences points out the fact that the inputs as well as the outputs may have a discreet or continuous character (Băcescu, Băcescu-Cărbunaru, 1998).

The system of the competitive economy has a dynamic character by definition. It is considered that the initiator of the study of dynamic systems is Poincaré. Thus, it is not surprising that, in the first part of the last century, the basic results of this theory began to be used in a certain number of economic models, especially in the study of the stability of the

general equilibrium. The walrasian models which study the dynamics of the prices depending on the relation between offer and demand are representative (Arrow, Hurwicz, 1958). The macro-economic models of keynesian influence, based on the multiplication mechanism - accelerator, have proposed conditions within which appear fluctuations. It is the case of the model of Samuelson (Samuelson, 1939), which is linear and in which the balance is a center. The results were extended to the non-linear models (Kaldor, 1940, Goodwin, 1947). After the initial studies there were few developments proposed, because, on one side, these models accused the absence of certain micro-economic fundaments, and on the other side, the used dynamic instruments offered results which were too rigid (for example, the fluctuations are assimilated to certain cycles). Starting with the years of 1980's there appeared new mathematical papers tied to the theory of dynamic systems, which opened new perspectives. These results, conjugated with the works dedicated to economic models with endogenous models with micro fundaments, have favored the appearance of certain studies regarding the endogenous fluctuations organized around two axes, which are the optimum increase and nested generations (Grandmont, 1985; Drugeon, 1997; Jessua et all, 2000).

The completive economy as a dynamic system with cybernetic valences is characterized, in our opinion, by the following: a) constant or lack of variance in time, if its response at a certain segment of input and from a certain initial state is independent of the time intervals in which it is studied - its defining relations do not change in time; b) continuity in time, if and only if time is the set of integer numbers; c) the most important measure of its complexity is the structure of its own space of states - to this sense, the dynamic competitive economy is defined dimensionally if and only if its structure is a finite linear dimensional space (the hypothesis of finite dimension or fixed dimension is essential if you are interested in concrete numeric results); d) linearity, this being a basic hypothesis in the study of the dynamic study of the competitive economy, because it is useful in the study of the local behavior of the non-linear continuous systems; f) directing time, and g) causality (Băcescu, Băcescu-Cărbunaru, 1998).

The behavior of competitive economy as a system with cybernetic valences represent the sum of the actions which it undertakes, actions concretized in the modification of outputs as a reaction to the change of inputs, for the realization of its functions or for the realization for a state-objective. Thus, the competitive economy, as a system with cybernetic valences, is in our opinion, the direct result of its management as an informational process subordinate to the desired objective. The behavior ensures the competitive economy its identity even if it acts disruptive factors. We can distinguish two sides of the behavior of the competitive economy; the internal behavior, meaning the concrete method of modifying the vector of state under the influence of the flux of inputs, and, external behavior, meaning the method of transforming the input flux into output flux. Through the input and output flux, the national economy connects with the environment in which it functions, in the sense that through fluxes of input the environment act upon it, and through the output fluxes it acts on the environment. The internal behavior is determined by the structure of economy, and the external behavior is revealed by its functionality. The major role within the structure of competitive economy goes to the economic agents, because their activity characterizes the entire process of economic growth and the evolution of all its components.

Thus, the competitive economy may be defined as a system with cybernetic valences through the interaction between structure, behavior and functionality. We consider that the competitive economy, as a system with cybernetic valences, is defined through: the multitude of components or sub-systems; the guiding character, respectively the existence of a mechanism of command; the capacity to cooperate with the environment; the existence of certain informational channels within itself and between it and its environment; the existence

of certain connections within the channels of information; the finalized behavior; the probabilistic character; the property of balance and ability to self-adjust.

3. Connection, adjustment and self-adjustment within the competitive economy as a system with cybernetic valences

In competitive economy, considered a system with cybernetic valences, the connection signifies a relationship between two or more phenomena or specific processes from which result mutual modifications in their behaviors (Dictionary of mathematics and cybernetics in economy, 1979; Dictionary of leadership and organization, 1985). In economics, like in any other system with a cybernetic behavior, the connection is direct and reversed. By the method in which it produces, the latter may be unmediated, mediated and mixed.

The economic adjustment is the process which ensures the demanded or desired values of the variables which are essential for the functioning of the adjusted system. The issue for adjustment is to ensure the equality between the desired value of the fluxes of output from economy and the effective value of these fluxes generated by the previous unknown disturbances determined by the external conditions of functioning of the adjusted subsystem or by the values of its parameters. In the case of direct connections, the deviation between the two values is not used in a direct manner for the elaboration of adjustment action (Dictionary of mathematics and cybernetics in economics, 1979; Dictionary of leadership and organization, 1985).

The competitive economy is forced to create for itself a system of decision and adjustment and a system of control that can function through a reverse connection. The competitive economy is consciously adjusted through the macro-economic plans. Through the system of decision it adjusts the outputs depending on the inputs, and through the control system it adjusts the decisions depending on outputs.

The competitive economy, as a system with cybernetic valences, has, besides the ability to adjust, the ability to self-adjust. This comes from the possibility to control inputs and outputs (Dictionary of leadership and organization, 1985). If the economic system loses its ability to self-adjust it will reach degradation, dissipation. Economic self-adjustment is the adjustment that is made depending on the effective deviation of the adjusted size from its desired value (Băcescu, Băcescu-Cărbunaru, 1998).

The functioning of self-adjustment within the system of the competitive economy, as a system with cybernetic valences, is favoured, in our opinion by the following conditions: a) its structure; b) its foreseeing character; c) the informational basis of the self-adjustment mechanism of the market; d) the action of the status of an agent of the processes of adjustment; e) the existence of other condition of normal functioning of the mechanism of competitive economy. Under this aspect, the competitive economy is an ensemble of interdependent blocks, as it follows: the resource block, the block of economic agents (synonymous to the offer), the market block(synonymous to prices), the block of the final consumption and intermediary of goods and services (synonymous to demand) and the block of the internal medium, international and ecologic. The normal functioning of the competitive economy, just like all its sub-systems, depends on the quality of the relationships which are set between these blocks and between the components of each one of them. The determinant role comes to the block of economic agents, because, through their activity, it determines all the other blocks and they may influence the internal structure and the connections within each block and between blocks (Băcescu, Băcescu-Cărbunaru, 1998).

The decisions of the producers and consumers are influenced, sometimes in a decisive way, by the information regarding the economic environment and internal social-politic and

international and ecologic environment. The analysis of demand and offer expected for a certain product or service has to keep track of a series of determining elements. Thus, firstly, the future demand for a product or a service is a function of the product's price or service's price in cause, the prices of products or substitute services, the available incomes and the psychological factor. We mention that the function is not completely available to the products and services of a first necessity which have a rigid demand. Secondly, the future offer, in turn, is a function of the medium cost of production, quality and abundance of the productive factors and their prices. The significant information on which the decisions of the economic agents are based on the following: volume, structure and degree of employment; population income; demand of goods and services of consumption; prices and cost of production; profits; demand of credits; financial reserves, monetary reserves; preferences for liquidity; inclination towards consumption; existent stock and necessities to replace it; unused capacities.

Competitive economy manifests itself in addition to the direct and reverse link (feedback) also a different kind of connection called connection before (feed before), which mechanism contribute to macroeconomic adjustment (Băcescu, Băcescu-Cărbunaru, 1998). In the labor process, the man has also acquired over time unelected qualities. With their help, he can prevent occurrence which causes disorder, provided that have a mechanism to prevent deviations. The mechanism for correcting the deviations is called retrospective mechanism, feedback, and the mechanism to prevent violations is called adjustment before mechanism, feed-before.

We found that the mechanism feed-before, compared with feed-back mechanism operation is characterized by: a) use of prediction, forecasting, unlike feed-back mechanism that is powered with retrospective information; b) implies the existence measurement tools to inform the control center of events that may cause offense, while the feedback mechanism implies a control center, the executive organs and measuring instruments to monitor changes in regulatory element; c) control center must process information received so as to reach the most appropriate decision and send it to any of the executive organs available, choosing the action and intervention can prevent organ whose best effects could produce perturbations that generated this information, and d) shall establish whenever appropriate correspondence between the set of the input streams and output streams.

Conclusion

The competitive economy as a system of meanings cyber differs, in our opinion, differs from proper cyber systems in at least three significant aspects which reads as follows: first, contains, as an essential element, the direct and conscious human guidance of regulation and self-regulation processes,, and secondly, in its forming a dense network of connections between the components, which gives a unitary and homogeneous aspect, and, thirdly, regulation and self-regulation is done as in any complex system, with the specific that when man intervenes, it is through man;

Direct Connection in the competitive economy is a form of connection between its structural elements which the output subsystem is sent directly to the input of another subsystem. The information enters the control system contains no data available on the state of the controlled subsystem. There is no mediator element between the controller subsystem and the controlled system;

The reverse connection in competitive economy is a form of connection between its subsystems, where the output of a subsystem is transmitted to the entry of the same subsystem. In cybernetics, it is known as feedback. In technical literature is also called closed-loop mechanism or circulatory process. Reverse connection is a universal principle that underlies automatically adjusted systems and its existence and action is an act of

cybernetics. Reverse connection can be positive when it has the same sign as the input signal, amplifying the action , can be negative when the input signal is opposite, getting milder and action, or be rigid when its signal is equal to the stabilized size of the inlet and does not depend on the speed of its variation over time;

A mechanism of self-regulation does not eliminate the role of the state in competitive economy. The state has to be seen as the legislative institution drawing up rules of conduct for businesses, and as the executive institution that ensures the application of these rules, and, on the other hand, representing the national interests in relation to other countries. Therefore, he state is a trader complementing the competitive economy mechanism and, if necessary, corrects it to close the supply-demand balance;

The considerations in the contents of this study are suggested by the competitive realities of the national economy as a whole, but mention shall remain valid for each of its substructures, because each substructure can be approached as a stand-alone system against its own components and specific internal and external interdependencies.

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Considerations regarding Romania's national objectives for the EU's growth strategy, Europe 2020

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Abstract

The impact of the economic crisis was a fairly strong one, pointing the deficiencies of the European economy and not only, and all the achieved progress has been mostly lost: European GDP has decreased, the industrial production in Europe dropped to 1990 levels and over 10% of total EU active population does not have a job.

The financial and economic crisis has already forced the Commission to propose measures to improve the economic governance of the Union. The Europe 2020 strategy is a continuation of the European Union's treaties and strategies used to participate in the exit from the economic and financial crisis. This is a strategy for 10 years (2010-2020) having as goal the creation of a smart and sustainable economy, favorable to inclusion, with a raised level of employment and social cohesion and better living conditions for citizens.

The strategy is implemented in the Member States through the National Reform Programmes (NRPs). Romania has set up targets for meeting the objectives of the Europe 2020 strategy and has established measures, lines of action, budgets and institutions to achieve objectives.

Keywords: competitiveness, smart growth, sustainability, inclusion, innovation

1. The general framework of the Europe 2020 Strategy, at European level

Because of the crisis, ensuring future economic growth is more difficult. The financial system's situation is still fragile, given the difficulties faced by both businesses and households to borrow, spend and invest. Many investment plans, talents and ideas risk going to waste because of uncertainties, sluggish demand and lack of funding.

The general framework of the Europe 2020 strategy in Europe was adopted at the European Council of 25-26 March 2010 and completed on 17 June 2010. The final document was published on 12 January 2011, following receipt of the Member States of the projects on their national reform programs, linking with other EU programs, comments or recommendations made by the European Commission and national authorities. The progress made by Member States in achieving this strategy were and are assessed and monitored.

1.1. The priorities and objectives of the Europe 2020 Strategy

Europe 2020 puts forward three mutually reinforcing priorities (COM, 2010):

- **Smart growth:** by developing an economy based on knowledge and innovation;
- **Sustainable growth**: promoting a more efficient economy in terms of resource use, greener and more competitive;

- **Inclusive growth**: promote an economy with a high rate of employment, ensuring social and territorial cohesion.

These three priorities are mutually reinforcing and provide an overview of Europe's social market economy for the XXI century.

For 2020, the European Commission proposes to the European Union five measurable objectives that will guide the process and will be translated into national targets for all member states:

- employment;
- research and innovation;
- climate change and energy;
- education;
- fighting poverty.

The European Union can use tools and initiatives to achieve these goals, but it is necessary to involve all Member States and European institutions. The EU needs to define towards where it wants to grow by 2020. The main objectives proposed by the European Commission are as follows:

- 75% of the population aged 20 to 64 should have a job;
- 3% of European Union GDP should be invested in research and development;
- objectives "20/20/20" climate / energy targets should be met (including a reduction of emissions increased to 30% if the conditions are right this direction);
- rate of early school leavers should be under 10% and at least 40% of young people should have higher education studies;
- number of people at risk of poverty should be reduced by 20 million (national poverty line is set at 60% of average disposable income in each member state).

1.2. EU initiatives to achieve the Europe 2020 objectives

The Commission also proposed seven flagship initiatives in order to achieve progress under each priority theme, which are valid for all member states. These are (COM, 2010).

1. *"Innovation Union*"- aims to improve framework conditions and access to finance for research and innovation to ensure that innovative ideas can otherwise be turned into products and services that create growth and jobs;
2. *„Youth in action*" – to enhance the performance and international attractiveness of Europe's higher education institutions, to raise the overall quality of all levels of education and training in the EU, combining both excellence and equity, by promoting student mobility and those in training programs, and to improve the employment situation of young people.
3. „*A digital agenda for Europe*" - to accelerate the development of high-speed internet (30 Mbps or more) and to exploit the benefits offered by a digital single market for households and firms;
4. *„A resource-efficient Europe"* - to help decouple economic growth from resource use, to support the transition to an economy based on low carbon emissions, to increase the use of renewable energy sources, to modernize the transport sector and to promote energy efficiency;
5. *„An industrial policy for the globalization era"* - to improve the business environment, especially for SMEs, and to support the development of a strong and sustainable industrial base able to compete globally;
6. **„** *An agenda for new skills and jobs"* - to modernize labor markets and empower people by developing their skills throughout life in order to increase their participation on to the labor market, and better match demand and supply in labor, including through professional mobility;

7. *„European Platform against Poverty"* - to ensure social and territorial cohesion such that the benefits of growth and jobs are distributed fairly and people experiencing poverty and social exclusion are given the opportunity to live in dignity and to play an active role in society.

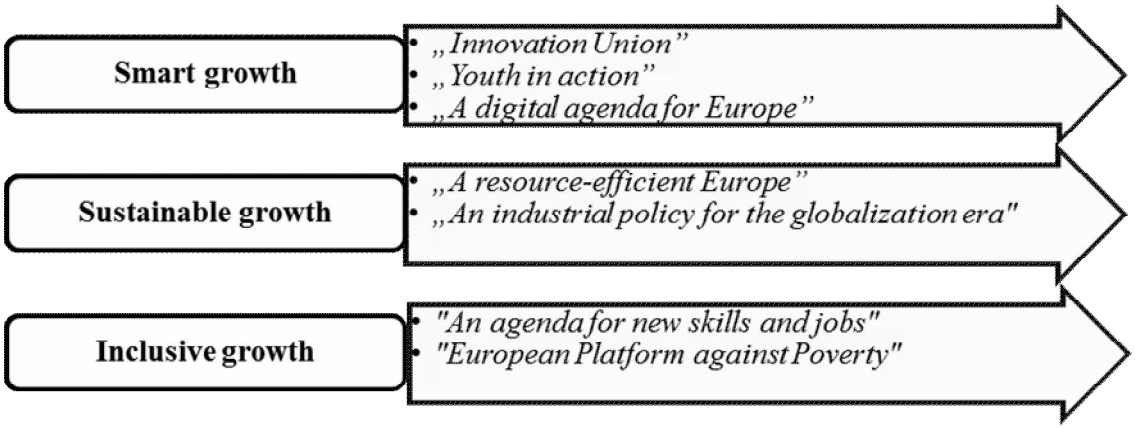

Figure 1. Correlating principles and initiatives Europe 2020 Strategy

1.3. European Union funds and the Europe 2020 Strategy

The European Union funds covered by the Common Strategic Framework (CSF) are: the European Regional Development Fund (ERDF), European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).

The Europe 2020 strategies' objectives must be integrated into the various CSF funds, each contributing to smart, sustainable and inclusive growth and having a key role in supporting financial instruments.

The Investment policy provides the framework and the application system that is needed to achieve the goals of the Europe 2020 strategy. The European Regional Development Fund (ERDF), European Social Fund (ESF) and the Cohesion Fund (CF) cumulate over a third of the total budget of the European Union. The European Commission cooperates with the management of EU member states to ensure effective investment of these resources in order to support the Union's strategic priorities, namely smart, sustainable and inclusive growth.

EU funding provides support for the development of innovative technologies, cutting-edge research, high-speed Internet access, a smart infrastructure for transport and energy, efficiency for energy and sources of renewable energy, business development, skills and training.

2. Europe 2020 Strategy in Romania

Implementing the Europe 2020 Strategy at European and national level began in 2011, thanks to the exercise from the European Semester of coordination (January-July), allowing correlation between the three instruments: the National Reform Programmes - Convergence Programs – multi annual budgetary framework of the Member States.

Romania still faces huge challenges in development. The process extensively recorded until 2008 in terms of catching-up the gap slowed sharply due to the crisis, and GDP per capita is still at less than 50% of the EU average. After two years of decline (2009 and 2010) growth resumed in 2011 and real GDP grew in 2011 by 2.5%, mainly due to strong growth in industrial production and exceptional harvest (COM, 2012). The Foreign

Investment flow declined, lowering the investment opportunities, innovation and jobs at the same time. Employment rate is a low one. Young people remain a particularly vulnerable group on the labor market, the unemployment rate for workers aged less than 25 years were 23.7% in 2011. Other serious problems facing Romania are the risk of poverty and exclusion and environmental issues.

Under the coordination of the Department for European Affairs (DEA), has been created the PNR 2011-2013 project addressing: national targets, the main measures to achieve their reform priorities and bottlenecks to growth and employment.

The PNR project was adopted by the government meeting on 17 November 2010 and sent to the European Commission. The final version of PNR 2011-2013 was adopted by the government on April 29, 2011 and sent to the European Commission on the same day.

There have been set valuable targets to meet all the objectives of Europe 2020 Strategy. These were discussed at a conference organized by the Department for Foreign Affairs and European Affairs Committee of the Parliament of Romania (*Romania and Europe 2020: vision, challenges and strategic priorities*) and have been adopted by the government during the hearing on 7 July 2010.

Table 1. The values of national objectives and the current Romanian situation for Europe 2020 Strategy

EU Objective 27	National objective for 2020	Current situation in Romania
1. Employment rate of population aged 20-64 years - 75%	70%	62,8% (2011)
2. Investment in research and development - 3% of GDP	2%	0,47%
3. Energy and climate changes (20/20/20)		
Reduction of greenhouse gas - 20 %	20%	+9 % (emissions estimated for 2020 compared to 2005) -7 % (emissions in 2010 compared to 2005)
The share of enery from renewable sources in gross final consumption - 20%	24%	23,4%
Energy efficiency development- 20%	19% (10 Mtep, expressed as a reduction of primary energy consumption)	
4. Education		
The rate of early school leaving - 10%	11,3%	17,5 % (2011)
The rate of population aged 30-34 years graduate of a form of tertiary education - 40%	26,7%	20,4 % (2011)
5. Social Inclusion promotion, especially poverty reduction - reduction of at least 20 million the number of people at risk of poverty and social exclusion	-580.000 people	-788 000 (2011)

Source: after www.mae.ro and www.ec.europa.eu

According to the table above, the biggest differences between the existing situation and the national reform plan objectives for 2020 are related to low investment in research and development, inefficient use of resources, social inclusion and employment rate. Public support for research and development is extremely low and often ineffective against objectives for 2020, ranging on average from 0.3% to 0.5% of GDP. Romania has almost

reached the overall renewables target; however some sources such as solar or geothermal remain insignificant so far, even if there is potential.

For each national target, the Romanian government established the National Reform Program, measures / action lines, budgets and institutions responsible for achieving targets.

Conclusions

Europe 2020 Strategy is not relevant only to countries within the European Union, but also for the candidate countries, case when it could help them strengthen their reform efforts.

Objectives proposed by the European Commission are interconnected and representative, but the approach made by each member state will be different, since they do not offer the same level of development. These objectives will be translated into national targets and routes according to the situation of each member state. The European Commission supports the efforts of member states and through such actions held at European level.

One of the critical objectives over the next few years will be the development of strategic relationships with emerging economies to discuss common concerns, promote regulatory and other types of cooperation and to resolve bilateral issues. For the Europe 2020 strategy to work, a system of economic governance was designed to coordinate policy actions undertaken at EU and national level.

Investing in research-development and innovation, in education and in efficient technologies in terms of resource use will bring benefits on traditional sectors, rural areas, as well as in service economies with high levels of skills. It will strengthen economic, social and territorial cohesion.

Romania proposes an equal valued set out in the Europe 2020 strategy for a target that is energy efficiency. According to the National Reform Plan, Romania has proposed a value exceeding the proposed EU strategy on a target - the share of renewable energy sources in gross final consumption of energy - and a partial fulfillment for six goals, with a degree of accomplishment between 44% and 93.6%: the occupancy of employment rate, poverty reduction, the rate of decrease in emissions of greenhouse gases, the rate of expenditures on research and development from GDP, the rate of early school leaving and the rate of population in the age group of 30-34 years with tertiary education).

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Community agricultural policy between 2003 and 2013

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Abstract

In the new context of accelerating globalization and EU enlargement to 27 Member States, it is facing new demands and opportunities imposed further CAP reform through a new approach to developing the agricultural sector and rural areas.

EU still go through a process of fundamental reform of the CAP, designed in the years 2003 - 2004, the first steps were applied in the old Member States (EU 15), in 2005 and later, in 2007 to be implemented whole market reform and rural development. Were taken, including transitional measures, the application of these Community rules and after January 1, 2007, some of which remain valid for a period of time.

Keywords: globalization, agricultural policy, reform, market

1. Objectives and content of the new reform of the Common Agricultural Policy

"The new CAP reform was a fundamental one in the sense movement supporting measures to products from producers to market regulations, to rural development and environmental protection" (Parvu, 2005).

Expected "freezing and gradually eliminating intervention prices and some government intervention. In terms of prices in line with world prices, farmers are guided only by market prices, which will depend on the level of income" (Ionescu, 2012).

Total decoupling intervention prices, production, introducing the single farm payment scheme was to establish direct relationships between farmers and the market, community support is no longer necessary for controlling the supply, but was directed to the application of sound methods of agricultural production, environmental protection and sustainable rural development programs. Farmers' incomes should not depend on subsidies, because they will not assign to a level of production, but independent of, the environmental conditions and quality of public health and animal health.

New CAP reform applies different conditions and flexible measures for both the old Member States and the new Member States. In the new Member States such measures were introduced gradually, in accordance with the Accession Treaties.

Council Regulation (EC) nr.1782 of 29 September 2003 establishing common rules for direct support regime under the CAP and establishing other support schemes for agriculture, which entered into force in 2005, *sets out new measures to reform the CAP, the market and changes most of the previous regulations.* After enlargement to 27 states, these measures are valid for all Member States, including Romania and Bulgaria. For the new Member States were granted transitional periods, if the accession treaties are under other provisions.

Council Regulation (EC) no. 1782/2003 establishing common rules for direct payments to farmers income support scheme, financed by EAGGF - Guarantee, except payments provided for in Regulation (EC) no. 1257/99, aid for disadvantaged areas and environmental restrictions.

It also *introduces a new mechanism of income support for farmers called "single farm payment"*. It began to introduce the old Member States, in 2005. However, some products and activities will remain in the system of direct payments per hectare and per animal until

completion of reform measures in all sectors. The new Member States have introduced the single payment scheme after 2007, by 2010 or earlier, when conditions were prepared.

Payees (in both systems support) are all farmers who meet the requirements of law applicable to the data set (Politiques, marches et échanges agricoles, 2003):

- From 1 January 2005 - the environment, animal identification and registration;
- From 1 January 2006 - public health, plants and animals and notifying diseases;
- From 1 January 2007 - animal welfare.

"The new CAP reform continues directions set by 'Agenda 2000', the Commission reviewed and improved by the Mid Term Review in 2000, but aims and achieve a more stable European agricultural policy since the Union was expanded in 10 states and in the future others will join"(Malone, 2004). "Luxembourg Agreement of 2003, renewed spirit and sets the CAP fundamental features of development by 2013.

This agreement decided the new framework of the CAP, innovation and markets, farmers' support system, forms of realization of Community preference, finance farms and rural development. In addition to these key issues in recent years concerning environmental objectives, rural landscape, rural economic viability, cultural heritage, food quality, animal health and wellfare. Agenda 2000 standards developed for implementing the common agricultural policy was implemented, up in 2005-2007.

New reform, begun in 2003, was meant to fundamentally change the system to support farms and rural areas for the period 2007 to 2013.

In the next stage of reform "to set a single agricultural policy, in close correlation with rural development policy, environmental and international trade."(Ahher, 2004).

Unification forms of support established by CAP provides for simplification of agricultural policy mechanisms, develop responsibility and promote decentralization. Can provide such a new balance between management at Community level and increase local perception and control.

At the beginning of the new millennium, the European Union felt "the need for a new agricultural policy to cope with changes taking place in market competition" (Nenciu, 2012), product quality requirements, environmental protection and encouraging sustainable rural practices.

2. Features of the new reform measures and key elements EU agricultural policy

New CAP reform is a political choice European Union and globalization of the biggest enlargement in its history. In promoting the new European model of agriculture will earn farmers and consumers, as well as Member States as a whole. *The main features of the new reforms are(CAP Reforms Newsletter, july 2004):*

- CAP orientation to consumer interests, but continued to support farmers.
- Protecting the rural economy and the environment
- Maintain a stable budgetary costs.

Support in the WTO negotiations to conclude an agreement on agriculture to meet the needs of each country and the whole Union.

Reform will continue the implementation of CAP mechanisms, integration of new Member States into the CAP agriculture and ensure food security requirements.

CAP has always evolved to meet the changing needs in society. CAP is a policy of the past, but a modern, different from the '60s and '80s. "Agriculture today has multiple functions, which gives farmers the role of producing food and fiber, to ensure the management of the countryside and nature conservation" (Ionescu, 2012).

Radical overhaul of the CAP that is done, from 2003-2004, means not only turning the farm sector in a competitive and sustainable economic activity, but also long-term

survival of the European space as a result of measures to increase the viability of communities areas.

The purpose of reform is to make Europe more dynamic and competitive. The main agricultural policy measures aimed at:

Increased EU agriculture potential to improve the quality of food self-sufficiency, without which there can be no genuine political autonomy can not maintain territorial balance

Promote quality standards for food and environment

Decrease in institutional prices for agricultural products and reduce production costs on farms in the Community

Diversification of economic activity in different regions of the EU to achieve a high added value to increase farmers' income and rural residents.

Key elements of the new CAP reform aimed:

- Market and price policy
- Single Farm Payment Scheme
- Cross compliance (compliance rules or cross-compliance)
- Modulation and financial discipline
- Sustainable Rural Development.

3. Agricultural market and price policy

New CAP reform aimed at "improving market mechanisms in order to increase the competitiveness of agriculture and the gradual liberalization of agricultural markets" (Ionescu, 2010). Evolution of European agriculture towards a new sustainable business model is related to market liberalization. In this regard negotiations take place within OMC was viewed differently.

"Full liberalization of agricultural markets is a mistake and should be enough to have price stability for agriculture to remain viable" (Zahiu, 2005). Others consider necessary to eliminate export subsidies and the gradual withdrawal of direct aids to eliminate surpluses. The latter is found between measures of the new CAP reform, but will occur gradually and the funds will be diverted to environmental and rural development. But farmers will not be abandoned, since their presence is vital in rural areas and agriculture is the "backbone" of it.

Since CAP is way forward market liberalization in the context of globalization, preparing the economic development requires a process of educating the farmers to access markets and increase their competitiveness. Increasing concerns for the development of multifunctional agriculture in the entire European area is relevant in the new stage of reform. Rural development positively affects European agriculture more competitive on domestic and foreign markets, and this will depend increasingly promote a multifunctional agriculture.

The characteristics and its key role to life and security of nations, agriculture is unable to carry out sustainable without taxpayer support. New reform envisages a shift from production support to the rural development and multifunctional agriculture complex. Such development can increase the financial autonomy of rural residents and provide the ability to invest and design projects for this purpose

Market support took place until the new reform through the following mechanisms (Parvu, 2005):

- Prices intervention and intervention stocks (public and private)
- Export refunds
- Receive guidance
- Processing and marketing aids
- Aid consumption
- Withdrawals and similar operations

- Other measures that generate costs for the market.

For the 90 decay were used the following mechanisms (Ionescu, 2012):

- Direct payments
- Premium quality
- Allowances for extensification and organic production
- Support for rural development and environmental protection.

Aid for reform became the most important forms of agricultural support under the measures established by the 1992 CAP reform and Agenda 2000. This will redirect aid towards increasing agricultural competitiveness and sustainable development of rural areas.

Market interventions by supporting prices have affected output and productivity growth in the early stages, but had subsequently negative effects on agricultural markets equilibrium. Marketable surpluses grew hard and storage costs of intervention and support exports.

However, "there were distortions of markets worldwide" (Le Roy, 1994), which led to new measures in the WTO. In previous stages of the new CAP reform measures were established gradual reduction in intervention prices. This reduction was felt only after the implementation of reform measures under Agenda 2000.

Intervention price system has been simplified and now prices are frozen or subject to further reductions, reduced the number of products to which the intervention price and production storage, public storage etc has been removed.

Direct payments have become the main mechanism by which farmers receive support per hectare and animal to stabilize revenues, including as a result of reduced intervention prices for products that remain.

Direct payments per hectare and per animal introduced to support revenues consist of subsidies on production, since decoupling is only partial payments to cover revenue reductions due to the reduction and elimination of intervention prices.

Intervention prices are frozen and close to market prices and resulting loss of revenue covers mainly through direct support for basic food products and the areas withdrawn from culture.

The essence of the new agricultural market reforms is (Ionescu, 2012):

- Facilitating access to markets through internal measures to diversify the business and increase competitiveness and reduce customs duties
- Reduce internal support to eliminate surpluses difficult to sell and competitiveness, given the tough competition in international markets
- Reduction of subsidized exports and other forms of covert international trade-distorting support (export credits, food aid, etc.)
- Reducing and eliminating export subsidies.

The European Union supports updating the basic rules of the WTO and strengthening international trade as an important tool for development. However, the EU provides a comprehensive integration of the Member States in the Single Market on the Common Customs Tariff.

Conclusions

Common Agricultural Policy Guiding Principles were established in Articles 38-46 of the *Treaty of Rome.*

Agricultural Conference on Stress (July 1958) reached a consensus on the need to protect the domestic market against foreign agricultural and measures were established to correlate prices with production and farmers' income structure.

On 30 June 1960 the European Commission presented proposals on the CAP sketch. Effective implementation of these measures started after signing the Agreement in Brussels (1962). *The agreement established the elements - the CAP* framework: objectives, mechanisms of operation, products or groups of products under market intervention, the Community rules on production, prices, imports and exports. During this period of 12 years, were gradually introduced minimum pricing mechanisms and training guaranteed single common market. It was a transitional period in which there were numerous controversies on the harmonization of national and Community interests. Due to high consumer needs and increase as the economic development of the six founding countries of the EEC, the mechanisms of formation of the common market advantage farmers.

The main objectives of agricultural policy defined by the Treaty of Rome, which established the European Economic Community (1957):

- Increase agricultural productivity by ensuring the rational development of agricultural production based on optimal use of all factors of production, including labor;
- Ensuring a fair standard of living for the agricultural, particularly by raising the individual earnings of those working in agriculture;
- Stabilize markets;
- Ensuring security of supply;
- Ensuring that supplies reach consumers at reasonable prices.

On careful consideration of these objectives arises whether or not each actual compatibility. There may be some contradictions, at least theoretically between:

- Prices that satisfy reasonable prices for producers and consumers;
- Market stability and risks of excess products

Objectives set, complete and detailed in the 1988 Stresa Conference and materialization found in several main areas of action:

1. Structures of European agriculture needs to be revised to become more competitive, but not to put the issue of family holdings.
2. Production costs in C.E.E. are higher than in other major countries producing community prices must be sufficiently remunerative and set at a higher level courses from the world, but without the tendency to over-stimulate.
3. Community agricultural policy cannot be self-sufficient but it is important that the domestic market is protected against distortions of competition that comes from outside.

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Analysis of the economic evaluation of an italian farm in response to the economic-financial crisis that the EU is going through

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Abstract

The Zero Food Miles agriculture is a sustainable philosophy of consumption: the farms open their doors to consumers and permit them to buy their own products without going through a middleman.

This phenomenon, also known as the "Farmer's Market", is spreading to Italy and around the world. The Zero Food Miles products must have their origin in the same region where they are sold. As far as non-regional manufactured products are concerned, the "Zero Food Miles" definition is valid only if they are located no more than 50 km from the Region's border where the market is situated. The consumption data, collected by the Observatory SANA- GPF, an institute of research and consultancy, reveal that in 2011, the 50,6% of Italians claimed to have paid a higher attention to the environmental impact of their own consumes and their everyday life habits than the year before. However, there is a general tendency, in the Italian food consumption, to search for tasty and genuine products. As a result of these considerations and of the fact that at a local level it doesn't exist a powerful business organization which trades short chain products we found it interesting to analyse the case of a newborn Italian farm that adopts the Zero Food Miles selling of their own products to segments of consumers who display highly differentiated preferences and show a particular inclination to purchase natural and high quality goods.

Keywords: Farm, rural development, business plan, zero food miles agriculture, farm management.

1. Introduction study: analysis of the demand of foodstuff products and the dimension of their market

On the basis of a research which was conducted June 2012 by Coldiretti, it has been recorded a decrease in consumer's preferences for retail stores while there is an important increase in sales by hard discounts and especially there are increased preferences for local markets, particularly, corner markets and for direct buying from producers (Zero Food Miles buying). The raise in prices that the families are subjected to highly depends on the intermediate steps in the supply chain (48%) and on mark-ups used by merchants and distribution chains (31%) (Fabris G., 2003). For that reason, the spreading of direct sale, that eliminates all the middle steps between the consumer and the producer, considered as the main cause of the price raise of the foodstuff, could be the right answer to the Italian consumer's demand for quality products for a low price (Lanfranchi M., Giannetto C., 2010). The traditional chain must be, therefore, supported by a distribution system characterized by the territory and the quality. For that reason, in people's minds, buying local products, it is not only a synonym for saving, but it also increases the perception of safety connected to the

product. Safety is one of the characterising aspects of Italian origin products, as well as taste and genuineness. Other characteristics which are appreciated by consumers are the cost, naturalness, healthiness of these foodstuffs in comparison with other products (Lanfranchi M., Giannetto C., 2011). The local products with a known origin and producer apart from being economically convenient they help grow the safety perception and therefore the confidence of the consumer in these products increases. As the matter of fact, safety is one of the most important aspects of the buying motivation of Italian origin foodstuffs, along with taste, naturalness and the price compared to other products. Among the reasons that prompt Italians to chose local markets essentially stand out three factors: the desire of a healthy alimentation, of buying a good at the right price and to economically sustain their area, cutting out intermediations and manipulations on the food that we consume (Lanfranchi M., Giannetto C., 2011). This situation that sees the national market of direct sales on the rise pushed us into analysing the economic indicators of an Italian business that serves in the sector.

2. Analysis and mission of the business case study

The Limited Liability Company "Natura a Km0" was founded in January 2012 and it had since from the beginning the main aim to introduce into the urban market a basket of exclusively local foodstuff according to the short chain criteria. During the first year, the success of our case study, certainly depended on the team's capacity to manage and face changes in consumes as a consequence of the economic crisis that our Country is undergoing. One of the most important *missions*, as the matter of fact, is the promotion of food consumption, whose production keeps the area alive and the economy of the region where the company exists. It created a product denominated "cestino"(basket) which is made up of foodstuffs like vegetables, fruit, cheese, meat, bread, pasta, conserves, jam and honey, biscuits and sweets. The product was conceived considering some essential points like: the economic advantage for the consumer, the healthiness and seasonality, the ecological compatibility, the traceability (Lanfranchi M., Giannetto C., 2010).

3. Analysis of the innovation level of the idea compared to the state of art

The commercial activity uses the web-commerce as a reference point as the products are mainly commercialised through the internet site. This distribution channel has allowed the Company to be concretely and instantaneously present in the market and to reach a wide range of users. Reservations can be made exclusively online, the only assignment for the consumer to complete is to sign in the portal. The Society, once a week, sends to registered users an email that contains a list of all available products and their prices. To make a reservation the consumer simply has to select the type of package, add all the desired products until the expected expenditure is reached and finally make the payment online. The Society will address the orders to the producers and will work on the distribution (Lanfranchi M., Giannetto C., 2011). The choice of that channel depends on the fact that most of the families are provided with internet connection at home or mobile mostly in the age groups of the selected target audience. As far as online payment methods are concerned they have also seen a great growth, so there are not technological obstacles to negatively affect the activity. The society commits to offer, through it's services, a wide range of strictly local and natural food-products. To carry out this type of activity, dealing with a new idea (as far as the target market is concerned) it has been chosen to have as a legal business structure, the Limited Liability Company. The business's policy is based on the concepts of high quality of products, an impeccable service and competitive prices. As far as the commercialised product

lines are concerned there where created three different solutions to centre three different targets: *the family basket, the single and the vegetarian one.* Every package has a fixed cost obtained by selecting the products available on the market at that particular moment and on the basis of the client's, to whom are directed, preferences(Lanfranchi M., Giannetto C., 2010). The benefits deriving from the fulfilment of this project for the consumer are: the high quality of the purchased products and; as a consequence, food safety; equity and price transparency in the products; the planning of consumes; a diversified diet and in line with the product seasonality; saving time from waiting in the line at the supermarket and the possibility to use it for social relations. It's been verified that also local producers have some benefits: a constant demand, and almost stable, of their products; product prices that guarantee a fair standard of living which permit to guarantee high quality and safety of their own products.

4. The marketing plan

The market approach in the starting up phase was developed through some meeting points meant to create a sort of *farmer's market* in which the producers' presence was assured in order to favour a direct synergy between producers and final consumers (Lanfranchi M., Giannetto C., 2010). These meetings take place once a month or every fifteen days for a promotional aim and to be able to create a site where a sort of city farm can be developed. In relation to the marketing strategy, it involves discounts on multiple orders or monthly subscription programmes to build customer loyalty. As mentioned before, there is an electronic payment system (credit cards, postepay, paypal, bank transfers etc.). The "cestino" is made of a reusable packaging which can be filled, from time to time, with seasonal foodstuff that partners can find around the various supply farms. In order to determine the "cestino's" price, it's been decided to use the "Cost-plus pricing" method applying a mark-up percentage to the cost of the product (Lanfranchi M., Giannetto C., 2011).. The established mark-up is equal to 60% of purchase price, since it's been considered that this amount is enough to cover costs and to guarantee a consistent profit to the Company and in the same time to face the market at a competitive price. During the start-up phase, the promotional mix was developed through television publicity, posters, fliers and billposting. Some points of information and demonstration have been envisaged around the neighbourhoods of the city to promote sales, also it's been planned the organisation of a meeting point, that is to say a real selling in a corner of the city of state property this is the reason why a public concession is necessary for it to be used. Once the "cestino" is formed it's delivered to the clients through the enterprise, they are mainly subscripted clients. At the time of delivery of the new "cestino" it is also collected the previous week's package.

5. Sale forecasts for the biennium 2013-2014

The business through the subjective method of analogy combined to the analytical method, considers a sale forecast of a linear type in the sort term. According to data regarding foodstuff sales in supermarkets and to the results of the survey conducted by the company in the city of Messina in relation to the consumption style of the potential client, it was estimated a range of potential clients amounting to 22.000 people. In accordance with this estimation, the company expects to sell an average of 100 "cestini" during the first quarter, an average of 350 pieces in the second quarter and an average of 500 pieces in the third one, and in the fourth quarter the forecast- goal of the company is that of selling 1000 "pieces".

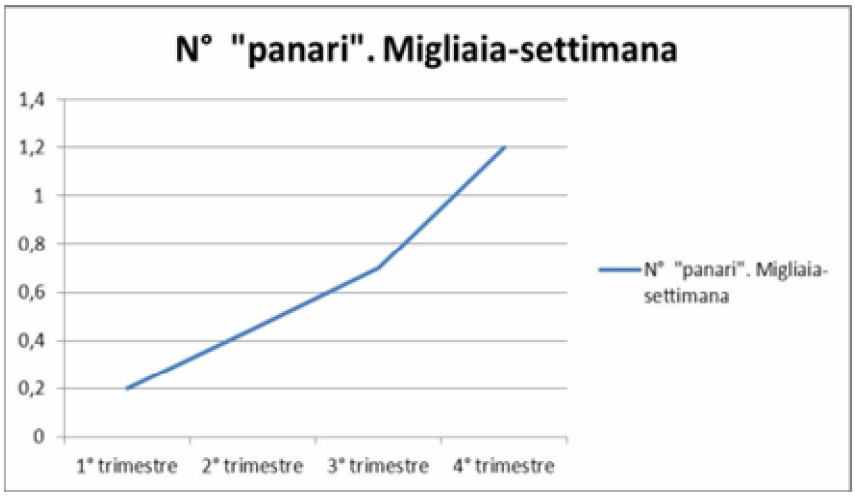

Fig. 1 Forecast sales in 1st year

Source: our calculations based on company data

As far as fixed costs are concerned, after the first year, the costs that will have the higher incidence will be those concerning the rent of the premises and the labour costs. Six months after the first year of start-up, it is likely to be hired an employee for twenty hours of work per week to be distributed in various ways depending on the needs (Lanfranchi M., 2012). If necessary another fixed-term worker will be hired. Other fixed-costs, besides insurance costs, bank charges and consumable materials, include the regular use – during the sales promotion- of an advertising agency and the administrative consulting fees, as it has been decided to outsource accounting.

Table 1. Budget plan business

Commercial Budget				
	1st quarter	**2nd quarter**	**3rd quarter**	**4th quarter**
Sales volume units	100	350	500	1000
Average unit price	50	50	50	50
sales revenues	5000	17500	25000	50000
Variable commercial costs				
Cost of products	3500	5400	10000	22000
transport	900	1260	1800	3600
packages	300	420	600	1200
other	250	320	400	600
Total variable costs	4950	7400	12800	27400
Direct commercial fixed costs				
advertising	1000	1000	1500	1500
promotion	600	800	1000	1500
other	400	700	1000	1500
Total fixed direct costs	2000	2500	3500	4500
Fixed indirect costs				
salaries	6000	8000	10000	12000
rents	3000	3000	3000	3000
other	1000	2000	3000	3000
Total fixed costs	10000	13000	16000	18000

Source: our calculations based on company data

Labour cost, personnel budget

The first year the company has used an internal staff. The attention will be anyway focused on the clients' necessities. During the first twelve months both the Commercial Director and the Marketing Director played a key role in contact with clients. The distribution staff is remunerated with a salary in line with the industry's standards with incentives for better results. The guiding principle of the sales-distribution force is and will be professionalism, both of image and approach, with a high tendency to use the web (*facebook, twitter etc*). In order to reduce the risk connected to the development phase associated to the start-up and to minimise the use of funds, the distribution of goods was outsourced for the initial 12-18 months to enterprises active in the field of distribution. The personnel budget describes the forecasted costs related to the period in question (Lanfranchi M., et al, 2012). The company does not foresee the need to increase significantly the number of the staff during the first two –three years of activity. Probably this will be the case when the turnover will reach a considerable level. It is planned, instead, the use of temporary work especially to saturate some production peaks during some days a week, hours a day and for the activities that require less professionalism.

6. The production plan

The inventory control will be one of the main areas of attention for the company's management and it will require a strict collaboration among marketing, sales, retrieval and packaging, mostly in relation to perishability of some products, there is therefore the necessity to have refrigerators suitable for short and long term storage. The company is currently based in Messina in a 400 square meters office/warehouse, and pays an annual rent of 12.000 € is paid, in case these spaces are not enough, the company will make use of an adjacent extra space of 400 square meters belonging to the same owner.

Organisational plan. Organisation of business areas and Organisation chart.

The management is aware of the fact that a good business organisation allows an agile, flexible, efficient and effective structure. A good organisation will permit to take positive decisions, creating a business atmosphere of mutual respect and solidarity which will certainly favour the development of the professional path. The purpose of a business organisation is therefore to maximize and optimize results, in order to obtain internal synergies, ensuring this way a high business capability of moving to the direction that leads up to the desired results.

Break-even-analysis

Setting the selling price as previously specified by using the "*Cost-plus-pricing*" method the average price of the "cestino" is equal to 50,00 €, in view of the costs evaluated by means of researches developed by the company the *break even point* will be probably reached already since the first accounting period, between the third and the fourth quarter, with a predicted sale of about 500 pieces distributed per week.

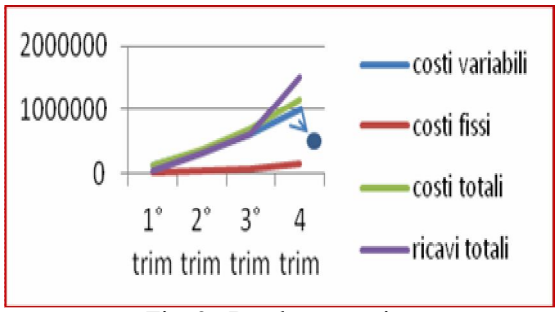

Fig. 2. Break even point

Source: *our calculations based on company data*

Conclusions

As a result of the international crisis, in Italy, it was observed a change in the purchasing habits of the consumer, a decline of purchasing power has generated a reduction in spending and purchasing. The consumer has become more "nomadic" in terms of diversification of buying, he is looking for the low cost but without giving up quality and above all security. The consumer has, in fact, modified his own purchasing habits, he seems favourable to a more direct approach to producers especially of foodstuff. Direct selling guarantees quality, genuineness, safety and convenience, it represents therefore a valid alternative to conventional channels. If, on one hand, consumers are willing to differentiate their purchases turning to more than one channel, on the other hand, the time dedicated to shopping is always more limited and marginal (Lanfranchi M., Giannetto C., 2010). The trend towards buying directly from producers, therefore, comes up against an often uncomfortable type of supply, hardly accessible, far from urban areas and not well organised. In fact, the importance attributed to the short chain does not always translate into a purchasing behaviour; consumers pay attention to their own necessities even though they seek the good quality and taste of goods and the right price. The efforts made to bring producers and consumers closer have a double advantage: consumers can find fresh goods, of good quality and often at a convenient price, while producers have the possibility to see their work equally rewarded. Therefore the *mission* of our case-study enterprise is to create a selected offer which is not heavily burdened by intermediation and transport costs also in terms of environmental sustainability. Another goal is to have easy access to direct sales by building a unique relationship between producer and consumer, to create a perception of an added value to the customer linked to the purchased products, reconnecting with nature and the land.

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Innovative models of increasing competition and competitiveness in science

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Abstract

Technology transfer involves a series of relationships, formal and informal type among research units - economic development and public and private sectors. The purpose of the transfer is to strengthen the economy in a territory, by accelerating the application of new technologies and resources needs and opportunities for private and public sectors.

Keywords: innovative models, increasing competition and competitiveness, science

1. Definitions and general mechanisms for technology transfer

Technology transfer involves a series of relationships, formal and informal type among research units - economic development and public and private sectors. The purpose of the transfer is to strengthen the economy in a territory, by accelerating the application of new technologies and resources needs and opportunities for private and public sectors.

Technology transfer is the process by which knowledge, facilities or capabilities of existing publicly funded research and development, are used to meet the needs of public and private (The Federal Laboratory Consortium for Technology Transfer, 2001).

In principle, the results of successful technology transfer efforts, can show improvement products, efficient services, improve manufacturing processes, the development of new products for disposing of domestic and international markets. In essence, the technology transfer process involves three entities (Fig. 1.), Which were in a relationship of cooperation.

Fig. 1 - The process of technology transfer.

These entities participate, depending on each specific activity, technological change, one that involves:

- developing the basic concept (technological creativity).
- economically relevant experimentation on products and processes.
- basic knowledge diffusion and their application.

Thus, technology transfer is seen in the most general sense, the transfer of research results in research and development units (universities, research institutes), in business firms or other parts of society (EU). The three entities involved in transfer of technology aimed at

accelerating economic use of research results involving the transition from invention to innovation and dissemination of success on the market, creating added value.

Internationally, there is developing a wide network of organizations promoting competitiveness and technology transfer. These organizations have set up systems that interface between research establishments and industrial companies. The best-known international organization of technology transfer, noted:

- Federal Laboratory Consortium for Technology (FLC), Washington, USA.
- Association of University Technology Managers (Autm), Norwalk, USA.
- Competitive Technologies Inc.. (CTI), Fairfield, USA.
- British Technology Group (BTG), London, England.
- Technology Transfer Defense Evaluation Research Agency (DERA), Kenilworth, England.
- Institute for Industrial Technology Transfer (Iittala), Champs sur Marne, France.
- Center for Innovative Technology Transfer Bayern, Nurnberg, Germany.

In the past 15 years have been established in the U.S. and Western Europe becoming more such organizations. Thus, the U.S. technology transfer organizations number increased from 100 in 1983 to 400 in 1991. In Germany, between 1983-1988, 70 organizations were set up technology transfer, and in France, the number of such organizations has reached 40. Gradually, after 1989, in the context of transition to market economy, such organizations have emerged in Central and Eastern Europe.

The main functions of these organizations are intermediaries and stimulate technology transfer. By providing facilities and technology services, these organizations seek application of innovation, technology transfer and quality management to increase business competitiveness, and providing advice and assistance to research and development organizations to adapt to new demands of globalization.

The specific objectives of technology transfer activities of organizations are:

a) Supporting the industrial enterprises to:

- Application of new technologies and modernizing existing ones;
- Improving the potential for cooperation with international partners;
- To attract grants and repayable, including risk capital funds;
- Improvement of quality management.

b) Support research and development organizations that:

- Be able to transfer the research results in economics;
- Can cooperate and assist businesses to implement new technologies and modernizing existing ones;
- Easier to adapt to globalization.

c) Supporting the national, regional and international, by:

- Conducting studies and research on science policy and strategy development;
- Attracting new participants in public programs, better information related to them;
- Attracting new sources of co-financing programs.

d) Raising awareness and awareness on the concepts of innovation, quality and technology transfer by:

- Developing and implementing educational programs on the concepts of innovation, quality and technology transfer;
- Measures to disseminate information in science, technology, innovation, including by means of information technology;
- Training / training of human resources involved;
- Methodological and logistical support activities for the benefit of doctoral students;

- Attracting young graduates to work specific programs;
- Promotion of the concepts of innovation, quality and technology transfer within firms and the public.

2. Transfer of technology through direct investment

Research on the international transfer of technology have not developed yet a clear framework within which to carry out a full analysis (Takao, Kiba, 1991). Therefore, useful conclusions can be studying the structure of technology transfer through direct investment, made by developed countries to less developed regions. Transfer of technology from Japan to East Asia has evolved gradually, as Japanese firms to outsource production and developed successfully. In a National Institute of Science and Technology Policy of Japan (Takao, Kiba, 1991) have examined the effects of direct investment in a group of countries comprising South Korea, Taiwan, Hong Kong, Singapore, Thailand and Malaysia. International business development has made technology transfer in a complex and difficult to deal with. Old research on international technology transfer have lost validity. Therefore, the study cited above raises the question of developing measurement methods and appropriate analysis trend towards borderless economy (globalization) and innovative competition. Known product cycle theory (of Raymond Vernon), a theory of technology transfer processes of production in different geographical areas, argues that technological invention occurs in rich countries (where there are high levels of pay) and that technology is transferred, in particularly in countries with low levels of pay, depending on technology maturity. The expansion of multinational companies has triggered a deviation from the product cycle theory, which argued that the fundamentals of production are transferred from developed countries half developed country, and of these, in developing countries, in correspondence with the technology. The speed with which new technologies are running is far greater now than any other earlier stage. Multiplication is found where the right production decisions are based less on technology and on wage levels and more on corporate strategy of manufacturing companies. Globalization of economy is the corporate strategy that induces a hitherto unprecedented scale. Globalization of the economy has gained new dimensions and relevance in the context of the merger as more and more transnational companies. This real economic phenomenon has increased by 50% in 1998 compared to 1997, the number of companies involved doubled compared to 1996 (The Economist, 1999). The phenomenon was much idendificat May by Martin Carnoy, professor of economics at Stanford University (USA), which showed that "*large multinational companies continue to grow rapidly and to influence changes in the global economy. They also dominated trade between industrial countries and controlling international capital movements* "(Carnoy, Martin, 1993).

Transition to the borderless economy has advanced to such an extent that companies have exceeded the product cycle theory and developed what is called the simultaneous structure of global production. This is a process that requires formation of a theory on the relationship between foreign investment and technology transfer (Takao, Kiba, 1991). The formation of this new theory, whether technology should be reconsidered, as stated many years ago, that time of transfer of technology should be rethought, since it appears rather as a "euphemism" as long as He refers to "something" that can be sold and, therefore, is a commodity that participate in the economic cycle (Sabato, 1972), (Bonciu, 1993).

Returning to study on technology transfer of Japanese companies [7], it is useful to highlight the methods used. In this study analyzed the major color TV manufacturers and TV cameras, which have located assembly companies in East Asia. Criterion analysis of these producers was the transfer of technology and innovation. First, they examined various major components of the structure of color TVs and TV cameras, in connection with sources of

supply. Based on such review, it was estimated that technology was transferred and where. This method clarifies the contextual circumstances of the transfer of technology to the company or between companies. Secondly, it considered the effect caused by technological progress on technology transfer. It was also investigated, innovative process for the manufacture of TV cameras. He made a qualitative analysis of the effect of each technological advance, which appeared in color TV production and TV cameras, an effect which occurred on transfer of technology. Results and conclusions of this study are:

1) For color television, technology transfer from Japan to East Asia has progressed through direct investments of Japanese firms. There is a distinction, the components, the degree of technology transfer. If TV cameras, the progress of technology transfer was slower than for color televisions. In addition, technology transfer can be divided into technology transfer within the company (in company) and technology transfer outside the company (between). From this perspective, the second transfer of technology was practically negligible.

2) Purchase of parts and components are made by major Japanese manufacturers network in the country of origin and in East Asia. This phenomenon is explained by the fact that there are structural limits to technological development, which creates a handicap in developing East Asia production technology components and their implementation through local production.

3) Technological progress has occurred in parallel with the expansion of outsourced production, the acting on promoting technology transfer.

It was noted that a technology can be incorporated into a parts, components, in a car or a subset of equipment and that it can move. East Asia has adapted well to this movement. Integrated circuits in electronic applications are one example. In this case, leading technology is used in a "black box" and, the effect, today's technology becomes more difficult to transfer.

The results of this study highlight other issues, more general, which may be subject to analysis. Areas in which Japanese companies operating in East Asia are supplying have diversified. Electronic component manufacturing technology has advanced remarkably. If East Asian countries to better understand technology transfer, which must be analyzed is the end product, but production of major components. On the line this cooperation, Japan and East Asian countries have close economic and technological relations. Also, many countries show a keen interest in Japanese science and technology, requiring technology transfers to raise their technological level. But the perception of technology transfer vary considerably between Japan and East Asian countries. In Japan, in general, thinks that increasing foreign direct investment by the private sector has contributed to developing countries "container". It is believed that by building factories, hiring local workers, providing education and training, Japanese companies have increased their productivity by investing in countries' container. Moreover, there attitudes in countries "container", which expresses the idea that technology transfer is inadequate Japanese firms and that it must transfer higher-tech occupations and jobs for local workers, to the technological lead of countries development. Thus, technology transfer has become a political issue. Such a discussion can take place without a clear understanding of the status of technology transfer. One reason is that the term "technology transfer" is abstract and difficult to understand (Takao, Kiba, 1991). Theory "compatible technology" suggests that technology transfer to developing countries to open their technological advances. This theory is based on the idea that these countries face a range of problems in technology assimilation. This theory was inspired by the successive failures to placing factories in developing countries by developed countries, between 1960-1970. Theory "compatible technology" provides the best form of technology that developed countries can transfer to developing countries, is that local technical experts can manage. Interactive relationships between technological, cultural, institutional innovation and economic

development can be studied to find the causes of success in countries that have had the experience of development and technology transfer. Such success stories are the complex socio-technological transformation of developing the U.S., Japan and Sweden and are analyzed in detail, the Ake Anderson, TR Lakshmanan and Wei-Bin Zhang - a group of researchers from the Institute for the Future Study (Sweden) and the Center for Energy and Environmental Studies (USA) (Ake, Anderson, E., et al., 1992). Inspired by the success of countries like USA, Japan and Sweden, many developing countries have tried in the last four decades, modern technology transfer experience. The experience of countries (South Korea, Taiwan, Singapore, etc..), Where there is moderate or high levels of recovery technology and high growth rates, confirming how complex the process of modernization through technology transfer even in conditions in which these countries enjoyed special support. The problems faced by these countries commitment to development through technology transfer experiment were basically the following:

- defining elements of successful development based on technology transfer;
- introduction of technology transfer conditions so as to ensure substantial growth;
- processes that trigger the transfer of technologies and / or change them according to local supply availability, prices and local social context;
- innovations that may arise during technology transfer;
- how the reasons for success and modernization of labor, the entrepreneurs and the general public;
- influence of tradition on the duration, speed and quality of technology transfer.

If East Asian countries, they have rapidly expanded their assembly industries through technology transfer organizations. Also, determine the trend of these countries to develop their own industries through association with firms from Japan and USA. Later, some of these countries has an increased role for the development of their technology, which has contributed to technology transfer organizations, which played an important role in strengthening domestic industries (Năstase et al., 2010).

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Developing an efficient model for reflecting environmental impact in organizational accounting

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Abstract

Environmental accounting is a fairly new interdisciplinary, approach integrating environmental issues and accounting. In order to reflect a true picture of the impact on the environment entity, there must be an effective model at accounting for the integration of environmental considerations in decision-making and financial enterprise.

Lamberton (2005) made an important step towards formalizing a model of sustainability accounting, establishing the following main components: objectives, principles, techniques for collecting, recording and evaluating data and qualitative characteristics of financial reporting information. Jaque Richard presented a suitable model for involving environmental accounting "La Comptabilité Adaptée have Renouvellement de l'Environnement" (CARE). Based on these recommendations, the present study`s main objective is to develop **a model reflecting the impact of environmental accounting by national companies.**

Keywords: environmental accounting, environmental cost, environmental impact, environmental benefit

1. Introduction

The models proposed for presentation in this article consist in the identification of the impact caused by the economic activity on the environment and by the environment integration into the accounting and financial system, by means of determining the environment costs and benefits. The purpose of this model is to provide a conceptual framework and a practical methodology for the evaluation of the environment impact associated with the economic activity of an enterprise. The model is based on characterizing the workflow of an enterprise and on determining the impact caused on the environment by each activity, stage or proceeding of the workflow; also, the model will integrate its monetary value in the production cost and its reflection in the accounting and financial system, using the instruments specific to environmental accounting. This accounting model aims at completing the financial accounting with the information provided by the environmental accounting, which not only helps reflect the environment-related costs, but it also contributes to the identification and registration of the environment benefits or revenues, as well as to the reporting of such information to the internal and external users within the enterprise.

We shall define the model for reflecting the environment impact as a set of concepts, principles, procedures, rules for determining the methods for recognizing, registering, measuring and reporting financial and environmental transactions within an organization.

The research conducted in this chapter would fall under the trend of positivism with implications of the constructivist trend. As primary research methods that were used, the following are to be retained: the comparative analysis of various approaches and interpretations of researchers in the field of environmental accounting models and the descriptive analysis used in presenting the model proposed for the integration of the environment impact into accounting.

2. Model CARE "Comptabilité Adaptée au Renouvellement de l`Environnement" (Accounting adjusted to environmental changes)

CARE is a microeconomic model having as its primary objective the development of the social and environmental responsibility of enterprises. It is based on the observation of real data, it is relatively simple and it has already been applied at the international level. This model implies a simple expansion of the classic accounting principles to the human and natural. The model is substantiated on five stages, as follows:

- The materials balance – the analysis of inputs and outputs – with regard to the natural capital, the following are identified: the consumption of water, materials, emissions, other sources regarding the pollution of the soil, water, air. In case of the reports drafted by means of the CARE model, in addition to the information disclosed by traditional accounting, further information are disclosed, such as the unpaid amount of water (water used from nature), reusable energy.
- Ascertaining the differences between the real inputs – outputs and the environmental limits – determining the existence of a significant impact regarding the natural capital and the human capital require a comparison between the inputs (outputs) and the legal limits regarding the environment. For instance: polluting the soil with nitrates can have an impact on environment quality and functioning and/or on the functioning of other items related to the soil according to the injected quantity, the surface and nature of the soil.
- Choosing the cost for action – implies the costs necessary for fighting the ascertained differences and determining the costs regarding the measures of rehabilitation, restoration or prevention for future actions. It represents the cost with which the enterprise agrees in order to protect the environment from the impact of the economic activity.
- Accounting the renewal (change-over) costs – implies the integration of the costs calculated for the restoration, remediation of the differences or for the protection and future preventions on the result account of the traditional financial accounting. This stage ends by calculating the "real" profit after having taken into account the environmental protection costs.
- Establishment of the final balance and creation of the renewal fund – implies an adaptation of the traditional accounting balance to the new information provided by environmental accounting.

As we can notice, the CARE model is a model developed on the basis of the information specific to traditional accounting, updated through the integration of the environmental information at the level of enterprises through the renewal or change-over cost.

3. "Toshiba Group" Model – environmental accounting an environmental management tool

In order to promote environmental management, Toshiba Group introduced in its decision-making system the information from the environmental accounting. The company's management defines environmental accounting as a system for collecting exact data on the investments and costs necessary for its investments and their initiatives in view of preserving the environment, the analysis of the collected data in order to reflect the effects of the investment and a cost-efficiency ratio in the decision-making process. The environmental accounting of the company implies four basic concepts: prevention of potential environmental risks, competitive advantages, internal and external benefits.

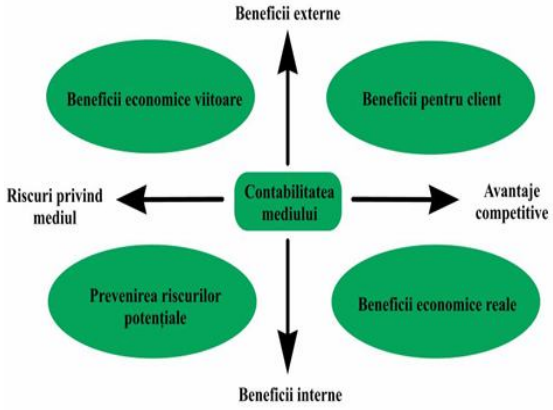

Figure No. 1 – Environmental Accounting Scheme within Toshiba Group

Legend:
Beneficii externe-external benefits
Beneficii interne-internal benefits
Riscuri privind mediul-environmental risks
Beneficii economice viitoare-future economic benefits
Beneficii pentru client-benefits for the customer
Contabilitatea mediului-environmental accounting
Avantaje competitive-competitive advantages
Prevenirea riscurilor potentiale-prevention of potential risks
Beneficii economice reale-real economic benefits

Source: Toshiba Group Environmental Report: http://www.toshiba.co.jp/env/en/management/account.htm

As a more comprehensive approach on environmental accounting, we can develop its concepts into the benefits resulting from the reduction of energy consumption, the economic benefits estimated to result from the reduction of emissions of air pollutants, the advantages resulting from potential risks and the real economic benefits resulting from the reduction of the quantity of waste and consumed energy.

The environmental benefits registered by the enterprise as a result of implementing the environmental accounting include:

- the reduction of the tariffs for energy , of the tariffs for power, water and waste discharge;
- the reduction of the impact on the environment, on the atmosphere, water and soil;
- benefits resulting from environmental investments: for instance, dams designed to prevent soil and underground waters pollution.

Consequently, environmental accounting within Toshiba Group implies the development of environmental management strategies envisaging an enhancement of environmental benefits and a careful analysis of environmental costs.

Based on this information regarding the implementation of environmental accounting,

we note that the primary objective of environmental accounting at the level of an enterprise is ***the identification and calculation of the costs borne by the enterprise in relation to environmental protection***.

Consequently, in order to develop environmental accounting within Romanian enterprises, it is essential to develop an efficient model for the reflection of environmental impact in accounting.

In the opinion of professor Gray (2001), environmental accounting should cover various issues, such as: contingent liabilities / debts accounting, assets revaluation and capital protection accounting, environmental costs analysis, evaluation of investments through the inclusion of environmental factors, evaluation of costs and benefits of environmental improvement programs, development of accounting techniques for the disclosure of environmental assets and liabilities.

The author refers to the role of accounting in environmental issues and considers that it can fall under several fields, including a series of actions leading to numerous activities, such as:

- recognizing and trying to mitigate negative effects on the environment, which are not recognized by traditional accounting practices;
- separately identifying environmental costs and revenues within traditional accounting systems;
- adopting active measures to promote the actions of the enterprise in order to mitigate negative effects on the environment;
- developing new methods regarding accounting systems, information systems and financial and non financial control systems, for the promotion of more environmental friendly decisions;
- developing new methods for measuring performances, both in financial terms, and in ecological terms.

All these activities involve the creation of new instruments necessary for managing and reporting the impact exerted by the economic activity of enterprises on the environment.

4. Model MERIMC – "Model Eficient pentru Reflectarea Impactului de Mediu în Contabilitate" (Model efficient for reflecting environmental impact in accounting)

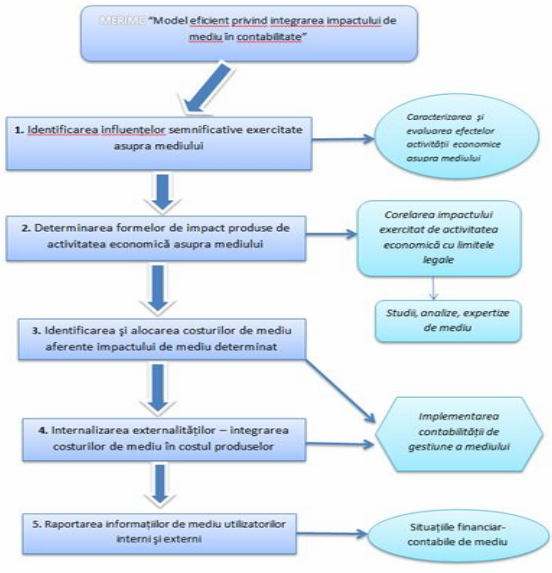

Figure 2. Logical scheme of the development of the MERIMC model

Legend: Model eficient privind integrarea impactului de mediu in contabilitate - Efficient model regarding the integration of the environmental impact in accounting

Identificarea influentelor semnificative exercitate asupra mediului- Identification of significant influences exerted upon the environment

Caracterizarea si evaluarea efectelor activitatii economice asupra mediului – Characterization and evaluation of the effects of economic activity on the environment

Determinarea formelor de impact produse de activitatea economica asupra mediului – Determination of the forms of impact caused by the economic activity on the environment

Corelarea impactului exercitat de activitatea economica cu limitele legale – Corellation of the impact exerted by the economic activity to legal limits

Identificarea si alocarea costurilor de mediu aferente impactului de mediu determinat – Identification and allocation of environmental costs related to the determined environmental impact

Studii, analize, expertize de mediu – environmental surveys, analyses, expert appraisals

Internalizarea externalitatilor – integrarea costurilor de mediu in costul produselor – Internalization of externalities – integration of environmental costs in the cost of products

Implementarea contabilitatii de gestiune a mediului – Implementation of environmental management accounting

Raportarea informatiilor de mediu utilizatorilor interni si externi – Reporting environmental information to internal and external users

Situatiile financiar-contabile de mediu – Environmental Financial and Accounting Information

Stage 1: Identifying the significant influences that the enterprise has on the environment

Economic activity entails various types of influences on the environment, such as: the demand for raw matters, energy, intermediary goods, flow of pollutants and waste, occupying natural spaces for sites. These influences are mitigated by means of absorption systems and mechanisms (waste assimilation, pollution absorption), as well as by means of environmental regeneration procedures. If pressures are higher than the absorption capacity, they cause environmental changes, leading to its degradation.

Traditionally, the final purpose of an enterprise is to maximize its profit. However, we can consider that the objectives of an enterprise are revolving around three main axes: to exist, to get profit and to develop. Thus, the commitment to not take into consideration the issues regarding the environment depends on the objectives established by the enterprise.

The identification by the enterprise of environmental issues depends on:

- the identification of the benefits that an enterprise can obtain by taking environmental issues into account;
- the identification of the risks arising in an enterprise that does not take environmental issues into account.

In practice, we generalized the phrase of "environmental issues" to the factors involving risks or gains. For instance, anticipating environmental regulations represents a challenge for the enterprise, because it entails both a risk – when it may not comply with the amendments of certain regulations, which implies economic risks (fines, inefficient labor)- and it may also be an economic gain or at least a cost limitation (amending the regulations to choose the solution providing the best cost). The relevance of these environmental issues highly depends on the objectives of the enterprise. In this way, anticipating regulations does not represent an aspect favorable for an enterprise operating on a short term; nonetheless, the challenge becomes relevant for design enterprises on the long term.

An economic activity can affect both the production, and the costs and profits of other entities through the effects caused by it on the environment.

In this stage, the issues related to the location of the enterprise were very carefully analyzed, in terms of its interaction with the environment, in order to identify the sources with a high degree of pollution and the negative impact on the environment.

The economic activity has a significant impact on the environment. As early as the establishment of the enterprise through its placement on a certain plot of land or in a certain area, it can cause a substantial impact on the environment.

Also, the workflow is carried out on the basis of raw matters, which are extracted from

the environment, to be processed in order to obtain the finished product. As a result of these processes, various types of waste will result, penetrating into the environment and influencing the environment quality. Not only the production of a product has a negative influence on the environment, but the other stages of the economic activity of the enterprise also have a negative impact, such as – for instance- the supply implies a consumption of energy, which turns subsequently into waste that will affect the environment. In this study, we focused only on the impact caused by the production activity of an enterprise on the environment.

Stage 2: Determining the forms of impact exerted by the economic activity on the environment

The environmental impact represents the negative or positive effect that the economic activity is exerting or can exert on the environment. We can classify the impact exerted by the economic activity on the environment as direct impact and indirect impact. The direct impact represents the impact exerted on the environment which is directly connected to the production process. This may be characterized as upstream or downstream from the production process of the respective enterprise. Among the forms of impact which are directly influenced by the production activity of an enterprise, we mention: the demand for material resources necessary to produce a product, the volumes of emissions generated in air, water, soil as a result of the production process, as well as the quantity of resulting waste that was not capitalized.

In this stage, account was taken of the products, services, activities, processes and technologies as elements of the environmental analysis.

This stage is very important in the development of the accounting model, because the environmental impact is the essential element that is to be integrated and reflected in the accounting and financial system of the enterprise, knowledge of the forms of environmental impact exerted by the economic activity contributing to the proper development of the environmental accounting model.

Stage 3: Identifying and allocating the environmental costs related to the determined environmental impact

After determining the environmental impact, we resorted to identifying the monetary value of the environmental costs incurred by the enterprise for future reduction, prevention or protection.

International specialty literature defines and classifies environmental costs by means of numerous approaches. For the realization of an efficient model regarding the reflection of the environmental impact, it is absolutely necessary to know these notions. Identifying the environmental costs related to a product, work, service and their recognition in the accounting of the enterprise are necessary for making correct management decisions. Knowing current, future and potential environmental costs represents the starting point for the attainment of the objectives to cut environmental expenses. The information regarding environmental costs is determined during the management process and it is used for substantiating viable decisions on the modeling of the production cost.

The process of analyzing the environmental costs is a flexible process that can be carried out at various levels and for various purposes. Thus, we identify the following structures:

- the workflow (for instance: the fabrication line);
- the system of equipment (lighting, wastewater treatment, packing);
- the product or line of products;

- regional/geographical groups of departments;
- the subsidiary, branch or the entire enterprise.

The monetary value of the costs was calculated by recording/entering these current and future costs in the inventory statements of environmental costs. These forms of environmental costs can be classified into the following groups: air and climatic changes, waste, wastewaters, soil and underground waters, noise and vibrations, biodiversity and landscape, radiations, other costs.

EU Recommendation No. 2001/453 provides the disclosure of the significant expenses which affect or are liable to affect the financial position and the results of the entity. Thus, Eurostat drafted two statements for the disclosure of environmental expenses, per fields or types of actions. These statements allow third parties to have access to environmental information and contribute to ensuring the transparency and compatibility of financial statements (Eurostat, 2001).

To reflect environmental costs in the financial accounting, we suggest that such costs should be disclosed analytically, both per types of activities specific to environmental protection (sustainability or conservation expenses, expenses for the neutralization of the various production factors, expenses for the measurement and control of various production factors, expenses for the measurement and control of the depollution degree) or per fields of activity (air protection and climatic changes, wastewater management, protection of the soil and underground or surface waters, fight against noise and vibrations, protection of biodiversity, protection against radiations).

An appropriate identification and collection of physical and financial data will lead to the improvement of the decision-making process within the organization.

Stage 4: Internalizing externalities – integrating environmental costs in the production process

For a long time, it has been considered that the environment does not affect the production process; however, now, when the analysis of the environmental impact has demonstrated that the economic activity affects the natural environment, the allocation of environmental costs per each product, work, service in each stage of the workflow is important. The prices are currently including the accounting information constructed as an expression of economic reality, without recognizing the environmental impact.

The primary objective of the role of this accounting model is to integrate the environmental impact into the accounting, the key-element being the integration of these environmental externalities and their reflection into the accounting of each enterprise.

Externalities represent consequences or effects which affect human life and activity, as well as the natural environment. They are materialized into costs or benefits which, although they are produced, they are not recognized as expenses and/or results obtained by entities.

Externalities are those gains obtained or losses or incurred either by individuals, as a result of the actions initiated either by producers, or by consumers, or by both such categories, and for which no compensation is paid. Externalities are also called “effects on a third party” or “neighborhood effects” (Hardwick Philip, 2002). The damages caused to the environment by an enterprise, the repairing of which is incumbent on the collectivity represent an externality. An environmental cost occurs when the enterprise internalizes externalities, assuming the costs for preventing or remedying the destructions caused.

Externalities occur in those cases in which market prices do not entirely reflect the costs or the benefits related to the production or consumption, and they represent that portion of the costs and benefits with an external character in relation to basic partners which is

associated with a third party. Externalities occur mainly due to the fact that the ownership rights over resources are either insufficiently protected, or incompletely defined [3].

There were numerous debates regarding the concept of externalities in time. Economic literature makes a distinction between pecuniary and technological externalities. Pecuniary externalities occur when the interaction between agents is reflected by means of the price; for instance, the increased demand for a certain product will trigger the increase in the price of the respective product.

In case of technological externalities, they are influenced by changes other than price changes, for instance, by a decision-making component which controls the efficient functioning of the market mechanism. In case of natural resources which are in the State's property, environmental externalities are directly affected by the ownership right, in the assumption that they are manifest against the background of certain deficiencies of defining and identifying such rights.

A representative example is that of a lake found in the common property, where everyone has the right to fish. Excessive fishing by one person significantly reduces other individuals' possibility to fish in a reasonable manner. Redefining ownership rights or imposing taxes might correct rectify this situation.

Another classification of externalities includes positive externalities and negative externalities regarding the environment. In the case of positive externalities, external benefits are generated, while, in the case of negative externalities, external costs are incurred. External benefits can appear further to the performance of activities by certain companies which may have beneficial effects on other persons. External costs have negative influences resulting from the performance of the activity, generating additional expenses. A frequently encountered instance of negative externalities is the massive use of the natural resources found in the property of another state or the polluting effects of its activity which reflect also onto other persons, having negative effects on the proper performance of their activity. Unlike positive externalities, negative externalities occur in the form of production and consumption diseconomies (losses) (Bacal 2007).

In this study, environmental externalities are defined as the entirety of the negative effects exerted by the economic activity of an enterprise on the environment or, briefly put, the environmental externality is the negative impact caused on the environment.

Internalization of environmental costs represents the essential mechanism by means of which the polluter directly bears the damages and prejudices caused to environmental factors and to population health. Internalization of environmental costs is necessary for the compensation by the beneficiaries of natural resources, particularly industrial companies and agricultural producers, of the costs related to the depletion and degradation of the respective resources, as well as for the bearing of the social costs for re-establishing the affected natural resources and eco-systems.

Therefore, the internalization of environmental externalities is designed to economically motivate the polluting enterprise, in order to reduce the usage and pollution volume per unit of production obtained in view of mitigating the negative ecological effects.

The advantages of internalizing environmental externalities include:

- orienting polluters towards using less polluting technologies;
- motivating beneficiaries of natural resources to avoid the waste and excessive use of natural raw matters;
- stimulating waste recycling;
- restructuring economy according to the criterion of environmental costs, depolluting expenses, after the negative impact on the environment;
- forming the budgetary and extra-budgetary ecological funds;
- environmental requirements are imposed as a milestone in making the decisions

regarding production enhancement;

- compliance with the environmental requirements occurs at the same time with maximizing the profit, minimizing the production expenses – a primordial objective of economic agents;
- forming the economic and legal mechanism for protecting the environment, for removing and avoiding the damages, and for compensating the prejudices made to environmental factors and population health;
- diminishing administrative and supervisory costs, reducing and avoiding waste and pollution.

The management of modern companies requires the permanent knowledge of production expenses; on this basis for the production cost, the company can perceive the economic efficiency of its activity, in view of determining responsibilities and fairly granting material incentives to employees (Contantinescu, 2009).

As a general conclusion, in this stage, the primary objective is represented by the integration of the environmental impact in the form of environmental costs and expenses; however, the traditional accounting systems do not comply with such need; in this way, the implementation of environmental accounting through the intermediary of specific calculation methods for environmental costs represents the answer to such concerns. Therefore, we propose the implementation of environmental accounting by using two methods specific to environmental accounting: the global method of calculation of environmental costs and the Activity Based Costing method.

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Leadership and quality culture in achieving excellence in the Romanian higher education

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Abstract

In the current economic climate every organization needs to reinvent itself in relation to customers and acknowledge the fact that we live in a global society, of information, of interculturalism and of intercommunication. The rapidity of the changes which occur in all fields of activity is one of the most important features of the current economy and in order to be able to achieve performance, universities must be able to adapt continuously. Under these circumstances, the importance of leadership in organizations is obvious. Their management has to react simultaneously with environmental changes and integrate these changes into their work so that they can maintain stability. Management is part of the organization, of its culture and organizational structure. Excellence in higher education is often described as a set of outstanding practices used in managing the university and achieving results, all based on a set of fundamental concepts or values, values that must move towards a culture of quality. Practices have evolved over time, have become models used worldwide illustrating how it should operate an organization which is an education provider to achieve high performance and excellent results by creating a strong quality culture.

Key Words: Leadership, higher education, organizational culture, continuous improvement, excellence

1. Introduction

In the last decades we are witnessing the development of the concept of leadership, a management component that emphasizes the relationship between employees. Topic increasingly debated, leadership is now asserting the phenomenon of numerous ideas on issues centered on the management organization centered on quality and developing a quality culture. The need for excellence and the development of a behavior based on principles and values focused on quality is especially felt in the higher education institutions, as it is the one forming specialists that will lead in the near future the contemporary society and economy. Therefore it is necessary to create a quality culture in the Romanian higher education system, based on specific values and principles, on effective leadership and continuous improvement.

2. General considerations on leadership and organizational culture

In the specialty literature there have been presented a series of definitions of leadership. It is the process by which a person sets a target for one or more people causing them to act together, with competence and full commitment to achieve it (Militaru & Zanfir, 2010, p.61). Also, leadership is the ability of a leader to organize a group of people, which based on operative and emotional involvement work towards achieving a common goal. At

the core of leadership there lies the team spirit that could be defined as the willingness of individuals to think, feel and act in harmony to achieve common goals. It is clear that a well-established team gets easier the wanted results.

Leadership means "*to bring people's vision to a higher level, to increase their performance to a higher standard, to build their personality way beyond normal limits*" (P. Drucker, 1986, p.174). Overall, it is seen as the activity of "*creating a vision that others aspire to and energizes them to work to fulfill that vision*" (M. Zlate, 2008, p.112). It can be described as "*a dynamic process in a group, where one person influences others to voluntarily contribute to group tasks in a given situation*" (GA Cole, 1994, p.88). That leader attitude who tries to combine the objectives of the organization to the individual ones, in the literature is called leadership.

In the view of C.L. Bavel and J.Y. Thill (1992) total quality management "*is an organizational philosophy to increase the level of quality and managerial practices devoted to obtaining total quality. In this sense, the quality would not be an issue to be monitored and added at some point in the production process, but an element of organizational essence*".

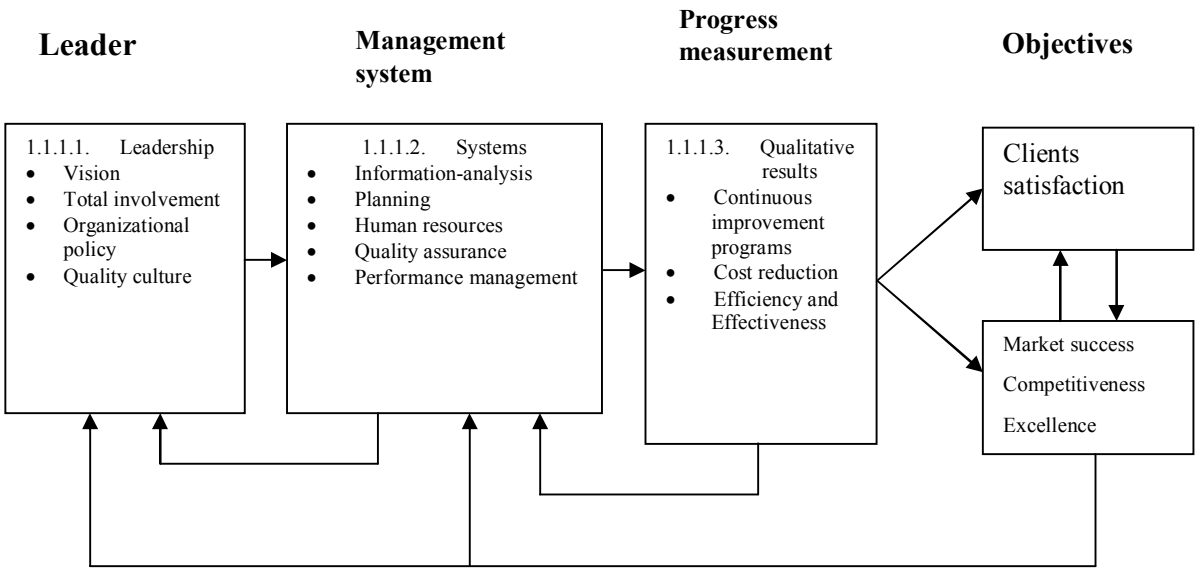

Fig. 1. Leadership through the vision of total quality management

The organizational culture is critical for the power of manifestation of leadership in any organization, especially in those who want a culture of excellence and quality. Therefore, each organization creates and develops different types of behaviors, rules, values and ideals based on certain factors.

Given the multitude of definitions in the literature regarding organizational culture is seen that there are some *common features* (Luț, 2010, p. 169):

- ✓ all definitions are considering a set of meanings and values that belong to the individuals in the organization;
- ✓ organizational culture elements need a relatively long period of time to form;
- ✓ meanings and values that form the basis of organizational culture are a synthesis of the individual and national ones, appearing at the intersection of two major categories of elements;
- ✓ values, beliefs are reflected in symbols, attitudes, behaviors and different structures, formal or informal;
- ✓ the organizational culture is found in a frame of reference for members;

- ✓ the manifestation forms of organizational culture significantly influence the evolution and performance of the organization.

According to some specialists, the organizational culture includes the following distinctive elements:

- ➢ regular behavioral actions that occur in the interaction between people (organizational rituals and ceremonies and commonly used languages);
- ➢ dominant values in an organization imposed by the group holding the power (e.g. "quality comes first" or "employees are the most valuable asset of the company");
- ➢ rules that are shared and accepted by all members of the organization (e.g. "a good wage for a good day's work");
- ➢ the philosophy on which is built the organization's policy regarding employees or customers;
- ➢ rules for integration in the organization that a newcomer must learn in order to be accepted;
- ➢ the feeling or climate that prevails in the organization, the physical appearance and the way in which organizational members interact with others.

3. Quality culture – concept and content

The concept of quality culture was defined in 2006, during a project of the European Universities Association (EUA). According to it, between the quality culture and organizational culture there is a cultural and psychological link, on the one hand, and a structural-management link on the other.

According to the definition of quality culture derived from this project, "*quality culture refers to an organizational culture that intends to enhance quality permanently and is characterized by two distinct elements: on the one hand, a cultural/psychological element of shared values, beliefs, expectations and commitment towards quality and, on the other hand, a structural/managerial element with defined processes that enhance quality and aim at coordinating individual efforts*".

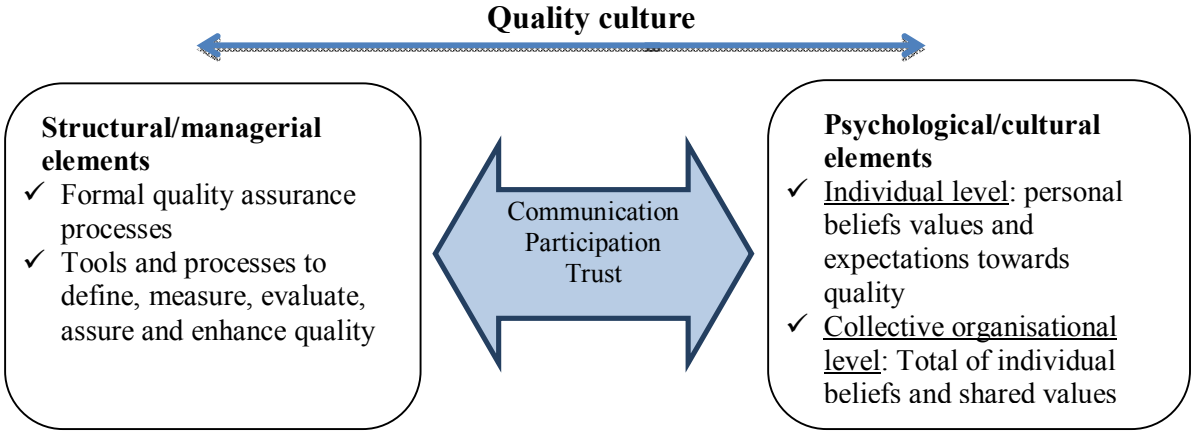

Fig. 2. The elements of quality culture (following the EUA 2010:17)

Quality assurance processes are the **structural element of quality culture**. Quality assurance includes all activities of quality defining, assurance and improvement of an institution in general and of an institution of higher education, in particular.

There have been significant progresses in quality assurance within higher education institutions at the European level and structures, processes and strategies were defined and documented.

Quality culture and quality assurance is not the same thing. You can have a very good quality assurance, but not a quality culture. Higher education institutions continue to develop and implement quality assurance processes, thus improving their quality culture. Developing a quality culture takes time and effort, because it is closely related to values, beliefs and cultural element that cannot be changed very quickly (EUA, 2010).

While quality assurance processes are something tangible and can be managed by institutional decisions, **the cultural aspect of quality culture** - shared values, ideas, expectations and commitments, at individual and collective levels - is more difficult to change.

4. Developing a quality culture in Romanian higher education

An important factor in developing an organizational culture based on quality and excellence is the economic, social, cultural and religious environment where it operates. Some cultures are conducive to the emergence and development of employees with leadership potential and allow changes and cultural transformations, others are more reactive towards leadership and leaders are forced to make great efforts to find supporters in the change.

An organizational culture where an effective leadership can manifest itself allows the development of people, provides the freedom of action they need and recognizes their individuality, increases their creativity and their desire to be the best. The development of such a quality culture in an institution of higher education is extremely difficult and cannot be accomplished in a short time and without effective leadership. Leadership and quality culture are therefore processes creating one another, providing consistency and value of each other.

Among the factors that have increased the importance of quality assurance and the existence of a quality culture in higher education there are: massification of higher education, increasing investment and doubts about maintaining quality in the current context, and belief in the importance of higher education in a knowledge-based society.

Models of continuous quality improvement and achieving excellence are based on the principle of effective leadership practice centered on a quality culture with values and beliefs centered on quality.

Over time, universities have seen many changes, and in the context of the current society they have "more than ever a central place in the system of knowledge production and information" (Godin and Gingras, 2000)

Reform and harmonization of European higher education began with the signing of the Bologna Declaration (June 19, 1999) and supplemented by the Lisbon strategy. In 2003, the Communicate from Berlin stated that, in accordance with the principle of institutional autonomy, the responsibility for quality assurance is the task of each institution" (BPMC 2003)

In the early 2000s, in Europe, organizations concerned with quality assurance of higher education have made their presence, including: European University Association (EUA), the European Association of Institutions in Higher Education in Europe (EURASHE) European Union of students (ESIB) and the European Network for Quality Assurance in Higher Education (ENQA). In 2001, EURASHE, EUA, ENQA and ESIB formed a group designed to increase their power and influence in the European culture and education, this group is the organizer of the European Index of quality assurance in higher education.

In 2005 there were adopted the Standards and Guidelines for Quality Assurance in the European Higher Education Area (ESG), based on proposals made by the E4 Group, respectively ENQA, ESU, EUA and EURASHE, and in 2007, ministers approved the E4 Group's proposal to establish a European Register of Quality Assurance Agencies (EQAR).

The European University Association (EUA), founded in 2001 has developed over the years many effective projects to clarify the content and modalities of implementation of the concepts of quality assurance in higher education and regarding the meaning of quality culture and the situation in European universities. EUA launched the project "*Examining quality culture in European Higher Education* Institutions", project at which participated 222 institutions from 36 countries. In the project drafting for quality culture attended seven Romanian universities: University of Bucharest, Babes-Bolyai University, University of Pitesti, National School of Political Studies and Business Administration, University Alexandru Ioan Cuza, University Ovidius – Constanta, Technical University "Gheorghe Asachi" (see *Embeding quality culture in Higher Education*, EUA, 2007)

According to a respondent of the EUA's survey, *"the biggest problem for the implementation of quality culture is a combination of leadership from top to bottom and managerial approach with bottom-up approach, while there are being created learning environments conducive to academic staff and students are actively involved in the implementation of quality culture through their own initiative and responsibility"*

After the events in 1989, institutions of higher education in Romania have undergone a number of changes and reforms more or less effective and have been involved in various projects in collaboration with the European Union or the USA. Romania was one of the signatories of the Bologna Declaration, thus accepting reform and harmonization with the European educational systems. Romania has taken important steps towards the European Higher Education Area (EHEA) by reorganizing the entire education system, the new structure being approved by the National Council of Rectors in November 2003. In 2012, according to a prestigious ranking of universities worldwide (QS World University Rankings), four Romanian universities were included in the top 700 universities in the world (601 +): University Alexandru Ioan Cuza, University Babes-Bolyai, University of Bucharest and West University of Timisoara. The top is made by QS based on academic reputation (40%), reputation among employers (10%), the ratio between the number of students and teaching staff (20%), the number of academic papers listed in specialized publications (20%), the number of international teachers (5%), the number of international students (5%).

Romanian universities were involved more in the knowledge and deepening the theoretical concepts of quality and quality culture, of continuous improvement and excellence and have tried to develop systems of quality assurance and quality management within them, in order to achieve standards of quality and competitiveness of top institutions.

Conclusions

The quality of education and higher education in particular was and is regarded as one of the key factors determining the economic success in a global competition. The superior quality of supply is one of the main goals of the current higher education reforms in Europe, which led to a growing demand for quality assurance. In the structure of quality assurance processes, it is expected that higher education institutions will develop internal quality cultures which take into account that their institutional realities are related to their organizational culture.

In the context of the knowledge based economy and the dynamic changes taking place, leadership tends to become an imperative element in any organization. Furthermore, it has to be developed for all organizational levels, in order to be transformed into a real

competition factor. The most effective factor is the human capital production, expressed by the knowledge, capabilities, skills and people's abilities, which are formed or developed in the educational system and especially within higher education institutions.

Processes of quality assurance and quality culture are interconnected and quality culture can be applied by structural decisions that stimulate common values and ideas and there is a link with institutional strategic planning.

Following research reports and studies conducted by organizations mentioned above, we found that there are concerns in quality assurance in higher education, both at EU level and in Romania and that significant progress in this regard has been made. The Bologna process and the subsequent changes that took place in national contexts clearly promoted awareness of the need for quality assurance in higher education.

Institutions should work not only in quality assurance processes, but also at the development of internal quality culture within them, which is much more difficult than establishing processes that are required by external partners. The reason is that this quality culture is closely linked to organizational culture and is based on common values, ideals, expectations and commitment to quality, things that make this concept more difficult to define. The quality culture and leadership represent a priority for the development of higher education institutions in their process of achieving excellence in a knowledge based society.

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Entrepreneurship – post-crisis development engine in Romania

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Abstract

The entrepreneurship also means the capacity of creating and managing a company. At a given time, the economic thinking, has neglected the role of the entrepreneur thus focusing a lot on the manager's role. It seems that it is highly necessary to reevaluate the importance of the entrepreneur, obviously on a superior net plan. We should not forget that the means of analysis that we possess have changed.

Key words: opportunities, post-crisis, innovation, nice.

The entrepreneurship, under the form of SMEs plays an important role in the economic context, the act marked by uncertainty and complexity. The SMEs are vital for the economic development and increase both in the industrialized as well as in the emerging countries or developing countries. The periods of economic crisis create big problems to all the companies, but they may also create new development opportunities.

According to a study of Global Entrepreneurship Monitor on the entrepreneurship in Romania in 2011[1], the rate of entrepreneurial activity in an early stage[2] (*early-stage entrepreneurial activity/TEA*) is superior to that in countries such as Hungary or Croatia, indicating a positive tendency of the population towards launching a business.

The year 2011 in Romania is characterized by an important increase of the entrepreneurship activity, mainly as result of exceeding the period of fear in taking risks involved in initiating a new business or developing an existing one (case indicated as well by the data on the evolution of SMEs in Romania presented above), but also in identifying some new post-crisis business opportunities. The rate of entrepreneurship activity has reached in 2011 the highest level in the last five years, both within male, as well as within female. The percentage of possible entrepreneurs has increased from 13,6% in 2007 to 27,71% in 2011, the percentage of entrepreneurs actively planning the business from 2,9% in 2007 to 5,56% in 2011, and the percentage of entrepreneurs who have recently initiated a business from 1,3% in 2007 to 4,51% in 2011.

Table 1 – Rate of entrepreneurship activity in Romania (%)

		2007	**2008**	**2009**	**2010**	**2011**
Possible entrepreneurs (who intent to launch a business in the next three years)	**Total**	13,6	11,5	9,4	10,65	27,71
	Male	18,55	15,55	11,4	13,6	33,51
	Female	8,83	7,86	7,44	6,7	22,18
Entrepreneurs actively planning a business	**Total**	2,9	2,54	2,79	3,2	5,56
	Male	3,51	3,62	4,54	4,4	6,9

[1] *Entrepreneurship in Romania, 2011 Country Report*, Global Entrepreneurship Monitor, 2012, http://www.gemconsortium.org.

[2] The entrepreneurial activity in an early stage refers to adults (18-64 years) in the active planning stage of a business or who have recently initiated a business (2-42 months).

(with activity in the last 12 months)	Female	2,29	1,47	1,07	1,7	4,21
Entrepreneurs who have initiated a business in the last 4-42 months	**Total**	1,3	1,56	2,3	1,09	4,51
	Male	1,44	2,42	2,5	0,8	5,85
	Female	1,19	0,71	2,09	1,5	3,3
Entrepreneurs in the early stage (TEA)	**Total**	4,02	3,98	5,02	4,29	9,89
	Male	4,95	5,89	6,91	5,13	12,52
	Female	3,09	2,1	3,17	3,19	7,33
Entrepreneurs in the early stage determined by necessity (do not have another option to work)	**Total**	0,56	1,37	1,71	1,27	4,09
	Male	0,73	1,82	2,6	1,5	5,28
	Female	0,39	0,92	0,83	0,98	2,92
Entrepreneurs in the early stage determined by opportunity	**Total**	2,68	2,12	2,76	2,94	5,68
	Male	3,52	3,36	3,6	3,5	7,05
	Female	1,85	0,89	1,93	2,21	4,35
Entrepreneurs established (with activity of more than 42 months)	**Total**	2,5	2,07	3,38	2,08	4,57
	Male	3,34	2,94	3,4	2,08	6,28
	Female	1,7	1,22	3,36	2,08	2,9

Source: *Entrepreneurship in Romania, 2011 Country Report*, Global Entrepreneurship Monitor, 2012.

Even the distribution of entrepreneurs' motivation in an early-stage underwent modifications in the period 2007-2011. Thus, if in 2007 most entrepreneurs were motivated by the opportunity (66,7%) and only 19,5% were motivated by necessity, in 2011 the number of those motivated by necessity has increased significantly (41,3%) while the number of those motivated by opportunity has decreased (57,5%). However, even in 2011 the main reason for starting a business remained the opportunity and not necessity.

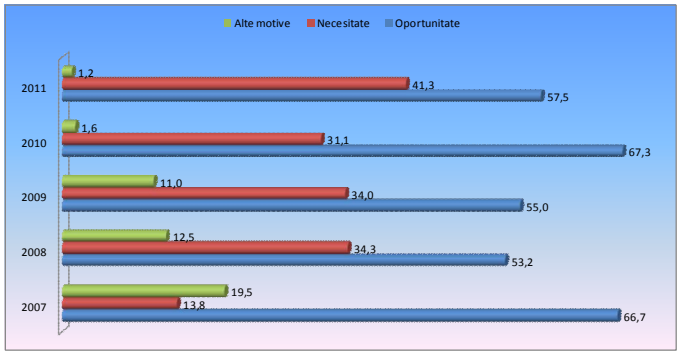

Fig. 1. Reasons of entrepreneurs in the early-stage (%)
Source: *Entrepreneurship in Romania, 2011 Country Report*.

Regarding the fields of activity, the extracting industry has been attractive in 2011 both for entrepreneurs at the beginning of their career (who focused on this industry in a percentage of 16,09% in 2011, than only 3,75% in 2007), as well as for the well known entrepreneurs (12,32% focused in 2011 on this industry, than only 2,14% in 2007). The most unattractive sector was in 2011, the manufacturing industry for the entrepreneurs in an early-stage (with a decrease from 35,23% in 2007, to 26,4% in 2011), and the economic and

business services for the well known entrepreneurs (with a significant decrease from 19,1% in 2007, to just 5,81% in 2011).

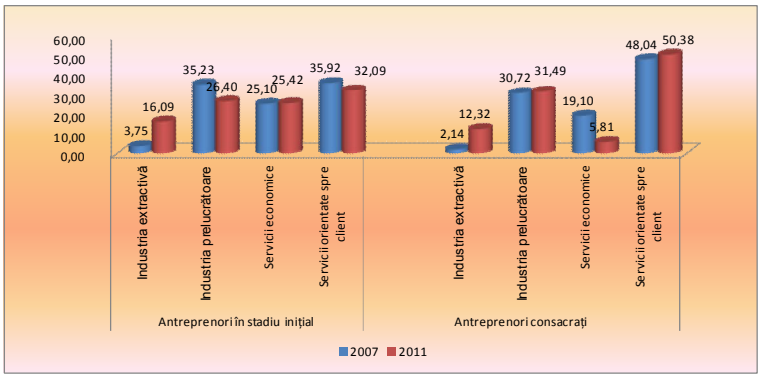

Fig. 2. Distribution on sectors of the entrepreneurs in Romania (%)
Source: *Entrepreneurship in Romania, 2011 Country Report*.

The need for new or innovation was felt in the last years on the market in Romania, thus determining significant changes at the entrepreneurs' behavior level. Thus, the percentage of those who offered a new product for all the clients has increased within the new entrepreneurs from 6,5% in 2007 to 9,18% in 2011, while the percentage of the new entrepreneurs offering new products at least for some of the clients has increased from 29,8% in 2007, to 33,65% in 2011. Even within the well known entrepreneurs the level of innovativeness has increased in 2011, 32,61% of them offering a new product or service to all or at least to some of the clients (5,17% new product for all clients and 27,44% new product for some of the clients), than only 15,5% in 2007 (4% new product for all clients and 11,5% new product for some of the clients).

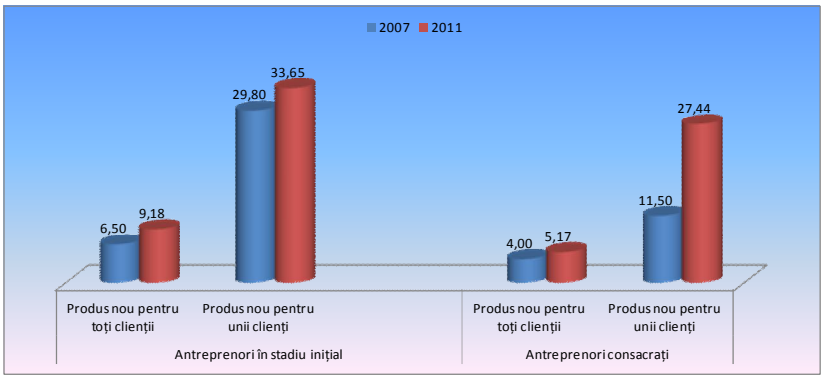

Fig. 3 – Products innovativeness within entrepreneurs in Romania (%)
Source: Entrepreneurship in Romania, 2011 Country Report.

The economic crisis has led to a significant increase of the competition on Romanian market, determining entrepreneurs to identify niche markets and to put on the market products not offered by any other company. Therefore, the percentage of entrepreneurs who came on the market with a product or service that no other company offered has increased considerably especially within the new entrepreneurs, from only 2% in 2007, to 15,62% in 2011. Also the entrepreneurs at the beginning of their career have initiated businesses in the fields in which the market was not saturated, in 2011 over 40% of them coming on the market with products/services offered by few other companies. Within the well known entrepreneurs the competition has not been felt as intense, only 3,23% offering products not offered by any other company (than the 2,6% in 2007) şi 32,6% coming on the market with products that few other companies offered (than the 20,9% in 2007).

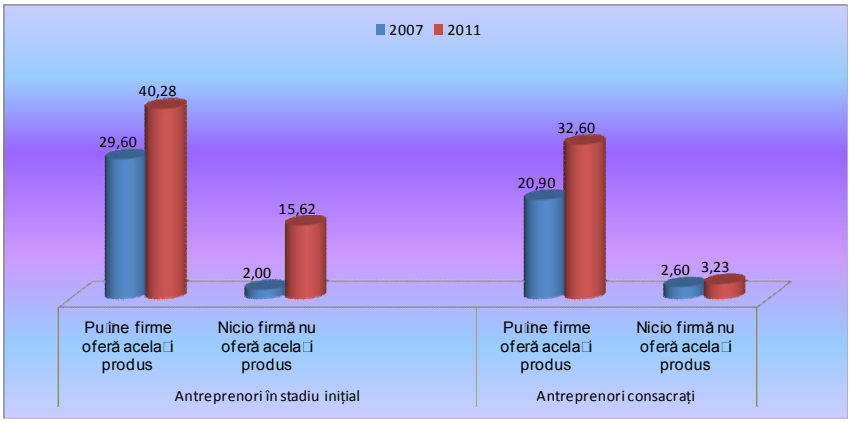

Fig. 4 – Competition degree at the entrepreneurs level in Romania (%)
Source: *Entrepreneurship in Romania, 2011 Country Report*.

In the context of the new economy, dependent more and more on the high level technology, the entrepreneurs in Romania have been determined to adapt to the economic environment and have tried to capitalize the opportunities offered by technology. Consequently, the technology used by the new entrepreneurs is newer than the one used by the consecrated entrepreneurs. If in 2007 no entrepreneur used the newest technology in business because of its high costs, in 2011 approximately 17,55% of them used the newest technology (released on the market in the last year) and 30,74% used new technology (not older than 5 years). Within the consecrated entrepreneurs the same high level of adaptation to the new technology was not recorded, taking into consideration that only 3,75% of them used the newest technology in 2011 (than 1,4% in 2007). However, a considerable number (33,91%) of them used in 2011 the new technology, than only5,3% in 2007.

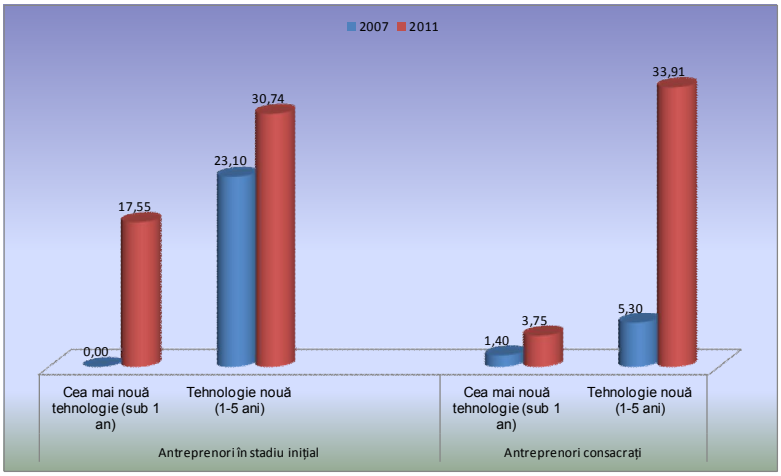

Fig. 5. Level of technology used by entrepreneurs in Romania (%)
Source: *Entrepreneurship in Romania, 2011 Country Report*.

As a short conclusion, one may state that in Romania, the economic crisis was not only a threat, but also an opportunity, at least for some of the entrepreneurs. The new entrepreneurs adapted rapidly enough to the situation and identified niche industry thus offering new products or services in the market, for all or for some of the clients, that no other entrepreneur offered. From the innovation point of view, calculated by Global Entrepreneurship Monitor by reporting to the new products offered to clients (new products or services for all or for some of the clients) and to the side or maturity of the market (products offered by few or by no other company), in 2011 Romania recorded a spectacular increase within the new entrepreneurs, from 14,54% in 2007 to 30,02% in 2011.

Conclusions

Starting from the definition given to the entrepreneurship by a series of authors, namely that it means the creation of new organizations or new companies, one may say that Romanian entrepreneurs have identified the opportunities given by the crisis and have created new companies.

Although in Romania the economic crisis did not manifest as violent as it did in other countries in the „Euro area", its effects were felt in the aspects of social life (the decrease of the jobs, the reduction of people's income, the descendent evolution of all the macroeconomic indicators, the drastic decrease of investments etc.). Beginning with 2010, the main indicators of SMEs in Romania have known constant appreciations, without however reaching the level prior to the crisis (2008). The evolution perspectives for the following period are good, but not enough to lead to economic increase and people's welfare. In the context in which, at governmental level, the budgetary constraints may slow down or block the rhythm of investments necessary for the economic recovery, salvation may come from the private sector, provided that the difficulties of the crisis be identified as opportunities to do something that under normal conditions would have been considered unreasonable.

The entrepreneurs are those who can help identify a new model of economic increase based on the accentuation of the development of the fields which have proven their potential and on promoting the investment in the fields previously evaluated or under-exploited. Such a model of economic increase might be based on the Romanian SMEs orientation towards the external markets by producing innovative goods and services and by attracting foreign capital in fields such as the energy, tourism, health services, information technology and communications (ITC) etc. Also, it is necessary to encourage the private initiatives and the risk taking by the entrepreneurs.

The economic crisis can eventually prove to be a good thing. For this, however, it is necessary that consecrated or potential entrepreneurs do not focus on existing problems, but on what has been wrong in order to see what can be done from now on. Although there is no valid general answer regarding the manner in which entrepreneurship should be promoted, this could begin with locally identifying the needs and priorities. The entrepreneur who will overcome its fear of taking risks and find the necessary resources to overcome the possible failures, who shall invest in his professional training will be best prepared to identify opportunities and succeed.

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Strategies to promote mediation

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Abstract

Mediation is a new approach to conflict resolution that focuses on the understanding of the parties with a third party specialist called mediator. Mediation is an area that requires strong support from both the legislative point of view, and especially in terms of promotion. As the legislation is currently quite contradictory, information is required on a permanent consumer mediation role in the manner of the service mediation, the degree of involvement of the parties.This study aims to examine under what conditions can ensure the promotion of mediation by actors implications, in order to provide information about mediation to all parties involved, using various media.

Keywords: mediation, customer-mediator relation, promotion strategies, media and interpersonal means of communication

1. Introduction

Modern society is evolving in an environment quite conflicting, which intersects divergent interests of individuals, organizations, and an audience, well structured with these complex relations. People in conflict, mediators, lawyers, journalists, public power are just some examples of groups that can affect or be affected by mediation activity. Concerns mediators to communicate effectively with various audiences intensifies when, gaining more ground relational marketing.

Promotion is the most visible component of the marketing approach of mediators. Application of marketing at their level materialized until early last year, the limited use of promotional techniques, among which were posted public relations and events of information about mediation and its role in resolving conflicts amicably (Sandru, Radulescu, Calin, 2012).

Thus, most mediators, and professional organizations, widely used in public relations, by circulating information on mediation, editing publications (latest customer oriented) and target public education materials. In addition to these techniques, professional associations of mediators are involved to some extent in informal marketing activities when sponsoring educational seminars or participating in community events.

2. Promoting mediation role

Although marketing involves more than advertising for many of mediators that was the only activity that embodies marketing in this period. Most professional associations and mediators deems necessary to promote use but clearly limited budgets and lack of involvement of the state in promoting, causing a limited use of promotion techniques.

Although advertising has many advantages, it is used very little, especially professional associations through social networks and the mediators by distributing leaflets.

In the first stage of implementing mediation, communicative activities carried out by professional organizations in the field of mediation did not target the ultimate consumer, but potential mediators that through the training contributed to an increase in mediators.

Only in the last year due to increasing mediators, they began to focus their efforts directly to the customer. The client is placed in the center of these concerns, and marketing is regarded as an integrated function of mediator activity. Current customer is more educated and more concerned with meeting the needs mediation than in the previous period, which appeal to the court to resolve conflicts in which he was involved. During this period, marketing has begun to be seen in a new light, as a result, and the new generation of mediators that are market-oriented and business development.

In addition, promoting mediation should not be used only in the professional organizations of mediators, but should represent an important component of civil society activity in Romania.

For example, as in other areas, legislation should provide, compulsory reservation within grids Romanian Radio Society programs and the Romanian Television Society emission free space information campaigns, education and communication on issues concerning advantages of mediation, the more so as, according to law, mediation is mandatory.

Although, at present, mediation is not always viewed favorably by other professionals, such as lawyers or notaries, promoting is basically relationship between mediation and actual or potential customers. During mediation, promotion to customize a series of elements determined by its connections with other components of the marketing mix and by a set of objectives, strategies and instruments.

Effective communication requires developing a relationship which is to meet customer expectations, and long-term interests of mediators. This system involves (Cetin, and others, 2009):

• client access to mediation at any time;

• communications between the client and the mediator must be initiated by both partners involved, customer relations mediators appreciate more when it makes an effort to maintain regular contact;

• as mediators influence customer expectations through promises implicit and/or explicit, an important point in their indulgence is the fulfillment of promises.

3. Promotional techniques used to promote mediation

Their characteristics especially intangibility, inseparability variability and are reflected in the way of achieving promotion activity, particularly through the use of promotional techniques we also adapt and enrich the classics. (Radulescu, 2008)

To the promotion of mediation is capitalizing on promotional activity of components of the conduct of mediation. In this respect, there are elements outside of the physical framework of activities of benefit (geographic location, architecture buildings), interior components (atmosphere, decor, personal contacts, clients), mark and symbols, interpersonal relationships.

This environment is based on the parties' trust in the mediator, the person able to facilitate negotiations between them and support them to resolve the conflict, by obtaining a mutually agreed solution, efficient and sustainable, an optional way of solving conflicts in a friendly way, with a specialized third party as mediator, in terms of neutrality, impartiality and confidentiality.

Thus mediation is, above all, the mediator's art to turn a conflict in an agreement as a result of options generated and selected by the parties, the conflict management process,

allowing prevention or resolution of a conflict due to third person's intervention, being impartial and with no decision power, who guarantees communication between partners and thus helps to restore the social bond (Radulescu, 2012).

Place and role of promotion policy in the marketing mix is highlighted and the perception that the client has both the services and the communication system.

Promotional activity in mediation is determined by the diversity of means of communication.

In addition to traditional media, are used as promotional means and elements that ensure the tangibility of service, namely: contact staff, the physical and customers benefit system. These brackets can be grouped into two main communication channels: one consisting of material medium known as the "communications media" and other human environments consists of forming "interpersonal communication". (Olteanu, 2003)

Means of communication can be grouped by considering the categories of receptors, namely:

- ✓ Internal communication, addressing actual customers and partners mediators, part of interactive marketing;
- ✓ External communication regarding both current and prospective customers, external marketing component.

Means of internal communication media consist of materials that transmit messages, information to actual customers, employees in the service, during the purchase and use of services. Within these include: point of sale advertising (posters, billboards, flyers), signs and information guide, ambience. Among these means, on average, often used information leaflets and documents, and environment contribute to a great extent the quality of mediation services.

Internal interpersonal communication means are "carriers" human, while providing service that provides information and makes a series of strong promotional items. This includes contact staff and other customers present.

Means of external communication media, traditional media are represented, and their use to customize services usually by message content and how to submit them. Among these tools include: advertising, symbols, signal boxes, architecture, direct mail, the Internet.

Advertising receiving less attention in mediation services compared to other means, and when it is used in conjunction with other means, and in particular: brand symbols, contact personnel, customer price.

Forms of advertising, on average most used are:

- ✓ Institutional advertising, which aims to the public establishment of a favorable attitude and attachment to resort to mediation;
- ✓ Professional advertising, targeting professionals in various fields, in the present case the mediators, by inserting advertisements in specialized publications (Radulescu, 2008);

Means of external communication interpersonal, used as support staff organization that comes into direct contact with customers and mass media, in particular actions. Included in this category as follows: public relations and "word of mouth".

Public relations have been used by cultivating direct contacts with different audiences, in order to obtain their support for the development of mediation.

Communication through "word of mouth" is perhaps the greatest impact midst of promoting mediation services. Since it is difficult to control, its existence raises several issues on how they are perceived by the public information, which may interfere with other promotional means.

As a consequence of its characteristics, mediation raises some issues and on building promotional messages:

- ✓ mediators promises to be built on a realistic basis, because that is formed by comparing customer satisfaction with the service provided expected;
- ✓ messages must focus on a number of factors which ensures the tangibility of services (physical support of the benefit, staff);
- ✓ the way they are made, should help to reduce anxiety about the variability and manner of service;
- ✓ more than in other services, messages can focus on personalization and customer-mediator relationships.

4. Objectives and promotional strategies

Promotional policy development is reflected in the formulation of objectives and strategies and in selecting appropriate alternatives that will guide the specific activities to be included in marketing programs. (Olteanu, 2003)

The strategic objectives of promotional activity aimed on the one hand, customer acquisition, loyalty, changes in demand and easier to resort to mediation, and on the other promised services management, regaining customer confidence, their proper training, improving cooperation between the parties involved, to remove the causes that contribute to the differences that may arise between promised and actual service delivery.

Strategic alternatives are so grounded that to achieve strategic objectives and can be formulated based on the following criteria: demand, market structure, promotional media that can be used.

Offer is taken into account in structuring strategies depending on how it is approached product. If mediation services, global product promotion is the most common variant.

Market structure involves segmentation according to the situation encountered, there are three policy options: concentrated, differentiated and undifferentiated.

- ✓ Focused strategy is used when the mediator choose the means of communication and message content in accordance with the description of chosen segment of marketing orientation (divorce, partition, etc.)
- ✓ Differentiated strategy involves differentiating means and appropriate messages based on market segments considered (for companies that trade disputes or dealing with debt recovery);
- ✓ Undifferentiated strategy is used when the mediator promotes their overall mediation office without specifying the areas in which it operates.

Promotional media used for sending messages are selected in close connection with the supply of services, target customers and content of the message, there are basically three strategic alternatives: intensive, exclusive, selective.

- ✓ Intensive promotion strategy focuses on using all possible means and channels. It is common and recommended offices mediators associated with a wide range of services and a highly segmented market.
- ✓ Exclusive promotion strategy involves choosing and using a single channel promo less common case, especially in individual offices work.
- ✓ Selective strategy aims to use only those means of communication that provide the best in terms of service offerings and a variety of segmented markets

Conclusions

Mediation is an alternative to the traditional court system as part of the system to resolve conflicts amicably. Recently introduced in Romania, mediation is still seeking its place in society being in an complex process of defining the procedures used. Mediation is

relatively unknown to potential customers using marketing needs to adapt the to needs of service consumers especially to achieve effective promotion.

Although it is a mandatory procedure, in terms of participation in information about the benefits of mediation, exist at all concerned a lack of information and communication, which may be remedied by developing and implementing campaigns.

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Aspects regarding the international quality standards ISO 9000 applied in services

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Abstract

Unlike the material products, service quality assessment can be made only after its consumption. Evaluating the quality of services is not always clear enough, because it has a higher degree of subjectivity, difficult to quantify. If it does not meet the requirements set by the client, it immediately expresses dissatisfaction, which can lead to dissatisfaction from the client.

The ISO 9000 family is a group of standards for management systems aimed at outlining a road leading to the formation of competence and confidence in the potential quality of the company. Thus, these standards were developed primarily to facilitate trade and to give customers greater confidence on the ability of a particular supplier to satisfy consistently requirements of quality for products and services offered.

Keywords: quality, service, ISO 9000, characteristics of quality services;

1. Introduction

To be better than your competitor, it ensures long-term success and to have the best means to satisfy increasingly diversified customer and that in a short time and with minimal costs[1]. Success of an organization may result from implementing and maintaining a management system, the system is designed to support continuous improvement of its performance, taking into account the needs of all the involved parts.

Among the management categories included in an organization is found also quality management. The ISO 9000 family is a group of standards for management systems aimed at

[1] Opincaru, C., Gălățenescu, E.M., Imbri, E., *Quality management services in public health,* C.N.I. Coresi Publishing House, Bucharest, 2004, p. 17

outlining a road leading to the formation of competence and confidence in the potential quality of the company[2].

Standards ISO 9000 family was developed to help organizations, regardless of type, size and product or service supplied / provided, to design, implement and conduct effective quality management systems[3]. Thus, these standards were developed primarily to facilitate trade and to give customers greater confidence on the ability of a particular provider consistently meet quality requirements for products and services offered.

International Standard ISO 9000 specifies the terminology for quality management systems and also describes its fundamental principles. This standard can be used by various organizations who want:

- get some advantages by implementing a quality management system;
- ensure that their suppliers will meet the requirements for products and / or services;
- understand the terminology used in quality management;
- assessing conformity of the quality management system;
- provide consultancy services or training on the quality management system;
- to develop standards.

Standard S.R. EN ISO 9000:2006 recommends that the implementation of a quality management system must following the steps:

- determine the needs and expectations of customers and other parties involved;
- defining policy and the quality objectives of the organization;
- determining the processes and establishing responsibilities for achieving objectives;
- determine and provide the resources needed to achieve objectives;
- establish methods to evaluate the effectiveness and efficiency of processes;
- use of these methods to evaluate the effectiveness and efficiency each process;
- define and implement a program of continuous improvement of quality management system.

2. Quality management system according to SR EN ISO 9001:2008

The object of international standard ISO 9001 is the methodology of implementing a quality management system within an organization, be it producing goods or providing services.

Quality management system elements are structured according to PEVA cycle, showing the sequence of steps in a logical order, which should be taken to implement the quality management system and to maintain its effectiveness through continuous improvement processes involved in such a system . Thus, it is proposed that elements of the quality management system are structured in 4 areas[4]:

- management's responsibility;
- resource management;
- process management;
- evaluation, analysis and improvement.

Implementation of quality management is a strategic decision of an organization and can be influenced by certain objectives which they propose, by products / services delivered / rendered, the size and organizational structure.

From the contents of this standard appears that promotes adaptation procedural approach when implementing and improving the effectiveness of a quality management

[2] Wilhelm Brankhahn, Ulrike Vogt, *ISO 9000 for services. Fast and secure for certification*, Technical Publishing House, Bucharest, 1998;
[3] Quality management systems. Requirements ISO 9001:2008, November 2008;
[4] *SR EN ISO 9001: 2008 – Quality management systems. Requirements*.

system, to client satisfaction spores up to their requirements. It follows that all activities using resources and are managed in a way that allows transformation of input into output elements can be considered as a process. Applying a system of processes within an organization, together with the identification and interactions of these processes, and their management, can be called procedural approach.

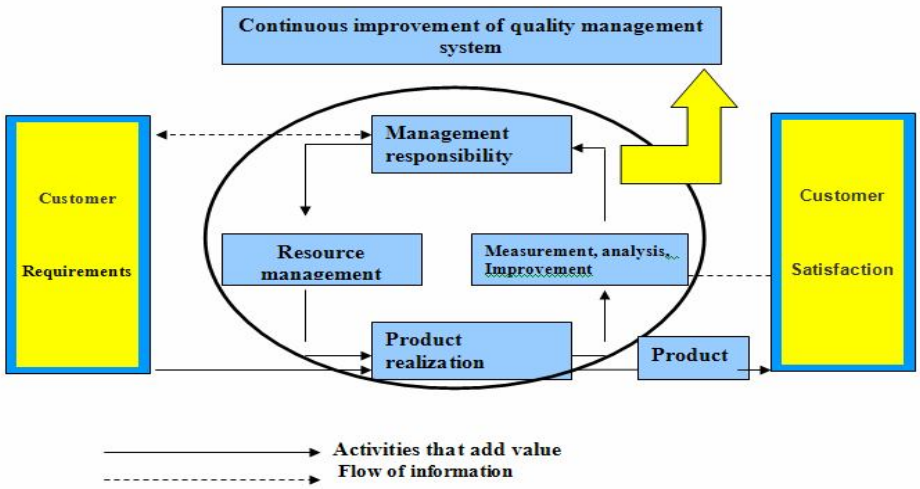

Fig. 1. The model of procedural approach (SR EN ISO 9001:2008)
Source: SR EN ISO 9001, November 2008

Applying a system of processes within an organization, together with the identification and interactions of these processes, and their management, can be called procedural approach. This approach increases the importance of:

- understanding and meeting requirements;
- the need to consider processes in terms of added value;
- measuring process performance and effectiveness;
- continuous improvement of processes based on the measurement objectives.

Applicability of this standard is general and can be applied to all organizations regardless of size, type and product or service and can be used both for products and services. Organizations which implement and maintain a quality management system and continually seeking to improve efficiency should:

- identify the processes needed for the quality management system and their application throughout the organization;
- determine the sequence and interaction of these processes;
- determine criteria and methods needed to ensure the efficient functioning and keeping control of these processes;
- ensure the availability of resources and information necessary to support the operation and monitoring of these processes;
- take the actions necessary to achieve planned results and continual improvement of these processes.

This International Standard promotes the adoption of a process approach in developing, implementing and improving the effectiveness of quality management system in order to increase customer satisfaction by fulfilling its requirements.

A major advantage of the process approach is the permanent control that authorization provides the linkage between the individual processes within the system of processes and the

combination and interaction. When used within a quality management system, such an approach emphasizes the importance of:

- understanding and meeting requirements;
- need to continue depending on the value added processes;
- achieve results in terms of performance and effectiveness of the process;
- continuous improvement of processes based on objective measurement[5].

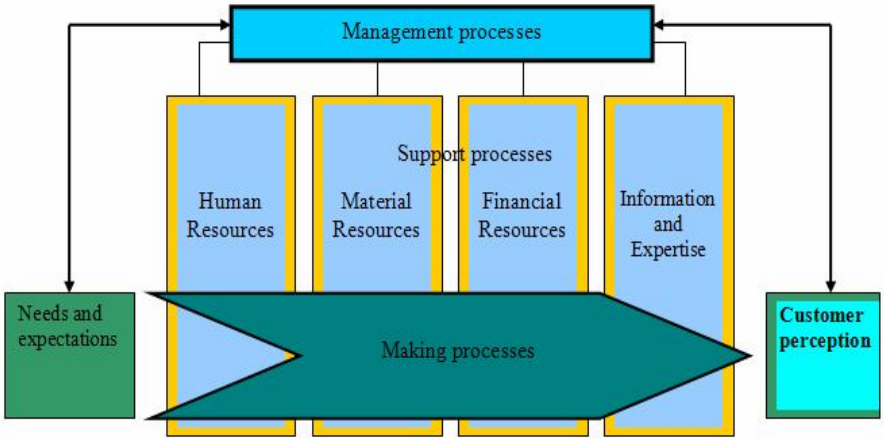

Fig. 2. Types of processes

Source: Militaru, C., Drăguț, B., (2009, p. 30)

This standard does not prescribe any requirement in the typology of processes but the latter presents a pedagogical interest because a household typology allows understanding and visualizing processes impact directly or indirectly processes in relation to customer satisfaction.[6]

3. Standard SR EN ISO 9004:2010, Management of an organization to lasting success. A quality management approach

Quality management approach, is the third edition of the standard first published in 1987, and whose purpose is to enable any organization, regardless of size and type of activity, to achieve sustainable performance through a new approach to quality management.

ISO 9004:2010 provides a wider perspective on quality management than ISO 9001:2008. Guidance is for continual improvement and the system overall performance of the organization. Standards provides guidance to achieve a lasting success for any organization in a complex, demanding and ever-changing, with a quality management approach. Sustainable success is the result of an organization's capability to achieve and maintain long-term objectives.

Sustainable success of an organization is achieved through its capability to meet the needs and expectations of customers and other stakeholders, long-term and balanced. ISO 9004:2010 has been developed to maintain consistency with ISO 9001 and be compatible with other management systems.

Previous version of this standard description elements with which will be developed and implemented a quality management system adapted to the specific needs of enterprises, the integration of TQM principles. The purpose of this standard shall be therefore improved economic performance - financial company on account of TQM.

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[5] Militaru, C., Drăguț, B., *Management through quality*, Printech Publishing House, 2009, p. 31

[6] Militaru, C., Drăguț, B., *op.cit.*, p. 31

ISO 9004 provides guidelines for improving the overall performance of an organization's effectiveness and efficiency, based on a process approach. The standard is focused on the organization's ability to meet the needs and expectations of its customers and other interested parties long-term and balanced.

Compared with SR EN ISO 9001:2008 quality management relating to products and services, improve customer satisfaction, ISO 9004 provides a more general quality management, especially to improve performance of an organization. It may be more useful for companies whose management at the highest level wants to exceed the requirements of ISO 9001, in an optical continuous improvement, measured by customer satisfaction and other stakeholders. This standard enables organizations to improve product and service quality to their customers, promoting self-evaluation as an important tool at various levels, especially for:

- comparing their level of maturity, covering the leadership, strategy, management systems, resources and processes;
- identify the weaknesses and strengths;
- identify opportunities for improvement or innovation, or both.

From the point of view of Jose Dominguez, one of the leaders of the study group of ISO 9001, ISO 9004 has objectives "in customer satisfaction and product quality go beyond measurement, which take into account stakeholder satisfaction and business performance. Combining ISO 9001 and ISO 9004 quality system will allow an optimal exploitation".

This edition of the standard replaces the 2000 edition which brings substantial changes in the structure and content. Standard benefit from the experience gained during years of implementing the standard worldwide and introduces changes intended to improve consistency with ISO 9001 and other management system standards. A major change (perhaps most important) refers to the structure of ISO 9004. Indeed, "the body" of the standard begins with a chapter on sustainable performance management of an enterprise, and not how to build a quality management system.ISO 9004 standard complements ISO 9001 (and each other), but it can be used by the latter. Standard is not intended for certification by third bodies, regulatory framework, the contractual purposes or as a guide to implementing ISO 9001:2008 of the standard.

ISO 9001 and ISO 9004 standards are harmonized in structure and terminology consistent forming a pair. Both standards apply procedural approach. Processes are recognized as consisting of one or more related activities, requiring resources and should be conducted in order to obtain predetermined outputs. Naturally, the output of a process can be directly input to the next process and the final product is often the result of a network or system processes.

4. Dimensions of service quality

The quality of services depends greatly meeting the needs more varied and complex economy of a state, external competitiveness and raise living standards[7].

To measure the quality of services we should consider the main features that distinguish the quality of the products. These are: intangibility, inseparability, variability, perishability and lack of ownership.

Based on these characteristics could be identified five global dimensions of service quality[8]:

[7] Petrescu, V., *Quality expertise of goods*, ASE Publishing House, Bucharest, 2005, p. 53;

[8] Stanciu, I., *Total Quality Management*, University Book Publishing, Bucharest, 2004;

- characteristic of quality as the tangible part. The tangible part is the service that "sees" within it, ie buildings, equipment and appearance of personnel contact, they are physical indicators that express the nature of the service itself.

Customers, since services are processes and not objects tend to look the part as tangible feature associated with actual service so they can assess and compare to what awaits.

- Credibility - is the confidence of the client in meeting promised service properly and efficiently. Errors in provision of the service destroy the customer confidence in that institution.
- Amiability - ready to serve customers promptly and efficiently.
- Safety (trust) - represents power and the attention it gives service providers and customers expressing confidence
- Empathy - is more than professional courtesy, it is a commitment to customer willingness to understand the needs of the client accurate and precise answer to find them, and make thoughtful service, individualized, responsive to customer needs.

Between empathy and amiability there is a closely connection. Amiability allow "access to services" and empathy means "exact understanding of customer requirements." The analysis dimensions that all services are very important, but reliability is considered to be above the other.

ISO 9004 (predecessor) recommends that service requirements are clearly defined in terms of observable characteristics of the client, which may be evaluated by it.

Thus, it is necessary to define appropriate service processes through features that are not observable by the customer, but directly affecting service performance. Standards suggest considering the following service features:

- facilities (facilities and equipment), capacity, number of staff and materials;
- waiting times during the service, during the process;
- hygiene, safety, reliability;
- responsiveness, accessibility, courtesy, comfort, aesthetics, environment, power, reliability, accuracy, completeness, technical level, reliability, effective communication.

It can be said that the services' quality usually involves a comparison between the service provided and expected by consumers ".

Nightingale (1987) proposed to measure the quality of services and the reference to "customer quality standards" and "standards of the manufacturer's service" (P. Jones, 1989).

For the assessment the quality of services, customers place a great impression, as the circumstances in which services are provided. Thus they:

- assess quality based on a feature more important than the other;
- assess quality based on an important feature, but taking into account a certain quality level for the other;
- assess quality based on weighted average.

In the field of service quality were identified following observable and likely to be valued customer trust, courtesy, patience, reliability, experience, knowledge, competence and security and a nondescript factor, called factor "L" that can be described as "love of job, sense of knowledge, understanding and affection[9]."

[9] Stanciu, I., *op.cit.*;

Conclusions

The success of service organizations may result from implementing and maintaining a system of quality management system that is designed to support continuous improvement of its performance, taking into account the needs of all parties involved.

Standards ISO 9000 family of standards have been developed to help organizations, regardless of type, size and product or service supplied / provided to design, implement and conduct effective quality management systems. Thus, these standards were developed primarily to facilitate trade and to give customers greater confidence on the ability of a particular provider consistently meet quality requirements for products and services offered. These standards ISO 9000, ISO 9001 and especially ISO 9004 are harmonized in structure and terminology forming a consistent pair. Both standards apply procedural approach.

In order to be improved the activities within an organization providing services and to improve the quality of services provided, it must identify various methods to measure the degree of satisfaction of beneficiaries and also to be able to identify customer needs. Thus, a service unit to measure quality of services should have in mind the main features that distinguish the quality of the product. These are: intangibility, inseparability, variability, perishability and lack of ownership.

In summary quality of services is assessed in terms of key characteristics perceived by the customer. "Customer perceived quality" is a subjective concept which summarizes characteristics and objectives of the service. Therefore, service quality is not 'compliance with the specifications "of standards, but rather compliance with" customer specifications ".

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Corporate governance - a new form of business development?

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Abstract

Although at first glance might say that corporate governance is a form of control, however, through the relationships it generates and by its components, we can affirm the idea that corporate governance is a form of sustainable business development. This is because corporate governance brings to the attention of the business world the need to ensure transparency and integrity of their activities, the need for social accountability, the need to develop a strong organizational culture, positive. Besides that, the development and implementation of a modern management, which provides various ways for business development, it is possible also through the implementation of corporate governance models. In the knowledge-based economy organizational entities are obliged to a performing management, suitable to the environment in which entities develop.

At the same time, the implementation of corporate governance systems cause changes in the organizational, operational and individual level, which contributes to business development at least by development of business organizational intelligence, by developing processes and activities inside legal entities.

Keywords: corporate governance, business development, social responsibility, transparency, organizational culture

1. Introduction

Corporate governance conceptual bases its existence on four pillars: accountability, integrity, openness and competence. Essential for developing effective relationships between all partners involved in the creative manifestation of organizational entities, corporate governance has become important for the business since 1990, with highlighting the importance of agent theory, which emphasizes the need to regulate those who use resources of others in a given context. So, first, the concept of corporate governance involves a complex system of rights, obligations, responsibilities and control measures established to protect shareholders and investors, regarded as a community, and to ensure accountability to shareholders, directors and managers. With further research of the phenomenon, it's concluded that corporate governance refers to the rights and responsibilities of all those concerned in a business, revealed in double aspect: behavioral and normative (Popescu, Crenicean, 2010). In terms of behavior, corporate governance includes: behavior of shareholders, managers, employees, investors, financial institutions, suppliers, state institutions and other interested on the market and regulatory side, refers to the rules and regulations governing all relationships and behaviors developed and manifested on the market, generated by that business.

So, today, corporate governance is regarded as a modern business approach in the context of the knowledge economy, where innovation and creativity are the essence of

insurance business competitiveness. Interesting is that, although was started from the control consideration of business managers and administrators of the organizational entities, currently is considered to represent the proactive connections foundation of entities to the environment in which they operate. This means that entities which implement effective corporate governance model assumes economic and social responsibilities to all those concerned, the rights of all concerned, a fair behavior towards partners, transparency of information, compliance with legislation.

2. Key aspects for business development in the knowledge-based economy

In the knowledge-based economy business development know new ways of achieving, starting from the fact that the information, communication and connection information are the three basic pillars of the global economy. Thus, business development can be viewed from several perspectives, can be interpreted at the individual or organizational level, scientific, technological, simple or intensive, extensive or mixed level.

The development can be defined as a field of action, or as *operational development* and *organizational development*. Operational development exclusively relates to individuals, with their roles and values, and organizational development refers to all procedural development within the organization, obviously taking into account its specific environment action (Popescu, 2012).

Organizational development is a planned process that is based on a wide range of methods, techniques and behavioral management tools in order to increase performance of the organization. Moreover, the development entity is a planned effort coordinated by senior management, which aims to increase business efficiency, and improved working conditions, based on behavioral science. In other words, business development involves also professional development and behavioral development.

Also, it is known that **business development** regard at conception, design and implementation of changes to promote efficient use of resources and increase economic efficiency. As such, it can be said that the aim is to achieve successful organizational development organizational change in order to achieve high performance. Between those various changes can be highlighted four areas that enable competitive advantages (Daft, 1995): technological changes, changes in the products and services, strategic and structural changes, cultural and individual changes. Obviously, organizational change can be seen as changing operational or organizational, or that change of individual and cultural. Operational changes relate exclusively to individuals in their roles and values and organizational change relates to all procedural changes within the organization. The change can be defined as innovation because it involves changes at individual, process and organizational level.

In general, any business development requires a diagnosis, respectively to "investigate the main aspects of the organization, economic, technical, sociological, legal and managerial strengths and failures in order to identify all those generating causes and design recommendations for improvement and development" (Burduş, Căprărescu, Androniceanu, Miles, 2000). Thus, any development of an entity is based on identifying market opportunities and defining ways of action to capitalize on these opportunities, depending on their strengths (Popescu, 2012). Obviously, business development means developing personal strengths: human, technical, social, production, etc.

Regardless of the chosen development path: specialization, market diversification, development and diversification, technical development and diversification, development and diversification of the total, any entity must develop strategies and potentiating plans of their strengths, focusing on new products, new technologies, new organizational methods, new

methods and so forth., through personal and professional development of employees, but also their creativity (Popescu, Crenicean, 2012).

Developing ideas at the organizational level depends on many factors, such as organizational culture, management culture, organizational characteristics, technology, knowledge, structures, processes in the organization.

At the same time, business development involves the development of creativity, innovation and organizational intelligence. In this respect, the focus is on providing an environment conducive to the development of creativity, achieved through modern management, effective leadership, through effective communication and appropriate organizational culture (risk taking, freedom in problem solving, democratic management style participatory rapid feedback). Especially the development of creativity is the vector of organizational culture (Popescu, Crenicean, 2012).

Through strategies, entities can successfully integrate organizational culture in promoting and developing creativity and individual, collective and organizational intelligence. Moreover, an effective way of business development in the context of the knowledge economy is the creative organization of the entity and work processes within their physical and intellectual processes, based on changing the paradigm of management and work organization, based features in knowledge-based economy. This way business development is based mainly on professional development of employees, developing an effective organizational climate, development of creative intelligence of the entity.

Thus, among ***the features of the entity with great development potential is included*:** flexible structures, transparency, cooperation, proactive and flexible approach to tasks, taking social responsibility (duty of firms to use their discretion and appropriate action objectives and its mission) ethical behavior. Each entity develops its own type of legitimacy, i.e. a specific type of social responsibility, based on their own resources and developing business practices that contribute to the general good (Popescu, 2012).

3. Promoting corporate governance - a premise for the development of socially responsible business

Note that all these modern ways of business development in the context of the knowledge-based economy highlights the components of corporate governance mechanism, resulting in a natural conclusion: corporate governance is a business development model, which not only harmonize the interests of the parties concerned, but also the development of effective relationships, achieving high performance and economic transparency and social responsibility. Moreover, the implementation of corporate governance requires changes at the operational level (new roles, rules and regulations for employees), organizational (change specific processes generated by the new procedures and structures as elements of the corporate governance model) and cultural (new models of positive behavior, a different climate, new perspectives, values and organizational assumptions).

As the performance of an entity is influenced by the community development level in which it operates and its internal and external environment, it is natural being interested in contributing not only to the protection and development of its organizational framework components, but also the community development, as well of all partners and society in general. Moreover, the social responsibility of entities can be addressed under the double aspect: ***by reporting results of the effectiveness of its social organization,*** and by ***reporting processes and phenomena of the social realities within the global organization*** (Popescu, 2003). On the other hand, the motivation to promote the concept of corporate governance is given by the need to protect the interests of all stakeholders, leading to the harmonization of interests of entities with stakeholders, i.e. the assuming of social responsibility. Assuming

social responsibility means directly relation in providing high performance. Of course, managers are the decision makers who must take responsibility for protecting the interests of all economic actants. At the same time, managers are responsible for substantiating a strategy oriented Corporate Social Responsibility (CSR) (Popescu, Crenicean, 2010).

In order to promote corporate governance as models for business development, in the context of the knowledge-based economy and the global economic crisis, may be considered levers of effective corporate governance as following (Popescu, Crenicean, 2010):

- increasing rhythm of changes required for the development of companies with real prospects in the current economic climate;
- tracking mainly of the social rights of the company;
- investments to develop the company's human potential;
- development and use of programs to promote and develop the company's human potential;
- investments for modernization, maintenance or development of human productive potential of the company;
- similarly treating all shareholders or the company;
- remuneration as performance managers (newly created real value);
- active involvement through programs tailored, all business partners (financial institutions, state institutions, customers, community, NGOs etc.).
- creating a strong corporate culture, effective
- promoting ethical behavior towards all stakeholders.

It is considered that, corporate governance models judged as effective business development models are those that include practices and structures capable of generating superior construction, low cost, meeting all those interests of persons concerned of company: shareholders, managers, employees, state creditors, suppliers, clients, nonprofit organizations, community and society in general (Popescu, Crenicean, 2010). For example, such a model could include the *role and rights of stakeholders* (employees, suppliers, creditors, customers) as groups with vested interests and communities, nonprofit organizations, public institutions, banking and financial institutions, etc. This would entail by the entity management of the three spheres of responsibility, arranged like concentric circles: the center, the property and the shareholders, then the other groups involved and directly affected and within the wider society (Popescu, 2003) and thus the development of ethical behavior in business. This is because the focus on CSR is an important asset for any company, regardless of scope, size or efficiency. Corporate Social Responsibility (CSR abbreviated in the literature as the English form *of Corporate Social Responsibility)* is a concept that refers to an alleged debt that companies (like stakeholders) would have it to all parties involved in the alleged actions of their economic activity. The debt being understood that the company must act in accordance with the obligations it has towards stakeholders and respecting moral principles accepted over tradition (Popescu, 2012).

Implementing an effective model of corporate governance requires new practices of social responsibility, which means that the entity assume social responsibilities. Socially responsible practices represent initiatives through which a company improves, in voluntary mode, his operating procedure, so as to contribute to the general welfare of the community and the environment. Obviously, the entity will make changes for the adoption of socially responsible practices in different areas, such as: design operating locations, improve manufacturing processes, withdrawal of products that can be considered harmful, even if not illegal, choice of materials production and packaging that protects the environment, providing objective information about products, developing programs aimed at welfare of employees, ensuring responsible marketing policies especially in respect of children, improving access to products marketed for people with disabilities (Popescu, 2012).

Known is that the *social responsibility of organizations has different manifestations* from different social groups, events that decrease in intensity as it moves more in their external environment. So that the social responsibility of companies is manifested in order in connection with social and economic problems of employers, members, shareholders, customers / buyers / consumers, employees, unions, suppliers, the communities in which they are placed, the companies in which they operate, competitors, government agencies and non-governmental institutions, organizations, professional associations, etc.

Promoting the concept and principles of corporate governance is an ongoing process due to the increased demands of a globalized economy growing needs of information of all entities and change various paradigms of economic and social life. The process that ensures the organization, coordination, control of all organizational components, synergistically addressed to entity in aligning the interests of all stakeholders and the objectives undertaken is also a model of sustainable business development in the context of the knowledge-based economy.

In fact, experts agree that a new vision is already manifested in business, based on human rights, environmental protection, social responsibility, trust, transparency, and ethics in business. Already the best practices of corporate governance within the entities generating the necessary implementing this vision. Therefore, corporate governance is required as an effective model for business development in the context of globalization.

Conclusions

Reality shows that time when business was managed according to an original method have passed. Nowadays, managers need to behave in a professional way, need to use methods, techniques and modern tools of management and business development, develop ethical behavior and take responsibility in order to harmonize all parties. Obviously, this means that the manager must operate in an effective corporate governance code, customized to the characteristics of the environment in which the entity is manifested, as well as those of the entity managed. This is because there are no development ways, generally viable to all businesses, but every business can identify the necessary elements to build models of development, revealed by existing corporate governance models and, implemented in some companies in which where they get results.

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Entrepreneurial leadership a necessity for survival

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Abstract

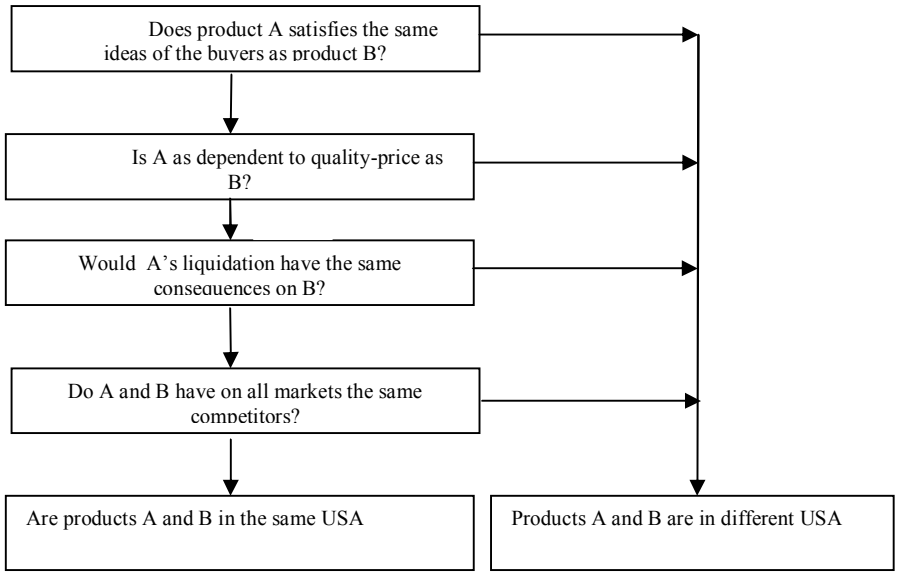
The entrepreneurship also means the capacity of creating and managing a company. At a given time, the economic thinking, has neglected the role of the entrepreneur thus focusing a lot on the manager's role. It seems that it is highly necessary to reevaluate the importance of the entrepreneur, obviously on a superior net plan. We should not forget that the means of analysis that we possess have changed.

Keywords: the entrepreneurship leadership, the management, the innovation, entrepreneurship practices.

1. Introduction

Since 1785, Richard Cantillon defined the entrepreneur as *the one who buys products at a fixed or safe price, in order to sell them en gros or en detail at an unsafe price* (Thornton, 2010). Consequently, the entrepreneur is the one who takes the risks associated to the step of adjustment or modification of approaches or abilities to identify the new opportunities, or in other words, the person who has access to information yes unavailable on the market (Baron, Markman, 2000). The same way, Joseph Schumpeter saw the entrepreneur as an action oriented persons who take risks in order to innovate by identifying new ways of combining the production factors (Schumpeter, 1934). Therefore, the entrepreneur is the one who brings an innovation: to goods or services; processes or means of production; materials sources; and markets. The entrepreneur is seen as a source of economic increase and development by the acknowledgement and capitalization of opportunities in the direction of creating new economic activity (launching new niche businesses, combining the resources in order to create new products or identifying new production methods).

Chart for the rough division of products in USA



The knowledge of the entrepreneurial practices is not only in the interest of the companies dealing with more and more situations, generating more and more changes, but also in the interest of the society. Even the public services institutions go through a period of profound changes which determines many of the old and inflexible structures be reanalyzed and remodeled according to the entrepreneurship principle.

If in he past entrepreneurs were actually the managers of the companies, lately the notion of entrepreneurship is more and more associated to the innovation, this being considered a propagandist of new ideas, beginning with designing new products and ending with conceiving new organizational structures.

Therefore, in order for existing business to become entrepreneurship a substantial effort, investment and innovation is necessary.

The entrepreneurship management is defined by Peter Drucker (1994) by using the following premises:

• The organization must be receptive to innovations and to perceive the change as an occasion and not as a threat,

• Performances of the entrepreneurs must be assessed systematically for their continuous improvement;

• The entrepreneurial leadership must have specific practices for the organizational structure, for personnel or for the payment and motivation system, the entrepreneurship management must not impose interdictions.

The entrepreneurial ledership goes beyond solving some problems related to the current activity inside the organization thus focusing on the new model of attitude created in the management team which is the habit of searching for new innovation and development opportunities.

Therefore, at the entrepreneurship companies an important place in analyzing the organization's activity is filled by the domains in which performances superior to those planned are obtained. This thinking is guided by the concept according to which the unexpected success is the source of a potential innovation.

The success of entrepreneurial leadership is based on positive thinking oriented over the explanation of the success recorded. A model of entrepreneurial thinking can be configured with the help of the following simple questions: „how did I obtain success?", „how did I identify the opportunities?", „what have I learned from this?", „what can I do further?".

Also, the entrepreneurship thinking tries to explain other persons' success by using a simple reasoning by always asking „which is the motive for other persons' success, what additional actions successful persons undertake"; etc.

The process of passing from the managerial to entrepreneurial leadership is very complex and from the great companies experience it was found that change is efficient provided that the following premises are complied with:

• The entrepreneurship leadership must be separated from the managerial one,

• The strategy and basic rules inside the organization must be changed,

• „the new" must be based on the existing components, thus being associated to differentiation and opposing diversification,

• The entrepreneurship must be created within the organization, it can not be bought.

2. Reflection problems

Explain the limits of this type of meeting in the context of business environment dominated by the intensification of competition between organizations.

How could anyone define „an opportunities analysis meeting"? What managerial methods and techniques can be valued within such a meeting?

By taking into consideration the fact that an entrepreneurial leadership assumes the granting of a special attention to debating the „opportunities" suggest a meeting program to correspond to the entrepreneurship practice.

In the case of entrepreneurial leadership, the managers must deal with a new extraordinary challenge which must be treated as an opportunity, which is the necessity of learning and permanent learning. How do managers of the companies in European Union undertake this responsibility, how about the managers in Romania? Give reasons for your personal opinion by taking into consideration the importance granted to the entrepreneurial leadership at the European Union level.

There are a few things the entrepreneurial leadership should not do:

- it should not mix the managerial and entrepreneurial departments; it must never introduce the entrepreneurship in the existing managerial structure
- innovation is a major objective; but the persons managing, exploiting and optimizing something already existing should not deal with it – they will not do it properly!
- it is not recommendable for a company to try to become entrepreneurial without changing its strategy and basic practices
- the innovating efforts taking the company out of its field of activity are rarely successful; innovation must not be diversification (whatever the benefits of diversification are, it is not related to entrepreneurship and innovation); 'the new' is always difficult enough even without trying to apply it in an unknown field; a company innovates where it has technical knowledge (related to market and technology); yes something new, always a big headache – consequently the field must be known very well
- it is useless to try avoiding the transformation of an 'established' company within the entrepreneurial company, by purchasing small entrepreneurial companies; this type of purchases are successful only if the buyer wishes and is capable to find an entrepreneurial leadership for what he bought; the managements which came with the companies purchased do not last for too long (only if they have big opportunities to do something!)

3. Entrepreneurship as a source of innovation

The knowledge used by entrepreneurs and organizations plays an important role in creating innovation or new knowledge. In the present economic environment, the competitiveness no longer depends exclusively or at least to a considerable extent on the formal competences and tangible assets of an economic entity. The intangible assets or the intellectual competences – defined as knowledge in general – have a more important role in the productive process of a company, in obtaining new products and services. Knowledge is a strategic resource for any economic activity, and the actual progress in the field of science and technology certainly proves the role of knowledge in actual global knowledge. The nationwide economies are, in this context, more and more integrated in the world economy, by the international flows of assets and services, investments, people and ideas. The flows of knowledge, either internal or external, are a key determining factor for „gaining power" (Mudambi, Navarra, 2004) or in other words for obtaining a competitive factor on the market.

An organization based on knowledge applies this resource – the knowledge – in any aspect of its activity: the organization, the production action, localization, human resources, relations with clients, image projected etc., by a continuous process of learning, adapting,

readapting. From this point of view, the organization based on knowledge is not exclusively oriented on the sale of goods or services, but to the exploitation of knowledge (for example, by providing knowledge regarding the usage of a product) (Zack, 2003).

The innovation or innovative performance of a company can be assessed quantitatively by reporting at the level of expenses regarding the research and development activities (R&D), the number of patents recorded and the introduction of new products and technologies.

Conclusions

Consequently we can state that the organization which desires to survive especially in the economic working context must create an entrepreneurial management within it. The organization must adopt policies and strategies to stimulate the innovation and build all components of the entrepreneurial system, without exceptions.

In order to succeed, the organization must be managed as an entrepreneurial company.

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The pharmaceutical product market in Romania

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Abstract

The pharmaceutical products market has a major place in the field economy, raising numerous specific issues, seen from several points of view, from the producer to the distributor, from the doctor to the pharmacist, and last but not least, to the patient, the final but the most important link of this commercial chain aiming strictly at the whole population's health. The clawback tax has opened an extremely varied and controversial debates background, with considerable consequences at the different economic levels: government, medicines producers, retailers, pharmacies, patients.

The authors present some aspects with regard to the pharmaceutical products market in Romania, in the light of the clawback tax and the issues it has generated.

Key words: clawback tax, producer's price, buyer's price, public health system, distributor, pharmacy, double taxation.

In a very great discrepancy to the western European Union countries in which important budget amounts are allocated to finance the health system, Romania spends the least for its people's health[1]- 4% from the GDP, that is 5.470 billion lei in 2012 – the House for National Health had a budget of 17 billion lei in 2012 – even less than Bulgaria, Lithuania or Hungary, while at the end of 2011, the Netherlands allocated 12% of their GDP for it, Germany and France 10%, Greece 5.5% which leads to an 8.8% average EU budget for the health system.[2]

Motivating that health does not produce any palpable asset is quite a wrong one, from the very start as a one year life hope raise brings 5% to a country GDP, and 9% to its investment amount. That leads to the conclusion that a country can get a higher profit by raising its population health standard. Even if in 2013 the health budget in Romania will grow by 30%, a part of it will be allocated to the payment of the previous years debts, as the Minister of Health has recently stated.

Introduced at the end of 2009, the clawback tax stipulated that all the medicines producers should contribute to financing the public health system by 5% to 11% of the incomes got from their pharmaceutical products selling. Even the English word "claw"involved in its "claws" a lot of critical issues, from legal regulations to social and economic outputs.

According to the regulations in force at the beginning of October 2011, the clawback tax implied that all medicines producers should pay for the whole difference between the real

[1] www.paginafarmaciştilor.ro
[2] www. pagina medicală.ro

medicines consumption and the local budget which definitely lead to the creation of an unpredictible and unfriendly economic environment.

In 2010, the difference between the medicines consumption and the real medicines necessity was of one billion lei. In 2011, the figure was the same, which fact determined the extension of the pay terms up to one year. Given the fact that the tax had not been calculated as a difference between the 2011 and the 2012 consumptions, the producers were obliged to pay huge amounts of money- up to 250 million euros-, before receiving over 250 million euros from the state, for what had been previously delivered. As a chain reaction, the lack of support towards the producers determined a higher risk for deficiencies inside the system. Also, the tax would unfortunately contain client oriented provisions, by sanctioning patients if the companies did not cover their state obligations and did not entirely pay taxes, in which case their portfolio would be eliminated from the compensation rights.

The interdependent economic and social effects mingled, and the outcome of the negative effects were directly found at the social level. For the medicines producers, the cost reductions was a solution to managing the clawback economic impact.

Socially speaking, the consequences could be counted in job places cutting down, and directly in the diminishing of the state budget contributions, of the medical scientific education budget, and of that of social responsibility.

Considered as one of the mostly contested legal decisions taken by the Government, the clawback tax has consequences not only among the medicines producers; founded on a well defined chain, the health system will later on propagate, to the ultimate level, every distortion felt by the producers. Apart from the fact that the respective tax cannot be predictable, and the medicines companies cannot estimate its value, it is picked before the producers could receive their money for the compensated medicines.

The deadline for the amount payment is 300 days for pharmacies, while the 550 million lei for all the medicines that were provided in 2010 were hardly registered at the beginning of 2013, without being paid yet.

One should mention that Romania promotes the lowest European prices for medicines, which is much encouraging for the export growth. Yet, the patients may look for medicines which were exported in parallel, being thus forced to look for other therapeutic solutions, and to accept changes in the treatment diagram.

Of course, the clawback tax is also applied in other European Union countries, but no other of them has implemented that mechanism the way the Romanian authorities have, other states not picking the respective taxes in advance to the debts paid to the producers. Here are several examples for 2010:

- Belgium: the 6.73% contribution was applied on the value of the reimbursed sales and a tax of 1% was charged on the non reimbursed products;
- Spain: a tax of 2% was charged from the value of the sales refund value;
- Poland and Croatia: the tax charged was 3% of the value of the same sales categories, distributed along the chain, from the producer to the pharmacy;
- Italy: the charge was 3.65% along the chain, from the producer to the pharmacy;
- Hungary: a charge of 20%, the medicines being paid by the state, in a month time (not in a year, as in our country!);
- United Kingdom: the pharmacies that benefit from discounts and get interest from the parallel commerce are required to pay back a discount and interest percentage to the state;
- France: “the safeguarding” contribution is paid by companies with a business turnover higher than the Parliament limit (the “K” tax). The tax is a percentage of the business turnover.

There certainly are numerous aspects both in favour of this tax and against it, according to economic expert's point of view and positioning. Thus, at a governmental level, there are series of advantages of the clawback tax, among which:

- it is a mechanism of medicines control;
- it may diminish the commercial pressure of the pharmacies companies on the state health system, by a formal or an informal stimulation of the medicines consumption;
- it facilitates the partial recoup of the amounts generated through the partial or total compensation of medicines;
- it avoids the state debt accumulations towards the pharmacy companies.

As the medicines producers have been obliged to pay a three months tax in ratio to the medicines value consumption, the National House for Health Insurance had to calculate the percentage value, according to mathematic formulae. From independent sources, they estimated that the tax the producers had to provide to the state every year, was 300million Euro, plus the corresponding income taxes.

In 2011, the medicines sales in the country doubled as compared to 2007, and the National House for Health Insurance raised the funds allocated for the medicines consumption, from 2.7 billion lei in 2006, to 6.5 billion lei in 2011.[3] In our country, compensated medicines are listed without accounting for their benefits, as for some of these the Romanian state pays more than U.S.A and United Kingdom. Romania pays about 60 million Euro every year for the compensated. According to the NICE[4] audit report, ordered by the World Bank and paid by the Ministry of Health, in 2012 over 30 products were to be either erased from the compensation lists or cheapened. With the amount to be recuperated, they could built 6 luxury hospital every year, as they mentioned in the January 2012 report[5], with reference to medicines for cancer, hepatitis, infections, diabetes (for instance, a certain type of insulin offered for free and administered to the diabetic patients, should be administered only in cases of repeated hypoglycemia crises; in 2010, they spent over 11 million Euro for only that medicine!).

In 2012, the clawback tax reached 282 million lei, an amount that was to be used to paying the unregistered debts to the pharmaceutical industry, which were identified at the end of 2011.

A lot of issues lead to marking deficiency the clawback tax generated, among which:

- applying the tax to the final price of medicines including the VAT and the plus to be added to the distributor and the pharmacy. The producer may pay 136 lei for a product that he sells by 100 lei;
- the tax is paid for the difference between the money allocated by the National House for Health Insurance for the compensated medicines consumption and the real sales total of these medicines (2009 is the reference year for the compensated medicines consumption);
- not paying the tax automatically leads to eliminating the respective company from the lists of free and compensated medicines, in six months time;
- the tax should be compulsorily paid before the debts recuperation that the Romanian state has got for the medicines consumption.

In its present form, the clawback tax will have a lot of results. Here are some of them:

- the medicines producers interest in Romania will decrease by 30%;
- in the first trimester of 2012, they registered an amount of 100 million Euro that the ARPIM members, the active international producers in Romania, had already paid;

[3] www.Business24 –"Ghimpele din sistemul de sănătate"/ 15 febr.2013
[4] NICE- National Institute for Health and Clinical Excellence in United Kingdom.
[5] „Technical Assistance to the Revision of the Contents and Listing Processes for the Services and Technological Health Package in Romania"- Final Report and Recommendations. Authors: Francis Ruiz, Ruth Lopert, Kalipso Chalkidou.

- more medicines producers have announced that they will have to cut down investments in Romania, the funds allocated being redistributed towards the clawback payments; at the end of 2012, other producers (Actavis, for instance), announced that they would be obliged to give up a series of compensated medicines from the list, thus missing sales, with consequences in patients taking over the whole cost of the products. In 2011, the well known Roche company paid about 8 million Euro for the clawback tax, that was 17% of the total compensated medicines sales of the company in Romania, and according to the producers calculations, the present value of the clawback tax reached 400 million Euro every year, that was about 33.6% of the compensated medicines total sales;
- some producers would wait 2 years if the budget and estimations are not favorable for them;
- others would monitore, every three months, the budget to estimate reaching the level for the compensated medicines and would cease the distribution of medicines in the pharmacies, not to exceed that level and to risk to pay the clawback tax.

Important companies in the pharmaceutical field – the Roche Company, the GSK (Glaxo Smith Kline, etc) became worried of the medicines market evolution from the clawback tax perspective.[6] Thus, they say that a real growth of the market, that is a growth of the of the medicines consumption, would stay at the present level, while the cash sales made by the pharmaceutical companies after paying the clawback taxes would be at the level of the allocated budget for medicines, as according to the present law with regard to the clawback tax, it is equal to the total sales that exceed the budget, which fact means that the government will settle the net growth of the market.

For the medicines producers, the interest goes to those markets providing a balance between risk and profit. Once, Romania was an attractive though risky market, a risk generated by the very long terms, which were compensated by the high potentiality of an ever growing demand.

The clawback tax has generated a critical lack of balance, as under the conditions of an ever growing risk generated by the ever longer paying deadlines, the growth potentiality has been eliminated.

World and European research works in the field are oriented towards the aging trend of the Earth population, and consequently, underline the must to increasing health investments. Thus, , the world Bank required double expenditures in health domain in the European Union states, and the GDP percentage growth allocated to this sector, from 8% at present, to 14% in the long -term plan of 2030.

At the moment, Romania ranks last in Europe, as data with regard to life hope, a dramatic high level of infant mortality, and levels much over the European average of chronic diseases show. Nevertheless, under such conditions there is a must to diversify financing opportunities, while increasing developments in the private business, insurance and building new private clinics could be the major alternative.

According to field experts, Romania is a market of uncertainty, of risk and of challenges, and by reducing them, might lead to amending the present clawback tax structure, in order to attract companies which should not pay higher taxes for a growing volume of sales.

Thus, from this point of view, Romania is still a dynamic and well qualified labour force market, which needs to get ranged much faster with the world trends of the business environment

[6] www. wall-street. ro/2 ian.2013

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Ethics and corruption in public administration

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„There's nothing more dangerous than power in the hands of clumsy person."
J. J. Rousseau

Abstract

In the past years, public administration from Romania has faced significant changes with respect to its own operational framework. Because of difficulties in the public sector management system, there is a need for a set of anticorruption reforms that need to include a series of measures for the modification of working conditions in both central and local public administration.

Key words: ethics, deontology, corruption, public administration, public power, public officer

1. Ethics and deontology in public administration

The term *ethics* is defined as a term including those attitudes, characteristics, customs specific to a culture, people or human group, the *ethics* regards a system or a conduct code based on moral debts and obligations that set a certain conduct.

The ethics treats the ability of distinguishing between *good* and *evil* and the promise to do well. There are authors considering that the ethics regards a system or a conduct code based on moral debts and obligations that set a certain conduct.

In order to understand this phenomenon, Waldo, a famous theorist of the ethics in management, wants to explain this complex phenomenon without setting some clear rules to be followed within this area.

He is aware of the fact that more ethical dilemmas in administration are most of the times conflicts between the various ethical codes.

Also, he considered the government as a born political process ever since he wrote "The Administrative State". In Dwight Wlado's principle, the ethics in government is a complex and complicated problem. This matter is hard to explain and understand, taking into consideration that in our centuries the ethical codes have changed and the feeling that morality is "relative" has increased. Due to the growing diversity of the organizations, the need for new ethical markers is more present. However, no effort is being made for creating a new ethical code adjusted to the new needs.

The D. Wlado's theory is that the public officers should undertake 12 obligations:

- obligations regarding the Constitution;
- obligations regarding the law;
- obligations regarding the nation and country;
- obligations regarding the democracy;
- obligations regarding the norms of bureaucratic organization;
- obligations regarding the profession and professionalism;
- obligations regarding the family and friends;
- obligations regarding one's self;

- obligations regarding the communities they encounter;
- obligations regarding the public interest and general welfare;
- obligations regarding the humanity or world;
- obligations regarding God or religion.

The author asserts that these obligations cannot be ranked in accordance with their importance, and their number may indefinitely increase, making only a review of the most important ethical rules in his perceiving. He treats these obligations at the level of individual debts, the individual's debt to the personal morality and not the debt to the organization. Waldo refers to the need to understand the ethics in the context of the political theory.

An important criterion of a correct moral behaviour is the respect of the human's rights for freedom of expression and information. As a branch of the ethics, Deontology is the science studying the obligations and behaviour of those practicing a certain profession. It is based on the verbal debt, without overlapping the study of philosophy or general theory of the moral debt. Also, there must be specified an essential difference between ethics and *deontology*. Thus, while the ethics includes the philosophic study of debts, the *deontology* is an applied and applicable science. In the case of the public position, the scope of Deontology is represented by performance of the public service and satisfaction of the citizen's need.

Deontology, by the specific of its research objective, lies at the border between right and morality. It represents the group of norms delineating a certain type of professional or private behaviour. Some of these legally recognized norms, being thus imposed by the intervention of the coercive force of the state, others are sanctioned only by the public opinion, entering the category of the ethical norms.

Deontology may be considered a bridge between the legal sciences (law) and ethics, being studied under two aspects: the one of the given regulations based on the "legality principle" in junction with the moral principles the second aspect regards the fact that deontology represents: "the group of the legal and moral norms corresponding to the public position, as intrinsic element of the public service, objectively stated by the society at a certain point in order to make effective the public service by those appointed to fulfil the public position".

The efficacy does not represent the result of a good organization and management of an activity. The obtaining of a maximum efficacy depends on the degree of conscientiousness, on the conscientious attitude towards the job obligations of the public officer. In a general acceptance, the public officer may be defined as "that person occupying a public position". In a first stage it can be asserted that the public position implies a legal situation of a natural person legally vested with attributions for competence performance of a public authority.

In a broad sense, a public officer must assure the applicability of law. In case the public officer has a well established legal situation, they are assured certain rights allowing their activity performance under good conditions and providing of a decent living, they can entirely dedicate to the authority's activity or to the public institution to which they belong. Under these conditions, they shall fulfil in a conscientiousness manner the job obligations and shall make available for their position all the knowledge and qualities they possess.

The primary debt of the public officer is serving the general interest as the etymology of the word administration itself shows it, from the Latin "*administer*" which means "*employee, servant*". Therefore, the moral obligations to respect derive from the public position performance, namely serving the society and citizens. As far as the regulations expressly stipulate these moral obligations, they get a professional dimension.

The (career) public officer within the government is the citizen appointed under the law conditions, on an undetermined period, in a public position[1], in the service of a central or local public authority, or, as required, in a public institution or autonomous administration under the authority of the central bodies of the government or of the county or local council. Given the definition above, the following elements are marked out, some of them mentioned in the definition itself, others implicit, such as:

- Only the Romanian citizen resident in the country can be a public officer because, as per from the Constitution[2] "civil and military public positions and offices can be occupied by the persons having only a Romanian citizenship and residency in the country".

- Only the citizen appointed on a vacant public position within a public office can be a public office, and not the selected one.

The expression "vesting on position" has been avoided from the definition's text, because it supposes not only the appointment, but also the assignment, selection, etc. The vesting on position is realized by appointment as it supposes the integration of the public officer within a hierarchy related to the government nature, in a public power. By appointment, or differently put, appointment procedure by the competent authority, the person is conferred the quality of public officer and they are integrated within the administrative hierarchy. The person occupying a public position must undertake, apart from the obligations of legal adviser, a series of moral obligations, both written or unwritten, and which set the ethics of the public officer profession. All these moral obligations undertaken by a public officer during their public position performance are generically named "*deontology*". The collocation "*deontology*" derives from the Greek terms "*deon", "deontos"* which mean *"what is met", "what needs to be done"* and *"logos" which means "study, science"*.

The deontology of the public officer expresses in its turn the group of regulations related to the professional and moral behaviour of the public officer during work and outside work, taking into consideration that they are the mouthpiece of the public authority. Thus, there is a deontology of the physician, lawyer, judge, journalist and, given the common norms recognized by the deontology, a specific of "the deontology of the public officer".

2. Corruption within Government

Corruption is generally known as representing a major problem of the modern society, which prejudices the stability and safety of the state subject to the rule of law, the democratic and moral values. The fact that the corruption has existed since the oldest times, being even nowadays one of the most serious and prevalent behaviour of persons occupying positions of management, it's an undoubted statement.

Defined as a deviation from normality, duty, corruption means abusive use by a person of the intermediary or decision position they occupy, in order to grant to the corruptive one or to the interests community they represent, an economic or administrative advantage, in exchange of a sum of money, presents, travels, trips, vacations or entertainment or properties. Corruption is also usage by a person of their social position in order to evade or avoid respecting some regulations, standards or normal procedures in exchange of receiving certain material advantages or professional or administrative positions.

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[1] Law no. 188/1999, regarding Statutul funcționarilor publici, art.2(2) republished, with modifications and subsequent additions

[2] Romanian Constitution 1991, Article 16. (3) as amended by Law Review no. 429/2003, republished by the Legislative Council, published in the Official Gazette. Part I No. 758 of 29 October 2003;

Corruption generates discrimination and inequalities, rapid and illicit enrichment, it leads to monopolies which deprave and destroy the laws of the market economy. "It violates the economic and social rights, and eventually it weakens the trust among people, attacking thus the essence itself (heart) of the human's rights".

Corruption represents the abusive public power in order to satisfy certain personal or group interests. As an antisocial act, corruption frequently occurs within the society and it is particularly serious because it favours the interests of private persons, especially in the economic area, affecting the collective interests by: bribery, power abuse in performing the job responsibilities, economic-financial fraud, extortion, lobbyism, nepotism, favouritism, misuse of funds, appropriation of unfair funds, conflict of interest by engaging in transactions or gaining a position or a trading interest incompatible with the role and official duties. Corruption regards a group of immoral, illicit, illegal activities, performed not only by individuals occupying positions of management or exercise a public role, but also by groups and organizations, public or private, in order to obtain certain material or moral advantages or a superior social status by usage of a constraint form, blackmail, fraud, bribery, purchase, intimidation.

Corruption and lack of the ethical standards from the public position frame threatens the government with regard to the credibility strengthening of the public position and democratic institutions in front of its own citizens and also contributes to the poverty intensification and weakening of the system of services provided to the citizens.

In our country, the corruption phenomenon is spread in various activity areas. It seems to be spread, if not permanent, in administration, both at high and local level, being emphasized by the lack of a clear responsibilities definition, confusion in separating the administrative positions of the political ones and a lack of transparency of the administrative procedures.

There is added to those above the lack of a proper legal frame effectively supporting the fight against corruption within the government. The distinction between the central and local government is based on the usage of more cumulative criteria, criteria regarding the territorial and material competence of the bodies composing the government and the nature of the interest they promote.

Therefore, the central government exercises its territorial competence at the level of the entire national territory, and the local one only at the level of the administrative-territorial units within which the respective authorities were selected. But from another point of view, the bodies composing the central government dispose of a general material competence, as the Government, and a domain one, as the ministers, while the local authorities have a material competence setting the achievement of the local interest. Certainly, there is also the promotion of the interest, which may be general-national, obviously by the central government, or of the respective locality, by the local government.

Within the government, the subjects of the corruption acts are the public officers, whom are permanently or temporarily granted certain rights and obligations, in order to perform positions in a public office or in another institution. Corruption and lack of the ethical standards within the public position threatens the government with regard to the credibility strengthening of the public position democratic institutions in front of its own citizens and also contributes to the poverty intensification and weakening of the system of services provided to the citizens.

Conclusion

The human's rights, public interest, professional requirements are regulations which the public officers must take into account in the performance of their activity and they must

not be influenced by any kind of manipulation or pressure over them in order to be able to make correct decisions from an ethical point of view.

There is necessary a series of measures to be included in an anticorruption strategy in order to avoid this phenomenon so spread within the society.

The first solutions to be considered recommend the adoption of a specific legislation, meant to put an end to the corruption phenomena, mentality change, an increased control, an ethical revolution, etc. No one can deny the importance of a proper legal frame effectively supporting the fight against corruption. To put an end to corruption, its causes must be treated, and the legal frame represents only one of its multiple generating causes.

Due to the shortcomings of the existing management system within the public sector, there is necessary a set of anticorruption reforms that must comprise a series of measures to modify the work conditions within government. In other words, there is necessary a reform in the government including all the aspects of the state organisation and each of them must be verified, tested and if necessary adjusted, in order to obtain the most suited combination of the hierarchical structure and administrative capacity with the management efficacy and efficiency and capacity of obtaining results and performances.

Thus, in the reality of the government, not everything legal is also ethical. Whether we like it or not, the public officers work with legal norms which are not necessarily ethical in a general criterion.

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Financial institutions behaviour in the competition arena

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Abstract

Positioning a bank in a competitive field is an important issue for everyone in the financial industry. Financial institutions should perform a scrutiny concerning its customers, geographic dimension and the packages of products&service. Thus it identifies an optimal position on the market and the right method to adjust timely its positioning. But nevertheless the resource stability is the key factor for performance in good and bad times. Based on abroad studies, the working paper tries to answer the question: Which might be the key factors modelling bank behaviour in the sense of development? The work paper analyses some of those factors and their interrelations.

Key words: competition field, substitutes, relevant market, reward/performance, empathy, personalisation, propensity to product

1. Introduction

The banking industry is characterized by a highly heterogeneity of *products*, *services* and *players*, so these variables must be appropriately understood and mastered.

Walter (1988) defines competitive positioning in space: (a) type of customer (C = 1 ,.... c), (b) areas of intervention (Z = 1 ,.... z), (c) product categories provided (P = 1, ... p). Banks have a lot of possibilities to choose the suitable combination of these three dimensions. "Combination chosen profile confers behavioural and strategically competitive" (Porter M., 1986).

Walter (1988) has defined competitive positioning in space:

- "type of customer (C = 1,...c)
- areas of intervention (Z = 1,...z)
- products/services categories (P = 1,...p)"

Banks have many possibilities to choose the suitable combination of these three dimensions. From competition point of view, the chosen combination shows the behavioural profile (as defines Porter M. 1986). "The global market for financial products and services is represented by a matrix of type:

$$T = c \times z \times p"$$

where each element identifies a specific competition field.

The customer dimension has several of variables according to the degree of fineness/depths of the market share held in view.

The geographical dimension should take into account the *international scale* of operations, the *physical proximity* and *cultural similarities*. This dimension is particularly characterized by ***risks***, ***regulations*** and ***customer needs***. In the absence of specific domestic regulations, the action is not limited by country borders (UE has been trying to implement a standard set of regulations for all the members).

The last dimension, products and services, are reflected in ***the multiproduct*** concept. Each product/service packet generally corresponds to a certain function, a certain type of use or one or more customer segments.

The intersection of these variables allow three-dimensional positioning in the international competition field, focusing attention on the characteristics of each field as well as on the connections among fields.

Inclination towards a particularly competitive field in the global market depends on the expected output (volume and the profit durability) and the importance of imbedded risks. Each of the five constituents means a constraint to be considered, as the Porter study showed.

Five competitive forces can be distinguished and should be analyzed further in terms of influencing the bank behaviour:

- suppliers;
- customers;
- potential new competitors;
- substitutes;
- intra-industry competition.

Therefore a larger concept - ***relevant market*** - should be under scrutiny. „The relevant market embraces all suppliers of a certain banking service, which are actual or potential competitors, and it has both a product and a geographical dimension" (Bikker, Haff, 2000).

The behavioural adjustment should take into account the specificity of the *banking production* in connection to the concepts of *downstream* and *upstream*: each client can be also a ***supplier***.

Well known is that the main funds suppliers are depositors and shareholders. Ownership, whether public or private, wishes to obtain a return on their investments and the risks it assumes. Small shareholders and depositors, on the one hand, institutions or large investors and depositors, on the other hand, have different requirements and expectations.

The stability of their commitment is based on specific judgement criteria, but in all cases there is a common coordinate, namely permanent comparison to yields obtained from alternative investments. All these aspects contribute to the increased power of suppliers of funds, moving to maximize yields.

A good and classical bank strategy translates into a stabilization of their resources (and the current crisis proves the validity of this strategy).

2. Financial institution behaviour

The consequences of deregulation measures reinforce the effects of attitude change and contribute to the fact that the financial institutions, particularly commercial universal banks, are becoming more dependent on the market players in upstream position: providers of funds, deposits and high staff expertise.

It seems strange, but in times of crisis or stricter regulation (as seen now) above assertion is valid.

The threats from the ***potential competitors*** lead to so-called *frontier wars* carried to insurance companies, large distributors, but also within the banking industry. Both categories of competitors, foreign and outside industry, should be carefully scrutinized by each bank, as they bring new elements in terms of *regulation play*, *the constraints of financing*, *network*, *productivity*, which are different.

Another element that should be taken into account in regulating behaviour is ***substitutes*** offered by competitors. To cope, banks legally pursue a policy of strategic diversification of products and services. Savings-insurance-retirement packages, or saving and loan are notable examples. Following a cross-sector competition has been turning up.

Faced with these five competitive market forces, banks seem to be totally overwhelmed by the market power in relations with suppliers, customers and the threat of new competitors.

Touch Ross International and Braxton Associates have achieved a statistical analysis on an 87 banks sample of 10 developed countries. The selected banks fulfilled an unique criterion, namely ROE greater than the industry average by 15% for ten consecutive years.

The research has highlighted the strategic principles that banks have adopted to develop competitive environment.

There are six key factors that have adjusted for the development of behaviour: (1) empathy, (2) personalization, (3) propensity to product, (4) quality-productivity relationship, (5) management control and (6) the relationship performance-yield.

Adjusting the product policy has resulted in two directions:

- development of new products and services not expected on the market;
- quantitative growth has generated a wide range of products/services, difficult to be managed and often confusing the clients.

„Increased training of employees may lead to higher productivity and enhanced creativity (Stovel and Bontis, 2002)", especially in the retail activity. Thus the clients' loyalty increases and also the probability to grasp other customers. Stovel and Bontis (2002) cited also Henderson and Cockburn (1994) who concluded that „team work is believed to increase innovation, productivity and speed-to-market" .

This excessive creativity, especially seen in the banking retail, has been induced by the decreasing of the financial products/service life cycle, by the race for novelty and by the easy way to imitate the competition (there are no copyrights in financial innovations!).

The relationship quality-productivity refers to the strategies of those banks which understand that quality is a factor in time that helps reducing costs and generate value added.

In this respect, the quality induces productivity. Customer perception of good quality is essential to achieving profitable and sustainable relationships between the bank and customer. "Interactions between employees and customers trigger more digestion and absorption of information so that information can be shared within the organization, and thus, the accumulation of structural capital increases" (Kunag-Hsun S. and al. 2010)

The term referring to ***management control*** is a practical implementation of the economic theory, which states that the equilibrium has a temporary manifestation, while the disequilibrium is permanent. Best banks included in the management control of two elements: the *overall risk management* and *the quantitative evaluation of the results*.

Their managerial control is based on risk measurement models and dynamic use of information across institutions.

The ***performance-efficiently*** relationship targets personnel motivation, based on the performance criteria but not entirely on the money factor.

Conclusions

The research highlights the adaptation and behavioural adjustment vis a vis the competition and the key factors contributing to these processes.

Starting from the three portraits of clients, namely (1) those who want a highly personalized of products/services, those having a propensity for customized products and (3) those demanding standard of products/services, financial institutions can define an offer and a differential structure. For the first category of customers, very sophisticated, they should design specific solutions to the complex problems and for this there is a need to create a genuine partnership between the banking institution and customer. Value creation is based on the interaction between the bank and customer and the supply is essentially composed of *pure*

services. In contrast with this strategic approach, banks should focus on standard demand, whose composition has a higher proportion of products at the expense of services. The trivialization process of banking activity undermines the relationship with customers. The efficiency and reliability in this case mean the striving of the bank to create a high added value.

According to expectations, the nature of the customer and the perception that it has on the value, each bank must identify the combination of factors that generate the external optimal response, taking into account the potential and internal advantages: staff, network, skills, expertise, etc.

In accordance with this objective of creating value, banks should define a strategy that is not necessarily based on the volume.

The empirical studies carried on a large sample of financial institutions were convergent concerning the problem of the race between volume and *diversification*, namely this competition does not lead to higher profitability.

In the financial sector one could identify some contradictions in policy judgments based on increasing profitability through competitiveness expressed as market share. "Tests have shown that this equation works in various industries that have as specificity a single domain of strategic activity. But the banking sector is characterized as a juxtaposition of specific fields of activities" (Zollinger, 1992), that have got similarities or differences concerning the strategically constraints, a characteristic of the sector.

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The trade balance, as part of the receivables and liabilities balance and its risk of chronic deficit. The analysis of the balance's result on the main categories of goods for Romania's emerging economy case

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Abstract

This paper begins with a description of the notion of a country's economic policy for that subsequent research to track how Romania's trade balance has evolved in certain periods. Characterized by an accelerated growth of the exports and by the development of the trade exchange with other countries, the 1970-1989 period was followed by a continuous decline in foreign trade under the influence of both internal and external factors. Analyzed in its evolution, for the 2007-2012 period of time, Romania's trade balance proved, with some minor exceptions, a permanent or, in other words, a chronic deficit. The analysis of the report between Romania's exports and imports, on the mentioned period of time, was focused on certain categories of goods such as: agro-food products; mineral products; chemical and plastics products; metallurgical products; other products (furniture, construction materials etc.); machinery and mechanical devices, electrical appliances and equipment; transport means and textiles, ready-made clothes, leather and footwear.

Key words: trade balance, excess, deficit, public debt, FOB price, CIF price.

1. Introduction

As part of a state economic policy, the trade policy considers all external economic relations established by the state with a number of partners in a manner which would ensure, on one hand, the increase or the restriction of the foreign trade, and, on the other hand, the protection of the national economy in relation to the foreign competition (Botez 2000). As means of achieving these goals, the focus is on the administrative, legal, fiscal, budgetary, financial and currency regulations adopted by the respective state. That because the trade balance, as part of the receivables and liabilities balance, is influenced by the public debt (Scorțescu 2004/2005). According to the previous considerations, we can state that an effective trade policy will be directed towards achieving the following goals: encouraging the exports, by promoting economic relations with foreign partners; regulation and control of the imports, with clear effects on protecting the national economy in relation to foreign competition; achievement of a equilibrium between the trade balance and the payments one (Borza, 2011; Niță, 2000; Popa, 2008). The national economy as a whole is circumscribed and is directly influenced by the trade activity through the fact that the latter leaves its mark on both, economic efficiency in general, and on development and modernization in the sphere of production and service activities, in particular (Miron, 2003). The conditions under which trades take place and the features that characterize the development of the contemporary global economy provides irrefutable evidence of the fact that no country, whatever its degree of development and provision of material, financial and human resources (Dicu, 2011) is, cannot provide a modern development of its national economy, without a sustained participation in the international circuit (Botez, 2000).

Factors influencing the decline of Romania's foreign trade in the last decade of the 20th century (the internal and external legislative framework, the political environment and the external loans, the last one as part of the public debt)

At the national level, the period between 1970 and 1989 was a time horizon characterized by a dynamic growth of foreign trade volume which has exceeded the one of the industrial production. The direct and immediate consequence was that the foreign trade activity, in general, and the export, in particular, has become an element of the economic growth propulsion. One aspect worth to be mentioned is the one that, during that period, Romania has developed commercial trades with both, capitalist developed countries and developing countries, in a higher rate than the trade with the socialist countries. At the opposite pole stood the last decade of the twentieth century which, for our country has meant a continual decline in foreign trade activity under the influence of both, internally and externally factors (Popescu, 2009). Their typology and effects on the national economy are presented in Table. 1.

Table 1. Factors influencing the decline of Romania's foreign trade in the last decade of the 20th century

Influence factors	
Internal factors	
Nature	**Effect**
1. The collapse of goods and services output	The reduction by more than half of the production in the food industry, in the mineral products industry and in the metallurgical industry
	It decrease, by nearly half, the automobile industry production
	It decreased, by 40%, the production of wood, pulp, paper and furniture
	The largest reduction was registered in the chemical industry production, respectively with 23.9% in 1998 in comparison to 1989
2. The sudden liberalization of the foreign trade through the elimination of the state monopoly; the exponential increase in the number of economic operators with export-import activity without specific knowledge and experience	The chronic imbalance in the trade balance, with negative influence on the exchange rate stability, on the current account deficit of the payments balance and, also, on the foreign reserves consolidation
3. The new customs tariff for Romania's imports	Failed to act the role of trade policy main instrument
4. Inconsistent measures of economic and financial policy	That has not allowed a recovery in Romania's foreign trade evolution in the 90s of the XX century
External factors	
Nature	**Effect**
1. The CMEA disintegration and the dismemberment of the former USSR	The loss of certain important less distant foreign supply markets
2. The starting and the persistence of certain wars and conflicts in Romania's major trade partner countries (Iraq and former	Significant regional implications (the trade with the Danube bordering countries)

Yugoslavia)	
3. The agreements with the European Union (EFTA and CEFTA)	These, in terms of Romania's substantially production decrease, especially of the industrial one, have proven ineffective by the recording, year after year, of poor balances (over $ 1 billion)
4. Investments or insufficient loans from the large countries or international organizations (International Monetary Fund, World Bank, European Bank for Reconstruction and Development etc.).	Insignificant external financial assistance

Romania's trade policy for 2007-2012 under the influence of the first two objectives pursued in this (exports and imports situation on the main categories of goods)

In the following we will try to capture how Romania's trade policy has proven effective for the 2007-2012 period of time through the first two objectives pursued in this department (Toma, 2012).

Therefore, for the first five months of each of the years belonging to the period under review, will have, as discussion subject both, the overall level of exports and imports (as shown in fig. no. 1) and their corresponding values on the individual partners, according to the Table 2. data.

Table 2. Romania's main partner countries in 2007-2012

FOB Exports (% from total exports)						**CIF Imports (% of total imports)**					
Italy						**Italy**					
2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
17.8	15.9	16.2	14.0	13.2	12.3	13.5	12.0	12.2	12.1	11.5	11.3
Germany						**Germany**					
2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
17.1	15.9	18.9	18.9	18.3	19.4	17.3	16.6	16.9	17.0	16.6	16.9
France						**France**					
2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
7.6	7.4	8.1	8.8	7.6	6.9	6.4	6.0	6.5	6.2	5.9	5.9
Turkey						**Turkey**					
2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
7.3	8.4	5.2	6.9	6.6	5.6	-	-	-	-	-	-
Hungary						**Hungary**					
2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
5.4	5.4	4.4	5.1	5.8	5.7	7.1	6.7	8.4	8.1	8.6	9.2
Other countries						**Other countries**					
2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
44.8	47.0	47.2	46.3	48.5	50.1	49.5	52.3	51.0	51.4	52.5	51.8
Russian Federation						**Russian Federation**					

FOB Exports (% from total exports)						CIF Imports (% of total imports)					
2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
-	-	-	-	-	-	6.2	6.4	-	-	4.9	4.9
Austria						**Austria**					
2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
-	-	-	-	-	-	-	-	5.0	-	-	-
China						**China**					
2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
-	-	-	-	-	-	-	-	-	5.2	-	-

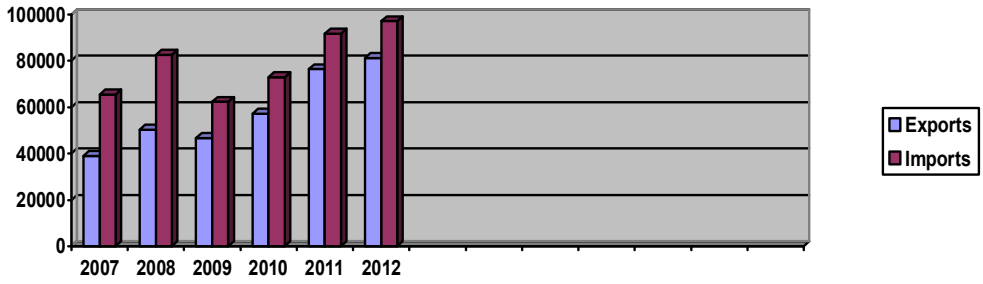

Fig. 1. The relations between Romania's FOB exports and CIF imports in the June 2007-June 2012 period of time

We can not also omit, as was natural, the importance given in our research to the Romanian trade balance result in its relations with the European Union. Thus, for the period taken into account, at the 2007 year level, *Romania's exports* to these countries accounted for 71.8%; in 2008 were 70.0%; in 2009 corresponds to a rate of 74.6%, in 2010, the exports to the Union countries was only 73.0% of total Romania's exports, in 2011 was 71.7% and in 2012 the percent was 71.2. Regarding *the imports* from this area, they have evolved as follows: 72.3% in 2007; 69.7% in 2008; 73.4% in 2009, 71.7% in 2010, 71.2% in 2011 and 73% in 2012. So, the Romania's trade balance relative to the EU shows that 2007 and 2012 years showing a deficit in terms of trade balance. Meanwhile, the 2008, 2009, 2010 and 2011 years were characterized by balance trade excess.

After the analysis of the Figure no. 1. and Table. No. 2 data we can conclude that in the periods under review, Romania's trade balance was in deficit due to the continued superiority of the imports over the exports (the maximum deficit was recorded in 2008 to 32.248 million and the minimum one, in 2011 to 15.348 million lei).

Thus, if in the period 01.01 - 31.05. 2007 the imports value was 26.503 million higher than the exports, during the same period of the coming years, they have exceeded exports as follows: with 32.248 million in 2008; with 15.542 million in 2009, with 15.765 million lei in 2010, with 15.348 in 2011 and with 15.906 million lei in 2012.

In relation to the externally trading partners, over the period considered, the relations was the following one: for Italy, exports were higher than imports by 4.3% in 2007, 3.9% in 2008, 4.0% in 2009, 1.9% in 2010, 1.7% in 2011 and 1.0% in 2012. In relation with Germany, the situation has evolved as the following manner: lower exports than imports by 0.2% in 2007 and with 0.7% in 2008; higher exports than imports by 2% in 2009, 1.9% in 2010, 1.7% in 2011 and 2.5% in 2012.

Compared with France, Romania's exports relative to imports have had an increasing trend throughout the period under review, as follows: 1.2% in 2007; 1.4% in 2008; 1.6% in 2009, 2.6% in 2010, 1.7% in 2011 and 1.0% in 2012.

In the same period, the size of Romania's exports to Turkey had an oscillating character; is increasing in 2007-2008, dropping in 2009, increase again in 2010 and decrease on the 2011-2012 period of time. In our country's relationship with Hungary, exports were permanently located below the level of imports as follows: with 1.7% in 2007; with 1.3% in 2008, with 4.0% in 2009, with 3.0% in 2010, 2.8% in 2011 and with 3.5% in 2012. At other countries chapter, Romania was again a poor balance: 4.7% in 2007, 5.3% in 2008, 3.8% in 2009, 5.1% in 2010, 4.0% in 2011 and 1.7% in 2012.

Romanian exports to the Russian Federation were zero throughout all the analyzed period while imports exists only in 2007, 2008, 2011 and 2012. In regard to Austria and R.P. China, they accounted for external partners looking the Romania's imports only in 2009 and, respectively, in 2010.

Because of the importance that the structure of Romanian exports and imports has on its trade policy orientation [9], the research was focused on the evolution of the trade by main commodity groups, according to the Table. 3 data.

For the exports and imports, as parts of the trade balance, we use two categories of prices, more accurate, the Free on Board (FOB) price and the Cost, Insurance, and Freight (CIF) price. When we talk about the FOB price we make references, as component elements, to the price at border of exporter country, which includes value of commodity, all transport expenditures to the shipping point as well as all fees for the commodity to be loaded at board. The CIF price represents price at border of importer country, including both components of FOB price and cost of insurance as well as cost of international transport.

Table 3. Romania's FOB/CIF trade balance on 2007 – 2012 period of time (mil. lei)

Main category of goods	**Year**	**Exports (FOB)**	**Imports (CIF)**	**Excess/Deficit**	
Agro-food products	2007	1.120	4.080	deficit	2.960
	2008	2.114	5.787	deficit	3.673
	2009	3.467	6.561	deficit	3.094
	2010	3.281	6.290	deficit	3.009
	2011	5.115	7.793	deficit	2.678
	2012	6.573	8.152	deficit	1.579
Mineral products	2007	2.667	7.285	deficit	4.618
	2008	5.291	11.240	deficit	5.949
	2009	3.062	5.614	deficit	2.552
	2010	3.765	8.237	deficit	4.472
	2011	5.267	11.277	deficit	6.010
	2012	6.492	12.908	deficit	6.416
Chemical and plastics products	2007	3.500	8.995	deficit	5.495
	2008	4.755	11.531	deficit	6.776
	2009	3.598	11.293	deficit	7.695
	2010	5.396	12.791	deficit	7.395
	2011	7.863	15.953	deficit	8.090
	2012	8.764	17.469	deficit	8.705
Metallurgical products	2007	6.939	7.362	deficit	423
	2008	8.390	9.026	deficit	636
	2009	5.081	5.875	deficit	794
	2010	6.949	7.525	deficit	576

	2011	9.542	10.452	deficit	910
	2012	9.575	10.385	deficit	810
Other products (furniture, construction materials etc.)	2007	4.200	5.387	deficit	1.187
	2008	4.812	6.684	deficit	1.872
	2009	4.891	5.617	deficit	726
	2010	6.005	5.617	**excess**	**388**
	2011	7.405	6.326	**excess**	**1.079**
	2012	8.683	6.891	**excess**	**1.792**
Machinery and mechanical devices, electric appliances and equipment	2007	8.432	16.652	deficit	8.220
	2008	11.50	19.183	deficit	7.682
	2009	12.00	16.010	deficit	4.004
	2010	15.108	20.382	deficit	5.274
	2011	21.374	24.571	deficit	3.197
	2012	22.721	25.137	deficit	2.416
Transport means	2007	4.456	8.784	deficit	4.328
	2008	5.573	11.709	deficit	6.136
	2009	7.347	4.590	**excess**	**2.757**
	2010	9.448	5.195	**excess**	**4.253**
	2011	11.069	6.876	**excess**	**4.193**
	2012	12.497	7.182	**excess**	**5.315**
Textiles, ready-made clothes, leather and footwear	2007	7.691	6.963	**excess**	**728**
	2008	7.866	7.390	**excess**	**476**
	2009	7.299	6.733	**excess**	**566**
	2010	7.213	6.893	**excess**	**320**
	2011	8.702	8.435	**excess**	**267**
	2012	9.251	8.929	**excess**	**322**

The graphic representation of the exports, imports and of the result for our country's trade balance looking the agro-food products is the subject of Figure no. 2.

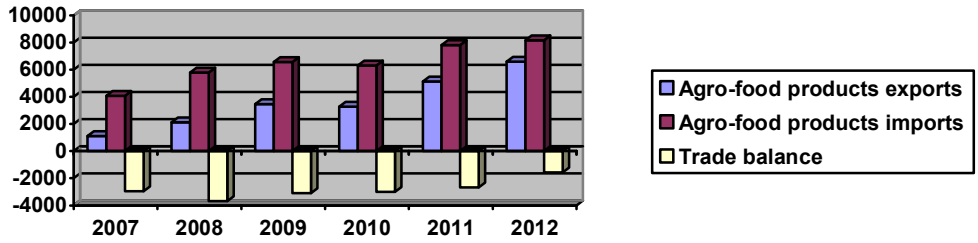

Fig. 2. The trade balance (deficit) for agro-food products

As we can see from the previous graph (Figure no. 2), for the agro-food product, the balance trade is characterized through a permanent deficit which reached the maximum level in 2008 and the minimum one in 2012. An important fact is that, during the time, the deficit trend was a decreasing one, a possible explanation being the medium evolution rate of exports (3.66) which exceeds the medium evolution rate of imports (1.55). Both rates was determined using as base the 2007 year.

Further on, we talk about the graphic representation of the exports, imports and of the result for our country's trade balance looking the mineral products (Păvăloaia Leontina, 2012) represented in Figure no. 3.

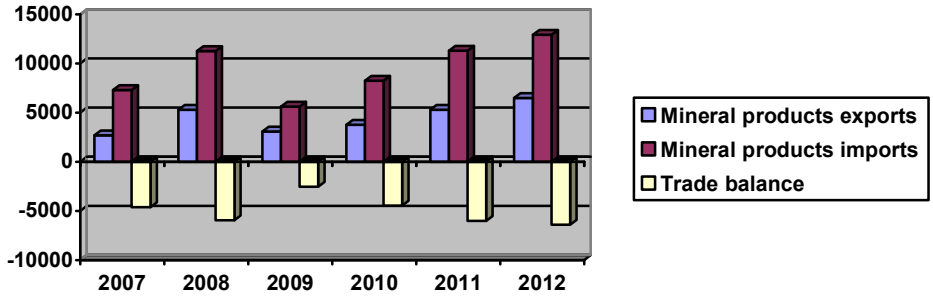

Fig. 3. The trade balance (deficit) for mineral products

For the mineral products, the previous figure shows also a permanent deficit which had a minimum level in 2009 and a maximum level in 2012. For these type of goods, the medium evolution rate for exports is 1.79 and for imports is 1.35. In this case too, both rates was determined using as base the 2007 year. The deficit trend is an oscillating one, following the trend of the exports and imports on the same period of time which are oscillating too.

The graphic representation of the exports, imports and of the result for our country's trade balance looking the chemical and plastic products is the object of Figure no. 4.

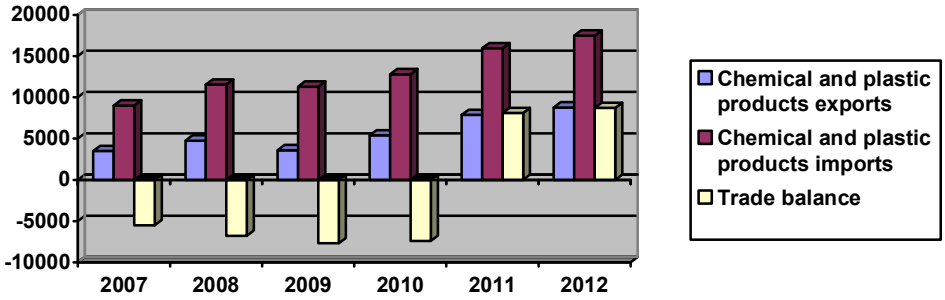

Fig. 4. The trade balance (deficit) for chemical and plastic products

As we can see, the trade balance for chemical and plastic products is characterized, in most of the analyzed cases (during the 2007-2010 period of time), by a result which can be translated as deficit. The maximum level of this deficit was registered in 2009 and the minimum one in 2007. Starting with 2011, the trade balance for this group of materials shows a positive result represented by excess, with an increasing level starting from 2011.

Further on, we talk about the graphic representation of the exports, imports and of the result for our country's trade balance looking the metallurgical products represented in Figure no. 5.

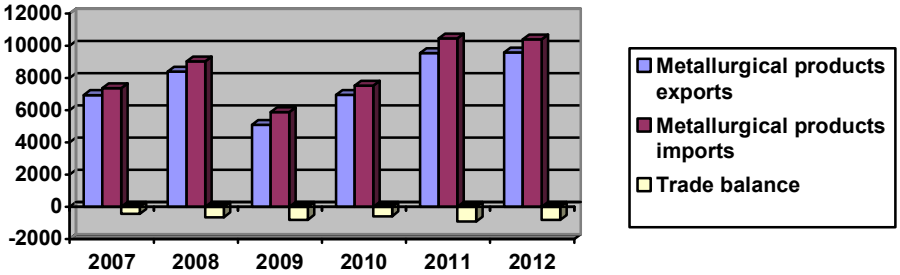

Fig. 5. The trade balance (deficit) for metallurgical products

For the metallurgical products, the previous figure shows a permanent deficit which had a minimum level in 2007 and a maximum level in 2011. The deficit trend for this group of goods is an oscillating one, following the trend of the exports and imports, on the same period of time, which are oscillating too.

The evolution of the exports, imports and the nature and size of the balance trade's result looking other products (furniture, construction materials etc.) are represented in Figure no. 6. As we can see, during the period of time took into consideration, the exports of other products was lower than the imports (for the 2007-2009 years) respectively bigger than the imports (for the 2010-2012 years) of the same category of goods, fact that impose a negative (deficit) and respectively a positive result (excess) for the trade balance, results correlated with the previous mentioned period of time.

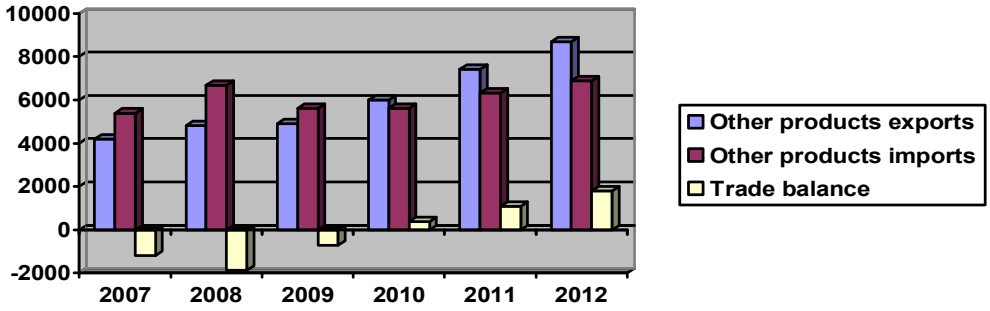

Fig. 6. The trade balance (deficit) for other products (furniture, construction materials etc.)

The graphic representation of the exports, imports and of the result for our country's trade balance looking the machinery, mechanical devices, electric appliances and equipment products is the subject of Figure no. 7.

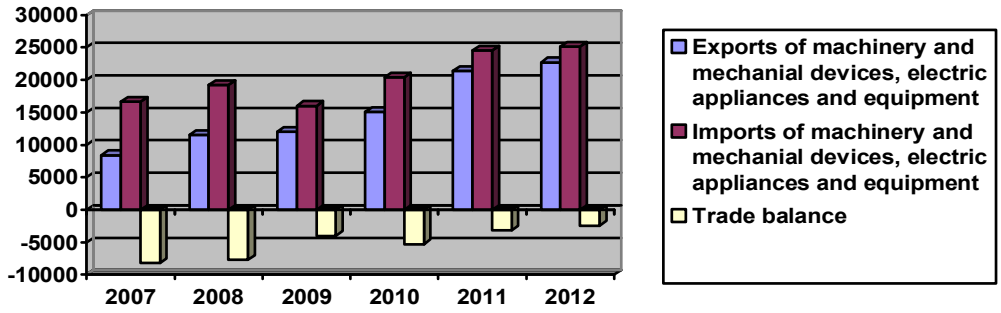

Fig. 7. The trade balance (deficit) for machinery and mechanical devices, electric appliances and equipment

For the mentioned category of goods, as we can observe, the exports are permanently lower in comparison with the imports, fact which determine a negative result (deficit) of the trade balance looking this elements. We have a maximum deficit in 2007 and a minimum one in 2012. As a general trend, with 2010 exception, we can say that for this deficit the trend is a decreasing one.

The level of the exports, imports and the relationship between this two elements are represented in Figure no. 8. For the transport means case, if the exports trend is an increasing one during the whole analyzed period of time, when we talk about imports, this are

oscillating, exceeding the exports in 2007 and 2008 but being lower than the imports for the next years of the analyzed period of time. As a result, we talk about deficit of the trade balance at this category of goods in 2007 and 2008 and about excess (as result of the trade balance) starting with 2009.

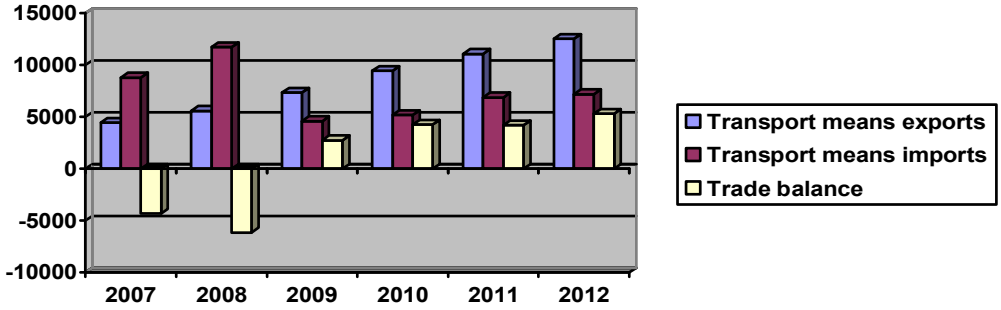

Fig. 8. The trade balance (deficit and excess) for transport means

The evolution of the exports, imports and the nature and size of the balance trade's result looking textiles, ready-made clothes, leather and footwear are represented in Figure 9.

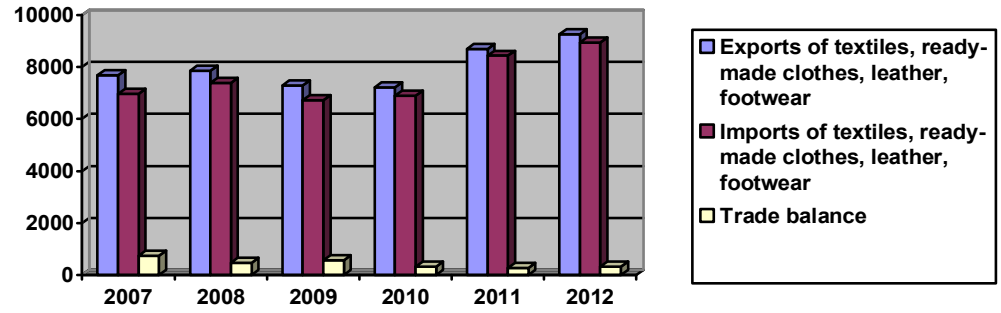

Fig. 9. The trade balance (excess) for textiles, ready-made clothes, leather, footwear

As we can see, during the period of time took into consideration, the exports of textiles, ready-made clothes, leather and footwear was permanently bigger than the imports of the same category of goods, fact that impose a positive result (excess) for the trade balance at this category of goods. However, despite of the fact that for textiles, ready-made clothes, leather and footwear exist a permanent excess, a concerning aspect is the one that the level of this result is decreasing in time.

Conclusions

For the beginning, and at general level, we can say that the analysis of data collated in table 3 is drawing to the conclusion that Romania's trade balance during the analyzed period of time and focused on the main groups of specified products had a mostly poor character. Passing from general to particular, the analysis of the data represented in the previous figures, and which are making references to certain category of goods, can lead us to the conclusion that, in terms of Romania's trade balance by main groups of goods the data shows an overall deficit excepting, for a certain period, the transportation means and, for the entire analyzed period, the textiles, ready-made clothes, leather and footwear. However, also for the last mentioned category of goods, even if the character of the trade balance is a positive one (surplus or excess) it should be noted, not without concern, that it diminishes their value

risking that, in future, the excess turn into deficit. As such, the risk of chronic deficit recorded by the balance in the previous and currently periods of time maintains, and if it not be taken measures to revive the exports, or by increasing their volume or by new markets identification, Romania risks to become a permanent "customer" of the trade balance deficit. Certainly that the ensuring of a right balance and, after it is desirable, a surplus obtaining one, must also follow the other component, namely imports, in the direction of them monitoring and control of both reasons: the national economy protection against foreign competition and, also, for not become chronically imports dependent. Do not forget that, especially in the current context, the national production encouragement and its superior capitalization through export have, as component, the new jobs creating and, consequently, the improvement of the life climate quality for the population of our country.

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Some considerations on globalization and its effects on education

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Abstract

Nowadays globalization is the most widespread conversation topic. Endless discussions are being carried on and both intellectuals and non-governmental organizations, official representatives of governments or other different national or international organizations are studying the impact of globalization on social and political life, on the environment and demographic variations, on culture and on the system of values in different corners of the Earth and, last but not least, on the educational phenomenon at global level. While it is true that globalization has some positive aspects, it is also true that it triggers a number of negative aspects, especially for developing countries which seem to be at a disadvantage compared to the developed countries. That is why some people reject or refuse to accept this phenomenon, others try to understand and to accept it, whereas others even associate it with the progress made in the cultural and educational environment of the 21st century.

Keywords: globalization, globalism, global village, webinar, global skills, multiculturalism, uniformization, mobility, brain drain, competitiveness.

1. Introduction

"Globalization" and "globalism", although still ignored by a large number of citizens of our Planet, have given birth to the best-known "brand" of our present days. The changes brought about by globalization have widely opened the gates of national and international

economies, giving rise to new studying and employment opportunities, to the workforce mobility and its ever increasing qualification, to the development of exports and imports, to an increased transfer of information technologies and to an unprecedented development of communications. Although the concept of international community later changed into that of global village was introduced as early as the 1960s by the famous visionary of the breakthrough in communication (World Wide Web), Marshall McLuhan (*The Gutenberg Galaxy, 1962)***,** it was only in the 1980s that it began to be taken into account**.**[1] And, starting precisely from this concept, Ronald Robertson**,** one of the greatest theoretician of globalization, defines it as **"**an accelerated compression of the contemporary world and the intensification of consciousness of the world as a singular entity"[2]. Indeed, as Ronald Robertson asserted, moving towards a single, interconnected world whose most remote spots can be reached within seconds, we feel that our space has shrunk. Besides, there is above all a set of ideas spread worldwide that underlies this process of globalization and gives its uniqueness.

2. Globalization and education

Although highly controversial, due to both its positive and negative aspects, globalization has had a powerful impact on the evolution of mankind, on its consciousness and on the way education is viewed at world level. In this context, the human beings have gained a new perspective not only on their own set of values, but also on the challenges they are looking forward to as far as the educational system and their own self-actualization are concerned**.** Everybody has started to feel the need of acquiring new competences and to be aware that these competences must cope with international competition. "Already our Asian rivals are competing not just in low-skilled manufacturing, but in high-tech products and services. Once, we worried about a global arms race. The challenge this century is a global skills race and that is why we need to push ahead faster with our reforms to extend education opportunities for all…In a globally competitive national economy, there will be almost no limits to aspirations for upward mobility. Globalization dictates that the nations that succeed will be those that bring out the best in people and their potential. And this is the new opportunity for Britain. "Put simply: in the past, we unlocked only some of the talents of some of the people; the challenge now is to unlock all the talents of all of the people." said the former British Prime Minister Gordon Brown, referring to the globalization of national economies and even of national cultures.[3] Globalization implies fierce competition, and not only between companies from the same city or from the same region. Globalization means breaking down barriers regarding investments, production and innovation. Companies from different European countries can manufacture electronic components in Singapore or Hong Kong, low-paid Chinese workers do unskilled work for American or Australian companies. The products are being sold all over the world, no matter the distances or cultural differences. Under these circumstances, people need higher qualification, their own talent and skills in one field or another being also taken into consideration that is, and above all, their personal creativity. Not only must people be competitive internationally, but they also have to adjust to the ever-changing requirements of the market. This implies flexible educational systems, which should lay greater emphasis on the ability of making use of knowledge than on memorizing it, on thinking and liaising rather than on the mechanical accumulation of knowledge. All these have given rise to the necessity of an educational system based on competence, thinking and innovation.

[1] Marshall McLuhan , *The Gutenberg Galaxy,* University of Toronto Press, Scholarly Publishing Division, 2011
[2] R. Robertson, *Globalization: Social Theory and Global Culture*, Sage, 1992
[3] http://www.tlrp.org/pub/documents/globalisationcomm.pdf

As Marshall McLuhan argued almost 50 years ago, the main factor of globalization and changing the world into a global village was the development of information and communication technologies. The spreading of the Internet brought about dramatic changes for people's possibilities to get informed and implicitly for the educational systems. The Internet became the main source of current information for users, the place where one can find both general and specialized information turning into a real tutor both for students and teachers, an indispensable tool for the whole teaching and learning process. The distance learning of E-learning type has opened the access to education, especially to higher education, for some persons who had found it practically impossible before: disabled people, women with very young children or those who were compelled to work as they were the breadwinners in their families. Education is now accessible anywhere, whenever you want, provided you sit in front of a computer and you can get connected to the network. At the same time, the costs of education are lower regarding both the material and human resources. We can refer now to two types of universities: the physical, traditional universities and the virtual ones that offer on-line education. In a report released by UNESCO that examines models and messages for virtual universities it is said that "Information and Communication Technology (ICT) offers the university both an opportunity and a challenge. By using ICT the university can provide increased flexibility to students while reaching students beyond the usual catchment area. However, institutions need to develop and apply appropriate policies, and to plan and manage effectively for a new mode of teaching and learning. The virtual university warrants examination as it represents an important development in the use of ICT to increase flexibility and extend provision of higher education in both developed and developing countries"[4]. Although the diplomas provided by on-line higher education institutions do not enjoy yet the same recognition as those provided by the physical universities, we can speak now about mass higher education.

As a result of the massive development of information technology, the products can be sold in every corner of the world in real time – the "Internet time", a continuous time that is the same everywhere in the world. Therefore, a global economy is an economy that operates worldwide in real time. But we would like to point out that it must not be mistaken for the world economy existing for more centuries. Globalization has been possible only lately, due to the new information and communication technologies, including the Internet and the computerized means of transportation. Globalization, along with its information technology and innovative processes, has revolutionized the organization of the workforce market, the production of goods and services, the relationships among nations and even the local cultures. Every single community has been touched by this revolutionary force which eventually led to fundamental changes of human relationships and social life. The educational on-line process – courses and seminars for students – also takes place in real time owing to the new multimedia interactive technologies, while the students are in their own offices or at home. Thus, the new method "webinar" which began as "web-based seminars and have now evolved into interactive online conferences" led to an even greater increase in the beneficiaries of this type of education. "Some may have as many as 1,000 people participating in them. And while those at the back of a classroom can never see, in a webinar everyone has a perfect view – and can see everyone else's annotations. What is more, each webinar can be recorded, and watched again"[5]. Equally, a special place in carrying out the educational policies at all levels, but especially at higher education level is held by the link between theory and practice, between the academic and business environment. The emphasis

[4] Susan D'Antoni, *The Virtual University Models and messages. Lessons from case studies*,http://www.unesco.org/iiep/virtualuniversity/home

[5] Mark Piesing *'Webinar' method of learning could change the university experience for ever*, The Independent, Friday, 25 March 2011

should be laid on the development of personal skills, but also on the market's possibility of absorbing the workforce. The new models of universities would be those in partnership with the social and business environment, which, in their turn, trigger new models for educational financing and organization. We are talking about the change of some universities into the so-called "charter universities" which, in exchange for less state funds, will enjoy more autonomy in performing their own activities.

Nevertheless, globalization has some negative aspects. Globalization, especially under the circumstances of the present economic crisis, leads to a decrease in unskilled or low-skilled workforce, to salaries kept at a low level so as not to have an alarming increase in unemployment and, finally, even to a high rate of unemployment. Similarly, the new information technology leads to a fall in the number of workers and this can influence education and investments in personnel training in the short run. What is more, deepening the gap between rich and poor, between developed counties and developing countries can have a negative effect on education, denying the access to education for the latter. But from these critical perspectives new educational models have emerged, such as new models of rural education for marginalized areas, for poor people and for street children, for immigrants, for girls and women from traditional societies who have no access to higher education, for the unemployed who need a re-qualification or new courses in order to be able to accede to a workplace. Such reform initiatives have been supported by UNESCO and other UN agencies. We have already mentioned the unprecedented development of mass education and this includes, besides higher education, tertiary education, which is not necessarily meant for people who have an academic degree. These methods refer to non-formal education and include lifelong learning, education for human rights, for peace, tolerance or democracy. Among these, lifelong learning has a significant importance as both those who have a degree and those who don't have need continuous training in order to be able to keep up with the swift changes at scientific, technological, economic and social level. In this way, the influence of globalization upon educational policies and practices has multiple effects, which sometimes can prove to be conflicting ones.

In a knowledge economy, which produces knowledge goods and services, globalization also has a powerful effect on the transmission of knowledge that is felt in all educational systems. The questions arising are: what kind of knowledge should be conveyed to students nowadays and how should it be conveyed? Firstly, we should turn to the curriculum**.** In order to design a suitable program it is necessary to identify a set of objectives and abilities required by each particular form of education and to define the learner outcomes from that particular educational program. All these should be stated clearly so that the learner may be provided with a great flexibility, a sound base of skills, business and/or technical knowledge, behavioral skills and mobility. In fact there is no one single way to design the best curriculum but a framework based on experience and best practices can lead to a set of extremely useful guidelines. The school/university needs to adept it to its particular context and even the teacher needs to adapt the curriculum to its particular class of students. That is why schools and universities need more freedom to perform their own activities. However, in a world full of mobility where changing the workplace can mean changing the country you live in and even the continent and culture, a revision of certification procedures is in high demand. There is a need of certification standardization so as qualifications should be widely recognized and applicable and thus facilitate people's mobility. We come across a very controversial problem as, on the one hand, globalization requires more freedom and flexibility at local level and, on the other hand, the assessment of knowledge and skills has to be standardized. Secondly, the graduate needs a good qualification, that is a set of competences required to exercise the profession, rather than a great amount of knowledge acquired in the education process. That is why we speak today about student-learning process

where roles of teachers and students have completely changed compared to the traditional education. The information is handy for students and they no longer need a teacher to convey this information. Yet, the amount of information is huge and it comes in great quantities and they need to be guided throughout this maze. It is normal for the roles of teachers and students to have changed in a society which turned from an industrial one into an information-based society. The teacher's role is therefore to guide his students, to help them select the precise piece of information they need out of the ocean of information they are diving in and to manage his class of students. In order to accomplish this new role of guider and manager, the teacher must be trained in the information technologies and dispose of the necessary equipment, he must have a certain freedom to choose his teaching methods and to adapt them to his classroom environment, to the specific needs of his students.

Another challenge of globalization at educational level is raised by the very mobility of students and workers that leads to multiculturalism which takes on a special meaning in the global context. In order to deal with this problem we have to state clearly that globalization does not mean uniformization, but the integration of the own set of values in a global world. Students and workers' mobility provide them with the opportunity of changing their cultural environment quite early in their life. Most students study at least one semester in another country through the students' exchanges programs, many young workers, especially skilled ones, are tempted to take up a job and to sample life in a foreign country and, why not, to learn a foreign language. The Ace foundation which "helps promote cultural and international understanding through the advancement of education, serving communities in the UK and worldwide"[6], carried out a survey as early as 2000 which proved that students found it more important to interact with their peers from other countries, to take courses on international topics and to take part in study abroad programs which offered them exposure to a different culture rather than to acquire knowledge and career-related experience. Just like the representatives of Ace foundation, many young people nowadays believe that "true multicultural education is the key to a brighter tomorrow in the Global Village". [7] At academic level, students and teachers' mobility implies a series of requirements: transferable credits for students, a wider approach of diploma recognition, the possibility of both virtual and physical mobility and the necessary financial means both for students and teachers, transparency of quality assurance system in all fields of study, adequate services for foreign students which turn the European higher education institutions into hospitable hosts. Last but not least, this leads to competitiveness at academic level, between universities which are in the same country, on the same continent or on different continents requesting them to create some strategic network and partnerships in order to survive.

Due to globalization, we also witness a change of force poles not only in economy, but also in education. Emerging countries like China and India which have known a high economic development lately have more students in tertiary education than USA. Multiculturalism has lead to the teaching and learning of multiple languages, to a cosmopolitan population in many parts of the world. The European experience with youth who are proficient in several languages has proved that such skills facilitate interpersonal, academic, and social communication, broadens cultural horizons and encourage appreciation and tolerance for different cultures. Therefore, we speak more and more about multicultural and intercultural education which strives to offer people, and especially youngsters, an equally opportunity, to facilitate learning for every individual student regardless his/her social or cultural background, to help students become active participants in an increasingly intercultural world. It is a student-centered progressive approach in education meant to

[6] The Ace Foundation: http://www.cambridgenetwork.co.uk/
[7] Ibidem

transform the individual and therefore the society. And, indeed, in order to achieve some changes at social level, these changes must occur at individual level firstly, in terms of individual mentality. In a more and more competitive and individualistic society, multicultural educations attempts to promote cooperation rather than competitiveness, to bring people together rather than to see them drifting apart, to make lofty ideals such as social justice and education equity become true, to make from today's learners tomorrow's accomplished and aware human beings who will be able to carry out all these ideals for their welfare and for the planet's survival.

It is true that people tend to communicate more nowadays, but since old times they have felt the need of communicating and understanding each other swifter and easier, of having a lingua franca. This role was played, in turn, by Latin and French and now globalization has given rise to English as a global language. We are entitled to ask ourselves why English has taken over this role, especially that in the late 60s and early 70s an artificial language, Esperanto, which conquered the academic environment, was invented. But Esperanto did not manage to conquer the world and impose itself as a global language. Instead, the English language did. It is spoken in more than a hundred countries and has more than a million words. Many argue that English has such simplicity and flexibility that it allows the learners to make quick progress, but the truth is that the colonial expansion of Great Britain and then the economic boom of the USA made it the world language. It was the language of Hollywood films and music which greatly spread it all over the world, the language of international air flight directions but above all the international language of computers and finally the language of scholarships which managed to provide people with the fundamental value of a common language and opening possibilities for mutual understanding and international cooperation. As David Crystal shows in his book entitled "English as a Global Language" in order to "achieve such a status, a language has to be taken up by other countries around the world. They must decide to give it a special place within their communities,even if they have few (or no) mother-tongue speakers." [8] And, indeed, wherever you may be in the world, English is a global language and, by mastering it, you can get a better job, you can climb up the career ladder and above all you can be up-to-date with everything that happens around the world. The fact that 85% of all written material is published in English is a good reason to learn it.

However, the positive effects of multiculturalism and people's mobility have their negative counterparts. Many students from developing countries who have been studying abroad find good jobs in the host country and no longer return to their home country. Also, many specialists educated in their own country find work in a developed country and emigrate in search of a better living standard. The phenomenon, known as brain drain or human capital flight has a bad impact on poorer economies that never recoup their investment in the education of these persons. Unfortunately, in the process of globalization, our country witnesses this phenomenon both in terms of students who go to study abroad and specialists, especially in the field of medicine, who take up jobs abroad and are absorbed by richer countries.

Conclusions

All in all, the global world triggers an education based not so much on information quantity but on information quality, not so much on what we learn but on how we learn. Under these circumstances, it is normal to ask ourselves how the higher education institutions, and especially the European ones, will be able to cope with the increasing

[8] David Crystal, *English as a Global Language*, Cambridge University press, 1997

pressure from a globalized society. An answer would be that the European universities are ready and willing to direct themselves, in a common effort, towards the modernization and reinvigoration of the higher educational system in an attempt to redefine it at European scale, promoting the graduates' employability and the mobility of both students and teaching staff.

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The importance of the European ecological education within the globalization of the educational systems

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Abstract

Globalization is a complex process that takes place worldwide and redefines the structure of the world, as well as a phenomenon that has three main causes as far as its environmental impact is concerned: technology, politics and economy. Consequently, globalization in recent decades has caused environmental degradation through areas to which we have attached great importance, but without a clear idea of the effects it has triggered. Inevitably, global warming is one of the undesirable effects, which tends to become a major problem of humanity and which is quite neglected. In this respect, the creation of a safer and healthier working environment in Europe is a goal that outweighs the resources and expertise of a single institution or a single country.

Keywords: globalization, environment, pollution, education

1. Introduction

The earth is getting warmer and warmer and this is due to some causes mankind is mainly guilty of, by its increased desires and requirements of having as much as possible without thinking of the consequences: deforestation, air pollution due to various toxic emissions, water pollution, all these contributing to the extinction of plant and animal species, etc.

Other causes leading to disastrous consequences for our planet are global warming, holes in the ozone layer, acid rain, ice caps melting that will lead to a rise of the sea levels, increasingly devastating storms, droughts and many more. Trying to preserve the natural environment will be to our benefit and nature will bring free services that form the invisible foundation on which our society and economy are based.

2. Education and environment

Nowadays the world faces a number of serious problems: the constant deterioration of the environment, scarce natural resources, population growth, wars. If, at first, these problems were considered to belong to the experts, leaders in various fields, they have now become real problems for all mankind. Thus, the concept "contemporary world issues" appeared and it generated later a series of well-defined imperatives: the defense of peace, environmental protection, promoting a new economic world order. Automatically, the educational systems have responded by widening their scope and contents, as well as by innovations in the design of the educational contents. Thus, new types of education have emerged, such as: environmental education, education for peace and cooperation, education for change and development, education for leisure. (6,7,8,9).

We could say that **environmental education** has begun since the man became aware of his relationship with the surrounding environment. The study of nature, of our surrounding environment cannot be performed only by means of certain subjects, at school. Nature is the **crucible** that shapes the identity of every human being.

Environmental education is seen as an instrument for the benefit of long-term conservation of the environment in the context of sustainable economic development, as a result of an economic, social and ecological consensus that enable the bio-cultural diversity management.

Lately, more specialists have began to rethink certain aspects of education given that the new generation is educated as if there were no planetary emergency, the technology being able to solve all the contemporary world's problems. New concepts have therefore emerged: education from ecological perspective, education for nature conservation, concepts that try to settle a number of problems and that reconsider the process and purpose of education, as well as the fact that man cannot dominate the entire planet forever. (11,12)

The education for nature conservation offers solutions for natural resources management and for nature conservation. This type of education recognizes the central role of man in all the conservation efforts, the conservative target being focused on biological issues and conservative strategies. Education for nature conservation targets:

- improvement of a community members' knowledge and their consistent support for developing some conservationist policies and an appropriate environmental management;
- supervision of conservative ethics application that allows natural resource management;
- improvement of technical skills of managers who manage natural resources;

Natural resource management should be performed considering environmental decision-making process that includes both the private sector and the civil society. The discussions attended by teachers specialized in education for nature conservation revealed the link that exists between people's knowledge and their attitude and behavior, suggesting that this educational process is necessary for passing from ignorance to appreciation, understanding, participation, action. (6,7,8)

3. The ecological system

In the modern society we continue to bring damage to the ecological system, reaching a point where it is becoming increasingly possible to generate problems that are less and less foreseeable. The Earth ecosystem shows its limits, and the economic effects of environmental destruction such as fisheries depletion, abandoned farmland and forests restriction have been more local phenomena. But these problems are getting worse, they will turn into global ones,

when everyone will suffer from these losses. Globalization is an essential feature of the globalised world and the main socio-economic processes that dominate the modern society and have polluting effects on the atmosphere are: industrialization, urbanization and growing consumption of energy. (10.13)

The most serious threat to globalization is the growing lack of natural resources. And the biggest consumers are states like the United States, China, India, where the requirements grow every day and force them to turn from exporters into importers of natural resources and other raw materials. We can expect a depletion of natural resources until the first half of the twenty-first century.

Scientists have been trying to solve this problem by creating bio-fuels, natural energy sources such as solar and wind power, which will save the planet, both from global warming and the increasing lack of these vital sources. Hazards that will result in many problems for mankind are highlighting the increasing discrepancies between rich and poor societies. Owing to the fact that industrialized societies are the reason for global warming, its effects have stronger repercussions on companies from developing or poor societies. (11,12) Few efforts are expected to be made in order to settle these conflicts. (11,12)

4. Climate changes

Global warming experts have already configured the changes the planet will go through in the next hundred years. These changes will be felt mostly in crowded urban areas. A lack of natural resources, a decrease in water, food and health supplies will become an ordeal, there will be many cases of respiratory diseases, allergies, cardiovascular and gastrointestinal diseases. In this respect, the good thing is that many economists have realized that cooperation between economy and environment will be beneficial to our future and so we will manage to hand down to the future generations a habitable Earth. (9:10)

5. Pollution

Pollution is a major current global issue, the interest in this phenomenon being obvious in the political, civic and scientific field alike. Subject to the elaboration of national and international regulations on pollution control and air quality, it is very important to develop alternative and complementary network for monitoring pollutants, so that the inter-comparability of results and working methodology choice may be ensured, depending on technical facilities, economic and human resources available.

Globalization is perceived as a process that has an influence on all areas of social, cultural, political, economic, military and ecological field. All the global ecosystem elements that are used, felt and shared by all people simultaneously and that are not under anyone's jurisdiction, represent environmental common goods.

These common goods can be affected by the environmental degradation and under these circumstances we can speak about a global environmental degradation. The environmental degradation means the transformation of some ecosystems or some of their component parts.

Globalization of environmental degradation can be presented in two ways:

- through the analysis of different origins and consequences of environmental problems;
- through the analysis of cultural and political processes attempting to describe and regulate social changes resulting from the transformation of certain parts of the ecosystems.

The best examples of environmental common goods are the atmosphere and the climate system. These are the essential resources of life encompassing and going beyond the states and societies, so that when they are harmfully affected, we can talk about global degradation. The most serious contemporary issues related to environmental degradation are related to global warming and ozone depletion. (13,14).

5.1. Gaseous Pollutants - The effects of gaseous pollutants on the environment and human health

Gaseous pollutants have the following characteristics:

- tend to hang in the atmosphere more than powdered pollutants;
- are more reactive than bulk pollutants, which can react with each other and with the humidity of the atmosphere;
- can be adsorbed on the surface of solid particles of pollutants which can meet the active center (with catalyst impurities) which increases their ability to react with other pollutants or environmental elements.

The types of gaseous pollutants emitted from various industrial activities are varied, paying special attention to the following classes of pollutants at the moment:

- acidifying compounds, especially oxides of nitrogen and sulfur;
- volatile organic compounds, represented in most solvents;
- compounds depleting the stratospheric ozone layer.

5.2. Acid oxide contribution the global environmental acidification

The European Environment Agency (EEA) considers acidification as one of the most important problems of pollution, along with:

- climate change;
- destruction of the stratospheric ozone layer;
- photochemical smog and tropospheric ozone;
- degradation of the marine and continental waters;
- soil degradation;
- damage to biodiversity;
- destruction of the urban environment.

Acidification is mainly due to emissions of nitrogen oxides (32%), sulfur oxides (44%) and ammonia (24%). (Fig.1)

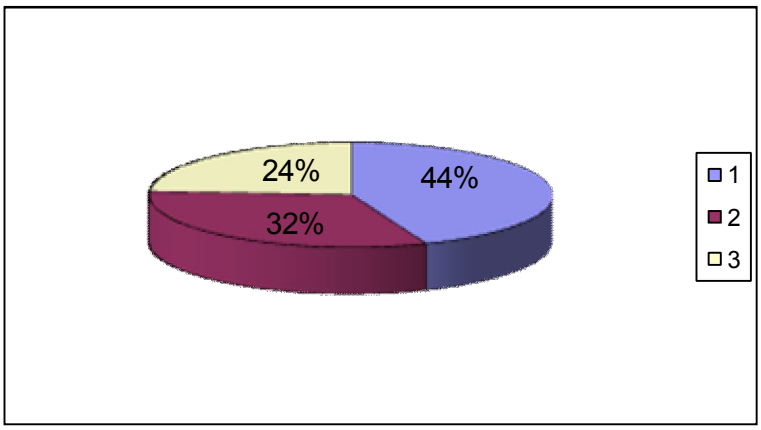

Fig. 1. The percentage of the main acidifying pollutants at European level in 2009

Legend: 1- SO_2 , 2 – NO_X , 3 – NH_3

The emissions of nitrogen oxides and sulfur - the major acidifying pollutants –are due to the energetic, industrial and transportation fields, as well as to other fields (Fig. 2.)

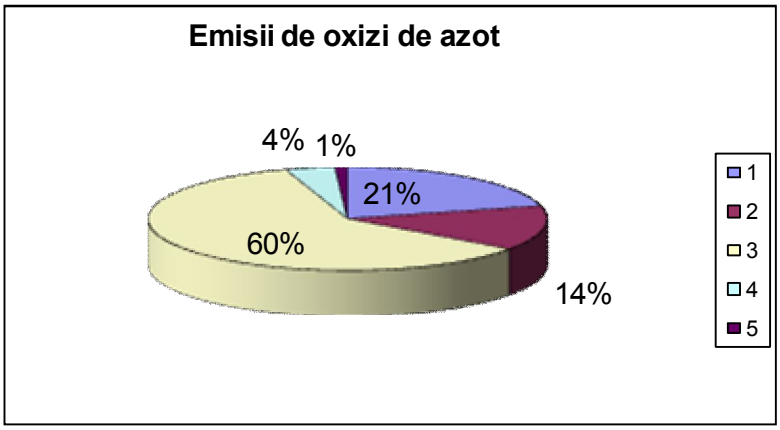

Fig. 2. Domains responsible for acidification in Europe in 2009

Legend: 1– the energy industry; 2 - other industries; 3 - transport; 4 -household; 5 - other areas

The evolution of each of these areas has a decisive influence on the emissions of nitrogen oxides and sulfur.

The annual sulfur dioxide emissions across Europe have declined substantially from 1990 to 2000, while emissions of nitrogen oxides decreased much less in the same period, registering similar developments as far as the submission of these pollutants on the ground is concerned.

The reduction of emissions in Western Europe is due to the technical and legal measures taken. In Eastern Europe there is also a decrease in emissions but this is due, primarily, to the economic setbacks in recent years, an increased emission being expected along with the economic recovery (1, 2, 3)

Acidifying gases remain in the atmosphere for different lengths of time depending on the weather conditions and local "chemical substance" background. Sulfur oxide remains in the atmosphere about four days after the emission, then it lays down. Nitrogen oxides have a longer life in the atmosphere if the conditions are not conducive to the formation of nitric acid, which is removed much more quickly.

It is obvious that there is a permanent transfer of acid pollutants from the environmental factor air towards the other environmental factors (water, soil), which makes acidification not only an atmospheric matter, but also one of general environment. (5, 4)

There are studies that consider that the only way to save the environment is to maintain a sense of community in each region; and we must admit that at present the environmental destructions in one part of the world have major and immediate effects on the entire world. The developed countries can outsource their locations for environmentally damaging industries in areas of developing countries, but this does not protect them from having the negative effects on the environment.

On the contrary, I think such sites located in developing countries are particularly harmful because they do not have the means to reduce the negative effects. In the United States in 1993 was extensively publicized the case of PG & E when there was a charge of drinking water contamination with hexavalent chromium, a substance that causes a long list of diseases including cancer and enter the DNA structure being transmitted to future generations. If such an event had happened anywhere in the world in a developing country, the negative effects would have been much more catastrophic and at a larger scale. We heard

about this case because it happened in the U.S.A and was a publicized event - but what about the hundreds, if not thousands, of cases around the world which have not been publicized and people are not aware of these dangers, probably not even those from the neighbouring areas.

Another case, the Kuznets study, supports globalization in the fight for environmental protection. He relates pollution to the living standard. Environmental degradation - high living standards mean more production and higher consumption that leads to pollution. In exchange, as living standards increase, the need for environmental protection increases leading to a development based on both economic growth and the improvement of environmental quality.

According to the analyst Anthony Giddens, globalization is "the intensification of worldwide social relations, through which places far remote from each other come to be interconnected so that the events in one place are marked by processes occurring in a place within many kilometers and vice versa ".

5.3. Spatio-temporal scales for pollutants action

The Local Scale

Some pollutants, which have a short atmospheric lifetime, are found in appreciable concentrations only near the emission sources. Some examples in this case are chemicals products, emitted in industrial processes but which are not present in significant concentrations in the background atmosphere. Hydrogen fluoride is a pollutant with relatively low concentrations in the atmosphere, but can be found in high concentrations near the brick factories and other industrial sources. In less developed countries, poor control of pollution sources near dwellings, due to burning fossil fuels, can cause serious local pollution. (1,2,3)

The Urban Scale

Pollutants from urban sources, such as nitrogen oxides and carbon monoxide generated by road traffic tend to be present in high concentrations in cities and in significantly lower concentrations in adjacent rural areas. The lifespan of these pollutants in the atmosphere is not long (hours) and, therefore, the concentrations in remote background atmosphere tend to be very low (except for the carbon monoxide, which is more persistent). In countries like China, burning coal may cause severe urban pollution with smoke and sulfur dioxide. Urban processes have been in detail by Fenger.

The Regional Scale

Pollutants occurring as fine particles (<2.5 μm diameter, but not ultrafine particles) and some pollutants in the gas phase, for example ozone, can live in the in the atmosphere for days or even weeks, which allows them to be transported on a regional scale. This kind of pollutants, such as sulfates and ozone can be moved easily at distances of thousands of kilometers in a process known as long-range transport that crosses many national boundaries. Also, the fine particles of black carbon aerosols resulting from burning fossil fuels and biomass are capable of transport over long distances. (3.6)

The hemispheric and global scales

Some pollutants, especially those associated with the warming due to greenhouse effect (carbon dioxide, nitrous oxide and methane) live for years in the atmosphere and are therefore capable of spreading over a hemisphere and finally worldwide. In these cases, marginal concentrations are often higher than the regional context, unless the sources emit large amounts of pollutants.

Conclusions

The air quality has been a steady concern, from simple citizens, decision-making bodies in each country of the world up to international fora chosen to oversee the

conservation of our planet's environmental system. This is because a clean atmosphere provides a healthy environment. A poor air quality threatens the health of every being, from people to plants.

The environment, the climate change, the loss of biodiversity and ecosystems, fisheries depletion, deforestation, water scarcity, maritime safety and pollution, prevention and combating natural disasters, the ozone hole, global warming, drought, desertification, magnetic pole reversal, Milankowitch cycles - changes in Earth-Sun interaction, unpredictable and incalculable consequences of progress, all these represent an accumulation of imminent danger against which we must really find solutions at planetary level.

Due to the innovation, trade and investment that globalization generates, it promotes more efficient ways of using natural resources, reducing pollution, etc. There are also a number of agreements, action plans and conventions that try to regulate this problem.

Among these, the Convention on Biology "Agenda 21" adopted in 1992 in Rio de Janeiro and the Framework Convention on Climate Change from Kyoto in 1997 seem to be the most important ones.

Globalization of environmental degradation is strongly correlated with both the origins and consequences of various environmental problems and the cultural and political processes that attempt to describe and regulate social changes resulting from the transformation of parts of the ecosystems.

All these converge towards a single conclusion: **creating a safer and healthier working environment in Europe is a goal that exceeds the resources and expertise of a single country or a single institution.**

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Counterfeiting - violation of intellectual property

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Abstract

This article is meant to make the great mass conscious on one side, but also the producers and the distributers of counterfeited products, on the other hand, in what concerns the serious consequences of the phenomenon of counterfeiting. The proportion of the phenomenon must be a signal mark so necessary in a society in which the scourge of piracy is present in all the social levels, scourge that influence us and it surely interests us all.
The massive developments of the production of consumer goods lead to the orientation of certain structures to the activity of forgery/counterfeiting of these, with the tendency of amplification because of globalizing.
These actions appeared because of the increase of the turnover at global level, for different groups of products.

Keywords: intellectual theft, counterfeiting, types of counterfeiting, motivations of acquiring counterfeited products, proportion of the phenomenon, consumer.

1. Introduction

The major changes after 1989 in Romania, as part of political and economical evolution in Central and South-East Europe led to the removal of commercial barriers, to the intensification of commercial trades and liberalization of goods trade. One of the most important problems of the Romanian society after 1990 is counterfeiting of every products or values coming from countries from Middle or Far East[1].

In order to situate better the problem of counterfeiting, some legal aspects of this global scourge must be presented.

The prejudices of the great companies, at global and European level are huge, counterfeiting bringing losses to European companies between 400 and 800 millions euro on the internal market and 2 millions euro outside the borders of UE. According to some recent

[1] Enescu L., Frisch C., Managing Intellectual Property, *Fighting against counterfeiting in Romania,* London, 1999;

data, the annual rate of increase of the number of counterfeited products confiscated at the borders of countries members of UE reached 300%[2].

The harmful phenomenon of counterfeiting is unfortunately increasing, affecting almost all the domains of products, bringing material and moral prejudices to the holders of the rights of intellectual property.

In order to reduce substantial the international commerce with counterfeited products and to destroy the transnational networks involves in this commerce measures of counterwork are needed at national and international level[3]. It can be said that there is no product that not to represent a target for counterfeiting, especially those that are sold with high prices and under prestigious marks, reason why every country in the world developed and institutional and legislative system, in order to reduce to minimum the effects of this phenomenon[4].

2. Legal regulations regarding counterfeiting

The legislation from Romania defines counterfeiting as "the creation, use or circulation without right of an object of an invention patent or any other violation of the rights given by law" if these violations were made after the date of publishing of the request for an invention patent[5]. For the caused prejudices the holder has the right to compensations and can request the court to confiscate or destroy the counterfeited products, including the materials and the equipments that served directly to commit the crime of counterfeiting.

The intellectual property can be interpreted as a product of the intellect that represents the property of an individual or of an organization. Later on, these can share this right freely, or can control its use in certain ways.

The protection of products, of intellectual property generally encourages the investments, stimulates the economical growth of a country through the fact that implies the creation of new work places and new domains of activity, but also the improving life conditions.

The harmful effects of counterfeited products over a holder mark are endless. First, we can refer to a parasitic approach to known brands, to degradation of their image, when their name is being used on products of inferior quality or in any way for the selling of their own products. The exploitation of somebody else's reputation is an unfaithful practice which manifests through actions that target the transfer of the favorable image created by the reputation of some brands over their own products or services.

Those who use practice this kind of acts use, in the context of commercialization and publicity of their services, expressions like:"as", "like product X", "way", "style", "brand", "taste", "following the recipe" or other similar mentions[6].

Counterfeited products reach different consumers from various directions and sometime we find them in unexpected places. These can be the goods, including their packing, on which it was applied, without authorization, a commercial mark identical with the commercial mark registered for the same type of products or which can't be distinguished through its essential aspects by that specific commercial mark, and, because of this, it brings prejudice to the mark' holder rights, according communitarian law and national law.

A study conducted revealed the following[7]:

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[2] www.mpublic.ro

[3] Petrescu V, Sârbu R., *Export-import commodity expertise*, ASE Publishing House, Bucharest, 2004;

[4] Răducanu I, *Falsificarea mărfurilor industriale*, ASE Publishing House, Bucharest, 2002;

[5] Law nr. 64/11 October 1991 regarding *invention patent*

[6] Dima D., Pamfilie R., *Merceologia şi expertiza mărfurilor alimentare de export-import*, ASE Publishing House, 2004;

[7] Pascu E., *Armonizarea reglementărilor din România cu cele din U.E. privind produsele contrafăcute în rela□ie cu protec□ia consumatorilor,* Editura Universitară Publishing House*, Bucure□ti, 2011;*

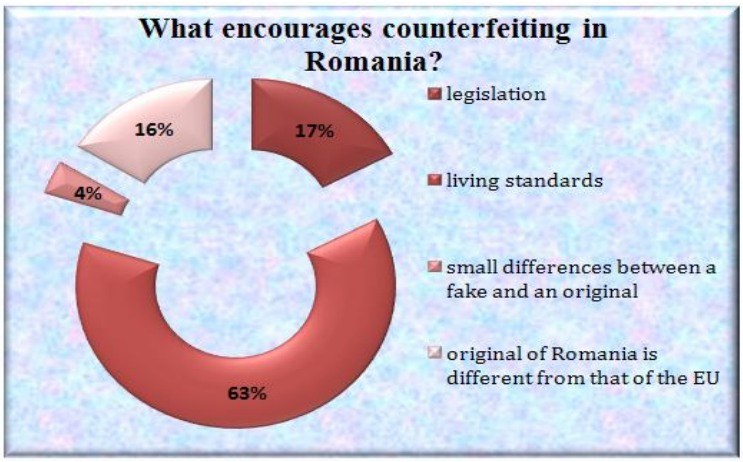

Figure 1. Elements of "support" for counterfeiting

3. Extension of counterfeiting

Generally, counterfeiting has a double impact: social and economic. From economic point of view, counterfeiting of products or "the crime of 21st century, how it was named this henomenon, have serious consequences for the rightful holders of intellectual property rights as for the affected states, in what concerns the financial losses these register, counterfeiting representing a connection with vast criminality[8]. Because of this, putting on market counterfeited products, as for other goods that violates a right of intellectual property, causes considerable damages to producers, sellers and rights holders who respect the law[9]. Despite these regulations, the number of counterfeit products are detected is increasing.

From social point of view these affect the good functioning of society and in some cases endanger the health and safety of consumers, if we remember the fact that counterfeited drugs represent 7% from the rating from global pharmaceutical industry. It is alarming the development of counterfeiting in the domain of medical products and personal hygiene that are an attempt on consumers' health and safety.

A counterfeited medicine, for the treatment of health problems of the patients contains substances different from the original recipee, that replace its active substances. In this way it doesn't endanger directly and immediately the safety of the patient, but on long term it determines suplimentary costs and rising risks.

The harmful effects of the commerce with counterfeited products are very well known, and those who produce or sell this kind of products bring prejudice to protected rights and seriously endanger the health and safety of consumers and also cheat and sometimes endanger consumer's health and safety.

Because of the increased profits obtained on account of inappreciable expenses, counterfeited products represent a serious threat to national industry and the safety of consumers through products of consumption: appliances, electronics, toys, textiles, shoes, perfumes/cosmetics, and the eradication of this phenomenon being an international concern.

So that, from year to year, the quantity of counterfeited products that are confiscated is alarmingly increasing. In the European Union in 2006 there were confiscated 103 millions of counterfeited and pirated products, representing a growth of over 12% comparing 2005

[8] Viefhues, M., Linklaters Oppenhoff & Rädler, *Counterfeiting and Organized Crime*, International Trademark Association, Special Report of Counterfeiting, September 2004;

[9] The Regulation of the Council (CE) Nr.1383/2003-12-03, regarding *actions of border checking directed against goods suspected of bringing prejudice of some rights of intellectual property* and the measures that must be taken against goods that violated these rights;

and of 1000% in relation with 1998, the estimation regarding the commerce with counterfeited products indicating an annual figure of 500 billions euro. Estimations show that in 2007 the commerce with counterfeited products represented 10% from the volume of global commerce, in comparison with 5% in 2000. In 2009 in community's customs there were intercepted over 250 millions of counterfeited products, implying 35935 cases. These numbers are extremely worrying if we compare with those registered in 2007 when there ere confiscated 75 millions articles, implying 26000 cases.

4. Factors that favour counterfeiting

The counterfeiting of products continues to be favoured by a series of factors, among which:

- ✓ the desire and possibility of obtaining illicit gains;
- ✓ technical difficulties in identifying and establishing fast the way and the degree of forgery;
- ✓ the ease of making forgery from technical point of view, because of the technical evolution, the diversification of material resource and the modern system of packing;
- ✓ the outsource of the production of some goods from the home country of some great companies from other countries, where the force labour is cheaper; the producers of this country sell a part of the products made under their own label;
- ✓ important differences between high request and low offer for certain products;
- ✓ the insufficient level of technical and technological rules, in the laws regarding the quality of products, which facilitate the cover of forgery;
- ✓ the defective organizing, inefficient activity and lack of control in different compartments of work, in what concerns the production and the circulation of goods;

The action of these factors differs depending on the specific of the counterfeited products, on the ways and on the stage of their technical-economic circulation when the forgery takes place.

In order to remove the action of the last two factors it is necessary to implement the system of quality, according to the stipulations from the ISO standards series 9000/2000.

Resuming different ways of studying the phenomenon of counterfeiting it was made the following classification of consumers who buy counterfeited product, with or without knowledge:

- ✓ buyers who can't make the distinction between counterfeited and original product;
- ✓ buyers who search willingly counterfeited products, attracted by the bargain of low prices;
- ✓ buyers who recognize forgeries and counterfeited product and still buy them because of the good way in which they were made and of the desire of having products belonging to certain brands;
- ✓ tourists that buy products specific to the geographical area where they are, because of the low amount of time they have and because they are attracted of the low prices, without realizing they are counterfeited;
- ✓ people who buy in a hurry the necessary products, being tempted by certain brands they are not used with and of the packing made through modern ways, which determine them to decide quickly to buy it, later on realizing they bought a forgery.

Consumer perception is real that is better to consider when you wish to be taken some steps towards it, because they are the first recipients of poor quality and sometimes harmful counterfeit products.

Conclusions

Taking into account the elements mentioned above it is clear that the phenomenon of counterfeiting is spreading very fast and the only way to stop its rising evolution is a powerful awareness of the producers and buyers equally.

The prejudices brought by the phenomenon of counterfeiting of goods to the companies that produce the original merchandise and hold the right over the marks, to the state through tax evasion and to the consumers who buy them, to those who not only that cannot satisfy the necessities, but can endanger their health and security, determined the creation of some organisms which to apply a system of fighting against counterfeiting.

That's why, the first measure of protection stands in a new attitude of the producers for packing, taking into account, except their function of protecting the merchandise and of promoting the sales, also, that of protecting of good's authenticity, especially in the case of brands.

The packing producers try to prevent counterfeiting and to protect original products, finding different solutions:

- ✓ special ink (of grating together with an invisible code, heat sensible ink that changes colour when it overcomes a certain value established for the compliance of frigorific chain, UV ink etc);
- ✓ new techniques of printing using holograms;
- ✓ biotechnologies (system based on a biopolymer inserted in the label, a mobile pencil and a mobile reader for identification of products);
- ✓ RFID labelling systems.

Thus, as consumers it is better to give a higher importance to the products we buy, to the place where we buy from and not last, to the personal safety, knowing that a brand certifies the quality of the product, its concordance with certain regulated requests and with the networks of distribution.

Therefore the next time when we are shopping it's better to analyse carefully when we are offered a Rolex, a Wrangler pair of jeans or an Adidas gym suit (probably counterfeited) in order not to contribute to law violation, increasing the illegal incomes of forgers and the diminishing of personal incomes buying something we don't want.

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Social implications of social responsability with the purpose of increasing the enterprise competitiveness

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Abstract

The main objective of this article is to highlight the social implications of social responsibility in order to increase enterprise competitiveness both globally and in Romania. The article highlights a short review of the literature on the concept of social responsibility. Article presents the analysis of two studies conducted, one global and one in Romania. Both studies were designed to achieve a top of the companies mostly involved in social responsibility actions. Thus, the results of the global study, based on a questionnaire applied on 47,000 consumers revealed that the first rank, in terms of the best reputation regarding the social responsibility efforts in 2012, is Microsoft, followed on the second place by Google. The results of the study conducted in Romania in 2012, showed that on the first place in terms of involvement in green campaigns is Petrom Company, which owns 18% of community awareness campaigns designed around the green, at a distance of 8 points to the next top company.

Keywords: social implication, social responsibility, competitiveness, sustainable development

1. Introduction

In the present context, a number of increasingly more companies find that in a highly competitive environment, the policy of maximizing short-term profits is not a guarantee of success, thus such a policy must be accompanied by a socially responsible behavior.

Social Responsibility (Corporate Social Responsibility - CSR) is defined as all the actions of an enterprise to promote social interests ahead of purely economic highlights and outside legal requests (Orlitzky et al., 2003).

The model of the four dimensions of CSR proposed by Carroll and Buchholtz, says: "*Social responsibility encompasses the economic, legal, ethical and philanthropic regarding expectations that society has of organizations at a time*" (Carroll & Buchholtz, 2006, pp. 36).

World Business Council for Sustainable Development (WBCSD) defines CSR as "*the continuing commitment of business to behave ethically and to contribute to economic development while improving both quality of life for employees and their families and local communities and society as a whole* " (Corporate social responsibility: Meeting changing expectations, pp.3).

Green Paper defines CSR as "*a concept whereby companies integrate, voluntary, social and environmental protection in their daily activities and in relationships with stakeholders*" (Green Paper on social responsibility, 2013), being aware that a responsible behavior leads to lasting success in business.

Thus, social responsibility actions are those that go beyond the obligations an enterprise undertakes under applicable regulations (social or environmental) in order to be perceived as a supporter of private interest.

Social responsibility is an ongoing and dynamic process to harmonize and balance the interests of various groups and their roles in relation to and in furtherance of the common good (Miron et al., 2011).

The press release to relaunch the Lisbon Strategy, the European Commission addresses the concept of social responsibility as part of the competition. Such "*voluntary initiatives of enterprises, taking the form of practices related to social responsibility can have an essential contribution to sustainable development, while strengthening the innovation potential and competitiveness of Europe*" (Social Responsibility – integrant part of competitiveness, 2006). CSR is based on a long-term strategy that includes various activities, such as volunteering, sponsorships, donations, benefits, expertise.

For SMEs as for large enterprises, social responsibility can be an added value to the organization and society. Social responsibility is perceived differently in SMEs compared to large enterprises sector (Iordache, Rizea, 2010).

Social responsibility has the following main features (Stancu, Orzan, 2007):

- its application is voluntary;
- reflects the company's relationships with various stakeholders (staff, customers, local communities, government and non-governmental organizations);
- involves environmental issues, not just the social side;
- is distinct from strategy and business activities of the company but rather an integral part of it.

In Europe there is an agreement on the definition of CSR as a concept whereby companies integrate social and environmental concerns - voluntarily - in their businesses and in their interaction with stakeholders. However, CSR characteristics vary depending on national and cultural contexts. In some countries, it is becoming increasingly integrated into a wide range of policies while in other countries, CSR initiatives are still in development.

At European level, the challenge for most businesses is how social responsibility can contribute to the Lisbon objective, namely to build a dynamic knowledge-based energy savings, competitive and cohesive economy. Increasingly more European companies are actively involved ever since its establishment in supporting projects in various fields, such as environment, culture, health, education and civic behavior.

Quite frequently the model of enterprises with their registered office in one country and subsidiaries in many different countries is met, and these companies develop CSR programs following the model of parent firm, in all countries in which they have subsidiaries. This is a reason for these businesses to benefit from the support of the State in which they operate in order to more easily implement and monitor programs.

2. Social implications of enterprises at global level

Internationally there are companies that support various social causes. These companies believes that in this way can differentiate their actions and thus to become more appreciated by consumers, as long as there are no major differences regarding the products compared with the competitors.

According to Kotler and Caslione among champions who have demonstrated commitment to CSR, there is a large part of the organizations listed in Table 1, some of them part of the author's research (Kotler, Caslione, 2009).

Table 1. Enterprises and social causes supported

No.	Enterprise	Social involvement
1.	Aleve	Arthritis
2.	Avon	Brest cancer
3.	Best Buy	Electronics recycling
4.	Body Shop	Animal testing
5.	British Airways	Helpless children
6.	General Mills	Nutrition
7.	General Motors	Traffic safety
8.	Home Depot	Habitat for people
9.	Kraft Foods	Reducing obesity
10.	Levi Strauss	Prevention of AIDS
11.	Motorola	Waste reduction
12.	Nokia	Breast health
13.	Pepsi-Cola	Keep you active
14.	Shell	Coast cleaning
15.	Siemens	Breast cancer
16.	Starbucks	Protection of the rainforests
17.	Vodafone, Orange and Cosmote	Big hearts for children's smile

Source: (Rizea, 2012)

When European companies, international fulfill these tasks, they cooperate closely with stakeholders to better understand how to promote, implement and monitor these values and principles.

Stakeholders from different countries consider cooperation as an opportunity to learn about the obstacles and success factors and thus becoming able to translate these principles and values into practice.

The Lisbon European Council called specifically for businesses to "*a sense of social responsibility regarding best practices on lifelong learning, work organization, equal opportunities, social inclusion and sustainable development*" (SMEs implication in social responsibility projects, 2013).

European Commission Social Agenda (Dumenică et al., 2004), subsequently supported the Nice European Council, stressed the role of corporate social responsibility in addressing employment and economic and social consequences of labour market conditions in adapting to the new economy. In addition, the European Summit in Nice (Dumenică et al., 2004) invited the Commission to involve businesses in partnership with the social partners, NGOs, local authorities and bodies that manage social services, in order to strengthen their social responsibility.

Stockholm European Council (Wicht, 2010) welcomed the initiatives taken by businesses to promote corporate social responsibility and referred to the current green card as a way to encourage a wide exchange of ideas to promote initiatives in this area.

Worldwide, in 2012, was made a top of companies with the best reputation in terms of involvement in social responsibility actions. According to the Consulting Agency in New York, Reputation Institute, Microsoft is ranked first, followed by Google, The Walt Disney Company, BMW and Apple (Figure 1).

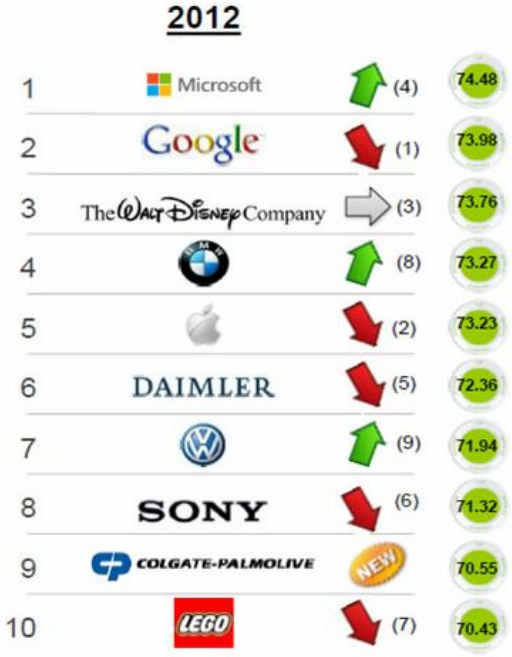

Figure 1. 2012 Global CSR Reputation Winners
Source:(Global RepTrak™ 100, 2012)

Research conducted by Reputation Institute included 47,000 consumers in 15 markets in Europe, North America, South America and Asia. The research methodology involved the analysis based on a score called RepTrak™ Pulse and some dimensions of reputation. Dimensions considered are the following (Figure 2): products/services, innovation, workplace, governance, civic engagement, leadership and financial performance.

The research was conducted based on a online questionnaire. According to the results, Microsoft is the company with the best reputation in terms of social responsibility efforts in 2012, thus taking the place achieved by Google in 2011.

Figure 2. Dimensions of corporative reputation
Source:(Global RepTrak™ 100, 2012)

3. Social responsability of Romanian enterprises

Social responsibility is a concept more and more present in the Romanian business environment. The main factors in this process are multinational companies that have moved their corporate culture at the local level.

Within the socio-economic environment still in development in Romania, CSR was assessed more for commercial reasons than ethical reasons.

The market is becoming more competitive, and players quickly discovered the potential of social responsibility in building their image and in strengthening of their reputation.

The term "responsible business" refers to the economic success of an organization by integrating social and environmental issues in its processes so that the organization can adequately manage processes impact on the environment and to contribute to the community problems. In other words, such as an activity involves customer requirements, but also meet the expectations of other stakeholders (staff organization, business partners, the community as a whole) (Olaru et al., 2010).

In Romania, the challenge is to encourage people to realize that social responsibility is not just a tool to enhance the image, but an essential element of long-term success, which is closely related to social and environmental performance of the community.

Most companies that give importance to sustainable development are multinational enterprises that actually implement the requirements and policies set by the parent companies. Frequently encountered social responsibility programs are social programs, programs to support humanitarian foundations, donations and research programs and educational assistance.

Regarding enterprises in Romania, social responsibility is essential to ensure long-term prosperity. Businesses face the challenges of a constantly changing environment being increasingly aware that social responsibility can be a strong economic value to businesses (Olaru et al., 2009).

Although the main responsibility of a business is to generate profit, it can also contribute to social and environmental objectives by integrating social responsibility as a strategic investment in the business.

Social responsibility should be treated as an investment, not a cost, like quality management. Business' reputation in terms of social responsibility is becoming increasingly important as it helps to increase business opportunities in the competitive recruitment, acceptance by potential customers etc.

When European companies, fulfil international these tasks, they cooperate closely with stakeholders to better understand how to promote, implement and monitor these values and principles.

In June 2012 Biz Magazine published a ranking of green companies in Romania. In Table 2 we present the top 10 companies involved in green campaigns in Romania.

Green campaigns aimed mainly sustainable development that is contributing to a healthier environment to withstand time and the benefit of all.

Most businesses involved in the study of Biz Magazine perceived to be involved in campaigns related to recycling and waste collection. Moreover, specific situations may be encountered related to by companies which are perceived to be mainly involved in campaigns against environmental compensation, given the economic activity they perform.

As examples there are fuel businesses, which are in the top 10, like Petrom and Rompetrol, largely associated with green campaigns.

Rompetrol ranked 6, has the highest association with education campaigns, or encouraging environmental behavior.

Another example is Coca-Cola ranked 5 in Top 10 green companies involved also in environmental campaigns, or reforestation, cleaning forests, cleaning rivers.

Table 2. Companies involved in green campaigns

No.	Enterprise	Social actions
1.	Petrom	Petrom owns 18% of community awareness campaigns designed around the environment, at a distance of 8 points to the next company in the top.
2.	Cosmote	Cosmote owns only 10% of the capital's awareness campaign created around it initiates.
3.	Vodafone	10% is the percentage that the company gained for the awareness campaigns designed around the environment.
4.	Carrefour	Awareness percentage of its campaigns is 8%.
5.	Coca-Cola	Awareness percentage of its campaigns is 8%.
6.	Rompetrol	7% awareness percentage of the campaigns.
7.	Avon	7% awareness percentage of the campaigns.
8.	Orange	6% is the percentage gained for the awareness campaigns designed around the environment.
9.	BCR	The percentage gained for the awareness campaigns designed around the environment 4%.
10.	Mc Donald's	The percentage gained for the awareness campaigns designed around the environment 4%.

Source: (made by authors after „Top green companies", online: www.revistabiz.ro)

The companies included in the Top 10 used all their resources to engage in social responsibility actions.

There are also a number of issues that businesses encounter when they decide to green campaigns. Most problems are related to both external factors and internal factors. Among external issues include identifying reliable partners who can meet the requirements of the company (companies authorized recycling) or overcoming the barriers by developing good habits (public education).

Businesses may face difficulties also on how the financial funds are allocated by the collaborating NGOs. Externally, the relation with authorities can create difficulties due to the long period in which some information could be obtained.

Other problems are related to the lack of public responsiveness to the environmental campaigns. Most times, the very employees of businesses have little interest in this regard.

In Romania it can be seen that there is not always a correlation between the actual performance of firms in terms of their involvement in green campaigns and what people understand about these actions.

In this regard, we mention Rompetrol (ranked 6) and Avon (ranked 7), which although with low involvement in green campaigns (both have a percentage of green awareness campaigns 7%), yet appeared in the top 10.

Conclusions

An economic enterprise operating responsibly covers not only customer satisfaction but also the interests of shareholders and other stakeholders, namely the social and environmental impact of its actions. Such an attitude may ensure long-term competitiveness and business environment and also can contribute to the sustainable development (Maxim, 2006).

Worldwide could be seen a growing interest for involvement in social responsibility actions in different areas. Thus, the 10 top ranking conducted by Reputation Institute in 2012 includes: Microsoft, Google, Walt Disney Company, BMW, Apple, Daimler, Volkswagen, Sony, Colgate-Palmolive, Lego.

Regarding enterprises in Romania, social responsibility is essential for competitiveness. According to a study published in 2012 by Biz Magazine, the first 10 places

in terms of involvement in green campaigns are held by: Petrom, Cosmote, Vodafone, Carrefour, Coca-Cola, Rompetrol, Avon, Orange, BCR, Mc Donald's.

The results presented in this paper can be a starting point for future researches that can contribute mostly to the company's competitiveness by engaging in social responsibility actions.

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Accounting normalization between option and restriction. Is there a Romanian accounting law?

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Abstract

The accounting information is essentially destined to an external usage; therefore a common language is required. As a result, accounting must be normalized, for providing credible information, through its fair view and the certainty that the same transaction is equally analyzed and transformed by its users. There is accounting normalization in most countries nowadays. Therefore, each country has a terminology and rules that lead to an identical presentation of the financial statements for companies. Depending on the accounting tradition and the socio-economic characteristics of each country, standardization and regulatory systems differ in the roles of professional accountants and state.
The increased importance of accounting, mostly due to the fact that the information provided become a public good which needs a production and distribution system, lead to the identification and strengthening of a separate branch of law – the accounting law. This paper is built on the relationship between accounting and law in the attempt to identify the extent in which the existence of an accounting law in Romania can be considered, as well as to analyze its evolution and its role on the private sector entities.

Keywords: Romanian accounting law, normalization, accounting, law

1. Introduction

A normalized accounting provides to the entity records of facts, operations, results and statements in order to achieve a comparison between successive periods of time and across firms in the same sector, the preparation of future actions, based on historical facts or obligations to different categories of third parties, such as associations, authorities, banks or investors. It also provides a communication instrument, easy to be understood by the accounting information users. The initiative of normalization can be the responsibility of the state, the international political bodies or the accounting profession.

Accounting normalization is a broader concept than accounting standardization. While standardization is a process by which rules are generated, accounting normalization deals, beyond norms, with conceptual qualitative sides of accounting. Normalization aims to determine the terminology and general accounting principles, to define the accounting information in the financial statements and the presentation of financial statements, to develop a chart of accounts and some accounting schemes for transactions. The last objective is the most restrictive form of normalization. The standardization efforts are finally reflected

in the final definition of postulates, principles and accounting rules, as well as in their application.

The technical interest is obvious: the homogeneity of the provided information facilitates comparisons over time and across companies and allows national accountants to act internationally. In addition, normalization brings to the users a guarantee of consistency and rigor in keeping accounting.

Normalization and convergence of accounting systems are two processes that overlap and complement each other. The first process concerns the design of rules, while the second one the comparability between them. The trend of convergence of international accounting standards appears as a result of the economic globalization process, of the financial markets requirements for comparability of financial statements.

International accounting convergence is the process through which national norms and rules are perfected for comparability purposes. It represents a major preoccupation for accounting improvement, both on theoretical and practical levels. In other words, we can say that international accounting convergence process is a process that aims to reduce differences between accounting practices in order to achieve its compatibility. This concern globally manifested will lead in the long term to uniform national accounting rules, which take the form of an accounting law.

There are several issues that we intend to identify and analyze in this paper, starting from the relation between accounting and law, on one hand, and accounting normalization and accounting law, on the other hand. In order to achieve this goal, we conducted a normative type of research, based on works, studies and articles that were written in that specific field of interest, which allowed us to identify and analyze the key issues on the optional or restrictive feature of accounting normalization and its possible role in the accounting law.

2. An insight in the empirical literature

Being organized by each economic entity, with its information produced to be destined to third parties without criticism over it, general accounting is subject to rules and regulations, whose ultimate goal is to ensure its credibility and reliability. It is necessary for the production of information to be subject to a social control, or, as it was named by Colasse (1995), to a „normative encoding".

According to Casta, quoted by Feleagă (1999), accounting normalization is the process of standardizing the presentation of financial statements, accounting methods and terminology. He explains the two purposes of the normalization process and, thus, of the process of determining a frame of reference:

- the public obtaining homogenous knowledge concerning enterprises;
- the exploitation of accounting information by external users, especially where time and space comparisons are concerned (between different enterprises) (Ponorica et al. 2007).

As mentioned by Laptes (2009), the normalization process involves creating an appropriate framework to meet the some form goals:

- obtaining financial information by all users;
- obtaining the information needed by the public or governmental policy;
- increasing opportunities for efficient allocation of resources.

Accounting normalization can be achieved either by developing general charts of accounts or by developing conceptual frameworks.

The applicability of general charts of accounts for several companies has demonstrated its usefulness in the late nineteenth century due to three key factors (Richard, 1994):

- the development of the financial markets, which led to the need for better accounting of the performance of firms, especially in crisis situations;
- the acceleration of business concentration in large industrial groups, which resulted in the need for accounting rules for group entities;
- the development of thinking and scientific research in accounting normalization.

Referring to the French normalization, Capron (1994) states that it is more the result of a compromise and arbitration between multiple partners, each with their own interests and objectives, than the result of an answering process to the scientific development of rational strict criteria. This assessment is valid for any national standardization activities.

(Daley, Mueller 1982), cited by Ponorica et al. (2007), define four processes of accounting normalization:

- *the political approach*, which is characterized by the state's intervention: the French and the German cases are the most explicit;
- *the pragmatic approach*, in which the liberal accounting profession plays a decisive part in conceiving and applying the norms: the British case is one of respectable age and great notoriety.
- *the mixed approach* in which the norms, elaborated by professional institutions, are "validated" by the public's intervention: this is the American case, where the Securities and Exchange Commission, which plays the role of regulator in disclosing financial information for the companies that are transacted, has mandated an independent private organization of the accounting profession's – the FASB – in order to elaborate a set of generally admitted accounting principles;
- *the mixed approach, the result of an enlarged process*, in which the norms are the compromise of the participation of trade unions, accounting profession and employers' associations: this is the case of the "Committee of tripartite reflection" from the Netherlands. In this situation, the state intervention is extremely low.

Among the most common normalization bodies, there are:

- **CNC** (National Accounting Council), the official French normalization body, which is at the center of a device that causes interference of other institutional factors, among which there are: **OECCA** (Order of Chartered Certified Accountants), **CNCC** (National Council of Commissioners of Auditors) and **COB** (Commission Operations Scholarship);
- **ASB** (Accounting Standards Board) is the regulatory body in the UK, the British author of the first conceptual framework;
- the German Council for Standardization (**DSR**) is a seven-member committee formed within a private association non-profit (**DRSC**), funded by listed companies and accounting professionals and enjoying a "contract of normalization" signed with the Ministry of Justice. Its opinions must also be approved on a case by case basis by the Department of Justice to enter into force;
- **FASB** (Financial Accounting Standards Board), with **SEC** (Securities Commission) beside it, which has the power to define the content and presentation of the financial statements of listed U.S. companies, as well as to oversee implementation of legislation;
- **IASB** (International Accounting Standards Board), which is an international standardization body.

Véron (2003) briefly point out several aspects leading to differences between the normalization bodies, such as: the juridical and financial autonomy (not existent in France, complete in the US); the balance between various actors (accountants, issuers, financial intermediaries, investors, state) in the structure of the collective decision structure; the existence (in France and in Germany) or not (in the UK and US) of a public approval for the adoption of each standard; and in the same extent, the available material and human means (FASB' s budget is about seven times that of the CNC).

3. The intervention of law in accounting

In order to fulfill their role in the evolution of the economic system, accounting needs the support of the regulator or the state, in order to normalize it. Drafting accounting regulations is simultaneously the result of the political action, the logical analysis and some empirical results, making the accounting law to include a set of evaluation and registration principles and rules.

The accounting regulations designate, as defined by Tabara (2004), all the conventions applied to express, find and present the economic reality in the accounts. Compliance with regulations provides understanding of accounting statements by those concerned, in terms of introducing the existing norms and conventions to them.

Through the emergence of norms and decrees for accounting, normalization gradually becomes mandatory. Gathering and ranking all texts on accounting rules into a unified whole, that is the national accounting legal framework, determines the appearance of an accounting law.

This includes all laws, rules, orders, instructions and other regulations on the organization and management of accounting and annual and reporting financial statements. The accounting rules are more or less restrictive; they can be mandatory or optional. Usually, the rules contained in the law are required.

Some authors consider accounting as a technique used by law, based on the original purpose assigned to it to be a test instrument in commercial transactions. Subsequently, the link between law and accounting was reflected to some extent by the balance sheet principle of patrimony.

The connections between law and accounting have found another dimension in the modern doctrine through the separation of a distinctive branch, that of the accounting law, whose objective is to define the rules and principles applied in the accounting technique. Branch of the private law, along with the civil and commercial ones, it sets the rules for the development and control of the accounts, as well as the rules for determining the relations between the different users of accounting information.

The origin of Romanian accounting law must be linked to the implementation of the Commercial Code. Accounting law, also known as the *law of the accounts*, is applicable to the accounting profession and seeks the users and professional accountants relations with accounting. It relates only to financial accounting and can not be confused with it, because its role is to define the technical rules and principles found in accounting. Consequently, the three main categories of users of the information provided by this branch of the law are:

- the producers of accounting information, respectively persons carrying out economic activities;
- the controllers of accounting information;
- the users of accounting information: management, shareholders, the state.

Based on the importance granted to these categories or by each of them, the accounting law objectives are determined.

The first objective is that of proof in commercial relations. It derives from the old accounting function to provide a numerical translation of the legal events. The second one is to serve as a basis for the distribution of benefits between partners or shareholders. The rules for determining the outcome are related to that objective, which is also provided by criminal law in case of fictional distribution of dividends. A newer published objective, considerably developed under the influence of Anglo-Saxon countries, is that of the user information on the financial situation of the company and the results of operations.

Is accounting an obligation of resources or an obligation of result? It is a fact that the professional accountants have the obligation of using all their abilities for achieving the planned objectives, rather than of being dependent of a achieving a certain turnover or profit.(CECCAR, 2008).

According to Biondi et al (2008), accounting provides a better understanding of the economic and financial dynamics of the firm, driving to the very comprehension of such matters as assets, liabilities, revenues, prices, transactions, as well as to the their appropriate representation. Legal discourse developed a view of the firm as an entity distinct from its mere legal form: some features due to the legal tradition, even if they are not so far from each other as regards some basic underpinnings. In addition, the authors consider that the world of law shapes the reality of economical and financial dynamics in an essential way, contrary to a juridical approach of most theories of the firm.

4. The hierarchy of accounting law sources in terms of result

Normalization and regulation differ from country to country depending on the specific of developed activities. Regardless of the particularities, their components are built together in *a device* that is:

- the accounting or the conceptual framework;
- a network of national norms or standards (local);
- the normative regulation accounting system (accounting law);
- the chart of accounts and accounting scheme of business and financial operations;
- accounting professional guides;
- accounting conversion dictionaries;
- the accounting policy;
- the institution of accounting normalization;
- the accounting law.

The sources of the regulatory device components of the accounting law are ranked by importance, coverage and method of application:

- *international treaties and agreements* (regulations, directives). Treaties are characterized by having at the time of their publication a higher authority than laws, provided that any treaty or agreement to be also applied by the other party. Regulations have a general scope, being mandatory in all elements and directly applicable in all Member States, by their purpose. As regards the directives, they leave national courts jurisdiction over matters of form and means of implementation. As examples we mention the Treaty on the financial statements, the European Directives etc.
- *legislation* (laws and ordinances). Laws are legislative texts passed by the Parliament that only set forth important issues, imperatively limited by Constitution. Ordinances have mainly the same role, and when necessary, they can change laws. We take as examples the Accounting Law no. 82/1991, Order no. 3055/2010 of the Ministry of Public Finances on the approval of the accounting regulations in compliance with the European Directives or Order no. 1286/2012 for approving the Accounting Regulations in accordance with International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market.
- *regulatory texts* (decrees and decisions). Government decrees are promulgated and contain provisions either in the form of public administration regulations or provisions in form of decrees in the Council of State, or, finally, as simple decrees issued by ministries. The decisions that took the form of ministerial decisions. In the field of accounting, are placed in the same category.

- *jurisprudential elements*. Court decisions are designed to ensure, when considering the appeals on which they are notified that the laws were properly applied. The resulting jurisprudence is not binding.
- *the doctrine* (other sources). The doctrine consists of interpretations or opinions on items on which there aren't any specifications in the legislative and regulatory texts. Ministerial answers, administrative circulars, recommendations of various organisms belong to this category.

Regulations regarding the quality of accounting information include both external rules, applicable to all companies, as well as internal rules adapted to the specific of the activity that can be added to meet specific needs in the accounting and managerial documents.

In the category of external rules accounting rules we can find conventions and accounting rules on fundamental postulates, basic accounting principles and accounting nomenclature; Accounting Directives on ascertainment, measurement and presentation (IAS, IFRS, EU directives); specific regulations to activities or types of legal, administrative, technical, economic or financial transactions.

Unlike external rules, the internal ones consider the choice of accounting options for ascertainment, measurement, presentation and definition of the ways the accounting directives can be applied by entities; the format and content of unregulated financial accounting and managerial documents, largely for internal use; detailed rules for the allocation of revenues and expenses on activities and products and others.

The fair application of accounting rules is provided by the so-called "quality system accounting" of the company. This asks for ensuring compliance with applied rules as well as the continuous improvement of the way the users' interests are satisfied.

5. The Romanian case

The Romanian accounting system is characterized by a continuous reform process started many years ago in the attempt of aligning the relevant Romanian legal provisions to the European Union ones, as well as to the International Financial Reporting Standards.

The first attempt in adopting the IASB accounting referential is the Order no. 94/2001 regarding the approval of accounting regulations in compliance with the 4th Directive of the European Community and International Accounting Standards. A further order, Order 1752/2005 was subsequently repealed by Order 3055/2009 regarding the approval of accounting regulations in compliance with the 4th EU Directive for individual financial statements and 7th U Directive for consolidated financial statements.

On the other hand, the modern legal system in Romania dates back to the middle of 19th century. The Romanian justice system is based on French, Belgian, Italian and German models. Currently, in the process of developing its existing law system consisting in civil and commercial laws governing business relationships and contractual matters, Romania gave up the civil – commercial duality in the new Civil Code applicable starting 1st of October 2011.

Judging the division of the Ministry of Justice in six directories, among which there is „planning and accounting", we can draw the conclusion that there is a recognized branch of accounting law in Romania.

The beginning of the normalization reform was set up by Law no. 82/1991 with multiple amendments. The entities subject to accounting regulations have the obligation to organize and conduct their own accounting system according to this law. The next stage in the process was accomplished by replacing the former accounting system with a new one, closer to the French system, based on the Generally Accepted Accounting Principles (GAAP), starting 1st of January 1994.

The third stage started from 2001, when the Ministry of Finances got involved in Romanian accounting harmonization to the European Union Directives and the International Accounting Standards. A selection of the most important regulations in the accounting law can include:

- Law No. 82/1991 on the accounting system, republished, as further amended and completed;
- Government Ordinance No. 65/1994 on the organization of expert accountants and chartered accountants, as further amended and completed;
- Government Emergency Ordinance No. 75/1999 on financial audit activity, as further amended and completed;
- Order no. 907/2005 of the Ministry of Finance regarding conformity of accounting regulations with International Financial Reporting Standards and respecting conformity of accounting regulations with European Directives;
- Order no. 1121/2006 of the Ministry of Finance on the appliance of International Financial Reporting of International Financial Reporting Standards;
- Emergency Ordinance no. 90/2008 regarding the statutory audit of annual financial statements and of consolidated annual financial statements, which has introduced the European Union 8th Directive requirements in Romania;
- Order no. 3055/2010 of the Ministry of Finance on the approval of the accounting regulations in compliance with the European Directives;
- Order no. 2239/2011 for the approval of the simplified accounting regulations.
- Order no. 1286/2012 for approving the Accounting Regulations in accordance with International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market.

Conclusions

As we stated from the beginning of our approach, this paper is built around interlinkages between accounting and law. It springs from two key arguments. First, accounting as an independent domain needs to have its norms and rules. That is accounting normalization, which can be seen as a way to achieve a balance between different interests. A normalization system dominated by public or private system is risky because public or private regulators can show bias. The best solution for an efficient use of the capacity of those interested in accounting information is the adoption of a mixed system.

In Romania, the action of normalization has two main directions, namely:

- The first direction is destined to accounting, by the existence of accounting technical norms issued by a authorized professional body or of the accounting regulations issued by the Ministry of Finances;
- The second direction manifests by the existence of professional standards developed by the professional authority designated by law (CECCAR), for professionals in the field, regardless of their method of practice.

Second, the state gets involved in the accounting issuing regulations on the matter, therefore law has a key role in this process. Accounting law, whose objective is to define the rules and principles applied in accounting techniques, is therefore identified as a distinct branch.

Existing studies have set out a range of factors of influence on the shaping or the application of the law. As an example, we agree to the opinion of Boross et al. (1995) about considering the move to the market economy as a factor with impact both in the drafting of the law and in the perceptions of the likely users of the financial statements. The influence of

state regulation, particularly in the context of the continuing perceived impact of fiscal policy on accounting regulation, is another aspect to be taken into account.

That is a fact that the accounting meaning is often considered as the common meaning of notions. Presently, practical situations lead other branches of law, like the civil or the commercial ones, use accounting law terms whenever needed, despite the existing differences. As a result, the accounting law is imposed as a primary source for interpretation of the notions in the economical domain. A possible explanation can be supported by the analytical way in which laws and accounting rules define some terms. For example, when referring to fixed assets, the accounting law provides numerous positions, which facilitates the selection of the right place where the asset should be included, the same as selection of the useful life according to the law. The results of this study can be completed with future researches, considering our continuous preoccupation in the accounting research process.

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Investment versus speculation on stock exchange

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Abstract

Stock market analysis brings to the fore the need to distinguish clearly between investment and speculation. This paper examines the theories that are subject to the debate on notable differences between these two concepts developed by Pierre-Joseph Proudhon, Benjamin Graham and John Maynard Keynes. Thus, the study highlights theoretical, positive and negative aspects of the two operations existing on the capital market, and from the practical point of view, complete the research with an analysis of the operations carried out in the stock market in the period January 2011- February 2013.

Keywords: investment, speculation, profit, risk, BET, emerging market, frontier market.

1. Introduction

When we look at investment, the available capital investment strategy aims at all types of financial instruments that are going to be purchased, the time horizon for the investment will be made, the level of liquidity and risk- a maximum tolerated by investors. According to these criteria, a part of those who represent the capital offer –investors, will prefer to purchase mostly bonds and shares, knowing that these securities are less risky, bring about a reasonable profit and have the advantage that its location is characterized by high liquidity, and another category, that of ultimate speculators--hedge, is represented by investors willing to take large risks in hopes that the earnings they will get , will be more consistent, and as such the portfolio will include only stocks with high potential for appreciation on the short term. Thus, the speculator will bet on gains from the appreciation of the share price and hardly of the dividend.

At a first glance, the differences between the two categories of participants seem to be the only nuance: investors and speculators try to profit from the rising price of the securities, the fundamental difference between the investor and the speculator being made according to the level of risk assumed and their attitude towards the stock market movements.

Therefore, John Mayard Keynes (1936) said that the speculators are not determined to acquire a financial asset for the income it generates in time, being generally motivated by obtaining the capital they hold out, relying on asset price growth due to the fact that someone else will pay more for it, which makes them more anxious to guess the next move of the market preferences than to estimate rationally the future profit of capital assets. The economic game of the speculator is to substitute monetary assets (flat price) for non-monetary assets the price of which varies and vice versa, depending on the condition of the market. In tems, Daniel Dăianu (1993) said that the claim is therefore a permanent arbitration between money, on the one hand, and real and financial assets, on the other hand, and according to Graham Benjamin (2010) its success depends on the speculator's ability to anticipate the development of economy, especially, of the estates values, while for the investor market movements are important from a practical standpoint, because they give rise to alternative levels of lowered prices, which would be good for him to buy, and high price

levels, which he certainly needs to refrain from buying and perhaps it would be better to sell. Robert J. Shiller (1984) and Graham Benjamin (1934) both declare it results that investors, traditionally defined as rational and characterized by risk aversion, judge the market price considering the valuable standards while speculators found their own value standards considering the market price.

2. Literature review

Ion Stancu (2000) consider investments "an exchange between current monetary exchange and a future expectation of recovering a cash flow. The investment act is grounded on saving, which is only resistance to immediate reward while hoping for a future rewarding. Ludwing von Mises (1979) belives that for people, general behaviour of saving is the main engine of development, as resources are channelled towards investments, instead of being wiped out by immediate consumption."

Pierre-Joseph Proudhon in his "Manuel du spéculator à la Bourse" (1857), describes the speculative stock exchange activity from the point of view of "productive speculation"- a highly risky activity, but which is considered "genius of innovation ...that create something from nothing", source of progress and real engine of economy , as well as from the point of view the non-productive one- a risky activity, but also sterile from economic and human point of view as it is responsible for generating factors which lead to the emergence of the crisis and financial collapse and destroy the system by corrupting its principles.

The French economist believes that financial speculation are the result of a strong inclination towards the profitability of capital on the short term, relying on financial innovations, the effects of which could be undermined by the unprofessional behaviour. From the point of view of Keynes (1970), speculation, in the negative sense of the term, does not begin until the prices of financial assets disconnect from "their fundamental value, so it can be accessed through international comparisons of purchasing power or productivity, and the more organizational investment markets improve, higher risk that speculation prevails, may appear."

Although the speculative activities conducted over the years, have been indicated by economists of Keynesian[1] school as an important catalyst of the financial crises, and Graham Benjamin (2010) approach the speculation itself is neither illegal nor immoral, nor (for most people) largely gainful. Therefore, many theorists and scholars acknowledge that speculation is necessary for the proper functioning of the market, which would be more rigid without speculators' cash - who agree to assume risks that investors would not accept.

Simon Johnson, James Kwan (2012), both considered speculation beneficial in two aspects: first, without speculation, newly emerging companies (start- ups) without a proven potential would never be able to raise the capital necessary for their expansion ever, the enthusiasm of entrepreneurs to speculate the new technologies or new methods of organizing production is the main source of development and prosperity. Secondly, speculation transfers risk, but does not remove it completely, every time one buys or sells a package of shares. The purchaser assumes the fundamental risk that the price of the shares purchased might fall, while the seller also assumes the residual risk – the possibility that the shares he just sold, might go up.

However, the combination between speculations and big amounts of borrowed money may generate dangerous financial crises, and according to Mionel Oana (2011) excessive speculations having devastating effects on markets and national economies, which may lead to some "speculative bubbles and the appearance of some casino economies."

[1] Nouriel Roubini, George Soros, Stephen Roach, Charles P. Kindleberger, J.K. Galbraith, and Robert Wescott

3. Stock activity on the domestic capital market

If between 2009-2010 stakeholders in the capital market almost lost their interest which led to slumps and insignificant performances in 2012, investors from the whole world regained their spurs to come with the cash hidden from the crisis and invest it on the financial markets.

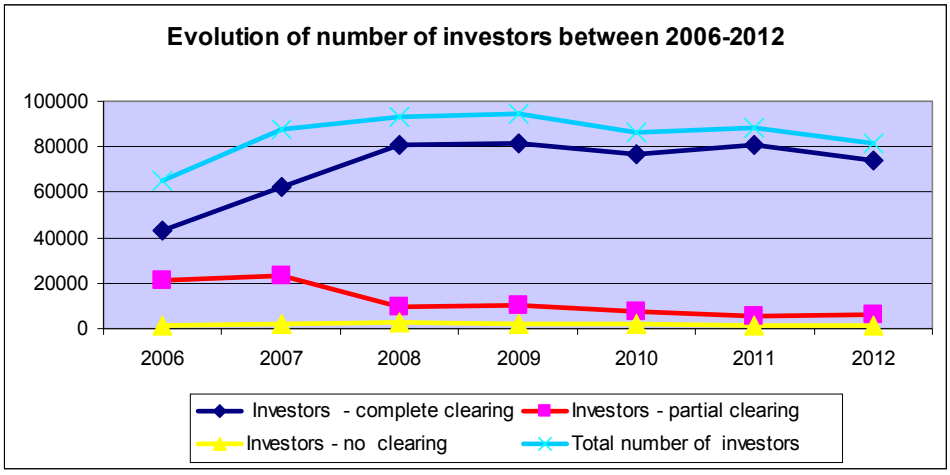
Usually, on the Romanian stock exchange market, investors are participants who act on short and medium term, do not take risks and avoid spending time on deeply analysing transactional financial instruments, their investment experience is not worthy of attention and their portfolios are quite weak.

Table 1. Evolution of number of investors between 2008-2012

Category of investors	Dec 2006	Dec 2007	Dec 2008	Dec 2009	Dec 2010	Dec 2011	Dec 2012	Variation 2011/2012
Clearing limit (euro)	2.000	4.500	7.000	9.000	11.000	15.000	20.000	-
Investors – complete clearing	42.915	62.250	80.980	81.743	76.867	80.779	3.814	-9%
Investors- partial clearing	20.956	23.562	9.449	10.577	7.575	5.670	.051	7%
Investors – no clearing	1.433	1.852	2.436	2.225	2.011	1.694	.353	-20%
Total number of investors	**65.304**	**87.664**	**92.865**	**94.545**	**86.453**	**88.143**	**1.218**	**-8%**

Source: Compensation Fund of Investors

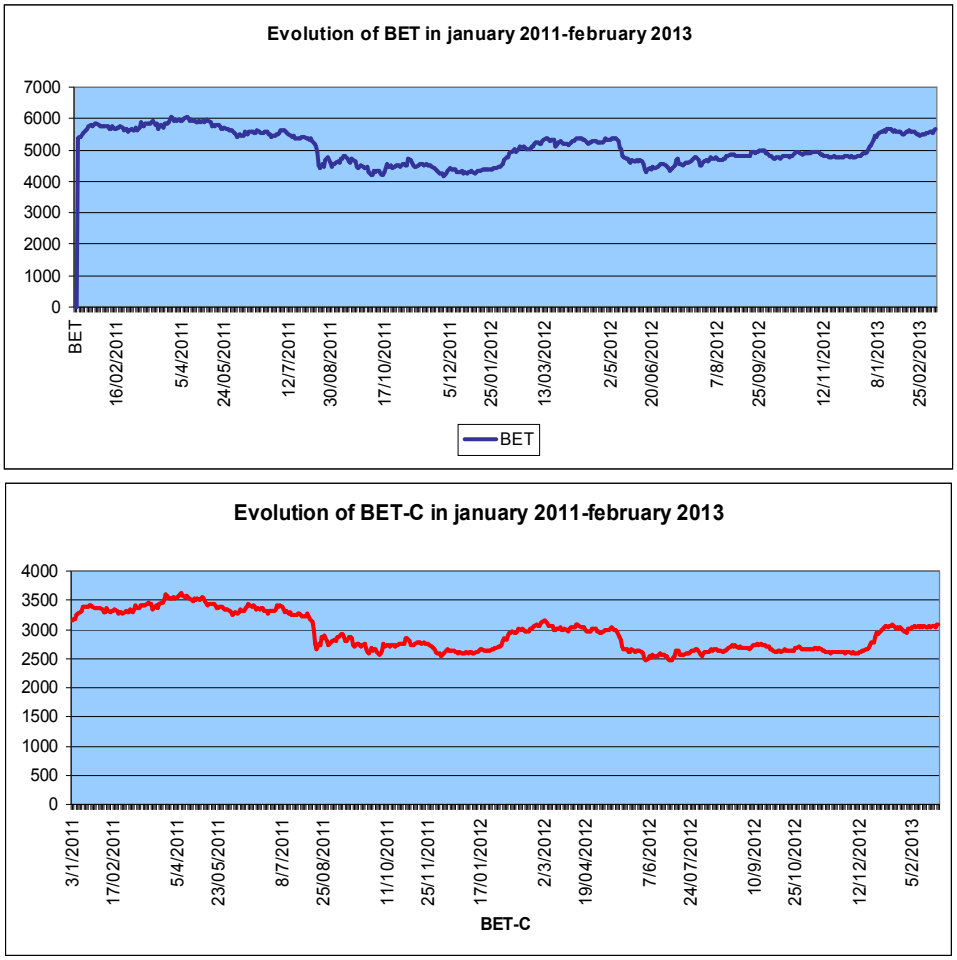
The total number of investors at the end of 2012 is 81.218, being recorded with a decrease of 8% , value recorded at the end of 2011.



In Romania there were 81.000 transactional accounts at the end of 2012, with a value of €20.000, of which 3.000 - 4.000 monthly assets, to a population of 19 m. habitants and 5 m. employees. Thus, the number of investors own 1.5% of active habitants, minimum implication of population on stock exchange, being caused by low incomes and low degree of financial education. Considering, hypothetically, that all Romanians make transactions of stock exchange market, the medium transactional amount per capita is €0.5. The indicator reaches higher values in Poland, where the population invest €5 on stock exchange market, Czech Republic and Hungary where the average is €4. If in Romania, the average wage is €350/ month, in Czech Republic, it is €985/month, in Hungary €529/ month and in Poland,

€786/ month. We remark a difference of average salary unlike the regional countries, there where the indicator is twice bigger, but the transactional amount is ten times smaller, which means that the difference is given by the level of the financial education.

The domestic capital market recorded a decrease in 2011, after stagnation in 2010 and partial recoveries in 2009. The evolution of the main indicators (BET and BET-C) of Bucharest Stock Exchange January 2011- February 2013 is presented below:



BET (calculated considering the most important ten shares issued on the market adjusted by BVB) recorded in 2011 a decrease of 17.7%, and in 2012 there was a mild increase of 18.7%, the best annual yield 2009. BET-C evolved just like BET, with a decrease of 15.74% at the end of 2011, followed by an increase of 6.3% in 2012.

As we can notice in the graphic, the analysed period is characterized by an obvious volatility on the capital market. The two official indices of the stock exchange, namely BET and BET-C, have recorded both increased and decreased values. If in January 2011, the two indices have recorded values such as 5421.29 and 3180.11 points, respectively, depreciation has occurred in the second half of the year, with minimum values in September-October. 2012 was similar to the past year, the trend followed by the two indices being quite similar.

Although at the beginning of 2013, the value of the official indicator is higher than in January 2011 (5.654.11 points), currently, BET has got 47% lower than the maximum value, recorded in July 2007 (10.813.59 points), the experts considering that BVB would reach the maximum values recorded in 2007, over 5- 10 years, whether Romania would not change its status of frontier country.

If new companies from public and private sectors are listed, cash flow and capitalization issue will increase and a rebound of Romanian economy will place our country in the category of the emerging countries.

Even if most of emerging countries* are vulnerable to speculative attacks, including Romania in this category would cease transactional discounts and would bring about significant equity on the market.

As for the period taken into account, a prudent investor ought to have reduced exposure to shares by purchasing financial instruments with fixed income approach, which would be reduced by losses. Speculators or investors with high risk appetite could have benefited from earnings during this period, if they had acted on the *futures* contract markets, named by Pierre-Joseph Proudhon (1857) the real battle-field of speculative operations, winning from shares decrease if they had initiated short position in derivates.

Conclusions

Nowadays, like Keynes (1970) said the true objective of the investment activities is to "steal the start", as the Americans say, to be smarter than the ignorant people and to pass the losing or depreciated currency to the other.

However, it is obvious for the investors on the stock exchange that proper identification of entry and exit moments is a very difficult task, and the risks are very high. As a result, investors who do not want taking risks, have to speculate stock rearing periods, but to exercise caution during periods of decline.

Considering the uncertainty on the stock exchange market during the period under review, participants, investors or speculators could not get big gains with little risk.

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* World Bank defines emerging markets as "place" where GDP per capita records the value of about $8 000 /year, but with a dynamic potential of development and growth economies.

The legal procedures of capital increase

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Abstract

The size of the share capital represents an indication of the company's profitability and might turn out to be useful for the obtainment of financing from the credit institutions and for the consolidation of the company's position on the market.

Capital increase is one of the most important operations of amendment of the constitutive act of the companies regulated by Law no 31/1990, as it can lead to a significant change of the shareholding's framework.

Consequently, the associates must analyze in detail the economic and legal consequences of the operation that they are called to endorse in the general meeting.

The author of this article has set out to address as completely as possible the legal procedures of capital increase, in order to draw up a practical guide for the contractors who wish to develop their business, as well as for the legal practitioners.

The study presents the opportunity of the operation, the notion and classification of the statutory cases of capital increase, the legal requirements and the procedures that have to be followed.

Keywords: capital increase, requirements, legal procedures, national and european regulations

1. Introduction

As Law no 31/1990 allows the companies to create reserve funds, which may be utilized in their day-to-day activity, capital increase appears to be a useless operation, this probably being the reason why the Romanian Trading Code, presently repealed, did not use to contain any provisions on capital increase.

The necessity to increase the registered capital might have multiple causes: the expansion or change of the company's scope of activity, the accrual of some significant reserves, the discrepancy between the actual value of the assets that compose the company's patrimony and the par value of the registered capital, the teritorial expansion of the company's activity branches, the compliance with the ever changing requirements enforced by the capital market, with the novel technologies, as well as the alterations in the company's structure, the purchase of equipment and installations, the merger or division of the company, etc.

Capital increase may also be based on the implementation of some privatisation contracts, on the appliance of the recommendations or requirements issued by some international bodies regarding the privatization of certain companies acting on strategic economic sectors. The selling of the controlling shares/social parts portfolio to an outside investor is sometimes concluded by stipulating the company's obligation to increase its capital up to a certain threshold, pursuant to the privatization agreement and the legal provisions under which this latter has been decided.

A company is also entitled to increase its registered capital in order to allow its employees to become associates.

Moreover, capital increase may be concluded in order to reflect certain objective financial phenomena in the company's records.

In most cases, capital increase finds its justification in the expasion of the company's scope of activity or in the necessity to attract external cash funds, if the company does not wish to issue bonds or to conclude contract loans. Issuing bonds can lead to a myriad of predicaments, especially linked to the interest rates that their are accompanied by, which must be paid to their owners, the possible difficulties in reimbursing at maturity the funds obtained in exchange for the bonds, not to mention the danger to attract unwanted associates, due to the inevitable need to settle the bonds by exchanging them for company's shares. In addition, the issue of bonds can infringe on the shareholders'/associates' preferential right of subscription.

Sometimes, capital increase is regulated by mandatory legal provisions, for instance the situation in which the legislator imposed the minimum amount of registered capital (article 10 paragraph 1 of Company Law).

At the same time, if the General Meeting of Shareholders/Associates decides to carry out a partial division and the company that transmits a fraction of its patrimony is compelled to reduce its registered capital below the statutory threshold, this latter will be restored up until the mandatory minimum amount (article 10 paragraph 2).

2. The concept of capital increase

In terms of terminology, the doctrine, legislation and legal practice operate at the same time with the concept of *increase* and that of *raise* of the registered capital. Law no 31/1990 names Chapter II of Title IV "Capital increase"', while article 210 uses the notion of capital raise.

The capital increase is the legal and accounting[1] operation performed following the associates' decision which entails the maximization of the registered capital's amount compared to the one agreed at incorporation or subsequently approved.

As any transfer of economic values, capital increase will be reflected in the company's records, inclusively in the case of contributions in kind, whose value is ascertained by an expert.

Capital increase must not be mistaken for the restoration of the registered capital following the drop in value of the company's net assets, case prescribed by article 153 of Company Law. The restoration of the initial registered capital does not entail an amendment of the constitutive act, being accomplished by the same means as capital increase, such as new contributions, the incorporation of reserves, profits or issue premiums or by compensating the claims on the company with its own shares[2].

[1] The operations that are entered into the company's accounts concerning the capital increase are mainly the following: the issue and subscription of new shares, the incorporation of reserves and other operations, according to the law (point 8.9.1, 243 (3) of the Order of the Public Finances' Minister no 3055/2009 for the approval of the Accounting Regulations consistent with the European Directives and article 210 of the Regulation no 4/2011 on the accounting regulations consistent with the Forth Directive, appliable to the authorized and regulated entities supervized by the National Commission of Securities).

[2] Monna-Lisa Belu Magdo, *Capital increase through the issue of new shares. Requirements*, Company Law Magazine, no 9/2003, p. 85-90

3. The classification of the statutory cases of capital increase

Several classification criteria of the operations of capital increase may be inferred from the relevant legal provisions currently in force.

Thus, related to the financing sources, capital increase is performed either through *new contributions* or *without new contributions* (self-financing).

In turn, capital increase through new contributions can be accomplished by *internal financing* (new contributions brought by associates) or *external financing* (contributions from outside the company).

Concerning the capital increase without new contributions or the self-financing, this is performed using the resources entered into the company's balance sheets. The self-financing represents a set of financing means resulted from the company's activity, derived from the following sources: issue, contribution, merger, division or conversion premiums[3], statutory reserves, those that are due to some outstanding exchange rate fluctuations and net profit margins, according to the latest balance sheet or determined by some favorable surpluses from the revaluation of the patrimony.

Depending on the nature of the operation, capital increase is *optional* (the rule) or *compulsory* (the exception). Capital increase must occur if it has dropped below the statutory threshold. As the merger or division has been left by the legislator at the discretion of the associates, capital increase aimed at their conclusion is optional.

By the criterion of the operation's complexity, capital increase may be *simple,* if it does not entail another amendment of the constitutive act, and *complex*, when it follows or is followed by other operations (change of legal form, public offering, etc.).

Related to the capital increase's effectiveness, this latter can be *nominal,* accomplished by basic accounting operations and resulted from the revaluation of the company's patrimony, without adding new values, or *real*, if there is an actual increase of the registered capital.

4. The legal requirements for capital increase

Capital increase is one of the cases that leads to the amendment of the constitutive act, thus it must comply with both the general legal provisions that regulate all the amendments and the special conditions enacted for the performance of the operation.

Article 212 of Law no 31/1990 expressly prescribes that the joint-stock company may increase its registered capital following the requirements enacted for its valid incorporation. This rule is also applicable to the other types of companies, although the legislator does not deal with the issue.

The rule enacted in article 9^{1}, which stipulates the obligation to settle in full the capital subscribed at incorporation of the partnerships or limited liability companies, is also applicable to their capital increase.

Any provisions by which the founding members decide the gradual formation of the registered capital or the capital increase authorized only by the constitutive act, with the payment of the contributions in installments which contravenes the law, are null and void[4].

The covenants between associates on capital increase at certain dates are lawful, provided that they comply with the requirements concerning the successive amendment of the constitutive act enacted by the provisions of Company Law. Moreover, the statutory cases of

[3] These types of premiums are prescribed by Law no 31/1990 (article 220 paragraph 3 and article 241 paragraph f), the Order of the P.F.M. no 3055/2009 (point 8.9.1, 245 (1)) and the Regulation of the NCS no 4/2011 (article 214).

[4] The Supreme Court of Justice, the commercial department, decision no 646/1994 in Legis 4.0

capital increase can be mixed, thus one and the same increase might be accomplished, for instance, by both contributions in cash and the incorporation of some reserves, in which case, besides the common rules regarding capital increase, the special requirements prescribed for each case of increase will become applicable.

Article 219 paragraph 2 stipulates that, if the envisaged capital increase is not fully subscribed, the registered capital will be increased within the limit of the subscriptions, provided that the issue requirements thus prescribe. On the contrary, if not all the issued shares have been subscribed and the possibility to increase the registered capital within the limit of the subscriptions has not been expressly set forth, a resolution of the Extraordinary General Meeting of Shareholders that establishes the capital increase even in these circumstances is null and void.

More often than not, capital increase is based on a *contribution agreement*, concluded in written form, between the management bodies of the company and the contributor. As a covenant of the constitutive act, it enacts in detail all the aspects related to the subscription, the appraisal, the transfer of the ownership or other right in the company's patrimony. The contribution agreement nominates the contributed asset, according to its nature, individualizing it similarly to a sales contract.

The contribution contract is temporarily concluded until its approval by the general meeting of associates (for joint-stock companies and limited liability companies) or by the associates' decision (for partnerships).

In other cases, the capital increase is decided over at least two convocations of the general meeting. Initially, this latter approves the subscription offer, which takes the shape of the issue prospectus in case of joint-stock companies which increase their registered capital by public offering, and sets forth the issue requirements[5].

The issue prospectus must comprise the aspects stipulated by article 212 paragraph 2 letters a-h and has to be lodged with the trade register, bearing the authentic signatures of two members of the administrative or management body, in order for the delegated judge to authorize its publication.

According to article 214, if the capital is increased by public offer, the company's officers or the members of the directorship are jointly liable for the precision of the aspects mentioned in the issue prospectus, in the company's disclosures and in the petitions addressed to the trade register.

The resolution on capital increase is entered into the trade register and is published in the Official Gazette of Romania in case of joint-stock companies.

Pursuant to article 219, the resolution of the general meeting on capital increase comes into force provided that it is carried out within a year from its enactment. The legislator has thus aimed to cast away the long-term ambiguities related to the real increase of the registered capital[6].

The interpretation of the relevant legal provisions leads to the conclusion that any operation of capital increase must take the following 3 or 4 steps, as appropriate:

a) the convocation of the Extraordinary General Meeting of Shareholders and the conduct of this sitting, having on the agenda the capital increase within the limits and conditions proposed by the management or administrative body or by the shareholders that own, either individually or separately, at least 5% of the registered capital;

b) the temporary endorsement of the resolution on capital increase by the Extraordinary General Meeting of Shareholders, the actual operation being performed after

[5] Article 15 of the Regulation NCS no 1/2006 on the issuers and the securities operations lays down the types of offers or the categories of securities for which the drawing up and the publishing of an issue prospectus are not required.

[6] Maria Dumitru, *Company Law,* European Institute Publishing House, Bucharest, 2010, p. 217

all the subscriptions of the newly issued shares end and a new resolution of the general meeting/ of the administrative or management body approves the increase of the registered capital with the value of the subscribed shares;

c) the offer of the unsubscribed shares to the public (this phase may lack if the new shares are not offered for subscription to third parties);

d) the actual conclusion of the capital increase. The resolution of the general meeting stipulates, under the sanction of nullity, the main coordinates of the capital increase, such as the amount by which the registered capital will increase, the number of newly issued shares, the possibility to increase the registered capital within the undertaken subscriptions if the issue is not fully subscribed, on the contrary, the lack of legal effects of the resolution on capital increase if not all the issue is subscribed or if it not subscribed up to a certain minimum amount.

4.1. The conditions prescribed for joint-stock companies

The increase of the capital of joint-stock companies and companies limited by shares is carried out following the resolution of the extraordinary general meeting, by vote of two thirds of the total voting rights of the present or represented shareholders, in the presence of at least a quarter of the aggregated number of voting rights for the first convocation or a fifth for the next convocations[7], provided that the constitutive act does not lay down higher quorum and majority requirements.

Capital increase through the raise of the nominal value of the shares can only be decided by all the shareholders' vote, excepting the increase accomplished by incorporation of reserves, profits or issue premiums[8].

In case there are several categories of shares, the resolution of the general meeting on capital increase or the delegation of this power will be subjected to a separate vote, for each category of shareholders whose rights are concerned by the operation at issue. These provisions are similar to those of article 25 paragraph 3 of the Directive no 77/91/EEC.

Capital increase must be performed only after all the outstanding claims are settled. This entails both the claims upon and towards the company.

A resolution of the general meeting that decides the increase of the registered capital before the settlement of the shares from the prior issue is null and void[9]. However, the doctrine has evinced that the resolution of the general meeting will be valid if it comprises the provision that the capital increase and the issue of new shares will come into force only after all the shares from the prior issue have been paid[10].

The capital increase of the *state owned joint-stock companies* is performed by resolution of the decisional body or through a legislative act, following the conditions prescribed by the special law.

According to article 114 of Company Law, the constitutive act or the resolution of the Extraordinary General Meeting of the Shareholders on the amendment of the constitutive act may delegate the power to increase the registered capital to the management or administrative body. The constitutive act can raise the quorum requirements of the meeting which decides upon the delegation. The authorization cannot exceed 5 years from the company's incorporation, when the authorization is granted by the constitutive act, or from the entering of the amendment of the constitutive act into the trade register, if the authorization stems

[7] Article 115 of Law no 31/1990

[8] Article 210 paragraph 4 of Law no 31/1990

[9] Cristina Cucu, Marilena-Veronica Gavri□, Cătălin-Gabriel Bădoiu, Cristina Haraga, *Company Law no 31/1990. References. Legal practice. Decisions of the Constitutional Court. Annotations*; Hamangiu Publishing House, Bucharest, 2007, p.165

[10] Ion Luca Georgescu, *Romanian Company Law*, ALL BECK Publishing House, Bucharest, 2002, p. 486

from the resolution of the general meeting. The decision of the management or administrative body on capital increase after the deadline stipulated by the constitutive act is null and void.

The authorized capital[11] cannot exceed half of the amount of the subscribed capital at authorization. The increase will be carried out through the issue of new shares in exchange for contributions. Consequently, the management or administrative body is not entitled to select the method of capital increase among those enacted by article 210, being compelled to opt for the issue of new shares in exchange for the contributions brought by the associates.

Any operation of capital increase by an amount that exceeds half of the registered capital must be approved by the Extraordinary General Meeting of Shareholders. The approval must also be obtained if the increase is performed by self-financing.

The management or administrative body may also be empowered to restrict or suppress the existing shareholders' preferential right of subscription. The resolution is lodged with the trade register in order to be mentioned and published in the Official Gazette of Romania.

4.2. The conditions prescribed for limited liability companies and partnerships

In the case of the limited liability company, article 194 paragraph 1 letter d of Company Law stipulates that the amendment of the constitutive act is decided by the general meeting of associates. For the resolutions leading to the amendment of the constitutive act the vote of all the associates is required, if the law or the constitutive act do not prescribe otherwise (article 192 paragraph 2)[12].

Consequently, the article enacts a rule and two exceptions regarding the resolution on the amendment of the constitutive act. In most cases, this is performed following the unanimous vote of the associates. From the above-mentioned rule there are two exceptions: when certain legal provisions set forth other quorum and majority conditions for the approval of the resolutions on the amendment of the constitutive act, as well as when the constitutive act itself lays down other requirements for the amendment of the constitutive act in general or for the increase of the registered capital.

The limited liability company can increase its registered capital by the means and from the sources prescribed by article 210, the same as those enacted for the joint-stock companies. However, the conditions regarding the unanimous vote for the capital increase through the raise of the nominal value of the social parts stipulated by this article will not be applicable to the increase of the limited liability company's capital, as article 221 only refers to the means and sources of capital increase prescribed by article 210, and not to the quorum and majority conditions of this article too[13].

Concerning the partnerships, the amendment of the constitutive act and, implicitly, the capital increase, is unanimously decided by the associates.

4.3. The conditions prescribed for companies quoted on the stock exchange

For the companies quoted on the stock exchange, article 236 of Capital Market Law stipulates that any capital increase must be decided by the extraordinary general meeting. This latter may delegate the power to the management or administrative body up to a certain

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[11] The notion is also laid down by article 25 of the Second Council Directive no 77/91/EEC, which stipulates that the constitutive act or the general meeting may authorize an increase of the registered capital up to a maximum amount, the actual increase being endorsed by the company body thus empowered within the set limits.

[12] The resolution on capital increase of a limited liability company is null and void if not all the associates have attended the meeting (The Supreme Court of Justice, the com. depart., dec. no 26/1998, Company Law Magazine no 2/1999).

[13] Ioan Schiau, Titus Prescure, *Company Law no 31/1990. Analyses and articles' review,* Hamangiu Publishing House, Bucharest, 2009, p. 589

level, over a maximum period of one year, renewable over periods that must not exceed one year each.

According to article 240 of Law no 297/2004, the capital increase by contributions in cash or in kind, as well as the suppression of the shareholders' preferential right to subscribe the new shares has to be decided in the Extraordinary General Meeting of Shareholders, attended by at least 3 quarters of the total number of owners of the registered capital, with the vote of the shareholders that represent at least 75% of the voting rights.

The contributions in kind might consist in efficient assets, necessary for the performing of issuing company's objects. The appraisal of the contributions in kind is carried out by independent experts, according to article 210 of Law no 31/1990. The number of shares issued in return for the contributions in kind is computed as the ratio between the value of the contribution, established as paragraph 3 prescribes, and the highest value between the market value of a share, the value per share determined by the net accounting assets, or the nominal value of the share. Thus, Capital Market Law indirectly enacts the compulsory issue premium, where the market value or the value determined by the net accounting assets is higher than the nominal value of the share[14].

The capital increase of a company quoted on the stock exchange is registered to the bodies of the regulated market (the stock exchange, the settlement house, the central depository, etc.) only on the basis of the registration certificate of the securities, issued by the National Commission of Securities and according to the references therein inserted by the trade register.

5. The methods and procedures of capital increase

The methods through which the capital increase is concluded are prescribed by article 210 of Company Law. According to its provisions, the capital increase might be carried out with or without new contributions.

Even if article 210 does not expressly enact the merger or division as methods of capital increase, article 215 paragraph 1^1 refers to the capital increase conducted in order to perform a merger or division and for the settlement of payments in cash to the shareholders/associates of the absorbed/divided company.

5.1. The capital increase by new contributions

The process of capital increase by new contributions may be accomplished by two means: the issue of new shares or the raise of the existing shares' nominal value.

5.1.1 The issue of new shares

The issue of new shares can be performed in exchange for contributions in cash, in kind or in receivables, for a trading fund or by public offering.

The contributions in cash are allowed at the increase of the registered capital of all the companies regulated by Law no 31/1990, regardless of their legal status. The newly-issued shares are mainly offered for subscription to the existing shareholders, according to their preferential rights, and subsequently to third parties. The subscription by the existing shareholders or the raise of the shares' nominal value is preferable to the subscription by third parties, as the company bears the risk of attracting some undesirable persons.

The issue of the new shares will be concluded by complying with the following rules:

a) the registered capital cannot be increased and the new shares will not be issued prior to the settlement in full of those previously issued (article 92 paragraph 3);

[14] Ioan Schiau, Titus Prescure, *cited work,* p. 575

b) the shares must contain the compulsory legal references, such as the company's denomination and operating time span, the date of the constitutive act, the company's registration number in the trade register, the unique registration code and the number of the Official Gazette of Romania in which the publication has been made; the registered capital, the number of shares and their serial number, the shares' nominal value and the received settlements (article 93 paragraph 2).

c) the shares cannot be issued for a sum which is lower than their nominal value, this latter being at least 0.1 lei (article 92 paragraph 1 and article 93 paragraph 1 of Law no 31/1990, as well as article 8 of the Directive no 77/91/EEC);

d) the shares must be of an equal value, granting their owners equal rights (article 94 paragraph 1); however, several categories of shares which grant their owners different rights may be issued, provided that the requirements of article 95 and 96 are observed;

e) cumulative titles for several shares can be issued, when the shares are issued in material form (article 92 paragraph 5);

f) the unsettled shares are always nominal (article 92 paragraph 2);

g) the nominal shares may be converted into bearer shares and vice versa, by resolution of the Extraordinary General Meeting of Shareholders (article 92 paragraph 4).

According to article 16 paragraph 2 of Company Law, *the contributions in kind* must be assessable from an economic standpoint. They are allowed for all company types and are settled by transferring the corresponding rights and by the actual handing of the assets in use to the company.

Unlike contributions in cash, the shares issued for a contribution in kind must be fully settled until the date of the title transfer to the contributor (article 21 paragraph 2).

In the case of partnerships, when the property over the contribution to the registered capital is held by several persons, these latter are jointly liable towards the company and must appoint a common representative for the exercise of the rights derived from this contribution (article 83).

The contribution in kind must fulfill several *conditions:*

a) the contribution must be *real*, in that the asset or performance that represents the object of the contribution has to consist in an economic value which generates an advantage, an added value to the existing capital, at the concluding date;

b) the contribution *must exist*;

c) the contribution *has to comply with public order and good manners*;

d) the assets that represent the object of the contribution must be *reliable, patrimonial, able to serve the purpose of the company and enforceable;*

e) the assets *must be in the civil circuit*;

f) the assets will be *subjected to an appraisal by expertise* (article 215 of Law no 31/1990 and article 27 of the Directive no 77/91/EEC).

Concerning *the joint-stock companies,* article 25 paragraph 3 prescribes that the acceptors who have brought contributions in kind to the registered capital do not possess voting rights to the decisions regarding their contributions, even if they also subscribe contributions in cash or are the representatives of other acceptors.

With reference to *limited liability companies,* article 193 stipulates that an associate cannot exercise his voting right in the associates' meeting that decides upon his contribution in kind and the legal act concluded between him and the company. If an indivisible asset is brought, all contributors are deprived of the voting rights, as this contribution is unique and indivisible, and cannot be approved by more than one decision. In case of multiple contributions, the exclusion of the contributing associate is applicable only for its own contribution. He may vote for the appraisal of the contributions brought by others. However,

the legislator has not extended this restraint to the natural or legal persons that have common interests with the concerned contributor.

In practice, the contribution in kind brought to the registered capital is based on an agreement between the company and the contributor, *the contribution contract,* which comprises the description of the contributed assets, their valuation (temporary, anticipated), the number of shares issued in exchange for the contribution, the contribution premium or other benefits, if necessary, etc. The company through its representatives signs this contract under the condition of its approval in the general meeting (suspense validity condition)[15].

The expertise report is mandatory at the capital increase by contributions in kind[16], taking into account that an excessive proportion of these latter might damage the liquidity of the registered capital and represents a constant source of predicaments, not only during the functioning of the company, but also on its winding-up, as the initial price at which the assets brought to the company have been valuated at incorporation or constitutive amendment is not usually recovered at the time of sale. Moreover, in general, contributors have the tendency to overestimate their contributions, receiving in return more shares or social parts than they deserve. Consequently, the settlement of the claims of the other associates and creditors over the company may be prejudiced[17].

The appraisal of the contributions in kind is the legal and technical operation of valuation of the price of the assets brought to the company, through their quality traits, as well as their capacity to serve the company's interests. The outcome of the appraisal comprised in the expertise report influences the number and the value of the participating titles that are being granted to their contributor.

The report is also mandatory for the limited liability companies run by a single associate, according to article 13 paragraph 3 of the law.

Pursuant to article 215 paragraphs 3 and 4, subsequently to the lodging of the expertise report, the extraordinary general meeting convened once again, taking into account the experts' conclusions, can decide to increase of the registered capital. This resolution must contain the description of the contributions in kind, the names of the persons who brought them to the company and the number of shares that will be issued in exchange.

The contributions in receivables are strictly regulated by the legislator, as they entail a certain dose of uncertainty, in terms of their value and settlement, being able to damage the amount of the registered capital and to defraud the interests of creditors and other contributors[18].

The subscription of the contributions in receivables is considered concluded when the legal formalities enacted for the valid assignment of receivables are carried out.

The contributions in securities (shares, bonds, social parts, etc.) are assimilated to the contributions in receivables, therefore these latter's requirements become applicable, together with those prescribed for the assignment of receivables.

The contribution of a trading fund might represent for its owner the more efficient means of developing his business or, on the contrary, of limiting his own responsibility, by dissociating his liability from that of the company.

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[15] Vasile Pătulea, *The financing of the trading companies. Their own resources. The share capital*, Hamangiu Publishing House, Bucharest, 2009, p. 285

[16] If experts are not appointed for the appraisal of the contributions in kind, the resolution on capital increase might be annulled. Thus, the legal practice has emphasized the fact that "the 3 assets were overrated, by breaching the relevant legal provisions, using the cost method and not that of the market price, in detriment of the other shareholders" (The Supreme Court of Justice, com.depart., dec. no 4619/2003).

[17] Corneliu Bârsan, Alexandru □iclea, Vasile Dobrinoiu, Mircea Toma, Constantin Tufan, *Trading companies. The organization, running, responsibility, tax liabilities,* □ansa Publishing House, Bucharest, 1995

[18] Ion Băcanu, *Contributions in bonds,* Company Law Magazine no. 2/1999, p. 41

This contribution is mainly subjected to the rules that govern the contributions in kind. The contributor will be exclusively remunerated by shares or social parts.

As a seller of a trading fund, the contributor is compelled to observe several obligations concerning the consistency and the scope of the trading fund.

Company Law enacts the hypothesis of the capital increase through *public offering* only in case of joint-stock companies and companies limited by shares.

The resolution on capital increase is based on the issue prospectus, which has the legal nature of a contracting offer addressed to undetermined persons[19].

The issue prospectus will be drawn up in authenticated form, under the sanction of the absolute nullity, but this form may also be complied with by the subsequent authentication of the constitutive act, aspect inferred from the provisions of article 18 paragraph 4.

According to article 212, *the issue prospectus,* bearing the authentic signatures of two of the members of the administrative or management body, will be lodged with the trade register in order for the delegated judge to approve its publication and *will contain*:

a) the date and the number of the company's registration into the trade register;

b) the name and the headquarters of the company;

c) the subscribed and settled capital;

d) the name and surname of the company's officers/ members of the directorship/supervisory board/censors/financial auditors and their domicile;

e) the last approved financial statement, the censors' or financial auditors' report;

f) the dividends paid in the last 5 years or from the incorporation, if less than 5 years have passed from this date;

g) the bonds issued by the company;

h) the general meeting's resolution regarding the new share issue, their aggregated value, their number and nominal value, their type, references to the contributions, other than those in cash, and the allotted benefits, as well as the date from which dividends will be paid.

The issue prospectuses which do no comprise all the above references will be null and void. The acceptor will be entitled to invoke the nullity of the issue prospectus, provided that he has not exercised in any way his rights and liabilities as a shareholder.

5.1.2. The increase of the nominal value of the existing shares

By contrast to the issue of new shares, which may be performed at every increase of the registered capital, the increase of the nominal value of the existing shares is mainly used for the capital increase by incorporation of reserves[20].

The increase of the nominal value of the existing shares can only be decided by the vote of all the shareholders, except when it is concluded by the incorporation of reserves, benefits or issue premiums (article 210 paragraph 4). The reasoning behind this is related to the absence of the shareholders' obligation to bring new contributions.

Consequently, the increase of the shares' nominal value might be carried out either in exchange for new contributions, or by incorporation of reserves, benefits or issue premiums.

The power to increase the share capital by raising the nominal value of the existing shares cannot be delegated to the administrative or management body, as the provisions of article 220 only refer to the capital increase by the issue of new shares in exchange for contributions.

5.1.3. The capital increase in view of the company's merger or division

According to article 250 of the law, the merger or division leads to the transfer of all the rights and liabilities of the absorbed/divided company to the absorbing/beneficiary

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[19] Stanciu Cărpenaru, *cited work,* p. 309. In the sense that the issue prospectus is an adhesion contract by which the public expresses its wish to acquire shares in his portfolio, see Ion Adam, Codru Nicolae Savu, *Company Law. Reviews and explanations,* CH BECK Publishing House, Bucharest, 2010, p. 82

[20] Vasile Pătulea, *cited work,* p. 277

company. Thus, the absorbed/divided company/companies are wound-up, without liquidation, their patrimonies contributing to the increase of the capital of the absorbing/beneficiary company/companies that already exist at the time of the total or partial division of the other company[21].

The main effects of the merger and division are the creative effect, the extinctive effect and the transferring effect. Among these, the transferring effect is the one that explains the capital increase of the absorbing company, in which case the value of this latter's capital will be equal to the value of the existing capital at the merger by absorption plus the value of the patrimony of the absorbed company/companies, as well as the capital increase of the company/companies that benefit from the total or partial division.

5.2. The capital increase without new contributions

The method of increasing the capital without new contributions involves the use of the company's internal resources, such as reserves, benefits or issue premiums, as well as the clearing of some claims on the company with its own shares.

5.2.1. The incorporation of reserves, benefits or issue premiums

The capital increase may be accomplished either by actually multiplying the company's assets (new contributions) or through the accounting multiplication[22] (*the incorporation of reserves*), that is by incorporating in the balance sheet some resources listed under liabilities, which represent own funds, into the registered capital[23].

In this latter case, the incorporation of reserves is accomplished through the direct transfer of a sum drawn from one or several reserve accounts to the capital account[24], both accounts being listed under liabilities in the balance sheet.

The reserves have been classified in the legal doctrine into the following categories: legal, statutory and optional. This classification is also enacted by Order of the Public Finances' Minister no 3055/2009, point 8.9.3, 247 (1), as well as the Regulation of the NCS no 4/2011, article 216.

a) *The legal reserves.* According to article 183, minimum 5% of the company's yearly profit will be used to set up a reserve fund, until this latter reaches at least the fifth part of the registered capital. If the reserve fund has decreased for any reason after the company's incorporation, it will be restored fulfilling the same conditions as those following which it has been created. If the company was not able to restore the reserve up to the minimum statutory threshold, the remaining rest that was not settled will add to the rate of 5% the ensuing tax year.

Article 210 paragraph 2 stipulates that the provisions regarding the reserve funds of joint-stock companies are applicable to limited liability companies too and, consequently, also to the operations of capital increase.

The legal reserves are destined to cover the losses incurred by companies during poor times, and thus cannot be used to increase the registered capital.

The resolution of the extraordinary general meeting/management/administrative body on capital increase through the incorporation of legal reserves is *null and void*, as their legal status is part of the public order.

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[21] According to article 14 paragraph 2 of the Government Decision no 859/2002 on the approval of the Instructions regarding the calculation methodology of the income tax, in case of the merger or division of a tax payer that ceases to exist, the sums resulted from the valuations generated by these operations will be reflected in the reserves accounts of the resulting entities, without being used to increase the registered capital.

[22] This is the reason why a full settlement of the old capital is not required.

[23] Ion Băcanu, *The share capital of trading companies,* Lumina Lex Publishing House, Bucharest, 1999, p.141

[24] Ion Turcu, *The new legal implications of the capital increase of the banking companies*, Company Law Magazine no 2/1997, p. 10

b) *The statutory reserves* are created under the conditions and to the destinations set forth in the constitutive act. Those reserves may be used to distribute dividends to the shareholders during times when the company does not make profits. Having the power to amend the constitutive act, the extraordinary general meeting is implicitly entitled to take any measures regarding the statutory reserves, even to change their destination or suppress them for the future.

c) *The optional reserves* are created and have the destination attributed by the general meeting of associates. The decision to create such reserves and, implicitly, to reduce the dividends is generally favorable to the majority shareholders and the management bodies of the company, these aiming to reinvest the profits in order to deal with the competition on the market or to make higher profits in the future. By contrast, the minority shareholders that have placed their savings in shares, in order to collect as higher dividends as possible every year, are prejudiced by the creation of these reserves, especially when their participation is diminished or when all the profits are transferred to the reserves' account or they are deferred to the ensuing financial years. The legal doctrine[25] emphasizes that even the extraordinary general meeting cannot suppress the shareholders' right to dividends, as it would lead to the infringement of an intangible right, essential to the company contract. This is precisely the reason why the shareholders are entitled to contest in a court of law for legal abuse the resolution of the general meeting that breachs their right to profits and is not justified by the company's interests, according to article 132. Moreover, a policy of massive allocation of profits to the reserves' account may lead to a drop in share price on the market, and, implicitly, to the prejudice of the shareholders[26].

Capital increase through the incorporation of reserves can also be carried out by the increase of the nominal value of the existing shares, pursuant to the conditions prescribed by article 210 paragraphs 1 and 4 of the law.

The increase of the registered capital of joint-stock companies may also be accomplished by *the incorporation of the net profit* owed to the shareholders after the settlement of the dividend tax, other useful expenditures and after the restoration of the reserve fund existing in the accounts pursuant to the last balance sheet, according to article 183 of the law.

This method of capital increase is also known as the increase of the registered capital by the settlement of dividends in shares[27] and is performed by means of an accounting operation between the liabilities' accounts, similar to the incorporation of reserves.

The process coincides with the aim of every company's incorporation, that is the profit and its distribution in dividends. The dividends that the shareholders are entitled to proportionally to their participation to the company's capital are incorporated into the registered capital, and titles of participation whose value equals that of their aggregated cost will be allotted to the shareholders.

Capital increase through *the incorporation of benefits* may also be carried out by the raise of the nominal value of the existing shares, pursuant to article 210 paragraphs 1 and 4 of the law.

In case of joint-stock companies and companies limited by shares, Law no 31/1990 enacts the capital increase through *the incorporation of the issue premiums,* which can also be performed by the increase of the existing shares' nominal value.

In these types of companies, the increase of the registered capital might also take place by the incorporation of other capital premiums, such as contribution, merger or division premiums or premiums derived from the conversion of the bonds in shares.

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[25] Ion Luca Georgescu, *cited work,* p. 684

[26] Ion Băcanu, *cited work,* p. 145

[27] Stanciu Cărpenaru, Sorin David, Cătălin Predoiu, Gheorghe Piperea, *cited work,* p. 817

The main purpose of the capital premiums is the restoration of the reserve fund and just secondary the capital increase. In the absence of other sources of restoration of the legal reserves and especially if the company has incurred losses, the capital premiums must be used for the restoration of the reserve fund, and subsequently to this operation they will remain at the discretion of the decisional body, which may decide to use them for capital increase or to incorporate them into the reserves' account.

Company Law does not enact the company's obligation to transfer the value of the capital premiums to the reserves' account as in the case of the favorable differences resulted from the revaluation of the patrimony, which must be transferred to reserves, without increasing the registered capital (article 210 paragraph 3).

If the capital premiums are transferred to the reserves' account and they are used for capital increase only afterwards, this latter is accomplished through the incorporation of reserves and not by the incorporation of the capital premiums.

The other capital premiums are: the merger premium, the division premium, the contribution premium, the conversion premium and the clearing premium.

Article 241 letter f of Law no 31/1990 prescribes that the merger or division project will mention the value of the merger or division premium, without any provision on the possibility to use it for capital increase in case of a merger by absorption or a division by detachment. However, for the same reasons, due to the similar legal status, these premiums might be used for the increase of the registered capital.

The merger premium represents the surplus resulted from the difference between the issuing value of the participating titles that are issued and allotted by the absorbed company to the absorbing company in exchange for the patrimony that this latter transfers, and the nominal value of these titles. This type of premium is issued only in the case of a merger by absorption or a division by detachment.

The division premium constitutes the surplus from the issuing value and the nominal value of the participating titles which are issued in exchange for the universal transfer of the patrimony of a certain company to one or several existing companies or which will be created following the division by detachment.

The contribution premium is the surplus resulted from the difference between the issuing value of the participating titles which are issued by the company in exchange for the contributions in kind and the nominal value of the offered participating titles.

As it was evinced in the doctrine, the issue premiums are enacted for contributions in cash, while the contribution premiums concern contributions in kind[28].

The conversion premium represents the surplus between the issuing value and the nominal value of the participating titles which are issued in exchange for certain debentures (others than participating titles) that constitute the economic equivalent of a company loan or which offer to their bearer a right of claim over the company and that are converted in participating titles at maturity.

The clearing premium is the surplus between the issuing value and the nominal value of the participating titles that are issued at capital increase in exchange for some debentures (others than participating titles), after their maturity, which constitute the economic equivalent of a company loan or that offer to their bearer a right of claim over the company.

One of the clearing methods enacted by Law no 31/1990 is the clearing of liquid and matured claims on the company with its own shares (article 210 paragraph 2).

The difference between conversion and clearing is that the first converts titles that have not yet matured, while the second clears the titles incorporating a company loan with shares on their maturity.

[28] Elena Cârcei, *Joint-stock companies,* ALL BECK Publishing House, Bucharest, 1999, p. 345

5.2.2. The clearing of liquid and matured claims on the company with its own shares

According to article 210 paragraph 2 of the law, the new shares are settled by their clearing with some liquid and matured claims on the company.

The general theory of the obligations defines the clearing as a method of debt settlement that entails the extinction of 2 mutual obligations up to the smallest of them.

The clearing of the debts with shares is considered by the most part of the doctrine a form of self-financing[29]. The liabilities of a company include 2 components: *the external side,* composed of the company's debts towards certain creditors, and *the internal side,* represented by the obligation to distribute the dividends to the shareholders and the salaries to the company's employees[30]. The self-financing may be performed by the clearing of some liquid and matured claims on the company with its own shares, that is the incorporation of the external side of the company's liabilities into its registered capital[31]. The company's creditors or the debenture owners become shareholders by clearing, receiving shares in return for the debentures.

In fact, the clearing of the debts with company shares is an actual process through which third parties may become shareholders by circumventing the legal provisions on the public subscription and the preferential right.

In order to be used as a distinct method of capital increase, the clearing of the company's debts with its own shares must fulfill the following cumulative conditions:

a) a resolution of the extraordinary general meeting on capital increase through debt clearing;

b) the beneficiary of the right to acquire shares in exchange for debentures is the creditor of the issuing company;

c) the claim in exchange for which shares are issued must be reliable, liquid (in a determined amount), and chargeable (having reached maturity) in the sense prescribed by article 653 of the Civil Procedure Code;

d) the creditor's consent to subscribe all or a fraction of the newly issued shares following the capital increase by the clearing (total or partial) of his claim over the company, resulted from the initial legal relationship, with the claim of the company over him, stemmed from the subscription agreement;

e) the clearing is carried out to a value of the shares established on the basis of a valuation report and following negotiations between the company's management bodies and its creditors[32];

f) the operation must fulfill the legal requirements of the clearing, prescribed by articles 1616-1623 of the Civil Code[33];

g) the debt clearing is not applicable to insolvent companies[34].

Convertible bonds can be exchanged for shares of the issuing company, under the requirements prescribed by the issuing prospectus (article 176 paragraph 3).

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[29] The company can also settle its debts by the regular method of capital increase through new contributions in cash, using the resulting funds for the settlement of debts.

[30] Raul Petrescu, *Romanian Company Law,* Oscar Print Publishing House, Bucharest, 1998, p. 98

[31] Octavian Căpă□ână, *Trading companies,* Lumina Lex Publishing House, Bucharest, 1996, p. 357

[32] Ion Băcanu, *cited work,* p. 156

[33] A part of the doctrine considers that the stricter requirements of the legal clearing are those applicable in this case, rather than those of the conventional clearing. However, taking into account that any clearing of a claim over the company with its own shares demand a convention of the parties (the creditor and the company in debt), we consider that the conventional clearing is applicable to this particular case.

[34] Ion Băcanu, *Contributions in bonds,* Company Law Magazine no 2/1999, p. 47;

Some special regulations enact derogatory solutions from the provisions of the Law no 31/1990 concerning the capital increase through the clearing of the claims over the company with its own shares.

The legislations of certain European states, such as France, enact the bonds issued with a share subscription bill, an institution which is not regulated by the Romanian Company Law.

Considering that the conversion of the bonds in shares automatically leads to capital increase, requiring the fulfillment of some cumbersome formalities, some legislations, such as the French or the Italian one, streamline them to a great extent. Thus, the amendment of the constitutive act can be undertaken only once a year, regardless of the number of conversion applications which intervene in this time span, by resolution of the administrative body (article 196-1 paragraphs 4 and 5 of the French Company Law and article 2420 of the Italian Civil Code).

Conclusions

In a future regulation, article 212 paragraph 1 of Company Law should be amended, by specifying exactly which provisions on the company's incorporation are also applicable to the capital increase, so as to eliminate the current controversies existing in the doctrine. In this sense, the provisions applicable to both company incorporation and capital increase should be only those related to the amendment of the constitutive act, enacted by article 204, not also those referring to the actual incorporation of the company. Moreover, it would be highly recommendable to extend the scope of paragraph 1 of article 212 to all types of companies, in order to ensure the symmetry between incorporation and amendment. Article 219 on limited liability companies could be modified accordingly.

Article 219 paragraph 1 should expressly prescribe the sanction for exceeding the period of one year for carrying out the resolution of the general meeting on capital increase, that could be the absolute nullity or the caducity. This paragraph may also regulate the date of the "carrying out" of the resolution of the general meeting, as being that of the publication in the Official Gazette, its entering into the trade register or another date decided by the associates. The second paragraph could be rephrased in order for a partial subscription to produce effects even if the general meeting convened subsequently to the conclusion of the subscriptions thus decide. In this way, the associates' obligation to state in advance, in the initial general meeting that temporary approves the capital increase, upon the possibility to increase it only within the limit of the undertaken subscriptions, would be eliminated. The associates can make an informed decision, by being fully aware of the amount of the undertaken subscriptions, which is in the best interest of the company.

According to article 220^1 paragraph 1 final thesis of Law no 31/1990, the increase of the subscribed capital up to the value of the authorized capital is concluded "by the issue of new shares in exchange for the contributions". This wording may seem to indicate that not all the increase procedures enacted by article 210 are applicable to the increase of the subscribed capital up to the authorized capital, as the text only refers to contributions in cash or in kind, not also to the incorporation of reserves, profits or issue premiums and the clearing of the claims on the company with its own shares. Due to the fact that such requirement is not regulated by Second Council Directive no 77/91/EEC, we believe that this represents an excessive provision, which does not correspond to the ultimate aim of the institution of delegation of the power to increase the registered capital to the company's officers, which is the streamline of the decisional process. In a future regulation, we propose that the final thesis of paragraph one is restated as follows: "by the issue of new shares, under the conditions prescribed by article 210".

In turn, article 220^1 paragraph 3 contains a legislative inadvertence, due to a muddle between the subscribed and the authorized capital. Thus, the authorized capital has a higher nominal value than the subscribed capital. In other words, the authorized capital encompasses the value of the future subscribed capital, being unable to reach *at most a* half of this latter's value, as stipulates the legal provision. The paragraph could be rephrased as follows: "the nominal value of the authorized capital cannot exceed with more than half the subscribed capital, existing at authorization".

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Financial audit and the credibility of financial situations

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Abstract

In the pursuit of accountant activity a special tool is represented by the financial audit, it supposes the promoting and implementing of some methodologies well harmonized and put into practice upon some entities on a European as well as on an international level. Thus, the audit is a top domain of the economic-financial theory and practice. Through audit activity upon an economical entity is attested the keeping of active provisions, the keeping of managerial performance principles, namely the efficiency and efficacy of the audit entity. Through the activity of financial audit it is understood the expressing from an accountant professional independent (auditor), of fidelity regarding the financial and accountant representations, representing he key base to approve the credibility of financial transactions exposed in financial situations, offering the guarantee of accountant information of quality through verification and certification of an economic audited entity.

Keywords: audit, financial audit, auditor, credibility, financial situations

1. Introduction

The word "audit" means the "accountings 'obedience", it comes from Latin, and was taken over in French language. At the beginning it was only used as a control of the accounts, but once with the development of the affairs and the international trade, it has spread all over, being useful in accomplishing some analysis, controls and compared studies.

The eighth Directive of the Council nr. 84/253/EEC, Recommendation 2001/256/EEC and Financial Regulation applicable to general budget of European Economic Communities nr. 1605/2002 defines the word "audit" as follows: "the audit represents the examination of financial situations and the accountant report of a company, society, firm or institution and the results within a rapport which certifies if in the auditor's opinion the accountant report examined reflects really the financial situation of a company or a similar economic entity."

The financial audit or the expression "financial audit which leads to certifying the financial situations" represents the professional examination of some financial documents in order to express a responsible and independent opinion through the report of a legislative referential.

The activity of financial audit supposes the audit of financial situations which will lead to the insurance of the quality, the correctness of the information and to an increasing of credibility regarding the interested public and of an entity's economic activity

2. Financial audit and the credibility of financial situations

The audit activity is complex and multidisciplinary and in a continuously evolution due to its increasing on the market audit and the pressure taken on the fees led to searching some audit techniques to increase the productivity and the performance through the

apparition of some informatics accountant programs. Through these programs it emphasizes the research methods in order to allow the localization of risk areas or in modern terms the research is focused on the management risks.

The Room of Financial Auditors from Romania is a professional organism which organizes coordinates and authorizes the development of financial audit activity. This organism has elaborated the Audit Standards and the Code regarding the ethical professional pursuit in the financial audit after the International Federation of Accountants (IFAC), which is applied at the level of audited societies from this country.

The methodological pursuit regarding the appliance and implementation of the financial audit activity at the level of different states is brought in front of the professionals through norms and recommendation of professional organizations, as well as through working methods specific to big audit companies. The entire evolution of the audit led in time to an increasing of the number and of the quality to obtained prove, with effects on the credibility expressed by the auditor.

The development of financial audit on financial situations consists of providing and insurance that the examined financial situations are complete, credible and made accurately and that those economic operations have been effectuated according to active regulations.

The auditor is the professional accountant who states an opinion about the financial situations of an entity, this one being an external independent part and which has the capacity to increase the credibility of financial situations. If the financial situations are credible, this thing leads to an increasing of the thrust of investors in the activity taken by an economic entity and the capital cost will be diminuend.

The audit activity is an action domain in financial accountancy. In present, the audit states also the verification of audited accounts entity, under the name of financial audit leading to certification.

Through the credibility of financial situations it is expressed a truthful image, clear and complete of the patrimony, of financial situation and of the exercise's result which are fundamental objectives of the annual account auditing and of checking and certifying the balance sheet.

The audit of financial situations represent the obtaining of a real image of annual financial situations which have "the balance sheet, the loss and profit account, the situation of treasury fluxes and accountant notes" through auditing, these must provide information which present the results and financial position of an entity, it reflects the economic reality of accomplished transactions, are impartial, prudent, relevant and credible. For the audit of financial situations will be applied the provisions of National Accountant Standards relevant and/or International Accountant Standards, in order to offer a real patrimony image of profit and treasury flow.

The financial situations must be done in such a way that it must provide useful information, concrete and real in order to adopt economic decisions, to decide the buying or selling moment of a capital investment, to assess deficiencies in the managerial responsibility, to evaluate the firm's capacity to pay and offer other benefits to its employees, to assess the guarantees for credits given to entities, to determine the tax policies for the income and dividends.

The financial situations are presented annually and are destined to the common needs of a massive mass of interested users. For the interested users, these represent the only source of information regarding the satisfying of their own needs.

The International Audit Standard nr 200 (ISA200) "The general objectives of the independent auditor and the development according to the International Audit Standards" has as a purpose to improve the trustful degree of the financial situation users as well as the

establishment of norms and instructions for professionals regarding the audit of financial situations.

Through the credibility of financial situations it is expressed a truthful image, clear and complete of the patrimony, of financial situation and of the exercise's result which are fundamental objectives of the annual account auditing and of checking and certifying the balance sheet.

The information included in financial situations must be useful, credible, and they must not contain significant errors, they must not be biased, as the users must thrust the fact that they reflect correctly the activity of entities' audit. In order for them to be trustful, the information from financial situations must represent trustily the transactions, operations and other events which are concretized in actives, obligations (debts), own capital as a financial source that must accomplish the criteria of recognizing which these have proposed to provide reasonably to the potential investments and to interested public. The events and transactions presented in financial situations in order to be trustful must be accountant and presented according to economic fund and reality and not only by their juridical form.

Another way of presenting the credibility of financial situations is that the information must be neutral, without influence, without them influencing a decision or making a judgment that will lead to a result or an unfounded objective.

The auditor must do the estimations required in the development of his reason, must adopt a degree of precaution so that the income and actives do not be under evaluated and the debts and spends do not be under evaluated. Data and information presented in financial situations in order to be credible they must not be complete, the omission of some data may lead to the elaboration of some false information which can mislead the interested public and thus may not have a credible character and can become defector regarding its relevance.

The credibility of the information on financial situations can be judged by its investors and interested public as follows:

- The information provides a sincere representation
- The information provides a neutral representation
- The information provides a complete representation
- The information provides a representation without significant errors

Even if the piece of information is relevant and not credible, its recognizing may lead to a misleading error. For example if an audited society has a trial with a supplier for not paying some invoices and this trial would be almost over in the favor of the audited society, it would not be the best solution for the enterprise to recorder in the financial situations the whole value.

In order for the information from financial situations to be nature, the value of the debit and the conflict should be presented in an annexed note at financial situations.

The credibility of information cannot be accomplished if there are influents from the interior and exterior of audited entity.

The annual financial situations of juridical persons of public interested are taken to the financial audit, which are effectuated by financial auditors, physical persons or juridical authorized. Thus, through juridical persons of public interested are understood:

- Credit institutions;
- Nonbanking financial institutions, defined according to active regulations, registered in the General register;
- Insurance societies, insurance-reinsurance and reinsurance;
- The authorized regulation entities and surveyed by the Surveillance Commission of Private Retirement System;

- The service societies of financial investment, the administration societies of investment and organisms of collective placement, authorized/ advised by the national Commission of Movable Values;

- Commercial societies whose immovable values are admitted to the transaction on a real market;

- national companies and societies, juridical persons who belong to a society group and enters in consolidations by a mother-society who applies International Standards of Financial Report.

The financial situations made by entities are accessible to the auditing who has this indispensability according to active regulation as well as financial situations made by regarding the fusion operations, division or suspension of activity. The juridical people who have the indispensability of organizing and keeping balance sheet evidence are obliged to public the annual financial situations accessible to the active audit. These regulations are applied to branches registered in Romania who belong to juridical persons with the office abroad, as well as mother-societies who make annual consolidated situations.

The financial situations of economic agents are made every year and presented in order to satisfy the common need of information regarding the users. For most users, these annual financial situations constitute the only source of information; these do not have the necessary resources to obtain complementary information which satisfy the need of decision and information.

Conclusions

The audit of financial situations consists of increasing the credibility and providing an insurance that the financial situations examined are complete and made accurately and that economic operation has been effectuated according to active regulations.

The financial audit activity presupposes the professional examination of an entity's accountant-financial activity regarding the expressing of a responsible, independent, credible opinion upon the measures taken by entity's managers, to protect the actives and the rational utilization of economic-financial resources as well as upon a faithful, clear and complete image of financial position's performances and modifications.

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Business English training and information and communication technologies in the digital age

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Abstract

Business English governs almost all business communication at global level, which has led to an increasing concern of how we learn and teach business English for various economic fields. Over the years, business English teachers and trainers have used various teaching methods and approaches, while permanently examining the impact of each technique on learners' language proficiency. Information and communication technologies have brought about new tools that business English teachers can make use of and incorporate in the teaching process. The digital age reshapes all fields of activity, and offers innovative ways of meeting targets. Thus, the business English teacher was offered virtual learning/teaching environments, and plenty of tools, such as multimedia tools, online resources, email, TEFL blogging, social networks, etc., to take advantage of in the teaching/learning process. Traditional teaching methods have been blended with modern techniques and approaches, while constantly incorporating various components of ICT tools.

Keywords: business English, teaching, learning, information and communication technologies.

1. Introduction

Presently, English dominates the world of international business and communication, being the most used language for communication purposes by non-native speakers with different national and cultural backgrounds. The use of English at a global level has increased to such an extent that English turns out to be the world's first choice of lingua franca. The extensive use of English as an international language is an intrinsic result of the rapid worldwide economic and technological development throughout the last decades. Technology has shaped and changed not only the way business people interact, but also the language itself.

The business world as well as all business communication is governed by the use of business English, which led to an increasing concern of how we learn and teach business English for various economic fields. Researchers and trainers have been analysing and developing a whole gamut of English teaching methods and techniques, examining the impact of various teaching approaches on learners, while permanently trying to improve and update them in order to achieve better results. Modern international business communication and the constant changes in the corporate arena have impacted on business English teaching considerably.

Recent studies have proved that the use of a single teaching method, such as the grammar-translation method, the direct method, the silent way, etc., is not generating the best outcome, and that blended approaches are more successful. Thus, traditional teaching methods have been slowly replaced by modern techniques which aim to promote learner's autonomy and self exploration. Business English teaching seeks to incorporate more than mere linguistic skills, by considering and improving at the same time cultural and intercultural skills, communication skills, as well as ICT skills.

2. ICT in business English teaching

In the knowledge-based society, information and communication technologies have become essential to all fields of activity. The advent and large scale ICT dissemination have generated huge economic and social transformations. ICTs, because of their ability to codify information, enable knowledge to be processed and transmitted instantly all over the world. They are used to meet a multitude of needs; they sustain economic growth and offer great potential for the world economy and society. The ongoing development of information and communication technologies is driving radical changes in our lives, with the permanent creation of new products and services, new ways of managing business, new markets and investment opportunities, new social and cultural expressions, and new channels for people to interact on a global scale. The advent of new technologies had a particularly significant impact on business English teaching.

Digital technologies have brought about considerable innovations and shaped the nature of almost all professions, and business English training is no exception. Computer literacy and ICT skills are as important as linguistic and cultural skills in business English communication. Considering the increased spread of ICT in the all fields, the business English trainer was given a great opportunity to use and incorporate modern technologies and multimedia tools in the teaching/learning process. The wide range of multimedia tools as well as digital technologies challenged the trainer to incorporate innovative ICT-based learning content into the traditional method of teaching.

Multimedia technology and computer-mediated communication have paved the way for virtual teaching environments, enhancing learning effectiveness, the transfer and share of knowledge, and the level of interaction between trainers and students alike. Moreover, individual creativity and innovation are enriched, while considerably developing the learning process.

3. MCAT/MCAL tools

Multimedia Computer Assisted Teaching (MCAT) and Multimedia Computer Assisted Learning (MCAL) tools offer media rich study materials with sound and visual effects, interactive visual representations, simulations of real life events etc. Video, pictures, sounds, they are all incorporated in a structured manner, thus facilitating the learning process. These applications can be delivered on CDs or through the internet, or even a combination of both, and learners can access them regardless of time or space. Another advantage is that the content of these materials can be updated continuously. There are also many applications which evaluate learner's pronunciation, assist learners to develop writing, reading, listening skills, etc. Other applications are designed to acquire knowledge through dealing with real life situations, by means of interactive experiments and tests. These applications provide a friendly environment with interactive graphics, motion video, digitized sound, voice recording, animation etc. The use of multimedia tools in business English teaching has proved beneficial to students' communication skills, enhancing interactive learning at the same time.

4. The Internet and virtual learning environments

The Internet is a "network of networks" that consists of millions of private and public, academic, business, and government networks of local to global scope. The Internet allows computer users to connect to other computers even from remote areas, to share knowledge and information. It provides a wide array of resources and services, such as electronic mail,

online chat, file transfer and file sharing, etc., which can be incorporated in the teaching process. It provides business English trainers with plenty of opportunities as information can be accessed in seconds, being available worldwide, it is usually up-to-date, and easy to use. A lot of research can be done with the help of constantly updated websites and encyclopedias in different languages. Online dictionaries, terminological databases, encyclopedias, and new software are accessible on line. There are also forums and specialized pages for business English trainers to look for information or to interact with a wide array of experts. As the internet is a dynamic environment, constantly growing, changing, improving, and updating, it has also brought about new virtual learning environments. Business English trainers use and incorporate in their courses ICT features such as:

- Communication tools such as email, bulletin boards, chat rooms;
- Collaboration tools: forums, intranets etc.;
- Learner's possibility to access content beyond school;
- Controlled access to curriculum resources;
- Tools to create online content and courses;
- Online assessment and marking.

One great advantage of virtual learning environments stands in the fact that learners can participate in the teaching/learning process even when they live in remote areas and regardless of time zones. However, virtual learning environments are not restricted to distance education, but they also enrich classroom activities. An example of online resource is Professional English Online, which is a free resource for teachers. It was created by Cambridge University Press and offers materials for teacher development as well as activities which can be used in the classroom. There are weekly quotes from the business world, jargon busters explaining the latest business terminology and ideas on how to work with them.

5. Setting up blogs for productive vocabulary training

Interpersonal interaction has considerably soared with the emergence and spread of the latest genre of computer-mediated communication, that is the blog. Weblogs, generally known as blogs, have become extremely popular in recent years. Blogs are generally described as regularly updated web pages, containing recent and archived text-based posts, and stand for an alternative communication channel, especially a two-way communication tool (Herring, 2004). Setting up a blog and updating it is quite easy and requires only basic access to the internet and minimum technical skills.

As business English learners are preparing for careers in different economic fields such as business administration, economics, finance, management and marketing, etc., they will all need sound knowledge of specialized terminology beyond basic economic terms. The key to providing business English learners with precisely the vocabulary they need is to teach them the skills to assess and develop their individual vocabulary. Virtual environments, such as blogs on various economic themes, enable them to actively engage and collaborate. Students can easily publish their work, record role-play activities and upload them for online practice and assessment. Moreover, blog use in the teaching/learning process provides a real audience, extra reading practice for students, stimulates out-of-class interaction, guides learners to online resources, encourages shy learners to participate, develops a process-writing approach, and fosters a feeling of community between members. The Internet has a bewildering range of resources that are potentially useful for business English learners. The problem is finding and directing students to them. For this reason, teachers can use tutor blog as a portal for their learners.

Aaron Campbell, TEFL blogging pioneer, was between the first teachers to initiate and develop this sort of out-of-class activity. In 2003, he outlined three types of blogs teachers can use: the tutor blog, class blog, and the learner blog.

The Tutor Blog is run by the trainer of the class. The content of this type of blog can be limited to syllabus, course information, homework, assignments, etc. Or the teacher may choose to write about his or her interests, sharing reflections about the local culture, target culture and language, to stimulate both online and in-class discussions. In this type of blog, students are normally restricted to just writing comments to the teacher's posts.

The Class Blog is a shared space, with teacher and students being able to write to the main area. It is best used as a collaborative discussion space, an extra-curricular extension of the classroom. Students can be encouraged to reflect in more depth, in writing, on themes touched upon in class. Students are given a greater sense of freedom and involvement than with the tutor blog.

The Learner Blog is the third type of blog and it requires more time and effort from the teacher to both set up and moderate, but is probably the most rewarding. It involves giving each student an individual blog. The benefit of this type of blog is that it provides the learner with his own personal online space. Students can be encouraged to write frequently about what interests them, and can post comments on other students' blogs.

Conclusions

TEFL as well as business English teaching are areas of research that linguists and other specialists have been studying and analyzing for decades. Traditional teaching methods and approaches have been replaced by modern ones over the years. With the advent and large-scale diffusion of the Internet, the constant development of information and communication technologies, business English teaching process was offered new forms and tools of revitalizing its content. ICTs applied in the learning process give students the opportunity to transcend the limited space of the classroom, and fosters learners toward greater autonomy. Moreover, they develop interactivity, collaboration, self exploration, and encourage innovation. Practice has proved that blended teaching methods combined with ICT/multimedia tools offer the most desired outcome in terms of business English learners' proficiency.

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Non-verbal communication in intercultural business negotiations

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Abstract

In intercultural business negotiations, awareness of intercultural differences is a vital issue. Businessmen acting and negotiating in intercultural environments need to consider culture-related aspects and pay attention to specific patterns of thinking, feeling, and behaving which vary across cultures. In all business negotiations, non-verbal communication plays a key role alongside verbal communication. Non-verbal communication includes body posture, gestures, facial expressions, eye contact, touch, body distance, etc. Gestures and body language communicate as effectively as words. Non-verbal communication is culture-bound and body language and gestures have to be interpreted according to the appropriate cultural context.

Keywords: communication, non-verbal communication, intercultural negotiations, body language

1. Intercultural communication – an overview

Communication is a fundamental tool and underpins all areas of human interaction. Human communication is a complex process and has been defined in various ways, but generally it refers to the act of conveying meaningful information, and takes place between a sender and a receiver. People communicate with each other in a variety of ways according to the message they want to convey and the context in which communication takes place.

Intercultural communication is defined as communication taking place between people with different cultural and national backgrounds, with distinct communication patterns, styles and preferences, and who do not share the same mother tongue. As Neuliep points out, intercultural communication is a multifaceted process, a combination of the cultural, multicultural, environmental, perceptual and socio-relational contexts between people who are encoding and decoding verbal and non-verbal messages (Neuliep, 2003). Each individual is characterized by specific patterns of thinking, feeling, and behaving acquired throughout his life, starting within the family and continuing at school, at the workplace, and eventually in the social environment in which the individual lives. All these patterns of thinking, feeling, and acting define each individual's culture, that "particular mental software", as Hofstede has called it. (Hofstede et al., 2010)

As Samovar & Porter assert, cultures differ from one another, and consequently the communication practices and behaviours of people from different cultural backgrounds will vary considerably. Thus, "cultural perceptions and symbol systems are distinct enough" to impede the communication process between people in an intercultural context (Samovar & Porter, 1997, 70). Cultural differences manifest themselves in various ways, and vary according to each group's values and practices. Thus, a variety of communication problems may arise in intercultural negotiation from the differences between values and practices among cultures. Therefore, business people interacting with other cultures have to learn about those cultures, about their values, beliefs, symbols, and rituals. As an outsider, the business negotiator may never come to share those values and beliefs, but he may get a good

understanding of them. When business partners from different cultural backgrounds meet and exchange information, they carry with them the values, thoughts, emotions and behaviours cultivated by their cultures. Hence, in order to achieve effective business communication within an intercultural environment, the interactants have to understand and apply the values, symbols, and rituals of the other culture. Awareness and understanding of cultural differences is vital in an intercultural communication environment because, as Gibson contends, cultural differences may impede the communication process: "Communication can be very difficult if there is a big difference between the two cultures; if there is too much 'cultural noise', it can break down completely" (Gibson, 2002: 9).

In business intercultural communication, participants need to take into account the fact that they are dealing with individuals, and there are always exceptions to every rule. There are cultural patterns which work as a guideline and prevent basic intercultural misunderstandings, but at the same time one should adapt them to each individual and stay open to new experiences and practices. For example, the Japanese are typically seen as polite, quiet, reserved partners, who take their time before reaching a decision, while American businessmen are well-known for the speed with which they close a deal, but these rules do not always apply.

2. Intercultural business negotiations

Business negotiation is a major component in a world where business is negotiation. The business world is a permanent negotiation between business people who defend their own interests. They negotiate in order to sell, buy, close a deal, etc. Good negotiation skills involve more than the mere knowledge of some business strategies and principles, or negotiation techniques. It also involves knowledge of cultural elements and their appropriate use depending on the cultural environment the partner belongs to.

When negotiating with foreign partners, businessmen have to consider the special features of the international environment, identify intercultural differences and factors that may influence their partners' behavior and decision-making. Negotiating with people from different cultural environments require preparation, planning, patience, flexibility, and in-depth knowledge of intercultural issues that may affect the negotiation process. Even when both business partners speak the same language, and share basically the same interests, it may be not enough to really understand each other and to come to the appropriate conclusions for both sides.

Intercultural negotiation requires also cultural sensitivity for both parts, which involves more than appropriate greetings, table manners, dress and business card etiquette, etc. Real intercultural sensitivity requires understanding of thought patterns, hierarchy of values and relativity of what "the right way" is. More than often, negotiations may fail due to cultural misunderstandings than to inappropriate clothing or greeting manners. Differences in the ways of thinking and order of values may cause disagreements in intercultural business negotiations. Intercultural research and business experience has proved that the most common areas of misunderstandings in intercultural negotiations include different attitudes toward the idea of time and its importance, perceived purpose of the negotiations, communication style, understanding of non-verbal communication.

3. Non-verbal communication

Non-verbal communication refers to any kind of communication not involving words. When the term is used, most people think of facial expressions and gestures, but while these are important elements of nonverbal communication, they are not the only ones.

Body language is a form of nonverbal communication, which includes body posture, gestures, and facial expressions. Gestures and body language communicate as effectively as words. Therefore, we should consider it as an important part of non-verbal communication. The movements of our arms, hands, etc. stand for another way in which we broadcast interpersonal data. We move our bodies when communicating because, as research has shown, it helps ease the mental effort when communication is difficult. Physical expressions reveal many things about the person using them. For example, gestures can emphasize a point or relay a message, posture can reveal boredom or great interest. We all use gesture to reinforce an idea or to help describe something. Body language gives us messages about the other person that we can interpret at an intuitive level.

Usually body language occurs unconsciously. In intercultural business encounters the quality of business communication depends a lot on body language. So, businessmen acting globally should become conscious of their body language, and the information they convey almost involuntarily. Body language has different meanings in different cultures and people use and understand it differently, or not at all. The same gesture can mean different things to people from different cultures. Most gestures do not have universal meanings, but they have specific connotations in different cultures. For example, the 'thumbs-up' sign indicates approval in France, Russia. However, and it is a rude gesture in Australia, Nigeria, and throughout the Arab world. The 'V for victory' sign means 'victory', or 'two' in Germany, whereas in Britain or Canada it means 'victory' if the palm is facing outward; it can be taken as an insult if the palm is facing inward. In Australia, it is considered a rude gesture. In New Zealand, this sign is rude and it is considered obscene when done with the palm facing inward.

Eye contact

Looking someone in the eye is considered as a sign of honesty and interest in some cultures. However, in other cultures, this can be taken as a sign of disrespect. Firm eye contact can indicate that a person is thinking positively of what the speaker is saying. Lack of eye contact can indicate negativity. Eye contact can also be a secondary and misleading gesture because cultural norms about it vary widely. A harsh or blank facial expression often indicates outright hostility. The length of time that it is acceptable to maintain direct eye contact varies from one country to the next. Failure to meet an Austrian's or a German's gaze will give the impression that you are not trustworthy. Extended, direct eye contact is expected while talking. For Australians, strong eye contact is very important, as it suggests an honest interlocutor. Direct eye contact is also appreciated in Canada, Finland, the USA, although it should not be too intense. However, direct eye contact is not the norm in Japan.

Touch

Touch has different meanings in different cultures. In Thailand, it is offensive for strangers to touch the top of a child's head because the head is the home of the spirit or soul. In western countries, it is very common to affectionately touch the top of a child's head. How often, where, and how people touch each other varies widely across cultures. Touch can convey encouragement, appreciation, friendship, or on the contrary, it can be seen as inappropriate and harassing. Even in business contexts there are great differences. In the USA, the touching of a female employee, whether innocently or otherwise, has led to law suits for sexual harassment. How often and when people shake hands also varies widely. Hugging and kissing are seen as appropriate forms of greeting in some cultures. In Greece, a handshake, a kiss, or an embrace can all be encountered even at first meetings.

Body distance

Body distance, meaning how close you get to people while talking or interacting with them, varies widely across cultures. While in the USA the 'comfort zone' is about an arm's length, in Latin America people tend to get closer to each other. British Canadians are

uncomfortable standing any closer to another person, whereas French Canadians may stand slightly closer. Brazilians are generally friendly and outgoing and communicate in extremely close proximity.

Conclusions

Negotiation plays a critical role in international business as it is at the core of all international mergers, joint-ventures, imports, exports, etc. All international business negotiations involve representatives from different cultural business environments. Thus, the role of intercultural communication is paramount to achieve mutually agreeable solutions within a negotiation. As part of intercultural business communication, non-verbal communication has proved to be central to successful business encounters. The way business partners interpret non-verbal elements such as body language, eye contact, touch, etc., may have a noteworthy impact on the final outcome of a business negotiation. Therefore, intercultural awareness is a key element to all business communication. In spite of globalization, there is no one-and-only universal approach for doing business and each culture has its own best way. In all intercultural business negotiations, culture will be an issue to be considered, as each business partner brings to the communication process his own perceptions, prejudices, values, skills, competencies and so on. Intercultural encounters can reveal unanticipated problems as well as new perspectives and business advantages.

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Main aspects in analyzing the new technologies in connection with the development and productivity of health services

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Abstract

The paper aims at revealing main particularities of new technologies in connection with the development of health services. The development of information technology and telecommunications and as well the new medical attendance technologies are concerned. The study starts at the global healthcare level, with respect to quality and productivity in health services and then it is directed towards highlighting investments in medical technical equipment made in our country in recent years, by analyzing statistical data and forecasts of the need to introduce in Romanian hospitals certain advanced diagnostic and treatment equipment, through programs proposed by Ministry of Health.

The main expected outcomes refer to deepening knowledge concerning the actual state of the new technologies in healthcare in connection with productivity growth in Romania in the context of globalization and highlighting the main ways of action for developing the Romanian health services under the influences of the new technologies.

Key words: development, technology, health services, productivity

1. Introduction

Between the practice of medicine, medical knowledge (acquired through university system) and innovations (materials technology and physical and mental means to achieve health of the population) is a direct connection, evidenced by the fact that these categories represent a whole and these are interdependent so when an imbalance occurs in a functional category, other categories will feel more or less the negative results launched in this system; just as any positive action in this area will act as an investment in intellect with long-term effect and with strong synergistic implications. (Toth, Jivan 2013)

This paper analyze some aspects of new medical technologies and how they have contributed to the development of national health services.

2. Health services – benefic long-term investment

Technological progress of the past 30 years have been felt in all fields. Computers have simplified the daily work, communications have grown so much that today it is possible to keep in touch with people in different parts of the world, it is possible to arise new collaboration relations, jobs can be outsourced with low costs. Another important aspect of new technologies, in medecine, as the emergence of new procedures for operations, new

medicals attendance, and the emergence of new efficient drugs, all leading to increase productivity in health services.

New information technologies leading to the development of society in different ways; e.g. from the easy communication between different parts of the world (low influence of the new information technologies) to development of computer software necessary for medical equipment programming for performing operations or development of computer software necessary space investigation by different satellites (high level of influence of information and communications technologies). Technological performances in ultimates decades was possible by the investment in the areas of research and development (however at a fairly low planetary level than the level that would be achieved, with reference at investments in research and development in the medical field – since many disease aren't possible to be cured, just it is possible to improvement of some signs of the disease and extending life expectancy by several years, e.g. cancer, AIDS, heart diseases, hypertension, respiratory diseases...). All these factors have led to the *the death of industrialism and the birth of a new civilization*. (Toffler 1984: 34)

In the development of the national economies, internationally were crystallized several strategies and actions, among which:

- closed doors strategy (under the motto « by ourselves »), in this is excluded, in principle, participation of foreign capital in the form of investment or technology, the upgrading and modernization of the economy;

- open doors strategy, that ignores national effort in restructuring, upgrading and modernization of the economy, this will be done mainly by foreign capital;

- mixed or combinated strategy, which involves combining national efforts with foreign capital, in the form of lending, direct investment and international technology transfer. (Lefter 1997: 131)

To modernize Romanian hospitals, the third strategy would be most appropriate because should be develop public-private partnerships (by attracting European funds) both for modernization of existing hospitals and for the opening of equiped clinics with necessary medical equipement for diagnosis and cure instead hospitals abolished in 2011. European funds should be attracted for the development of road infrastructure (so necessary to transport patients in critical conditions in optimal time to the county hospitals).

The modernization of hospitals, through international technology transfer, public-private partenerships, collaboration and cooperation among different physicians, between different centers of medical research, between different hospitals from the country and from abroad, with the support of governements and local authorities are possible by the rapidly developing of informations and telecommunications technologies.

Similarly with modernization and developement of the national economy (Lefter 1997: 132) we can say that modernization and developement of the health care can be done in two directions: (i) the consolidation of the hospitals structures by investment in modernization and (ii) the investment in county hospitals by the medical equipment incorporating technologies.

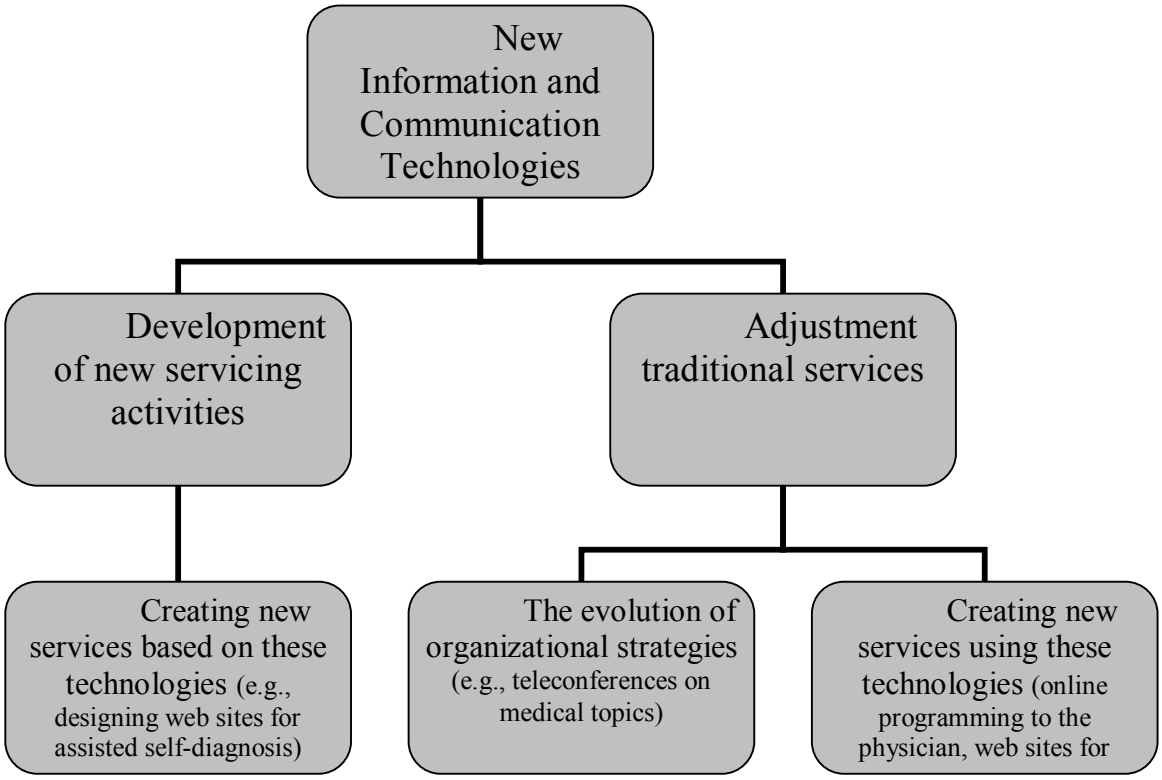

Figure 1 - The influence of new information and communication technologies on services
Source: processing after Djellal, Gallouj 2002: 47

The developement of new information and communication technologies affect traditional services who do not use these technologies like technical support because the new services trains and develops consumer needs. (Djellal, Gallouj 2002: 47) E.g., in the medical field, 20 years ago, in our country, bile surgery was perform with the lancet; nowadays, the same surgery is perform by laser, in a shorter time and pacient recovery is immediate.

Nowadays, the development of telecommunication and internet technologies has reached the phenomenon called *flattening earth*. (Friedman, 2007) Mentioned fact, in a little measure, also by the Teillet Pierre reffering to *outsourcing of some services by enterprises to reduce the added value of traditional industries to the branches of services benefit*. (Teillet, 1987).

Related health services, through *flattening earth* (Friedman, 2007) their productivity increased, the period of hospitalization decreased, communication between different specialists in different countries is easier... Through satellite telecommunications, in some small and medium hospitals in the United States, the radiologists oursourcing reading the tomography to the physicians in India and Australia. This happens at night when, because lack of staff to ensure all activities in those hospitals, the digital radiographies are sent to the Indian and Australian specialistes for interpretation (avantage of time zone), and in the second day, American physicians receives the results. (Friedman 2007: 31) This method is very useful because establish more accurate and rapid diagnosis is vital in some medical cases. Also through telecommunications, are established various videoconferences and any doctor can participate without supporting the transport and accommodation costs and the doctor don't neglect their pacients in his absence for a certain period of time (by this possibility, professional connections can be maintenained easily and always the physicians are informed about the health care new informations).

3. Main issues regarding the analysis of new medical technologies in Romania

In Romania, the new technologies started to develop since 1990. Nowadays, Romanian market of telecommunications and internet is relatively developed, the new medical equipment and the new diagnostic technologies begin to felt their presence more and more due to collaborations between Romanian and foreign researchers and physicians; e.g., from 2008 to the present were made 580 medical interventions using robotic surgery (this type of surgery is worldwide spread). Advanced technologies such as robotic systems, telemedicine or virtual reality are successfully used as infrastructure growth promoter for improving quality and access to health care.

Two investions of Romanian researchers were awarded at the Salon of Inventions in Geneve in 2010: inventing a sensor that detects cancer in 6 minutes and achieve without dialysis machine. Through with these two important inventions it proves once again that our country still has a high potential human resource, unfortunately, underfunding of medical research often leave their mark and Romanian researchers are forced to seek for sponsorship in other countries and so their are attracted to other research systems more efficient and funded.

Expenses with investment, repair and medical equipment relate with the need to protect and upgrade the medical infrastructure (computer systems and software to support medical applications, devices and medical equipment, buildings) and medical logistics (machines for transport patients, machines for intervention in cases of disasters and helicopters). (Toth, Jivan 2013)

Table 1. Total health budget 2010-2012

mii lei

Year	Total budget
2010	4.191.554
2011	4.417.609
2012	5.469.267

Data source: Ministry of Public Health, Overviewof the budget of the Ministry of Health. Online: http://www.ms.ro/?pag=236, accessed 26.03.2013

Through assignation announcements published in electronic public acquisition system, cuantified the sum spent by the Ministry of Public Health and by the Romanian hospitals, for the medical infrastructure and for the medical logistics.

Table 2. Budgetary funds allocated for the medical infrastructure and medical logistics 2010-2012

lei

Year	Ministry of Public Health		Hospitals	
	Medical infrastructure	*Medical logistics*	*Medical infrastructure*	*Medical logistics*
2010	21.698.636,70	-	60.951.236,59	-
2011	720.000	76.379.517,91	155.895.979,15	221.777,83
2012	-	-	206.016.294,24	-

Data source: processing after assignation announcements (for national auction procedures) published in Electronic Public Acquisition System by the Ministry of Public Health and by the Romanian medical units, online: www.e-licitatie.ro; accessed 26.03.2013

As can see in Table 1 corroborate with Table 2, between 2010-2012 higher sums was invested for acquisition medical infrastructure than medical logistics. Hospitals invested most parts of budget funds for acquisition performant medical equipment, such as various medical

machines, operating room and intensive medical equipment and radiodiagnostic complex systems.

In this period, decision of Ministry of Public Health was various and controversial. In 2010, the decentralization of hospitals, the public health units were transferred to the local administration; between 2011 and 2012, it was formulated the national strategy of streamlining the hospitals and health system; this strategy stipulates measures to for a sustainable financing, a strategy directed towards the human resources that states that it is wished to stop doctors leaving abroad, for remodeling the demand of health services and abolishing a lot of medical units. These measures are strongly contested by civil society, the adoption of reforming laws is based on the principle of government accountability in parliament. (Pitorac, Toth, Jivan 2011) Due to this extreme measures, have created imbalances in the territory, local interest small-size hospitals was abolished and was created agglomerations relatively easy medical cases (that could be solved in a small-size hospital, in terms of the technologies used for diagnosis and cure) in urban areas, especially those leading to increase costs made by pacients (travel costs, longer period of absence from work).

After hospitals abolishing and merging phase, Ministry of Public Health made a hospitals classification for degree of competence and only 7 Romanian hospitals are included in the highest degree of competence, however the new diagnosis technologies are not uniformly distributed in the country, unfortunatly, even each county don't have an performant hospital on his territory. Ministry of Public Health, through this classification showed the tragic situation in which the Romanian health system is, and it is neccessary urgent and realistic solutions for the developing of health services through fundraising money to continue investment in medical infrastructure, support medical research and medical staff traning for use of new diagnosis technologies.

Besides Romanian health system is underfinanced, comparated with the situation in other European countries (see different international databases that shows proportion of GDP allocated to health spending), in our country with any change of government means formulating a new health reform without presentation of viable measures for good health activities long-term. Currently, some measures are the subject to public debate (other measures were already implemented), such as various new measures to improve health system (e.g., national public auctions, abolishing district health insurance houses, co-payment...); a disadvantage of this public debate is the quality distortion message broadcast media because, searching sensational, various messages of Minister of Public Health are erroneously sent; this fact can be the cause of the panic among the population. From the last few measures anounced by media, the most viable is national public auctions for the acquisition of medical infrastructure and logistics elements (e.g., acquisition of medical equipment radiodiagnostic by the minister draw on a national unit prize for these equipment; consersely, acquisition of medical equipment radiodiagnostic by the medical units draw on different unit prize for each acquisition, depending on the estimated value of each auction).

Conclusions

The new technologies developed over time have a positive impact on medical field by the appearance of a multitude of processes, methods of diagnosis, drugs, medical devices and equipment, which lead to the development of health services, their productivity increase, length of hospitalization decrease, and the possibility of maintaining collaboration relations between different medical experts without geographical distance as a major problem.

Some of the procedures and techniques which includes high technology entered on the Romanian market, Romanian researchers in the medical field are interesed to investigate different methods of diagnosis but, unfortunaly, ressources are reduced and unable to cover

the full cost of research and they are forced to seek sponsorship, to attract European funds or to abandon the research. Ministry of Public Health don't present viable measures to stimulate medical research and new health reforms efforts must be guided towards European funds for: (i) stimulate medical research; (ii) helping small and medium-size hospitals (remaining after abolishing measure) to purchase high technology medical devices and equipments (without this, it is impossible to increase productivity and quality of health care), and (iii) development of medical infrastructure in rural areas is a must; most reform measures adopted so far needing it badly. (Toth, Jivan 2013)

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A success story: S.C. Terapia S.A. Cluj-Napoca

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Abstract

The survival and development of companies have always been linked to their alignment to market conditions and activity optimization. These requests are compulsory, because of the globalization and competition and the global economical crisis. After the 90's, the former Romanian state owned companies had to face important restructuring steps after the privatization in order to be aligned with the new conditions. Private equity investments focus on these changes, turning "tired" companies into new competitive ones, making all the stakeholders happy: the shareholders, the employees, clients, suppliers, and the society as a whole. Such a case is represented by S.C. Terapia S.A. Cluj-Napoca, which was object of such private equity operations thru 1997-2006. The company not only managed to elude a tragic finally, like most Romanian former state owned companies, but it developed into an important national and international player on the pharmaceutical products market. The article presents the investments made by private equity investors, their earnings and also the evolution of the company's performance in that period.

Keywords: private equity, investors, restructuring, competitiveness, profit, evaluation, financial analysis

1. Introduction

The alignment of the companies to market conditions and activity optimization has always been compulsory requirements for survival and development. These conditions are more important because of the competition and globalization and because of the global economic crisis. The former state owned companies in Romania, after the 90's, had to undergo complex restructuring in order to align to the new conditions. After Romania joined the European Union, the local companies had to face the competition from European companies.

The private equity activity developed over time as a mean of orientation of human and material resources into profitable investments. The private equity activity has a very important role in the launching of new products, the development of good companies, and also in restructuring "tired" or bankrupt companies, to make them competitive again. From this process all the stakeholders in the company win, including: the shareholders, the employees, the suppliers, the clients and the society as a whole, because of the optimization of resources and a better performance of the company. These operations are important because they help with the birth of new companies, the development and restructuring of companies that otherwise would not exist because they can't accede to classic forms of financing, such as bank or bond loans.

S.C. Terapia S.A. Cluj-Napoca is a company that underwent a series of private equity investments. As a result of these investments, the company managed to develop its activity and align its operations to the international standards. As opposed to other Romanian companies that did not succeed in aligning to the modern demands, Terapia is an example of survival in the transition period and integration in the present economic environment.

The analysis in this paper is made based on data publically available from different sources:

1. data available on the internet

- stock market websites (www.bvb.ro, www.euronext.com, www.londonstockexchange.com, www.nyse.com) – for the relative valuation of the company
- the Romanian Ministry of Finance (www.mfinante.ro) – for the valuation of the company
- the legal bodies (www.nvca.org, www.evca.eu, www.bvca.co.uk, www.seepea.org) – for data on the private equity industry
- specialized web sites in industry reports (www.cegedim.com)
- web site of American valuation professor Aswath Damodaran (www.damodaran.com)
- for historical data needed in company valuation

2. annual reports of the company and comparable companies
3. meetings with the representatives of the company
4. special reports about the pharmaceutical industry

2. Private equity operations

As it is known, funding the operations of a company (current and for development) can be realized on two different ways: using *shareholders equity* (already in the company), or using drawn-in capital (from outside the company).

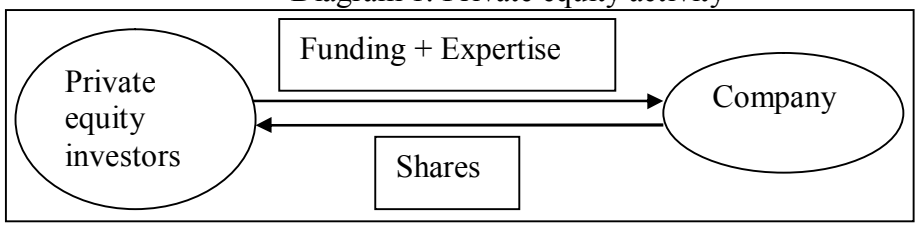
In the case on funding with *shareholders equity*, the sums already in the company and at its disposal (such as undistributed profits from previous years, issue bonuses, reserves, etc.), are used to finance current activities and new projects or developing the company.

For funding, the company can also draw-in outside capital. Funding using *drawn-in* capital can be made in two ways: either by applying to bank loans or bonds, either by appealing to existent or new (investors) shareholders, by raising the share capital.

Private equity funding is an alternative form of funding companies, besides classical methods of funding (bank loan or bonds), which is done in exchange of a part of the share capital of the company. This funding is realized by investors interested in the company. The revenue of these investors is represented by the dividends which they cash in and the sums of money that they receive by selling the shares they own at higher prices than the acquisition price. The difference between the two values (the acquisition and the sell price) is due to the active involvement of the investors in the company's activity, resulting in the increased value of the firm and implicitly in the increased price of the shares.

Another essential feature of the private equity activity is that besides the funding activity, the private equity investors also offer expertise to the companies in the portfolio. Thus, they get involved in the activity of the company to contribute to the development and the increase of its value.

Diagram 1. Private equity activity



(own work)

The definition of the private equity activity has changed in time, including today any investment in share packages of companies, listed or not, accompanied by the active involvement of investors in their activity, through a well developed strategy, with the express purpose of helping with the increase in value of the portfolio companies and of realizing earnings by selling the shares at a higher price than the acquisition one.

Being an alternative form of funding, this method is usually used by companies which cannot access the classical forms of funding. Also, it is considered as being the most expensive form of funding, because you have to yield a part of the business.

NOTE! Not any private equity type of investment is an investment in the company. A lot of investments are done by buying shares from existent shareholders, the money therefore, not entering the company. A later investment in the company is not compulsory, the gain being realized solely by an opportunistic sale of the owned shares at a higher price.

The private equity activity can be divided into two categories, depending on different criteria: venture capital and buyout. In the next table we will present the main features of the two forms of funding:

Table 1. The main features of the venture capital and buyout operations

Characteristics	Venture capital	Buyout
Percentage of the share capital owned	Minor (under 50%)	Almost always control, over 50% (minor holdings in the case of "development capital" or "expansion capital")
Dimensions of the firms in which is invested	Relatively small companies, in course of development	Big, mature companies
Level of involvement	Passive (consultancy – know-how, business relationships)	Active (involvement in the activity of the company, going all the way to restructuring)
The stage in the life of a company in which the investment is being made	Early (start-up, establishment, early-stage, development, late-stage, expansion)	Advanced (mature or in decline)
Sectors in which to invest	Emerging sectors, with a high innovating capacity	Traditional, mature, settled sectors, with a well known business model
Using loaned money	Almost never	Almost always
Necessity of profit for the company in the portfolio	Not essential in the beginning	Essential, for paying the debt
Funding rounds	Continuous funding through rounds of financing	Single funding
Risk and reward profile	High (due to the uncertainty about the future of the company)	High, but lower than in the case of the VC (high, due to the necessity of reimbursing the acquired credit for the acquisition of the company, and lower due to the higher certainty about the future of the company)
Types of people involved	Former managers, business owners	CFO's, Accountants
Reward of the investment depends on	Flair of the investor, sense of business (art)	Preparing an accurate financial plan (science)

The two types of operations, even though they posses different features, have the same objective, namely acquiring profits, and follow the same pattern, buying shares, raising the value of the company and selling them at a higher price.

3. The case of S.C. Terapia S.A. Cluj-Napoca

S.C. Terapia S.A. Cluj-Napoca was the object of private equity investments, and, as a result, underwent major restructuring, alignment to international practices and became a local and international competitive player on the market of pharmaceutical products.

In 1997 the company was listed on the Bucharest Stock Exchange, and was a blue-chip of the exchange (the most traded stocks, with big capitalization and part of one of the indexes of the exchange). After the listing, the investment companies Romanian Investment Company, Romanian Investment Fund, Labrador Partner (venture capital type of financial investors) begin to acquire shares of the issuer, holding in 2003 60% (183.958.208 shares) of the share capital of the firm. In 2003 these companies sell their shares to the investment fund Advent International (buyout type of financial investor), witch, after a public takeover offer and an increase in the share capital, manages to hold 96,7% (1.229.790.643 shares) of the company. Starting with 2004, the investor withdraws the company from the stock market. In 2006 the American investment fund sells his shares to the Indian company Ranbaxy Laboratories Limited (strategic investor).

In order to present the motivation and success of the private equity investments, both for investors and for the company, the following steps were taken:

1. I have calculated the value of the company at the three key moments, using the approach based on assets, based on income, based on comparison:

a) 1997, before the issuer was listed on the stock market and the venture capital investors started to buy shares

b) 2003, the moment when the venture capital investors sold their stake in the company to the buyout investor

c) 2006, when the buyout investor sells the company to the strategic investor

2. then I have analyzed the evolution of the company (both internal and external) during the whole process, highlighting the evolution of the company's performances which indicates the effect of the involvement of the investors in the activity of the company over its value.

3. in the next stage I have presented the exit method chosen by the investors.

4. in the last stage I have measured the profit obtained by each of the investors.

To simplify the steps and to avoid repeating the names of those involved, I have marked their names as follows:

- S.C. Terapia S.A Cluj-Napoca, the issuing company (issuer), which is the object of this case study, will be company "A".

- the competing and comparing companies with the issuer, namely S.C. Biofarm S.A. Bucureşti, S.C. Sicomed S.A. Bucureşti, şi S.C. Antibiotice S.A. Iaşi, will be named "B", "C", and respectively "D".

- venture capital financial investors, namely Romanian Investment Company, Romanian Investment Fund, Labrador Partner, will be marked with "X1", "X2, and "X3".

- buyout financial investor, Advent International, is "Y".

- strategic investor Ranbaxy Laboratories Limited is "Z"

After applying the three evaluation methods, resulted the following company values at the key moments:

Table 2. Value of the company 1997, 2003, 2006

Company value using the method based on:	1997 (lei)	2003 (lei)	2006 (lei)
1. Assets	14.370.959	114.388.921	143.061.028
2. Income, using:			
- constant growth rate	18.591.613	203.628.577	312.549.055
- two growth rates	70.040.618	563.480.292	1.053.295.245

3. Comparisons using:			
- European companies multiples	70.222.095	657.526.123	839.761.704
- Romanian companies multiples	n.a.	120.904.973 (558.154.364, Using company B)	999.311.833

Regarding the internal evolution of the issuer during the analyzed period, this is presented based on the financial indicators in the next table:

Table 3. Performance evolution of the company

Indicators/Year	1997	2003	2006
Turnover (lei)	25.816.300	116.387.676	247.718.883
Net profit (lei)	6.639.841	15.466.916	46.787.483
Return on assets (ROA)	44,77%	8,04%	16,53%
Return on equity (ROE)	49,74%	7,21%	19,58%
Return on capital (ROC)	31,51%	5,15%	14,07%
Net accounting asset	14.370.959	224.862.504	264.136.678
Total debt ratio	34,96%	27,63%	26,14%
Patrimony solvency ratio	0,63	0,71	0,72
General solvency ratio	2,86	3,62	3,83
Debt ratio	0,35	0,28	0,26
Work productivity	17.108,22	161.425,35	284.407,44
Financial lever	57,86%	40,04%	39,11%
Debt to capital ratio	36,65%	28,59%	28,12%
Shareholder capital to total capital ratio	63,35%	71,41%	71,88%

In comparison with comparing companies, during the analyzed period the evolution of the issuer was:

Table 4. Comparative analysis of the company

Indicator	Firm	1999	2003	2006
Turnover evolution	Firm A	100.00%	250.65%	534.48%
	Firm B	100.00%	323.38%	557.69%
	Firm C	100.00%	247.93%	392.86%
	Firm D	100.00%	297.12%	478.05%
Net profit evolution	Firm A	100.00%	216.54%	671.43%
	Firm B	100.00%	822.31%	1444.44%
	Firm C	100.00%	138.06%	242.11%
	Firm D	100.00%	867.58%	1724.29%
Average employees number	Firm A	100.00%	48.81%	60.00%
	Firm B	100.00%	86.65%	60.00%
	Firm C	100.00%	51.82%	50.00%
	Firm D	100.00%	82.16%	72.73%
Work productivity evolution	Firm A	100.00%	513.46%	916.13%
	Firm B	100.00%	373.18%	921.05%
	Firm C	100.00%	475.02%	919,23%
	Firm D	100.00%	361.61%	631.16%

As chosen methods by the investors to liquidate their investment, in both cases the exit was realized through a sale to another investor.

Regarding the profitability of the investment, we can say the following:

The profitability of the investors X1, X2, X3 can be highlighted as:

1) absolute sum = Income – Investment = 46.124.272 lei

2) relative sum (investment multiplier) = Income / Investments = 1,91 or 191%

Thus, the investors have almost doubled their investment.

3) internal rate of return - corresponds to the value for which the equation is verified:

$$\frac{\sum_{i=0}^{5} fluxnet_i}{(1+IRR)^i} = 0$$

The equation is resolved by attributing values to the IRR indicator and verifying the equation, until we find an approximate value that bring near the equality. By resolving the equation, we get an IRR of 20%.

4) comparison with a market index

The average annual profitability during 1998-2003 of the BET-C index was 12%. Thus, investment profitability for investors X1, X2, X3 was superior to the market profitability during the analyzed period.

The gain of X1, X2, X3 investors was 0,2 / 0,12 = 1,6 times or with 66,6% more than the gain generated by stock investment in that period.

Investment profitability realized by investor Y can be highlighted as:

1) absolute sum = Income – Investments = 802.081.785 lei

2) relative sum (investment multiplier) = Income / Investments = 6,61

This, investor Y has multiplied its money over 6 times.

3) internal rate of return - IRR is 88%.

4) comparison with a market index

Annual profitability average during 2003-2006 of BET-C index was 71%. Thus, Investment profitability for investor Y was superior to the market profitability in the analyzed period.

The gain of investor Y was 0,88 / 0,71 = 1,24 times or with 24% more than the gain generated by the market investment in that period. Therefore, the relative gain of investor Y compared to the gain generated from the market investment was lower than the relative gain of investors X1, X2, X3.

Conclusions

Private equity activity is more present in economic area, with an important role in the restructuring of "tired" companies and their alignment to current standards, making them competitive.

The private equity investments offer, besides investments, consultancy to the portfolio companies, which helps the companies to develop. The investments can be made anytime in the life cycle of the company, starting from their birth (start-up), and finishing with the turnaround of bankrupt companies. Private equity investments can be divided in two main parts, regarding the stake in the company: venture capital (minor stake – consulting role), and buyout (major stake / restructuring).

The main objective of private equity investments is profit realized by selling the shares at a higher price than the buying price. This result can be accomplished by active involvement in the company's activity in order to increase its value.

Analyzing the value of the company in 2003, we can state that the Romanian stock market was undercapitalized in comparison with other European stock markets. This difference disappeared towards 2006.

In the analyzed period the company had a financial performance comparable with other competitors. Investor involvement in the activity of the company resulted in the development of the company at the same pace with its competitors. The changes made by the

competitors also had to be made in Terapia in order to keep its relative position. The decisions made by the investors were necessary for keeping the company's position in the market.

The investment decision made by the investors was justified by the potential of the Romanian market against the other European ones. The transactions were made at the company's intrinsic value, denoting the proficiency of the investors.

The reward obtained by the investors was higher than the reward obtained by the Romanian stock market index, making these types of investments very profitable.

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International judicial cooperation on intellectual property

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Abstract

An efficient and equitable intellectual property can help all countries in exploiting the potential of intellectual property is a powerful tool for economic development and social and cultural progress. This system contributes to the establishment of a balance between the interests of the innovator and the public interest, ensuring an environment of creativity and invention for all. Intellectual property rights reward creativity and human endeavor which is the engine of progress of humanity.

Keywords: intellectual property, international cooperation, copyright, intellectual creation

1. Introduction

Material boundaries, territorial, could never impede movement intellectual and hence the need to protect intellectual property and industrial unit. In the early nineteenth century were signed several international conventions: a) the Paris Convention for the Protection of Industrial Property of 1883, which addresses the patents, utility models, industrial designs, trademarks , or trade, service marks, trade names, indications of source and appellations of origin, b) the Berne Convention of 1886 for the protection of literary and artistic aims protection of the rights of authors.

Review Conference of the Parties to the Stockholm Convention of 1967 decided to establish the World Intellectual Property Organization to encourage creative activity and promoting intellectual property protection. The main criterion of intellectual property protection is the same in both conventions: the principle of national treatment, as a rule of non-discrimination. This means that State of the Union must provide a national of another Member State the same protection it offers its citizens. Allowed so that each member country to develop their own laws in this area, the principle of national treatment as a means of international protection without harmonization. Great unsolved problem of this principle was that the cost and time needed when a Member State\'s need for protection register. Since the late nineteenth century one of the goals was to reduce international registration inconvenience. In the field of copyright it was done asking Talor member of the Berne Union to provide protection without any formality. Given the opportunity to trade marks protection through an international registration and inventions in the field of European patent registration is possible.

After World War II, the creation of the General Agreement on Tariffs and Trade (GATT), has led to the emergence of a new framework for discussion of issues related to intellectual property. round of negotiations in 1986 included the trade agenda and its relationship with intellectual property rights ("Trade Related Aspects of Intellectual Property Right\'s" - TRIP\'s). Negotiations started in 1986 and lasted until 1993 in terms of the agreement entered World Trade Organization (WTO) signed in Marrakesh in 1994. TRIP\'s Agreement covers all areas of property [IP ATIII, asking, inter alia, the WTO member countries to recognize existing protection standards in the Berne and Paris Conventions and provide substantial protection through rules intelectuaă property rights.

In conclusion, we can say that the efficiency of legislative unification in recent decades has increased the interest of large companies (ie the pressure of them) for this process, which continues in a slower pace. Even those who supported the idea of a universal right to the top, accepted the universality can only be partial and limitations. Total uniformity rights remains so elusive a goal due to diversity as part of the concept, as opposed to globalization, individualization.

2. **State cooperation in intellectual property**

During its existence, man with a innovative, sought new solutions to make life easier to procure and prepare food easier, to manufacture and protect assets acquired. Thus arose the spirit of private property or personal wealth socetății they live. The protection of property to the protection of the human mind creation was a step favored the creation of appropriate legislation in this area. In Romania, the first law on intellectual property emerged in 1879 through a decision of Parliament and referred to the Law of Trademarks and Trade. It was then also consider adopting a law on patents, which appeared until 17 January 1906, efforts being made since 1880. On this occasion it was established and the Patent Office, which is currently the State Office for Inventions and Maric - OSIM.

Intellectual property refers to creations of the mind: inventions, opereliterare arts and symbols, names and images used in commerce. Intellectual property rights are property rights that all other - they allow the creator or owner of a patent, a brand or a work protected by copyright to benefit from the work or its investment. These rights are outlined in Article 27 of the Universal Declaration of Human Rights states that everyone should benefit from the protection of moral and material rights deriving from any scientific, literary or artistic production of which he is the author. The importance of intellectual property was first recognized by the Paris Convention for the Protection of Industrial Property of 1883 and the Berne Convention for the Protection of Literary and Artistic Works of 1886. Both treaties administered by the World Intellectual Property Organization (WIPO).

World Intellectual Property Organization (WIPO) - based in Geneva, encourages international intellectual property protection and facilitates cooperation in respect of copyright, trademarks, patents and industrial plans. There are several reasons that make intellectual property protection is urgently needed: • the progress and prosperity of humanity depends on her creativity in technical and cultural fields; • legal protection of new creations lead to further promote investment and innovation; • promotion and protection of intellectual property economic growth, leading to the creation of new jobs and new industries and to improve quality of life. An efficient and equitable intellectual property can help all countries in exploiting the potential of intellectual property is a powerful tool for economic development and social progress and cultural. This system helps to establish a balance between the interests of innovators and the public interest, providing an environment for creativity and invention for all. Intellectual property rights reward creativity and human effort is the engine of progress of humanity.

Broad few examples:

• film industry, audio and video industry, business software industry editorial and investing billions of dollars for the amusement of millions of people from all over the world would not exist without copyright protection,

• consumers would can confidently purchase products or services without effective international protection of the mark, able to deter counterfeiting and piracy;

• no benefits offered system patents, researchers and inventors would be little incentive to continue to seek to improve their products in terms of quality and efficiency in the interest of consumers worldwide.

State support infrastructure development innovation and technology transfer at national, regional and local level by creating:

a) assistance centers and specialized services and scientific and technological information and for dissemination, transfer and exploitation of research results;

b) areas with infrastructure and special facilities for the establishment and operation of innovative economic agents that develop and apply new technologies, infrastructure include: technology transfer centers, business incubators, technology information centers, industry liaison offices, Scientific and technological parks

c) units specialized in technology transfer arm, funded by the results transferred in the economy and in social life. In this transfer units are responsible for preparing tripartite contracts between the provider of technology transfer unit and the unit applies the results.

An important step in supporting technology transfer infrastructure development was achieved by adopting Government Ordinance nr.14/2002 - the establishment and functioning of scientific and technological parks approved by Law nr.50/2003.

This document provides a practical tool for regulating the establishment and operation of these parks. In order to exploit intellectual property rights to research results is the innovation and technology transfer (ITT infrastructure). Creating ITT infrastructure aims at supporting social and economic development, stimulate innovation and technology transfer, attracting investments to capitalize RD results and innovation and human resources in the national system Research Development. Existing networks of research and developments function as levers between resources and costs, so that research results are obtained by new products and technologies, low manufacturing costs and save resources (to obtain high value added products with improved technology). The same purpose Romanian Copyright Office concluded cooperation agreements with the General Inspectorate of Police in 1999, updated in 2003 Protocol and the General Inspectorate of Border Police in 2003. Also for cooperation with right holders of intellectual property General Customs Directorate signed a cooperation protocol with Phonogram Producers Union of Romania. In 2001 a branch was established in Romania European Anti-REACT Network which works with the General Customs Department to combat trafficking in counterfeit and pirated goods.

To raise awareness of the business environment in Romania, industrial property plays an important role Cooperation Protocol between the State Office for Inventions and Trademarks and the Chamber of Commerce and Industry of Romania and Bucharest signed in 2000 and renewed in May 2003 aimed mainly at establishing regional centers of industrial property for disseminating information in the field. A similar cooperation agreement aimed at increasing awareness of the business environment on the importance of copyright and related rights in the knowledge economy has been concluded and from Romanian Copyright Office and the Chamber of Commerce and Industry of Romania and Bucharest in May 2003.

The above mentioned documents have been transposed into national legislation or taken a number of Community acts. The fully transposing: Council Directive 89/104/EEC on trademarks, Directive 98/71 EC on the legal protection of designs, Directive 98/44 EC on the legal protection of biotechnological inventions, Directive 91/250/EEC on the legal protection of programs computer, Directive 92/100/EEC on rental right and lending right and on certain rights related to copyright in the field of intellectual property, Directive 93/83/EEC on the coordination of certain regulations on copyright and neighboring rights applicable to satellite broadcasting and cable retransmission, Directive 93/98/EEC harmonizing the term of protection of copyright and related rights. It has also been partially transposed Directive 96/9/EC on the protection of databases. Among European Union regulations have been fully: EC nr.2100/1994 establishing a Community system of protection of new plant varieties, nr.40/1994 EC Regulation on the Community trade nr.241/1999 EC Regulation amending

Regulation EC nr.3295/1994 and EC Regulation amending Regulation nr.1367/1995 nr.2549/1999.

Partly EC were taken nr.3295/1994 setting measures to prohibit the release for free circulation, export or placing under a suspensiv procedure of counterfeit and pirated goods and the EC Regulation laying down provisions for the implementation nr.1367/1995 Regulation nr.3295/1994 Romania is a founding member of the World Intellectual Property Organization (WIPO) established by the Convention establishing WIPO, signed in 1967. Romania has been a member since 1920 of the Paris Union for the Protection of Industrial Property created under the Paris Convention of 1883, and since 1927 a member of the Berne Union for the Protection of Literary and Artistic Works created under the Berne Convention of 1886. In accordance with its obligations under the EU accession, Romania became a member of the European Patent Organisation from 1 March 2003, confirming that the Romanian system of industrial property protection is a modern and according to European standards.

In 2001 Romania ratified the latest international regulations in the field of copyright and related rights in the digital environment, namely WIPO Copyright Treaty and the WIPO Performances and Phonograms signed in Geneva in 1996. Aware of the importance and the extent of acquired intellectual property and the role of the World Intellectual Property Organization in the field, the Romanian authorities are in constant cooperation with this organization. In this active cooperation, the most important is the cooperation program between the Government and the World Intellectual Property Organization, signed in Bucharest on June 7, 2001 and approved by Government Decision nr.974/2001.

The document is based on cooperation between Romania and WIPO provides the necessary framework to establish a close relationship between the institutions involved, the development of sectorial agreements and action plans, ensuring the conditions for recovery programs promoted by the organization in the field of intellectual property. Romania is a founding member of the World Trade Organization and part of the Agreement establishing the World Trade Organization Agreement on some issues including intellectual property rights related to trade (Appendix 1C). In preparation for accession to the European Union intellectual property enjoys a special importance, which is included in several chapters that Company Law, Free movement of goods, Customs Union, culture and audiovisual.

Conclusions

At present, intellectual property protection in Romania is similar to the European Union Member States, as national legislation is harmonized in most of the EU regulations. In the fight against counterfeiting and piracy an important role, the protocols were signed between different national authorities. In this connection may be mentioned cooperation protocols signed in 2001 by the State Office for Inventions and Trademarks Romanian Copyright Office of the General Customs Directorate in support of the fulfillment of duties by customs control and customs clearance supervision on goods that benefit from protection under intellectual property laws. Financial support for infrastructure development of innovation and technology transfer at national, regional and local level, is made from funds allocated funds to line ministries and local governments concerned. In 2003, the Romanian Government Decision no. 406 Specific Methodological Norms regarding the establishment, operation, assessment and accreditation entities within the innovation and technology transfer (ITT) and how to support them.

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Unfair terms in contracts

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Abstract

Unfair contract is the clause was not negotiated directly with the consumer and which by itself or together with other provisions of the contract shall, to the detriment of consumers and contrary to the requirements of good faith, a significant imbalance between the rights and obligations of the parties. It prohibits unfair trade clauses stipulating in contracts concluded with consumers. A contractual term which has not been negotiated directly with the consumer will be considered unfair if, by itself or together with other provisions of the contract shall, to the detriment of the consumer and contrary to the requirements of good faith, a significant imbalance between the rights and obligations of the parties. The issue of unfair terms and made its way into positive law, in preference category in consumer contracts.

Keywords: unfair, contract legal norm, standard contract

1. Introduction

Good faith is seen as a means of exclusion, a concept that has no general meaning or sense by itself, but serves to eliminate many heterogeneous forms of bad faith. Obligation of good faith can not be reduced to the definition and assertion of legal forms of behavior considered acceptable in this regard, the substance was derived rather from "exclusion heterogeneous forms of bad faith." By developing legislation on unfair terms in contracts, the European legislator has expanded horizons, with the growing role of administrative agencies charged with implementing the laws, just at a time when the American law of contracts turned his face away from regulatory models belonging to public law. While in the years 1960 - 1970 the United States was very active in developing legislation to protect consumers, Europe headway in this regard. trend was reversed after 1980, when the United States embraced a market-oriented approach to economic asking consumers to bear risk and higher consumer relations and EU legislative efforts made in order to protect consumers from these risks.

Another notable difference between the two sides of the ocean is that Directive 93/13/EEC sets a much lower threshold for intervention of the courts and the legislature to make it possible in this respect compared to the threshold set by the concept of unconscionability content American law of contract or the limit imposed by federal or state provisions on unfair practices. We are thus witnessing a circumscribing the concept of good faith by his antinomizarea against bad faith. The adoption in 1982 of the theory Summers in the matter of good faith by the American Law Institute signifies a triumph of legal realism in modern law of contracts, bringing the classification of good faith in the interests of safety valves that courts can to appeal to complement the shortcomings of rules.

2. Analysis unfair terms

Abuse may be the result of a combination of clauses, either within that contract, or possibly on the terms of another contract, contract-related dispute. So obviously lie with the

national court to assess the unfairness of a term by examining contentious relationship-specific circumstances, the advantages and disadvantages of the respective clause. In this respect the ECJ held by decision of 1 April 2004, Freiburger Kommunalbauten, aff. C237/02. In recitals court decision shows that "it can interpret general criteria used by the Community legislature to define the concept of unfair terms as provided for in Directive 93/13, however can not rule with regard to the application of these general criteria of clauses particular must be examined in light of the circumstances of the case in question. " But the ECJ could make that assessment in cases where the disputed clause is drawn to the exclusive advantage of the professional, a consumer without a counterpart, such as a clause conferring jurisdiction.

The Directive applies to those clauses that have not been subject to individual negotiation. Until proven otherwise, made by professional, the existence of such negotiations, it is standard clause contained in a contract of membership. It can be said that in cases of this kind there is a presumption of absence of individual negotiation. However Directive makes a number of exclusions. First, it can not be judged as unfair terms which reflect mandatory laws or regulations. Second, are also exempt from any unfair terms which reflect the provisions of international conventions (eg Convention on international air transport). Finally, concerning the definition of the main object clauses of the contract or to the adequacy of the price and remuneration, on one side, and the services or goods to be counterpart, the other hand, are not subject to the constraints of this Directive.

This double exclusion means that the parties must remain free to determine the content commitments (ie the conditions under which a warranty insurer) and the idea that system against unfair terms is done to give compensation following an injury times to allow the consumer to complain successfully, he paid for a particular good or for certain services more than fair price. This double exclusion is however valid only insofar as contentious clauses are drafted in plain and intelligible. If not, return to the principle of application. To illustrate these principles it contains, in the annex, a list showing the 17 terms likely to be regarded as unfair. A clause included on this list should not be regarded as unfair (not a list black "clauses banned and no list, gray \'clauses alleged abuse) and vice versa, a clause is not listed may be declared unfair in light of the general definition of Article 3. Unfair contract is the clause was not negotiated directly with the consumer and which by itself or together with other provisions of the contract shall, to the detriment of consumers and contrary to the requirements of good faith, a significant imbalance between the rights and obligations of the parties.

It prohibits unfair trade clauses stipulating in contracts concluded with consumers. A contractual term which has not been negotiated directly with the consumer will be considered unfair if, by itself or together with other provisions of the contract shall, to the detriment of the consumer and contrary to the requirements of good faith, a significant imbalance between the rights and obligations of the parties. The issue of unfair terms and made its way into positive law, in preference category in consumer contracts. In this area - the contractual relationship between a professional and a consumer, special rules apply to determine the fairness of contractual clauses. Romanian legislature, by Law no. 193/2000 on unfair terms, to transpose Directive 93/13 on unfair terms. The complex many specific rules for the consumption sector, topic is an area of unfair preferential and immediate actuality, being already traditionally a legislative priority segment.

At European level, Directive no. Europe 93/13/EEC on unfair terms in consumer contracts (hereafter, "the 1993 Directive" or "Directive") is the most important measure of uniformity and harmonization of contract law in Europe3, as touching the essence contractului4. A full European compromise clarity and relatively easy to put into legislation of the member countries. So far, the Directive was adopted by the legislation of all Member States 6, even if the process has not always resulted in a regulatory flawless in terms of

consumption, as demonstrated, inter alia, the judgments of the European Court of Justice1 which highlights deficiencies in absorption unfair terms directive, and ambiguity of the actions of European institutions in relations with some countries. Provisions on unfair terms can be found in other Directives, dedicated to other areas of consumption (this is the actual reference or common law - that the Directive of 1993, or own qualifications as abusive clauses skilled technical details. Spread the provisions relating to unfair terms in numerous acts specialized knowledge is quite difficult unified field.

A directive concerning the right unit of consumption that will, presumably, the value of a true European Code of consumption, in which unfair occupies a vast and detailed regulated segment was finally adopted. In national law, Law no. 193/2000 must be completed with the Consumer Code (which in art. 78-81 resumes simply provisions of Law no. 193/2000 regarding the definition of unfair terms of meaning negotiation, transparency contractuală9) and the Government Ordinance no. 21/1992 on consumer protection. In addition to the basic rules, we can identify (European model already offered) a multitude of applicable legal provisions in legislation for other sectors. It is also about this time referring to Law no. 193/2000 or definitions of unfair terms.

Inventory is tedious because it\'s over 30 acts using this technique and are more difficult to apply the law. Some examples of interest: Law no. 363/2007 on combating unfair practices of traders with customers and regulatory harmonization with European legislation, the Government Ordinance no. 85/2004 on consumer protection in distance contracts conclusion and implementation of the Financial Services Government Emergency Ordinance no. 50/2010 on credit agreements for consumers, Government Ordinance no. 107/1999 on package travel, Government Ordinance no. 130/2000 on distance contracts. According to art. Article 4. (1) of Law no. 193/2000, "a contractual term which has not been negotiated directly with the consumer shall be regarded as unfair if, by itself or together with other provisions of the contract, creates, to the detriment of consumers and contrary to the requirements of good faith, a significant imbalance between the rights and obligations of the parties ".

Based on this definition, the doctrine is considered that the main elements of the design and also the identification of abusive clauses that are: A. lack of negotiation, B. contractual imbalance to the detriment of the consumer \', C. breach of the requirement of good faith. There are two criteria included in the legal definition that we consider Attachments: D. use the list of unfair terms (Annexes 1 and 2 of the Law), E. criterion other relevant circumstances (art. 4.5 of the Law). We will analyze them all.

A. Lack of negotiation. Unfair terms are usually associated with the notion of contract type, contract or standard contract of adhesion. Not insist on the concept , but remember that a contract of adhesion (the same observations can be made on standard terms) is characterized by some specific features:

a) is drafted unilaterally by the party proposing it,

b) negotiation of its provisions, even if they allow their understanding by adhering

c) normally give dominant merchant has proposed in its relations with the consumer or not , at least one more comfortable. Essentially the consumer is not able to influence the content of such contract, but only so to join or not to offer pre-existing trader. The law covers (modeled 1993) criteria for determining direct and indirect framework of this contract. Note in this regard, two such criteria: a) the inability of consumers to influence the content clause b) violation by the trader contractual obligation of transparency. To analyze the practical perspective.

On the other hand, Art. Article 4. (6) Law (transposing awkward art. 4.2 of the Directive) provides that "unfair nature of the terms of assessment is not associated with any definition of the main subject matter of the contract nor the quality to meet the price and

payment, on the one hand or products and services offered in exchange, on the other hand, to the extent that those terms are expressed in a language easily understandable "four consequences are derived from the texts cited:

i. burden of proof belongs to the negotiability of professional traders,

ii. negotiating terms will be subject to their unfairness provided by law, even if they eventually turn out to be abusive,

iii. if some clauses have been control of unfair contract terms extend to other non-negotiable

iv. clauses that define the main object of the contract are excluded from unfair terms control. Where to deduce that the essential business / contract / transaction and the benefits or losses it brings itself generates or parties should be excluded from the scope of control of unfair terms.

Thus, although the lack of transparency does not automatically qualify a draw as abusive clauses, it is noted that it is an important circumstance in the overall assessment of the unfairness of a clause iii. Lack of transparency on the terms that define the main subject matter of the contract, the quality / price ratio will result in the removal of "immunity" to control these terms of fairness of a term.

B. Contractual imbalance to the detriment of the consumer. among other things, the theory of unfair marked the end of personal autonomy as the dominant doctrine in contract. In this theory occupies a central issue in relation to the contractual balance the interests of the parties involved in the contract. As stated, the second clue to the unfairness of a clause is "a significant imbalance between the rights and obligations of the parties (...), to the detriment of the consumer" (in art. 4.1 of the Law).

In this respect, saying a simple mathematical relation apt to explain but generally, given the exclusion of key terms from the scope of unfair terms, the criterion of economic and finally legal imbalance criterion, which we believe is true legal criterion for determining the unfair terms. Therefore, speaks of an imbalance between the rights and obligations of the parties and not an economic imbalance [art. Article 4. (1) of Law no. 193/2000. Therefore, inequality legal positions of the two parties, as unfair assertion merchant interests to the detriment of the consumer is significant for this element of the definition of unfair. Thus, a solution to the old law to identify imbalances, German Supreme Court (BGB) found that an indication of the unfairness of a standard clause is its ability to remove the contents of the contract in favor of the clause which required, compared to that the common law of contract.

The common law must be considered in turn as the correct version of the risk-sharing contract and therefore the distribution of rights and obligations of the parties, that the most equitable option contract.

C. Breach of the requirement of good faith. the debates that led to the adoption of Directive 1993 won the principle solution provided by German law, considering that the reference to good faith is the law on general terms of business December 9, 1976. Good faith on unfair terms is a European concept (see right "Community") autonomously. Therefore, the comments on the concept of good faith as he mastered the art. 3.1 of Directive crystallized the idea of interpreting "self" concept of good faith.

Autonomous interpretation implies that the concept of good faith will be identified and applied in line with the spirit of the Directive and not consistent with the perspective that national legal systems confer. Good faith in the context of the Directive as a tool for comprehensive assessment of fairness of a term with the other criteria provided by art. 3.1 (art. 4.1 of the Law). The idea emerges from the first part of the recital no. 16 of the Directive, according to which "the fairness of a term after the general criteria set, especially in a public commercial activities involving the provision of collective services, taking account of solidarity among users of these services should be supplemented by a means The

overall assessment of the various interests involved "in this last respect: i global nature of good faith is to complement the significant gap criteria and assessment to prevent possible mechanical imbalance between the rights and obligations of the parties and to ii. requires that in assessing the unfairness of a term to consider all relevant circumstances of conclusion**.**

D. The fourth criterion: black list of unfair terms. Control unfairness of a clause basically starts from the proposed definition of art. 3.1 of the Directive (Article 4.1 of the Law). In addition to the three criteria in the definition of unfair terms we can identify a fourth criterion - a list of contractual stipulations (annexes I and II) that art. 3.3 of Directive [art. Article 4. (4) of Law in a version less clear, unfortunately] tells us that includes a non-exhaustive list of clauses which "may be regarded as unfair" (in Romanian version provided "regarded as unfair"). question that arises from this criterion is whether, once included in the list of unfair terms, a clause should be automatically declared as unfair or not? As emphasized in the literature and partly European Court of Justice we deal only with a gray list of unfair terms, not one black , framing a contractual stipulation does not lead automatically declare abusive clause - this is and literal interpretation of the Directive. Article 3.3 provides that "may be regarded as unfair, not "will be regarded as unfair ."

List of unfair terms of the Directive contains a fairly comprehensive classification of potentially abusive clauses: clauses excluding or limiting liability professional trader lit. a), b) and n) - the latter referring to dealer agents, excessive penalty clauses lit. e) d) potestative clauses for dealer [lit. c) - only condition for trader's lit. d), f), g) - withdrawal clause in favor of the trader automatic renewal clause of the contract period lit. h) clause entirely lit. i) unilaterally amending contract clauses for dealer lit. j), k), 1), clause discretionary trader lit. m) - which allow for example to determine whether or not unilateral contract executed his part or interpret unilateral contract clauses for the transfer of the contract only for dealer lit. p), unilateral enforcement clauses lit. a) jurisdiction clauses which limit the consumer's right to the courts make it more difficult costly lit. q).

E. The fifth criterion: all other relevant circumstances. According to art. 4.1 of the Directive, art. Article 4. (5) of Law no. 193/2000, to determine the fairness of a clause must take into account: a) the nature of the goods or services covered by the agreement when its conclusion b) all the circumstances that led to conclusion (mainly be to be taken in this regard by factors such as the level of need of the consumer to purchase the product / service if contract held pressure trader and if he was not given the opportunity to realize the true nature of the transaction or whether it is necessary or not, c) the other terms of the contract or of another contract on which the contract in question depends.

Article 6.1 of the Directive is limited to provide that Member States shall take the necessary legislative measures to ensure that an unfair term not to bill the consumer, while the rest of a contract if it can survive by eliminating unfair terms, remain binding on the parties. Neither our transposition text - included in art. 6, 7 of Law no. 193/2000 is not revealing much about specific designation of the applicable sanction. It is essential, however, that the wording means clear that such clauses do not produce any effect on the consumer. Romanian doctrine argued in the thesis of absolute nullity of unfair terms, and that of that unwritten clause consideration. Today, following a very substantial case law on abusive clauses of the European Court of Justice, nullity position fits best with our system of law tradition, and the spirit of the Directive. Eventually, you should stressed that if after removal of unfair term contract, the contract can no longer be effective when actually extends nullity of the whole contract (partial nullity principle is - as inferred from art. 7 of law).

Any use of special legislation outside consumer relations (especially given that we are dealing with mandatory rules in the matter) is not allowed. The main effect is a drastic restriction of the use of technology to eliminate unfair terms in scope individuals who have the capacity and unable special enforcement above, the relationship that may exist between

two professionals, regardless of the finding of an imbalance of contractual relations between them. Although special legislation in the field of consumer law can not be extended in any way to these reports, it can be possible to identify the right tools shared several techniques to eliminate unfair terms. Some of these were also under the old Civil Code, others are provided only in the context of the new Civil Code. They have been recognized and accepted in jurisprudence and doctrine. We consider:

a) Using the theory of vices of consent for the removal of unfair mainly new regulation of the lesion within the vices of consent, with very large effects, will enable the invocation of the unfairness of a contractual term or the entire operation contractuale1, the fraud and error Special circumstances may be invoked to remove any abusive contractual clauses, especially where we are dealing with professionals from different branches of commerce, where pre-contractual information requirements and contractual transparency requirements is assessed differently than where professionals belonging to the same profession,

b) use of the notion of cause for removal of an unfair term. Jurisprudence past two decades has probably been some interesting applications of the notions of lack of case and illicit relations between professionals. Applying the notion of cause can lead to the elimination of contractual clauses, given that it would be applied, would deprive those will to compel the other party;

c) use of theory training agreement - this time we're dealing with a unique technique in Romanian legal landscape, taken at the legislative level of the new civil code in modern encodings similar provisions. Certain rules of contract formation area can be used for exclusion from unfair contract clauses, even in relations between professionals, provided, as a rule, we deal with a contract of adhesion. We thus consider, especially legal provisions on standard terms (art. 1202 new Civil Code), surprising or unusual clauses (art. 1203 new Civil Code)

d) use the concept of good faith - keep in a certain extent. All training contract theory, in which is regulated contractual requirement of good faith (art. 1183 new Civil Code). The obligation of good faith may be used by the judge to sanction abusive behavior of professional and ineffective exercise clause likely abuse by professionals. In this respect, using the technique to be considered related to the abuse of rights (specifically regulated by art. 15 new Civil Code);

e) use of contractual transparency rules - if a contractual clause in a contract of adhesion (typical field of unfair terms), it lacks transparency contractual wording that has confused and can not prove its real content by appealing to common rules interpretation of the contract, use the rule laid down in Art. 1269 par. (2) The new Civil Code ("stipulation entered into contracts of adhesion shall be construed against the person who proposed them") and rule “in dubio pro reo”, provided by art. 1269 par. (1) The new Civil Code ("If, after applying the rules of interpretation, the contract remains unclear, it shall be construed in favor of the person who commits").

Using these two rules of interpretation can lead, in reality, to remove the effects of abuse on a specific term - contract lacks transparency - you may have the purpose of producing a serious imbalance between the parties\' mutual benefits. Using the rules of interpretation, however, does not lead to formal abolition of the clause, but to deprive them of certain effects.

Conclusions

Considering legislation on unfair terms in contracts, establish a consumer protection principle, namely that all contracts concluded between traders and consumers for the sale of

goods or services shall include clauses clearly, unequivocally, to understand who do not specialized knowledge is required.

Therefore, an unfair term as a clause or a clause involving unclear technical terms would require some special information. Of course you should not misinterpret this statement too, as a specification for a product or service is not as technique is not often (by way of example, in the case of components for computer, printing products and so on). Moreover, in case of doubt of contractual clauses will be interpreted in favor of the consumer. Adverse effects on the poor in the principle of freedom of contracts will be corrected or mitigated by legal provisions designed to support public order ("push up") the consumer in an unequal legal relationship, built on the basis of the trader disproportionate economic forces large in relation to the consumer, at the time of concluding the contract has reduced freedom to contract or, in any case, will altered by psychological or economic imperative of concluding the contract.

Legislation on unfair terms is a consecration of the principle solidarism legal contract and at the same time, a special application of injury in professional contracts.

Indeed, a contract is a contract contains unfair terms injurious parties benefits being unbalanced in favor of professional and consumer injury.

Imbalance implied by inclusion in contracts with consumers professionals of unfair terms is an imbalance original, not to be confused, but does not exclude the occurrence of a subsequent imbalance conclusion of the contract during its execution (in this case we speak of unpredictable and no lesion) . Also, the fact that a professional makes use of unfair terms, although the law forbade them to include in contracts such clauses can be considered an abuse of economic power and the professional, sanctioned by law consumer claims paid.

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The leasing – company's financial method

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Abstract

The financial method using the leasing system represents a real opportunity in the Romanian economy for the economic agents for whom the investments represent an essential request for the development of their activity. As 99% from the economic activities need investments in order to develop, the leasing financial methods constantly increased. Since the competition in our country becomes more and more rough the prompt reactions of the companies are vital. The leasing satisfies in a short time the need of funds for the investments of economic agents. In this paper work the author has the purpose to define different types of leasing, present the existing differences between them and the evolution of the leasing market from Romania in the last 4 years.

Keywords: leasing operations, financial leasing, operational leasing, leasing market, financial level

1. Introduction

The leasing becomes established in our country also as all over the world (maybe less in the economies of III level countries) in the first place for it's simplify. In Romania, in the last years the competition increased a lot, generating the need of an accelerate development of the economic agents. They tried to find profitable financial solutions for their activity. The leasing, because of it's operatively, satisfies in a short time the need of investment fund for the economic agents. Also, by leasing, the economic agents avoid complicate procedures of contracting bank credits, procedures which require the immobilization of some elements from the company's patrimony or the private one in order to create guarantees.

2. Short presentation of leasing operation

The leasing is an operation that requires the existence of three persons: supplier, the financial society (leasing company) and the user (the beneficiary of the financial transaction). The leasing company buys from the supplier the good requested by the user and transfers it to the user for a certain period of time in exchange of a monthly payment (rent). This represents, in essence, the financial operation of leasing. The procedure of a leasing operation requires the accomplishment of three steps with certain characteristics according to the specific of different forms of leasing.

According to the International Standard of Accounting concerning the leasing operations IAS 17 "Leasing", published in 1994 and reviewed in 1997, "the leasing is an agreement in which the locator transmits to the tenant in exchange of a payment or a number of payments, the right to use the good for an agreed period of time".

The leasing fulfils certain requests of form and fund established by specific settlements of each market but the general terms of the contract are established by negotiation. Through the leasing operation a company can receive a financial support for its activity from a financial institution that creates interdependent relations both with the bank and with the supplier company.

The types of leasing operation, in one form or another exist from the antiquity, from the beginning of mankind. Being in accordance to the activities from that period, the object of these operations were constituted by the necessary tools for practicing agriculture and the subjects were on one hand the rich people, the clergy, and on the other hand the peasants who „rented" tools, lands, etc,. these operations being recorded on clay plates. In this way the benefit of using the good was observed and it made no difference of who is the owner of the property title.

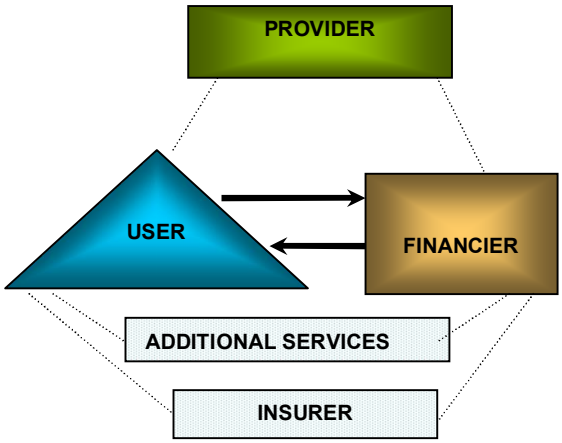

Fig.1. The basic graphic of the leasing operation

In the above figure I tried to present a synthesis of the leasing operation, with the parts involved in this process, financial mechanism, and specific to the market economy. It can be observed that beside the three mentioned elements in the special literature, there are other structures that appear and are represented by the insurance companies and the company who provide additional services.

3. Approaches of the existing types of leasing

In Romania there are two types of leasing practiced: the operational leasing and the financial leasing. According to the norms, *OG 51/1997* with the ulterior changes and the *Fiscal Code* available, in Romania, the division line between the companies who practice the financial leasing and the operational leasing is different both from the point of view of the locator and the tenant

The leasing contracts have as an objective: equipments, cars and real estates.

From the locator's point of view a **financial leasing** contract is a contract that fulfils one of the following conditions:

- At the end of the contract the good is transferred to the tenant.
- The locator has the possibility of achieving the good during the contract, for a profitable price because at the date he signs the contract to be almost certain that he will benefit of this option.
- The period of the contract is at least equal with ¾ from the estimated life period of the good.
- The actual value of the payments during the contract is equal at least with 90% from the market value of the good.

In case none of the above criteria are respected, the **leasing** contract is an **operational** one from the tenant's point of view. The norm who discusses about the problems of the leasing is

IAS 17 „Leasing" published in 1994 and reviewed in 1997, being applied from the 1st of January 1999. Therefore, this standard anticipates:

The financial leasing is the leasing operation that transfers in great measure all the risks and benefits of the property right of the good. The property title can be transferred eventually or not.

- The contract anticipates that the good's property will be transferred to the tenant till the end of the leasing term;
- The tenant has the option of buying the good at an estimated price which is profitable for him (small enough compared to its true value) and therefore at the beginning of the leasing there is a reasonable certitude that the option will be made;
- The leasing period covers most of the period of the economic life activity even if the transfer of the property never takes place;
- The actual value of the minimum payments of the leasing at the date the contract is issued is at least equal with almost the real value of the good in leasing regime;
- The actives who constitute the objective of the contract are special, therefore only the tenant can use them without making any ulterior modifications;
- In case the tenant cancels the leasing contract, the loses of the locator generated by the cancelation of the contract come to the locator;
- The winnings or losses resulted from the variation of the real remaining value represent the tenant's responsibility (for example as a discount of the rent equivalent to the biggest part of cashed premium from sales at the end of the contract);
- The tenant can continue the leasing for a second period, with a substantial less rent than the market rent.

The operational leasing is the leasing operation who's not included in the category of the financial leasing (it doesn't transfer most of the risks and benefits of the property title).

- The operational leasing doesn't have the option of buying the good that makes the object of the contract.
- In the operational leasing the risks and the benefits of the property title are not transferred but they remain to the locator and he will assume all the risks resulted from a possible depreciation because of an excessive usage or the risk of damage or theft of the good (this risk appears especially in case of transportation means). In order to protect himself from this risk the locator can increase the leasing payment according to the depreciation percentage estimated when the good is returned and also with a risk premium paid by the locator to the insurance company who assumed the damage of theft risk of the good. These risks have different valences when the leasing ends up with the return of the good (an operational leasing by excellence).
- According to the contractual clauses the tenant can guarantee the returned value of the good at a certain value close to the value estimated at the end of the leasing term, receiving in exchange a percentage from the difference till the selling price obtained on the market; this represents a guarantee of a proper value of the good according to a normal usage. In this case we can speak about the existence of a guaranteed remaining value (agreed by the locator and the tenant).
- Concerning the tenant, he doesn't support the risks and benefits resulted from using the good. Therefore, he doesn't assume even the risk of decreasing the value of the good (from various motives), so theoretical he isn't forced to guarantee a certain value of the good when returning it. However, the leasing company includes in the leasing contract various clauses that will control the usage of the good by the tenant and forces him to respect so called „ the ethical risk".

- As a conclusion we can declare that, in general, in an operational leasing the remaining value of the good estimated at the end of the contract will be in almost all the situation not guaranteed.
- In general, in developed countries, the leasing and especially the operational leasing doesn't require an advance, this will be assimilated in the normal rent.
- The period of the operational leasing doesn't cover most of the estimated economic life of the good, the company believes that if a tenant has used the rented good for a short period from his economic life term he cannot obtain most of its economic benefits (and therefore it will not be exposed to most of its economic risks).

4. Europe and the types of leasing

According to the extension of the leasing classification in financial or operational, in accordance with the classification criteria requested by IAS 17, we need to mention the study made by the European Federation of Leasing Companies (LEASEUROPE), on the member countries which apply IAS17, study analyzed and reflected in the table below:

Table no.1. The distribution of the types of leasing used in Europe

EUROPEAN COUNTRIES	The difference between the operational and financial leasing according to IAS 17
Austria	Doesn't apply IAS 17
Denmark	Doesn't apply IAS 17
Estonia	30% operational leasing, 70% financial leasing
France	Doesn't apply IAS 17. The existence op the buying option differentiates however the leasing from a usual rent.
Germany	Most of the leasing is operational
Italy	Doesn't apply IAS 17
Norway	30% operational leasing, 70% financial leasing
Portugal	100% financial leasing
Slovakia	Doesn't apply IAS 17
Spain	Doesn't apply IAS 17, all the contracts are assimilated to the financial leasing. However there is a difference between the leasing and the usual rent (the usual rent doesn't have the buying option)
Sweden	10% operational leasing, 90% financial leasing
Check Republic	3,5% operational leasing, 96,5% financial leasing
Holland	The cars are rented 100% in operational leasing regime, the equipments are rented 50% in operational leasing regime and 50% in financial leasing regime
Romania	87% financial leasing, 13% operational leasing

Source: Leaseurope

The main conclusion is that IAS 17 is not applied in all the countries members of Leaseurope. The differences can come from the economic policy of each country, which offers a smaller or bigger level of freedom to the accounting profession but also according to other internal criteria. Also, the classification criteria can eliminate some elements from the characterization of the operational leasing, elements considered specific to renting using the *Commercial Code* of that country.

The Euromoney statistics sustain the existence of more than 2000 active companies in the international leasing market.

The international leasing markets have as component three key segments structured in transactions, according to the size of the goods, presented briefly in the following table:

Table 2. Cased goods using leasing operations

TRANSACTIONS	*CEASED GOODS*	*VALUE LIMITS*
Of **great value** or „big tickets”	-planes, ships, telecommunication equipments, satellites, etc.	Minimum value 500.000 EURO
Of **medium value** or „medium tickets”	-industrial equipments, machineries, etc.	From 100.000 EURO to 500.000 EURO
Of **small value** or „small tickets”	-cars, computers, copy machines, faxes, etc.	Maximum value 100.000 EURO

At the level of the international market of leasing, the studies made prove the existence of four main categories of Financial Institutions: **leasing companies' subsidiary of banks, leasing companies' captive, leasing companies' independent and leasing brokers** or „the collectors”.

5. The impact of the financial crisis on the leasing market

The financial crisis didn't affect just the banking system. The leasing companies are also affected by the decrease of the financial contracts from the market. Also, the frauds committed in the last years start to come out and produce loses which finally decrease the profits.

The serious misbalances who led to the beginning and extension of the economic crisis all over the world affected Romania starting with October 2008. The sector of the leasing market couldn't be avoided by these socks.

The effects of the financial crisis hit in range all the involved actors: auto dealers, leasing companies and their clients. They all started to slow down and finally see the losses. The companies who offered with generosity financial contracts in the past are risking now to disappear from the market.

In Romania, the cars sold by using financial operations in the last years registered annual and constant increases with at least 25% and the leasing market reached at the half of 2008 with a value of actives ceased at approximately 5 billion euro.

In order to create a full image on the leasing market I analyzed the level of contracts approved by the leasing companies during the period 2007-2011. In Romania is existing ALB -“The Financial Companies Association”. ALB Romania (LEASEUROPE member) is a non-profit association, aiming to work for a better business environment and a more professional framework for the financial services market in Romania. The members of the Association are well known actors in the local leasing and other non-banking financial services market, representing well-known institutions in this field. Taking into account the accession of Romania to the European Union, updating norms and legislation at the level of European Union becomes an important target for the near future. The Association was established in March, 2004. The Association is open to all financial and operational leasing and non banking financial institutions as they are defined by the current Romanian legislation complying with the statutory conditions to become members and who are freely expressing their will to join it.

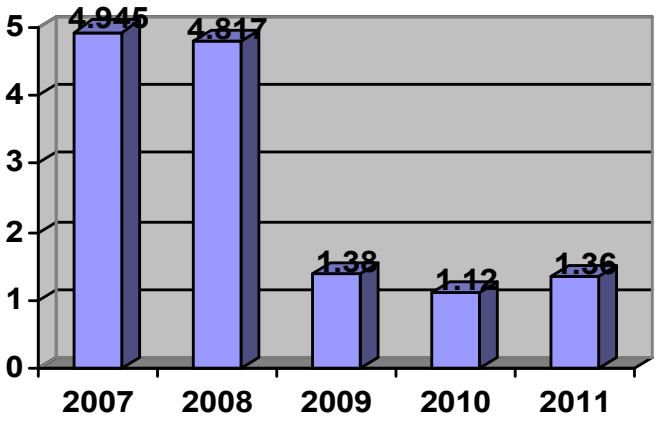

Fig. 2. The level of contracts approved by the leasing companies from Romania during the period 2007-2011 (in billion euro)

In 2008, the leasing market reached 4,817 billion euro, a decreased percentage with 2,6% compared to 2007. As a result of the economy decrease from 2009 the leasing companies was serious affected and they registered a historical decrease with 70% compared to 2008.

According to the market evolution on different sectors of activity, the most affected sector was the equipments one who registered a decrease of 76% in 2009 (from 1,082 billion euro in 2008, to 261,158 million euro in 2009). The car leasing also decreased with 75% in 2009 (from 3,38 billion euro in 2008, to 839,589 million euro in 2009).

In 2011, the leasing market reached 1,35 billion euro, and registered an increase percentage with 20% compared to 2010.

The dynamic registered in the last years manifested in force in this domain and it was supplied by several factors:

- The increase of the life standard which increased the consumption;
- The competition between the financial institutions, which, because of the decrease of national currency, have offered financial methods with lower costs;
- The tempting offers given by the auto dealers.

The depreciation of the national currency has affected the real incomes of Romanian people and those who had installments to pay were affected by the exchange shock. The pending installments were no longer comfortable, they started to grow once at three months and even with 30% meanwhile the incomes remained the same. This fact couldn't led to anything else but late payments or no payments at all, problems with the liquidities on short term, the increase of canceled leasing contracts and many requests of recalculation of the installments and payment obligations.

The liquidities crisis determined an increase in the financial contracts and this thing affected the clients of the leasing companies also, not only the clients of the banks. In the last months the interests in euro have increased. The most affected companies were the leasing companies who are not a part of the financial groups and they don't have access to financial lines with preferential interests.

A solution of administrating in an optimal way and protect the portfolio during this period is to offer to the clients that pay in time the installments recalculations of their leasing contracts and even gratuities for short terms. Each case is analyzed carefully in order to avoid the false restraint people. Another facility offered by the big leasing companies is the possibility to access the financial information by internet.

This can be a solution with two edges as in case the situation of the clients doesn't improve after the allowed term the next step is the cancelation of the contract and the return of the good.

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Reflections on the role of corporate governance in improving communication in knowledge-based society

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Abstract

In the knowledge economy, the effectiveness of communication is essential because it contributes not only to increasing business competitiveness, but also to the development of all entities, irrespective of their size and profile.

Known is that, lately, in knowledge-based economy, a new model of business development had arised, based on transparency, integrity, knowledge, communication, social responsibility, defending the rights of all interested stakeholders in the business, etc. Although originally has evolved as a result of the need to harmonize the interests of managers with those of shareholders, imposing large legal entities, listed companies, corporate governance has become gradually a competitive business developing pattern, placed in a constantly changing environment. Entities response to the opportunities and dangers within their action environment has resulted in several models of corporate governance adapted on the one hand to entities behavior (passive, active or proactive) and, on the other hand, to the complexity of relationships generated within their specific environment. How entities represent themselves a global communication and any behavior presents a major communicative value and any relationship requires communication, it can be said that the idea regarding to which corporate governance represents a particularly importance in organizational communication efficiency growth.

Keywords: corporate governance, communication, efficiency, knowledge

1. Introduction

The concept of corporate governance has emerged with human behavior prediction approach to business management in the sense that entrepreneurs and shareholders should ensure, by means of rules and regulations, understanding and predictability of decisions managers employed to exploit resources, especially financial ones. In other words, the need to control the degree to which managers fulfill the role and function in the organization led to a number of principles to guide organizational activity and patterns of organization, control and monitoring. All this becomes more complex as they have been implemented, providing true system of corporate governance. It is true that corporate governance systems should take into account not only the universal principles apply to any legal entity, but also the constraints and incentives that direct the activity of managers. Corporate governance systems include *structures* (general assembly, board of directors, committees and commissions, etc..), *procedures* (ways of action, means for performing an operation and so on in the form of codes) and *behaviors* (of all interested) existing in different legal entities.

Although is stated the fact that corporate governance models are absolutely necessary to large companies listed on the stock exchange, due to the complexity of decision-making

and problems of economic organization, given to the existence of shareholders not involved in company decisions, however, the role of corporate governance is essential also in the smaller entities, even if the entrepreneur is the same person with the manager. This is because, in the current context, corporate governance has become a model of efficient organization and business development.

Besides that, although exists a rich literature regarding corporate governance, most of the work focusing on the role and importance of the phenomenon in managerial decision-making transparency, also on the ethical aspects of social responsibility, without too much emphasis on the corporate governance importance in maximization of the value of entities and to achieve high performance. To note here the manifested interest concerning the role of financial communication in ensuring efficient corporate governance models.

However, in the context of the knowledge-based economy, society is interested in the intrinsic value of the company, the value added by it, the prospects of its development, on the way in which the expectations of all interested: shareholders, employees, creditors, suppliers, customers, community, society, etc. could be satisfied As such, the society is interested in phenomena that manifest in knowledge-based economy also in terms of outcome, i.e. to ensure high performance. But, in knowledge-based society, in which entities represents themselves a global communication, performance and competitiveness are determined by an effective communication. Thus, we can say that, systems of corporate governance contribute, to a large extent, on effective communication at the organizational, individual, group and societal level.

2. Relevant aspects of corporate governance - communication relationship

Corporate governance is based on a series of principles found in the first Corporate Governance Code (1992) developed the Cadbury chairman, *Sir Adrian Cadbury (Report and Code of Best Practice)* and known as Cadbury (this code is the base for London stock Exchange code). The basic idea consisted in that code is basic principles necessary for the efficient administration of a company so that there is no discrimination of shareholders. As a result, many companies and institutions were involved in ensuring total transparency and effective control over the managerial decision making process. In 1999 the OECD principles for managing corporate occur, globally recognized as universal principles and one of the 12 pillars of financial stability. These principles relate to the responsibilities of management (Board of Directors and executive management) to protect the rights of shareholders, at their fair treatment, transparency and dissemination of information in a timely, fair and regular, and the role and rights of stakeholders. At EU level, the principles of corporate governance are reduced to the responsibility to protect the interests of shareholders, the fair treatment of all shareholders, the company's transparency and accountability of the Board and the management entity in compliance with the law. This means that corporate governance models need to be developed from the essence of the phenomenon (balancing the interests of all parties involved) and the particularities of the national, local, regional organization of the event and the characteristics of that entity.

In general, corporate governance is a way of organizing entity by implementing specific systems and processes that would ensure the achievement of high performance and increased value for all interested and for society, in general. This means that it takes into account all the formal and informal rules and procedures, internal, but also of those imposed by external environment through competent bodies, implemented at the strategic and operational level.

It is stated in the literature that test regarding the effectiveness of a corporate governance system is the extent to which succeed to maximize company value from the view

of shareholder. However, the complexity of the environment of action, phenomena, processes within the entities, and the results achieved by companies that have implemented corporate governance models bring to the attention of researchers and practitioners that the efficiency of a system of corporate governance is measured by the degree to the interests of all stakeholders are harmonized by high performance levels achieved through maximizing the value of the legal entity for the society as a whole. This means that the legal entity which organizes and implements systems is been focused on satisfying customers, employees, suppliers, distributors, community and society as a whole, while maximizing value and achieve sustainable high performance are entities that have effective corporate governance systems. But all this can be achieved if attention is paid ***to relations generated by the entity with all those interested in its manifestation process, in it environment of action*.**

Regarding relations managed by any organizational entity with all interested, it can be considered that those are relations of positive influence, given the fact that it seeks to protect their rights and assuming economic and social responsibilities and also manifestation of an ethical and transparent behavior. Obviously, in this case, the influence relations are accepted by the receiver, so they are effective. In this sense, Parsons definition on the concept of influence (*"causes the other decision to act in a certain way because he feels that it is good thing for him and not for non compliance would violate certain obligations"*) (Popescu, 2012) is enlightening to identify the relationship between corporate governance and communication. This is because, in the process of communication, partners are related, and most often, in a relation of influence.

Moreover, it is worth noting that, based on communication as an integrated social phenomenon (the theoretical position of the school in Palo Alto) by building a link between relational and organizational aspects, between mechanisms that regulate inter-individual relations and those who regulates social relations, it can be said that "Everything is communication" (Tran, Stanciugelu, 2001). Thus, communication is that who express man's relationship with the world, because it provides the rules for understanding everything in the world, and science, art and everyday practices are nothing but sectors contained in the communication.

Known is that the ***term communication is linked to a communication process, and on the result of this process, as well as some specific phenomena.*** Communication is a method of representation of human interaction in which the focus is on process. Moreover, the communication is seen as a process of influence on three key levels: normative, cognitive and social (Popescu, 2012). All these levels are essential to implement an effective corporate governance model. For example, at a normative level, through communication are created, imposed and developed values, norms, rules and procedures specific to an effective model of corporate governance, while at the cognitive level, the communication process information (influence) are properly managed, knowledge, both within the entity and beyond it. Communicational process social approach comes to managing relations with influential entity developed by all stakeholders, thus contributing to the maintenance of roles, statuses, power and authority. Besides, important elements of corporate governance systems - behaviors - are created managed and exchanged through cognitive and social communication process. Do not forget that any effective communication process of cognitive, affective and behavioral the communication partners.

3. Implications of corporate governance systems to efficient communication

Communication is a social phenomenon with specific character, because the reality of the communication cannot be conceived outside the social frame. First because, for both the transmitter and the receiver are people, culture carriers. Within the entities, communication

can be considered from at least two perspectives: cultural and strategically. This means that at organizational level communication goals are established, and some of these concerns matters and reporting relevant information to all stakeholders. Especially because, at present, becoming more *communicative behavior* is held responsible for all institutional deficits, organizational or social entities and the society as a whole. Moreover, the unprecedented development of electronic media in the knowledge-based economy resulted in widespread socio-economic assessment acts as acts of communication (Rogojinari, coord., 2006).

In the context of knowledge-based economy relational existing stock in the company is very important for the survival and development. Relational stock is defined as the totality of relationships established both inside and outside the organization that affects both organization and its members. Also, *the stock can be defined as relational ability to develop, but also to maintain interpersonal relations, which have a beneficial effect on all parties involved* (Popescu, 2007).

Of course, to connect to environment opportunities is not an option but a necessity, especially in the process of globalization taking place today. This situation requires a strategic vision and leadership both in leading and developing business activity and strategic approach of communication is a way of ensuring a certain level of performance of a business based on customer and all business partners' needs and desires. Such an orientation of the internal and external business process integration requires current actions in future conduct that subordinate them in the final analysis, long-term objectives. In this respect, in any company should exist vision regarding communication, because the company, consisting primarily of people, means communication (Popescu, 2008).

As for the effects of the implementation of effective corporate governance systems, research has shown major benefits of implementing high standards of administration of legal entities. Thus, among the effects of implementing effective corporate governance models stands entities resource efficiency, stimulating and motivating employees, increasing the confidence of investors and all stakeholders, reducing corruption, effective management of conflicts of interest, improve performance, customer acquisition, improve image, increasing the satisfaction of all concerned, lower capital costs, social responsibility, reduce business risk, etc.. But the major effect of implementing an effective model of corporate governance is to increase efficiency of information and dissemination of relevant information to all those interested. Especially in the context of global economic crisis, corporate governance must make an important contribution not only in the interests of all parties involved, but also to ensure social stability and societal and organizational level this can be achieved through effective communication. But what is effective communication? In the literature it is assumed that the communication process is effective if the receiver has decoded the message properly, as it was encoded by the transmitter, and the transmitter has met the communication when the communication is effective. Therefore, effective communication is not the preserve of universal recipes (Nistoreanu, Vasile, coord., 2009). Thus, to understand the mechanism by which communication can be made more efficient, if the implementation of corporate governance systems, it requires addressing both communication barriers and skills communicators in terms of corporate governance models. First, to reduce the barriers that stand in the way of effective communication (listening problems, interpreting the messages, language, time and place of choice for communication etc.), is necessary to emphasize elements of communication patterns and sequencing communication process in order to identify the elements that may cause a more efficient communication.

Known is that the complex pattern of communication includes: events, information that causes the transmitter to transmit the message, transmitter, code, coding process, message, channel interference, decoding process. In general, complex communication models developed takes into account (Popescu, 2012):

- circularity of communication (Alternate participants in the communication roles of transmitter and receiver);
- individual differences in mastering communication codes;
- opinions and attitudes role in the communication process;
- importance of the social and cultural exchange, including for mass communication;
- constant interaction between human beings, held simultaneously across multiple channels and by various means.

Thus, reducing the effects of disturbances or differences in levels of knowledge and mastery of communication codes, and through a better organization of the communication process can increase the efficiency of the communication process.

Also, communicators skills necessary to an effective communication are particularly complex (Nistoreanu, 2009), but they can be developed and learned. Increasing the efficiency of communication is more difficult because, at the organizational level (and beyond) is a permanent interaction of individuals, each communication process having a specific structure represented by one type of relationship developed trinomial transmitter-message-receiver. *The communication is always changing, dynamic and reciprocal*.

However, implementing effective corporate governance models increase efficiency of communication, it provides rules, standards, procedures which are clearly established through effective communication patterns of different information (especially financial) to those interested. Although at first glance corporate governance models pay attention only to external communication, however the information contained in the entities are used in decision making and, as such, are considered essential parts of corporate governance, with emphasis on their quality and transparency. Obviously at organizational transparency is ensured through effective communication processes.

Conclusions

The essence of effective communication consists in the fact that it contributes to conscientious decision making, generating effects and evolutionary behavior. In the knowledge-based economy, legal entities are obliged, in order to proactive connect to their environment, to implement effective models of corporate governance, which ensures high performance, effective relationships with all interested and increasing the value at the societal level.

Based on existing studies in the literature on the efficacy of communication and how it is affected by the fact that any information submitted by outside help create a certain image of the entity, can be developed effective communication patterns for each class of receptors, implemented via rules, standards and procedures contained in the code of corporate governance of that entity. In this way it can help increase the efficiency of communication entity through the system of corporate governance which will ensure, therefore, the efficiency of corporate governance implemented custom model.

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The role of the underground economy in diminishing the performance of the national economy

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Abstract

New realities of Romanian political, social and economic life evolution after 1989, characterized in particular by acceding to democracy and the transition to the functioning market economy have generated profound changes in the political systems, institutional, legal, social, economic, and in the values of our country. After more than 20 years since the change of the old system, Romania has found its European identity, its balance and social stability, as well as its security in economic prosperity. The development of the economy in Romania must be understood in this framework extremely complex and divided by many elements with high degree of specificity, as well as all the activities carried out in the informal sector, known collectively as parallel economy. Is it possible the national economic relaunch by reducing this extremely important phenomenon? Most specialists consider that with diminishing the parallel economy, along with other factors such as decreasing corruption and eliminate slippage of justice, will increase the competitiveness of the Romanian economy.

Keywords: parallel economy, corruption, criminality, investments

1. Introduction

In the encyclopaedic dictionary, the term underground economy (synonymous with the terms of hidden economy and parallel economy), represents a "*legal economic activity, but deliberately concealed from public authorities in order to avoid: the payment of taxes, social contributions, following certain legal standards relating to minimum wages, maximum hours worked, labor protection rules or health, the fulfillment of certain administrative procedures, such as filling in statistical questionnaires or other administrative forms etc ".*

In terms of terminology, in a general simplistic acknowledgement, we consider that when we approach the concept of parallel economy, we believe that we are dealing with a "different" economy than the official one, known by all economic stakeholders and designate activities which are beyond the law and official expertise statistics.

In our view, the parallel economy knows a clear dichotomy that include, in its broadest sense, the legal types of activities, in terms of regulation, which although known are not taken into account by national accounting or are not declared for tax obligations, and illegal activities that have no legal equivalent.

The expressions of the activities circumscribed to the parallel economy and their amplitude have always been elements of social pursuit, concern and increased uncertainty, both for those directly involved or affected by them, as well as for the representing mass of the population and which often become directly or indirectly affected people. In this context it is understood that the effects of the parallel economy occur with a high impact and primarily have a strong negative character.

Depending on the evaluation criteria that we consider when analyzing the parallel economy and its effects on the economic life, we can appreciate that despite its essentially negative role, by some of its components (excluding a priori criminal activities) the parallel

economy had a positive role as well, which was a factor in economic development in Romania. This was favored by the transition character of the Romanian economy, situation in which it was shown to be highly unstable, and its shock-absorbing capacity was low.

2. Parallel economy in Romania and its role in diminishing the performance of the national economy

Parallel economy in our country includes a wide range of initiatives and operations that can be classified in different ways and which present extremely varied types of manifestation.

When analyzing the phenomenon, there have been identified as key components of the activities system specific to parallel economy, representative for Romania, those activities that thanks to their characteristics are: underground, illegal, informal, voluntary (volunteer) or include the household production for own use. Showing a high degree of specificity and different nuances, all of these activities must be analyzed in a very detailed individual method, but with a general approach in the context of the informal sector of the national economy, in which they frequently interact.

Despite the fact that during the transition period living standards fell significantly, and official statistics showed very worrying results, the general state of poverty did not characterized the entire Romanian society. In some areas of the country, especially in big cities or in the border regions (especially in the south and west of the country) there was visible a relative prosperity, even if we consider only the number of newly built homes or purchase of foreign cars. These images contrasting with statistics were practical evidence that part of household income came from the parallel economy, unregistered, with a very strong parallel sector.

Estimates of the share of parallel economy in Romania after 1990 are mainly global appreciations and given the case, they are not entirely reliable because not all cases present adequate methods to give transparency and credibility of their results.

The lack of a coherent methodology that allows an accurate estimate of the size of the parallel economy to GDP, has determined the circumscribed activities of this category to acquire alarming proportions in our country, with a strong impact on public opinion.

According to the Romanian Information Service, "the main supply channel for the parallel economy locates in tax and customs evasion (reducing the value or quantity declared in customs), smuggling of goods, illegal maneuvers on the property management of firms (intentionally poor management of accounts, carrying out bogus operations), unfair competition, embezzlement of funds mainly in the sphere of economic agents from joint ventures or exclusive state capital, corruption etc."[1]

Parallel economy is likely to take important effect in the structure and dynamics of normal economic life in Romania, especially when it is favored the extension of corruption, coupled with weakening state control structures. As general favoring premise the transition should be mentioned, but also the general context of internationalization and globalization.

The main supply channels parallel economy, are located in activities of prejudicial nature, affecting the public budget.

The problem of parallel economy and its consequences remain equally important to the national economy even after the end of the transition period of our country to the functioning market economy and accession to the EU, especially since Romania was able to

[1] Romanian Information Service, Report on the performance of the duties of the Romanian Information Service, by law, to achieve national security. 2002

get lately, notably at economic level, results that allow us to consider that they will soon reflect in the standard of living and quality of life.

In this context a factor as injurious and disruptive as the informal economy activities phenomenon should be known by a very comprehensive manner in order for it to be countered more effectively.

The positive role came when, due to delays and mainly to difficulties recorded in the reform process, the market mechanisms have not functioned normally, context by which the parallel economy took some distortions manifested in these markets, acting as a counterweight to shortage economy.

It is clear that the parallel economy is currently still a source of income for a large part of Romania's population. Practices in the domain have demonstrated that in the almost 24 years traveled since 1989 events, in areas such as the "black" market labor and services have worked and earned revenues hundreds of thousands of people.

Features more positive for the existence of parallel economy were presented in Romania, in areas such as: development of the merchandise demand on the consumer goods market and household consumption, as well as in the revenue increase by activating the labor on the "black" market, etc.

The costs of purchasing products in the parallel economy, being much smaller, made these products accessible to a large mass of people living at the edge of poverty. It is worth mentioning here the commerce's situation in the large commercial complex en-gross, in which people tacitly accept the possibility that the goods come from smuggling activities and are reevaluated through tax evasion systems, evading the payment of the state budget, since they were sold at prices much lower than in other markets.

Activities of this nature have led, to some extent, to the inequality income reduction although, in substance, it is known that the additional incomes from informal activities are not equally distributed.

On the other hand, also acting as a positive role, it was demonstrated that from this parallel economy, in addition to the amounts dissipated in dark areas or outsourced to different channels more or less clandestine, came capital injections into the real economy or there are supported investments that ensure many jobs. We note down here also the amounts invested in the national economy as a result of their outsourcing by Romanian citizens working abroad, amounts which, although somewhat missing from the tax systems in the country where they are made as well as in Romania, are a way of social deficits adjustment for many people, or are a stimulating factor for domestic consumption and implicit for national production.

However, it should be noted that all features of the parallel economy that generated positive consequences received a favorable context for implementation, respectively a long transition period that implied profound changes, not infrequently with major social costs and strong negative consequences reflected in the population standard of living. This atypical evolution of the national economy during the transition period covered so far, led to a huge growth in the size of the parallel economy, which in conclusion, made possible the appreciation that its potential positive effects have been rather negligible and left to prevail its negative effects.

Given the great diversity found in the definition of parallel economy and especially the growing importance that has to be given to the knowledge of this phenomenon, we consider that it is imperative for the specialty literature to develop a unified design approach, if not necessarily in terms of terminological aspect of expression, at least in relation to the identification and determination of its main features.

We appreciate that out from the category of activities specific to the parallel economy, representative for Romania, are those activities that by their characteristics are:

underground, illegal, informal, voluntary / volunteer or represent *the domestic production type affected to own use.*

The proportions of the components of the parallel economy, their way of manifestation, their impact on the formal economy varies from country to country, depending on the economic and organizational systems, and on the social – historical particularities.\

The complexity of all economic activities and their reflection in national accounts statistics is very difficult to achieve, taking into account the great diversity of these activities, including, for example, those deliberately disguised by those who exercise them.

The failure to comprise them in accountancy represents an an essential drawback regarding the quality of the national accounting system.

Among the activities which, on different accounts, avoid the control of the efficient authorities in the field of profile data management, we can find those activities with specific characteristics such as: underground, illegal , informal , voluntary / volunteer or representing domestic production for its own use, except for the cases when some activities may be unaccounted because of the deficiencient collection (presented by databases).

The fields where the parallel economy has now a significant share in Romania (as it used to have during its transition) are mainly the following: industry, trade, constructions, tourism and transports.

Most of the ratings of the parallel economy in Romania are global assessments. In order to prevent some negative consequences in this field, in the post-accession period, Romania has to apply certain policies going to directly influence the parallel economy development, to implement specific guidelines of social policy aiming at ensuring the economic security and to set in active programs for the socially disadvantaged population's support.

Supported by the economic development, the input of proper social programs will shortly result in the standard increase of the Romanians' life quality as well as in the emphasizing tendency to block them and act within the parallel economy.

The society overall development and the elimination of poverty for many citizens will diminish the elements of the parallel economy represented by informal and productive activities for their final consumption.

However, in the developed countries, these activities are quite fewer than in a poorly developed country or in a country in transition.

Another field with compulsory coherent and swift policies is the field of legislative and economic regulation, together with the strict observance of the laws, drawing a steady framework for the national economy and for the stimulation of the population's interest in the real economy.

The elimination of the fiscal burden providing a tax relaxation, at least to simplify the system simplification and to offer a better stability, entails the cut of all underground activities in all respects. Hence, there are removed the situations with frequent changes when the tax-payers fail to understand the new regulations and they do not act by legal means. Hopefully, once Romania acceeded the EU and took the necessary steps, the fiscal fraud and the black labour will decrease.

While in the case of fiscal fraud (the fiscal and customs evasion) they are going to be limited by strict and steady regulations and by actively monitoring it through correcting or fighting interventions in cases of law infringements, in the case of black labour, there will be a long-lasting process, involving methods to attract people in the real economy and to make job offers.

Conclusions

In conclusion, we hope that in the following years important changes will take place in the structure and development of the parallel economy elements in our country and their consequences might be sometimes negative, the most important role being played by the implementation of proper policies in the field and by the efficient cooperation with other member states or institutions within the community.

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Positive effects of services sector. Customization to the case of externalities of education services

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Abstract

Part of a wider research, this paper emphasizes the important aspects of positive externalities with application to education, especially in Romania. Methodologically in the first part of the article, highlighting the theoretical role of education in developing attitudes of individuals, with direct effects, especially long term, the economic and social development of a country.

Customizations are made to positive externalities of education and demonstrated using graphs based on supply and demand curves (private and social marginal cost, on the one hand and private and social marginal utility, on the other hand) and Pigovian subsidies.
Analysis results lead to the conclusion of importance of the government intervention, with suggesting some appropriate forms of sustaining education.

Keywords: externalities, marginal social cost, marginal private cost, marginal social benefit, marginal private benefit, education

1. Introduction

Importance of investment in education was highlighted in the economic literature such as those of (Schultz, 1961: 1-17) and (Denison, 1962: 124), (Mincer, 1974: 5-28), (Becker, 1994: 29-58), (Harberger, 1998: 20-22). On the role of education in influencing productivity of individuals, there are empirical studies since the early '70s such as those of McClelland and Winter (1969) and Inkeles and Holsinger (1974), who emphasized the role of educationin transforming attitudes of individuals, with direct effects on economic and social development. Negative effect of the lack of education is the discrepancy income derived by persons who have received education compared with others, because a person who graduated from a high school or higher education institution records usually a larger income than a person, having completed secondary education.

In current conditions, people who have aspecific educational training for a job or employment for performing a profession, have an over whelming individual advantage against those who do not have the necessary training. To this, are added the positive effects on long and very long-term, with profound impact on the entire economy and on human society in all sizes. This has led to an increase in demand for higher levels of education (secondary and tertiary), which in turn led to an increase in the minimum level of education required employment positions with negative consequences onthe labor market.

2. Investment in education

At the macroeconomic level, it is important to incorporate the effects of education in technical progress because more educated individuals is more likely to innovate thus affecting the productivity of all. Also, such an externality of education (we refer here to the positive) would be the individuals who raise not only their performance, but also productivity of those with whom they interact, so that the total productivity increases when will increase the levelof education.

Ability to compete in a particular market for goods or services will depend on the quality of the labor involved in their production. Investments in skilled labor may have little impact on economic growth unles speople can use education on open and competitive markets. The large stand most competitive markets are those where there is more likely to use education and skills.

When we talk about education, we must consider not only the individual self, personal development, but also groups or communities, because in addition to professional skills pupils and students acquire social skills, school is the place where they meet with individuals of diverse origins, where they reflect social problems.

It should be noted that the relationship between education on the one hand and the degree of social and economic development, on the other hand is mutual. Level reached or will reach education, its content and scope are determined by the development of society, the concrete needs at every stage of its evolution, for example if we take into question time and space criteria, level of education a few decades ago in Romania was different in terms of graduate quality indicator compared to the current situation, including the training frequency, seriousness, etc., both from the students and teachers, but to get a true picture of educational services in Europe and in Romania it is nevertheless necessary to analyze qualitative, structural aspects of this field much deeper. Also in temporal perspective, the role of education in human development, social, economic, is more nuanced, deriving from the involvement and use of the creativity, people skills, manifested in their orientation to improve well-being and quality of life. In the future, to obtain the economic and social development to achieve positive effects, especially on long term, we believe that education cannot be left solely to educational institutions, but also on account of companies (economic agents) because the latter, needs to be much more concerned with education and training of their employees, appealing to their own financial resources.

3. Positive externalities. Analysis based on graphic

Externalities are effects of actions of economic entities "out" to themselves, that is, when such entities activity effects on other entities (not only the desired line by that entity for itself). These externalities can be advantageous or disadvantageous to the out side of entity analyzed: when advantages (earnings, benefits) occur, are called positive externalities. They can be generated by economic agents: producers and consumers (Platis 2004).

Externalities are also known as external effects, external savings or losses, local or general effects. Most of times, we use the term technological spillovers to distinguish the content of externalities (positive or negative effects, private or social activity generated by production) cash savings or economic loss (Platis 2004:66-80). Positive externality contributes to increased private benefit (a utility of that property). Externalities are the result of interdependencies that occur between utility function and production function, respectively

the consumer (for which important is the utility[1] of the product orservice) and manufacturer (in which case it is considered the actual production process). In other words, a producer actions have effects that may alter the other producers and consumers, on the environment in general framework, societal and natural, spatial and temporal (including inter generational), influencing their activity positively or negatively.

Externalities area manifestation of inadequate functioning of market mechanisms (which should ensure efficient functioning of the economy). In the case of positive externalities (Popescu şi colegii 2011), the level set shall not correspond to the general optimum (but the strictly individual-ignorant in relation to a particular part of the effects, this time positive), usually below maximum efficiency. Determining whole "technical" market mechanisms is thus questionable.

In the situation in which at rader creates a positive externality if, for example, a high school graduate, continues to attend a university, this means that after graduation, labor market will be a persons pecialized in a particular area, occupying later a job so as to generate a positive externality for the entire society. In this case, in "The Economics of Welfare" (Pigou1932:372-374) it is supported the idea of granting subsidies for activities (suchas education) which creates positive externalities, known today as the Pigovian subsidies.

We analyze the positive external effects (positive externalities), through the following graphs. Thus, in thec hart 1, on OX axis we can observe the price of a product (between 100 and 1000monetary units) and on OY axis, the quantities offered and purchased (from 1to 10 units) on the market of that product. Everything that is produced up to the price of 600 monetary units respectively point 4 on the chart, is bought and consumed, thus creatinga situation of equilibrium, which means that there are no externalities, private marginal benefit (BmgPriv.) = private marginal cost (CmgPriv). When will produce and will be consumed the 5th unit, this means more private costs, which will be reflected in the sale price, resulting a lower demand, thus negative externality occurs.

Private cost refers to the company, to costs incurred for the creation of goods and services in economic activity such as for example, the cost of labor, with machinery etc. (production cost) and marginal cost refers to the additional cost required to achieve additional units, meaning unit plus another one. For example, the production of a unitofan economic good requires a production cost of 100 monetary units, increasing production by one unit (point 2), determines production costs in the amount of 200 monetary units.

[1] For the termofutilitywe willusethe notion ofbenefit, as it is taken fromthe literaturein English andis found inmost materialstranslated into Romanian.

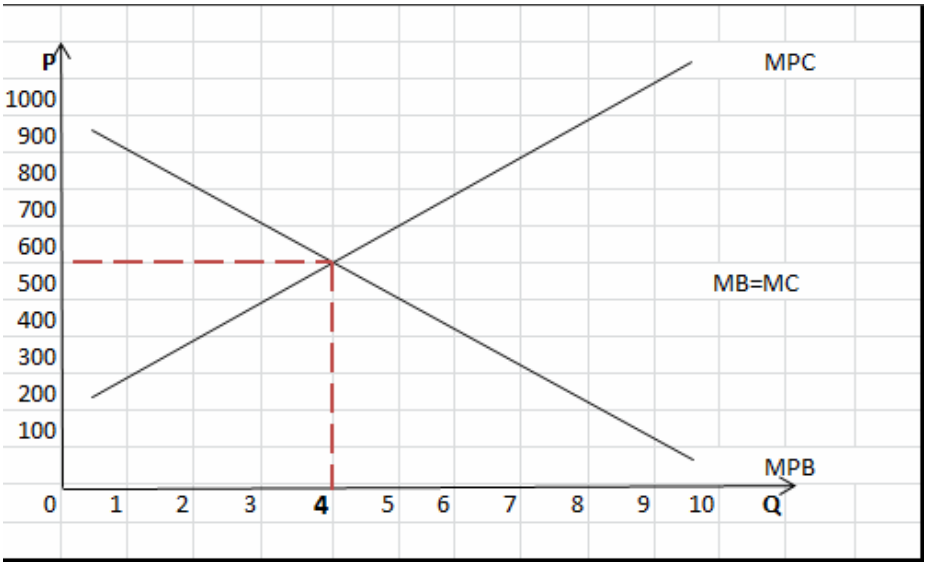

Chart 1. Equilibriumsituation, there is no externality

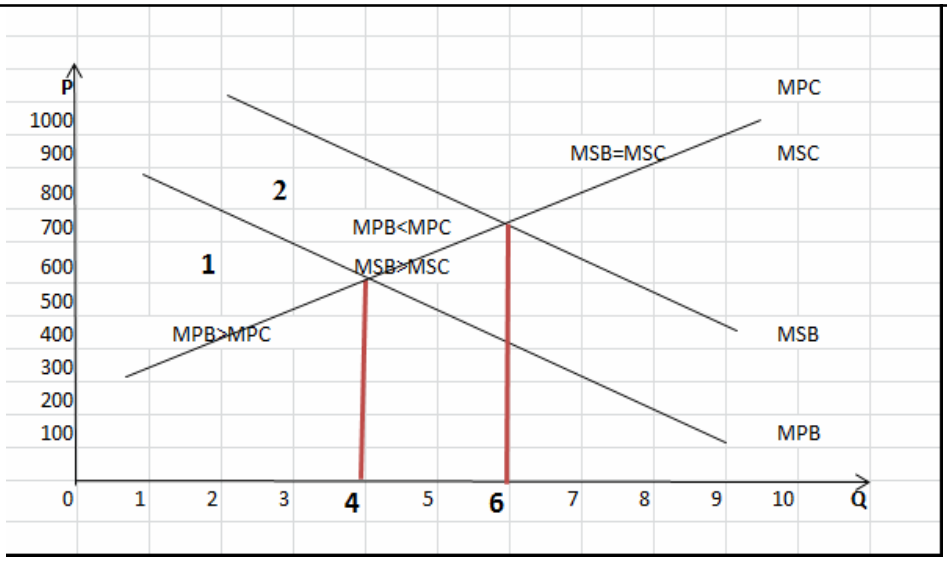

Chart 2. Positive externalities

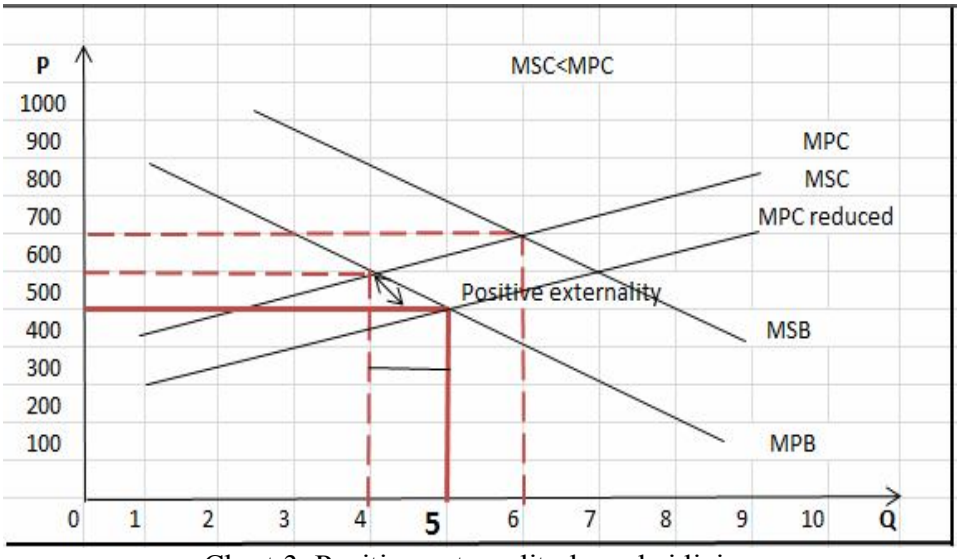

Chart 3. Positive externality by subsidizing

Marginal Private Benefits (MPB) resulting from consumption of this good or service, are external benefits to others (third parties), that will be marginal social benefits (MSB) because Social Benefits = Private Benefits (PB) + external benefits. In other words, social benefit (benefit to society) is as private benefit (consumer benefit) produced for each unit plus external benefit (meaning1 +2) represents the marginal social benefit generated by each of these units. In this case there is no additional cost for these units (goods), so the marginal social cost, on charts 2 and 3 represent the same line as the private marginal cost, are equal. Thus, we see that the best level for companies is where MSB=MSC (MPC) everything that is produced and consumed over point 6 in chart 3, involves a MSC>MSB.

They do not take into account external benefits (meaning effects or benefits for others, social effects). For example, continuing schooling for the future to get a better job, to get a degree to earn more money, these motivations are private benefits. Also, having a better job, will pay more taxes (tax salary will be higher), thus influencing positively macroeconomic budget, because the budget revenues are distributed further, we mention the multiplier effect Keynes's or "effect stone thrown into a pond", represents benefits for others also (social benefits). Therefore, according to Pigovian tax (subsidize), governments intervene (in the happiest cases) by reducing private costs highlighted in Figure 3, in point 5. For example, students continue their studies due to the fact that private costs have been reduced. In September 2012, the Ministry of Education of Romania, decided to grant, respectively increase subsidies for students accommodation in hostels, canteens, thus changing the Government Emergency Ordinance no.73/2004 on granting individual grants accommodation ordinance that would give students the opportunity to cover some of the costs of rent, if they fail to get a place in a hostel for students.

Increasingly, education is conceived as having a large function and multiple roles both in the private and public sectors. Investments made in education from the perspective of society as a whole is based on cost-benefit analysis, but the meaning is different for these two components compared to individual decision to invest in education. The difference is that there is a need to estimate all costs, respectively, of revenue to the company by education. As a result,the social costs in education (suchas egstaff costs, infrastructure and operation, paid from public funds), represents all private costs (costs incurred by individuals involved in education) and external (supported byothers).

Market fails when it does not provide enough goods/services because only going up where the private entity (meaning economic agents like households, private companies), only consider their private costs and revenues when deciding what to produce or buy, how much to produce or buy, disregarding social effects.

To solve the problem of externalities is necessary governmental intervention as we have stated, and private agreements such as moral codes, the existence of non-profit associations (e.g. Greenpeace), merging some companies that generate a specific type of externality (positive or negative).

Conclusions

The investment in education is a key decision for the national governments because their benefits will be felt in the long term, with significant repercussions in all sectors of the national economy. Since the possibilities of education are becoming increasingly important, it is necessary to predict the evolution of demand for the development of new technologies, labormarket trends and so on, in order to take the most effective government decision to increase the share of positive effects both the economically, and socially. A graduation rate of high school and will have as consequence a highly qualified workforce. Furthermore, in

addition to government involvement is very important also the productive collaboration between generators and receivers of positive externalities.

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Behavioral communication consequences on business competitiveness growth

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Abstract

In the context of global economic crisis, the competitiveness of firms is provided by competence, experience and employee productivity. However, in the knowledge-based economy, communicative behavior is held responsible for many of the problems faced by economic actants. Therefore, in order to increase business competitiveness, considering communication as the major component becomes a necessity in the current global economic context. Communication provide scientific, theoretical and practical support, that can assure high efficiency activities of legal entities by generating a communication culture in which all organizational members are aware of the market, the product and the company. Moreover, the human potential is very important for increasing business competitiveness, and behavioral communication is a form of communication with major impact on business relationships, which leads to the idea that it has significant implications for business development.

Keywords: competitiveness, communication, behavior, business, communication, behavioral

1. Introduction

In the context of the knowledge-based economy, entities considered to be competitive are those that not only survive, but also find opportunities for their development. Socio-economic entities competitiveness is a strong competitive advantage, so that the firms make efforts to manifest proactive behaviors. Being preoccupied, especially in context of the global crisis, by the maximization of customer satisfaction, companies are willing to seek solutions to streamline costs, flexibility and quality assurance activities. Especially because knowledge-based economy is generating new models of organization and economic activity, due to the change of paradigms, at least of production, organization and management, which contributes to the increasing importance of communication in the management and in the organization, motivation to use creativity and intelligence of the human factor in the economic entities.

Knowledge economy is an economy based on knowledge and ideas, where people work with their brains more instead of machines, in which technology communications creates global competition, in which rapid change is a constant, where innovation is more important than mass production; in which the investor buys new concepts or new ways to create them instead new machines. In this situation, companies can grow through creativity and innovation. In fact, the success of firms in the knowledge-based economy is determined by how they manage to spur technological innovation, develop business relationships, promote specialized skill and develop learning network. As such, the markets in which firms operate are global, dynamic, requiring networking enterprise development, entrepreneurship promotion, the development of flexible hierarchies, manageable organization of production and labor.

But all these are possible through an effective and efficient communication. If an effective communication refers to the transmitted message with a minimum of resources (Nistoreanu, Vasile, 2009), the effectiveness of communication depends on the quality of the

interpersonal relationship between communicators. This is because communication is effective if it has achieved its aim proposed by the communicator (Nistoreanu, Vasile, 2009).

Communication is a complex process that takes place on two levels: the content plan and the relations plan. In contents of plan are sent information, ideas, opinions, beliefs analogically, while in the relational plan are transmitted "information about information" digitally. Obviously, between two plans there is a close connection and mutual influence, any communication in the relational problem affecting communication and content plan, and vice versa. Thus, communication effectiveness is affected, for whatever plan distortions occur.

Usually the term communication is used in close link with the following terms: signs and symbols, language, code and language, behavior, information. The first two terms are occasionally used as equivalent; sometimes is been made a clear distinction of the meaning. Each term takes on new meanings if is associated with a specific attribute. Thus, communication can be verbal or nonverbal, interpersonal or intrapersonal etc. Language may be native or international. Language can be verbal, nonverbal and para-verbal. But it can be also artistic, mathematical, philosophical, economic, emotional, etc. Behavior can be positive or negative, verbal or nonverbal. *Every behavior has a major communicative value*, which must be taken into account in the process of human communication. In the modern sense, information means: news, knowledge. It provides and receives legal, technological, managerial, political, journalistic, electromagnetic, biological, language information, etc.

2. Business competitiveness - concept and importance in the knowledge-based economy

In the context of the knowledge-based economy, entities aim to identify competitive advantages in the hope of success in business.

2.1. Definition and importance of competitiveness

The concept of competitiveness can be addressed at the individual, organizational and national levels. Generally, competitive means entities capacity to maintain in competition and the ability to obtain economic benefits in the context of the environment. This general approach is applied both at the individual and organizational level. But, at the national level, competitiveness expresses the ability of that country to effectively use perceived opportunities identified globally.

Known is the fact that, from an ***organizational*** perspective, competitiveness can be addressed at the individual and legal entity level. At the organizational level, the competitiveness of firms can be analyzed by means of factors such as yield, the degree to which the profit is invested in human resource development and improvement activities, improve product quality, expanding productive capacity, hiring new specialists assortment diversification (including launching new products), flexible organization.

Regarding ***competitiveness at the individual level***, it relates to how individuals administers and manages all of its powers to ensure the welfare, the objectives set out in the individual and organizational level.

Therefore, the present study attempted networking between communication behavior - competitiveness, at organizational level, based on the notion of behavioral communication and hence the communication behavior, considering the concept as an indicator of competitiveness and organizational culture and also reporting efficiency of communication to entities performances.

Researches on competitiveness have revealed a number of interrelated factors of competitiveness: profitability, investment, improve quality (products and activities), expansion and diversification, proactive behavior. But if competitiveness is addressed from the perspective of modern management, namely in terms of two key factors: profit and entity impact on the market - through the products and/or services and proactive behavior, then it is

essential to increase the competitiveness of companies in the global crisis. This is because profit is not just a company's purpose, but a way that it can ensure the survival and/or development. In this sense, in the context of economic crisis, the primary objective of firms is to maximize customer and all those interested satisfaction. Firms that rely on studies regarding customer (internal and external) needs will be able to identify competitive advantages and to act so as to capitalize on market opportunities and even to create the conditions necessary to increase competitiveness by promoting entrepreneurship and innovation.

2.2. National competitiveness analysis - source identification for communication elements having impact on the business competitiveness growth

Nationally, competitiveness defined by institutions, policies and factors that determine the level of productivity of a country is characterized and analyzed through 12 indicators, grouped into three categories, reflecting the development stages of that country, from which it calculates competitiveness index**.**

The 12 pillars of competitiveness are: institutions or institutional environment (strategies, policies, quality, attitude of governments, corruption, transparency, judiciary, honest practices, management of public and private financial institutions), infrastructure (level of development, quality, services, networks), macro economy, health and primary education (health and primary education), university education and educational level (higher education and training), goods and market efficiency, effectiveness (and flexibility) of the labor market, technological developments (technological readiness), market development financial dimensions (size) market, the complexity of business and innovation. According to the Global Competitiveness Index (GCI), key for **factor-driven** economies include: Pillar 1 Institutions, Pillar 2 Infrastructure, Pillar 3 Macroeconomic environment and Pillar 4 Health and Primary Education, and the key for **efficiency-driven** economies include Pillar 5 Higher Education and Training, Pillar 6 Goods Market Efficiency, Pillar 7 Labor Market Efficiency, Pillar 8 Financial Market Development, Pillar 9 Technological Readiness and pillar 10 Market Size, while the key for **innovation-driven** economies pillar are given by Pillar 11 Business Sophistication and Pillar 12 Innovation. Therefore, it is considered that there are three stages in developing countries may be assigned according to the pillars 12 and the transition between these two states.

According to the Global Competitiveness Report 2012-2013, an World Economic Forum study (WEF), based on the responses of 15,000 business executives in 144 countries, Romania is the second stage of development, efficiency - driven, with another 32 countries, including Albania, Armenia, Bulgaria, China, Colombia, Ukraine, Serbia, etc. In the first stage of development being 38 countries, and in the third stage of development were grouped a number of 35 economies, including France, Germany, Greece, Canada, Belgium, Ireland, Spain, Portugal, Switzerland , Italy etc. In transition from stage 1 to stage 2 of development hovering a total of 17 countries, for the transition from efficiency-driven to innovation-driven is falling 21 economies. The top 10 competitive economies being Switzerland, Singapore, Finland, Sweden, Netherlands, Germany, USA, United Kingdom, Hong Kong SAR, Japan.

In that ranking of GCI, Romania is ranked 78 (WEF - Global Competitiveness Report - 2012-2013). It seems that our country has lost from last year (2011-2012 report) a place in the hierarchy of competitiveness, overall score obtained was 4.07 points on a scale of one to seven, less than a score of 4.08 points in the last year and 11 places from 2010 to 2011. As such, before our country stand countries such as Turkey (43), Hungary (No. 60), Bulgaria (62), Russia (67th) and Ukraine (73) and by countries such as Croatia (No. 81) Moldova (87th), Serbia (No. 95) and Greece (96th).

It should be noted that the problems facing our country, with implications for business development are corruption, tax rates, inefficient government bureaucracy, access to

financing, tax regulations, inadequate supply of infrastructure, inflation, policy instability, inadequately educated workforce, Poor work ethic in national Labor force, Labor restrictive regulation, insufficient capacity to innovate, crime and theft, government instability / coups, poor public health, foreign currency regulations.

An analysis of Pillar 7 Labor Market Efficiency shows inefficient use of human resources in our country, with negative impact on business competitiveness. Thus, the cooperation in labor-employer relations, with a score of 3.2, places our country on the ranks 141 of 144 from countries. In the same pillar, reliance on professional management has a score of 3.5 out of 7, fact that puts Romania ranked 124. Besides that, the ability of innovation is quite low in our country, with a score of 3.1.

Communication is the element of human aggregation of the universe (Nistoreanu, Vasile, 2009). Because of its universal character, communication has implications in all human actions. Known is that individuals are those who communicate with their entire experience, education, culture; they are influenced by the communicational medium, the conditions of life, by the communicational partners and by other factors. The earliest studies regarding communication link employee productivity to their relationship with management entities. Obviously, an analysis of Pillar 5 Higher education and training, in which Secondary Education Enrollment, gross% value 97.2, rank is 42. Regarding the quality of the educational system the score of 3.1 (out of 7), which positions our country on ranked 108 out of 144. On the Quality of math and science education, with a score of 4.2 our country occupies position 55, while the quality of management schools, given the score of 3.5, the place of our country is 112. It should be noted that the indicator Internet access in schools have recorded a score of 4.3, the position of Romania is 64 of 144. But the pointer Availability of research and training services with a score of 3.5 handle position 112. Actually neither on indicator Extent of staff training (value 3.4) we are at 111.

As such, it can be said that, in order to increase business competitiveness, it becomes necessary a process of human resource development in our country by increasing the spirit of innovation, access to knowledge, increasing the quality of education, developing creativity and intelligence individual and organizational, increasing quality of life.

3. Behavioral implications of the growth of communication business competitiveness

Thus, based on the idea that business is profitable organizations, through business competitiveness can understand the competitiveness of economic entities. As such, insuring competitiveness of an entity requires the development of *new competitive advantages or strengthens the existing ones*, all in relation to the opportunities and threats that characterize the environment. In terms of developing their strengths, is focus on *professional development of employees and their careers*. The general objectives of this activity aims to eliminate gaps between the real level ant that necessary of knowledge and skills of personnel, to create learning opportunities for each employee, so that learning should become a permanent activity of each employee. As such, investments in technology and employee development are generating factors of competitiveness.

On the other hand, the entity image is assured through communication and performance. Organizational performance is a direct result of the company's competitiveness, especially with reference to the human factor and technology. Typically, companies set their performance targets in relation to the size and market efficiency coupled with guidance, vision and behavior of entities.

If starts from the idea of the hypostasis of organizational social entity, i.e. is represented by the people who compose it, we can say that one of the most important manifestations of the interaction between the firm and its action is communication. Often,

people enter into interpersonal communication relations, in which communication behaviors are influenced by values, beliefs, knowledge, attitudes, transactions, ego states, self-esteem, images of their world view. Obviously, values, beliefs and knowledge are the result of accumulation by each individual, in part, information about the world, about the world and life as a result of knowledge acquired through learning, its own observations, experiences of life, reflection etc. And in the process of forming values, beliefs, attitudes, indicators of competitiveness have a major role. Thus, for example, the attitude of employees towards innovation and creativity is the result of quality of education, facilitating access to knowledge, the learning method. On the other hand, a positive attitude of staff towards innovation and creativity contributes to competitiveness of entity. Clearly, innovation is based on the results of new technologies, on innovations in complex fields or different from the approach, the combination of new technologies, and the use of knowledge used by other entities in different contexts. So, innovation is an activity from which results: a new product, a significantly improved product, a new process, new procedures, new techniques and new or significantly improved technologies, new working methods and new tools or significantly improved. But also identifying ways to increase the work efficiency of employees are a result of innovation and organizational creativity. Also, if innovation is regarded as an approach which solves the problem then, employees work flexibility represents an innovation of employee's work with positive repercussions over entity competitiveness.

Studies show that the state of competitiveness can not be achieved by an entity that does not take into account the interests of all stakeholders. But the process of harmonization of entity interests with those of all other parties that are interested entity can not be achieved only through communication. Behavioral communication with all stakeholders is having a major impact on the competitiveness of state insurance company. It can be internal or external, made by various means, resulting, ultimately, be positive relationships, neutral or negative with all stakeholders. Individuals are the product of physical context in which they were born, conditioned and influenced by it, for which they communicate at the behavioral level from the images they have formed. Conditioning of the ideas can determine some attitudes towards activities within the company, to the relations with business partners, with other employees, company management, which influences firm performance.

Communication behavior of each individual depends on the self-image that every individual has formed. This is the result of three elements: the image of how it ideally image of himself (as we think it is) and self-esteem (Turner, 2002). Self-image of each individual will determine the wage, labor productivity, relationships with others (including managers), the degree of identification with corporate objectives, and the effectiveness of the work carried out, entrepreneurship, creativity, degree, etc. with obvious impact on the competitiveness of the company.

Conclusions

In the context of the knowledge-based economy, entities are required to seek competitiveness, and then, in order to increase its need to develop appropriate strategies to socio-economic context, realistic and pertinent. In this sense, increasing the quality of goods and services and maximizing short-term profits are not enough. Currently, efforts should be focused economic entities on human resource that can make a difference. This is because individuals are but that builds and develops the entities that compose them through communication. In a world in constant change, the uncertainty creates stress on individual and organizational behavior communication becomes more important in ensuring high competitiveness of individuals and legal entities.

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Co-opetition - competitive cooperation, a new and meaningful paradigm in the current communitarian context

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Abstract

We all know that, when arguing which type of society is the best, conservatives generally, favor more competitive societies, whereas liberals support more cooperative ones. In this paper, we aim at supporting the fact that the best alternative between **cooperation** and **competition** is a combination of the two, namely **co-opetition,** in which the individual success is the success of the community, and the success of the community, as a whole, equals each individual's success. The term of co-opetition or (coopetition) was first used by Ray Noorda, CEO of Novell. He considered it as a behaviour consisting in two simultaneous activities: cooperation and competition. (Wikipedia). In 1928, John von Neumann, fondour of the game theory domain, published the first topic on this issue. Thed basic principles of co-opetition structures were described in "The Theory of Games and Economic Behaviour" (1944) by Oskar Morgenstern and John von Neumans.In the 1966 book, "Co-opetition", Harvard and Yale business professors, Adam M. Brandenburger and Barry J. Nalebuff , used the theory of games to develop the concept of co-opetition. On the cover of book is stated its basic concept, the definition of *co-opetition:* a new paradigm that combines cooperation and competition, and a strategy of game theory that changes the way business is conducted.

Keywords: co-opetition, cooperation, competion, coexistance, theory of game, cluster

1. Introduction of the concept

We all know the fact that when arguing which type of society is best, conservatives generally favor more competitive societies, whereas liberals support more cooperative ones.

In this paper, we aim at supporting the fact that the best alternative between **cooperation** and **competition** is a combination of the two, namely **coopetition,** in which the individual success is the success of the community; and the success of the community, as a whole, equals each individual's success.

The term of co-opetition or (coopetition) was first used by Ray Noorda, CEO of Novell. He considered it as a behaviour consisting in two simultaneous activities: cooperation and competition. (Source:Wikipedia). In 1928, John von Neumann, fondour of the game theory domain, published the first topic on this issue. Basic principles of co-opetition structures were described in "The Theory of Games and Economic Behaviour" (1944) by Oskar Morgenstern and John von Neumans. In the 1966 book, "Co-opetition", Harvard and Yale business professors, Adam M. Brandenburger and Barry J. Nalebuff , used the theory of games to develop the concept of co-opetition.

On the cover of book is stated its basic concept, the definition of co-opetition: a new paradigm that combines cooperation and competition, and a strategy of game theory that changes the way business is conducted.

The basic idea is that businesses can be considered as a game in which actors sometimes cooperate and sometimes become competitors in different fields. Cooperation, generally, leads to the expansion of the business, while competition leads to its partition into

slices. Both cooperation and competition are necessary and desirable aspects of doing business. An exclusive focus on competition largely ignores the potential of changing the nature of business relationships and thus the potential for market expansion or for the creation of new forms of profitable enterprises. The application of the "coopetition" paradigm leads to changing and expanding business together with new and better ways to compete. (Brandenburger, Nalebuff , 1996)

2. Comparison with the classical perspective

The authors, Adam M.Brandenburger and Barry J.Nelebuff, (1996) , introduce the concept of "value net". Starting from this concept, the companies operate in an environment consisting of four main groups that influence the conduct of any business. These four groups are: suppliers, customers, competitors and complementary organizations, as shown in the diagram below:

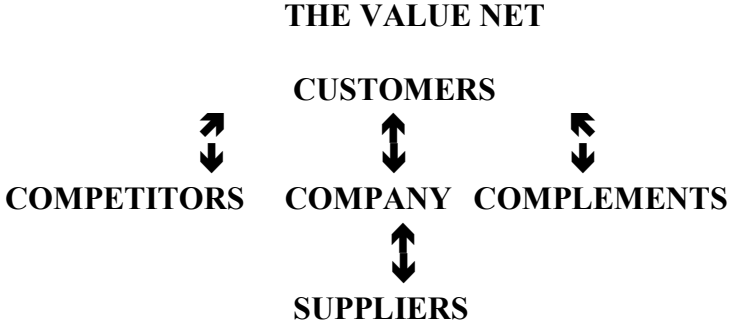

Figure.1. The Value net

Source: *Branderburger, Nalebuff (1996*);

The value net is a schematic diagram designed to represent all players in the game and the interdependences using them. It is unnecessary to emphasize the importance of customers and suppliers in the value network. Competition will certainly have a major impact on the company and on how it operates. But according to the authors, other organizations in mutually beneficial and reciprocal relationships are often passed across too lightly. A simple example is IT companies, hardware and software: both depend on each other (to the point where they can no longer exist separately, they are mutually dependent). "Though the idea of complements may be most apparent in the context of hardware and software, the principle is universal. A complement to one product or service is any other product or service that makes the first one more attractive. Hot dogs and mustard, cars and auto loans, televisions and videocassette recorders, television shows and TV Guide, fax machines and phone lines, phone lines and wide area networking software, catalogs and overnight delivery services, red wine and dry cleaners. These are just some of the many, many examples of complementary products and services." (Brandenburgher, Nalebuff, 1996, p.12).

The game of business is then broken down into its parts (players, added values, rules, tactics, and scope) as a means of viewing practices and strategies.

*"**Added value*** focuses on ways to improve products and services to find ways of making more money from an existing customer base.

Rules **s**pecify ways of attracting customers with strategies such as price-matching.

Tactics are the practices sometimes used to take away a competitor's likely market share, for example, announcing an upcoming new and improved product when a competitor's product is released.

Scope is the final part, used to take a broader prospective and create links between competitor's games and interests and see how coopetition can benefit the players" (Bengtsson, Kock, 2000).

3. Business perspective

According to the definition provided by Bengtasson and Knock (2000), coopetition is the situation when competitors cooperate and compete simultaneously with each other. It is a hybrid activity based on two activities that were traditionally perceived as opposite and incompatible, namely cooperation and competition. At an interorganizational level, authors consider cooperation and competition as two parts of interacting mutual relations. They argue that the different components of the coopetitive relationship are divided among activities; for instance, two or more competitors may cooperate in the field of product development or technological progress yet at the same time be competitive in what regards attracting customers or expanding the market share. A consequence of this perspective is the fact that coopetition includes cooperative interactions in relation to a particular activity as well as competition with the same company in terms of another activity. Depending on the relative position in the industry and on external resources needs, a company can choose between four different models of interaction. These four models are: coexistence, competition, cooperation and coopetition, as shown in the following table.

Table 1. The four models of interaction:
coexistance,competition,cooperation and coopetition.

Relations among companies		*Relative position in the field of activity*	
		Powerful	*Weak*
Need of external resources	*Strong*	Coopetition	Cooperation
	Weak	Competition	Coexistence

Source: Bengtsson and Knock, (1999);

Some researchers (Dagnino, Padula, 2002, p.14-24), have proposed theoretical extensions that allow a better understanding of the phenomenon. A new kind of Inter-firm dynamic for valor Creation" widened the knowledge about co-opetition proposing the following forms, depending on the number of rival firms and on the number of activities involved in cooperation relations, namely:

*"**Dyadic co-opetition*** refers to the competitive and cooperative relations between two firms.

Simple dyadic co-opetition addresses the situation in which the co-opetition relationship remains in one levelof the value chain.

Complex dyadic co-opetition refers to co-opetition relationship on numerous levels.

Network co-opetition concerns a structure of complex relationship among more than two firms.

Simple network coopetition refers to coopetition on one level of the value chain.

Complex network coopetition discusses coopetition on more many levels."

Table 2. Relation models of a firm

		Number of companies	
		Two	*More than two*
Number of activities in the value chain	*One*	Simple dyadic coopetition	Simple network coopetition
	Multiple	Complex dyadic coopetition	Complex netrwork coopetition

Source: Dagnino and Padula,(2002, p.14-24);

4. Social perspective

The coopetition concept can also be applied to interactions between individuals or groups. Thus, we can describe coopetition as the relationship between two or more individuals (or groups) emerging in a continuum bordered by full cooperation and full competition, unlike the possibility of competition-cooperation in certain areas.

Since its inception within strategic management, the competitive paradigm focused on the rivalry among firms. The company's survival requires an emphasis on competition. In recent years, this trend has increased considerably from the point of view of its importance. Relatively stable markets turned in hyper-competitive or even wild markets, featuring a voracious competition. Companies have no other choice but the adoption of an aggressive behavior if they want to survive and grow on the market.

At the opposite extreme, the cooperative paradigm emphasizes the companies' need to cooperate by forming strategic alliances, networks or strategic ecosystems. The ability to form and manage relationships and interactions allows the access to other valuable resources and therefore brings a mutual benefit.

5. Merging competition with cooperation

It seems to be a clear and impossible to solve contradiction between the two paradigms, although many authors have found that firms must combine the advantages of both approaches (Branderburger, 1996; Danigno, Padula, 2002). Therefore, the management of a firm can slide between the two approaches, simultaneously or one by one, as needed, *since coopetitive* strategy appears to be superior.

Competitive strategies are inferior because they only generate certain competitive advantages.

Cooperative strategies, also, are inferior as they only generate certain advatages.

Coopetition is therefore a strategy useful to managers seeking to improve their performances.

Clearly, the concepts of *competition and cooperation* are fundamentally different and contradictory. The integration of such concepts requires a much more complex approach, similar to the one suggested by the expression *coincidentia opositorum* (union of opposites) or the *yin-yang* Oriental symbol, not the classical dichotomy. A true cognitive change in managers' frame of mind is needed. Thinking simultaneously from the competitive and the cooperative perspective requires a revolution in management practice and research.

Examples of coopetition and the works dedicated to this topic are becoming more abundant. For example, in the computer industry, Dell Computers has developed a coopetition relationship with IBM, IBM with Microsoft and SAP with Oracle.

Companies who have traditionally been competitors now cooperate more and more in order to become more competitive. The specific benefits associated with cooperation include the value added, high quality production, access to raw materials and lower risks (Meyer 1998). After all, such alliances are aimed at increasing the profit of the organizations involved, but it is important to note that they should also lead to better products and services for the consumers.

However in practice, the "scientific investigation of the coopetition issue has not gone beyond its definition, evocation and assertion" and as a consequence "it is definitely an issue poorly treated". (Dagnino, Padula, 2002).

In the context of our country, we can associate the communist period with a cooperative strategy that was obviously poorly applied. Various associations and cooperatives were highly esteemed, one of the common points being the coercion of the social actors who were pushed from behind by means of law and sometimes cruel repression.

In the post-revolutionary period, one passed relatively quickly to a competitive paradigm, implementing the Western model of fierce competition, which would result in competitive, innovative products and services for the benefit of customers. But the reality is quite different: there is an excessive segregation of the classes, a very big difference between the few rich and the many poor. Cooperation sometimes occurs spontaneously, but sporadically, especially in the IT industry. Unfortunately various cooperation structures subsisted under the radar of the law, more or less organized groups that "cooperate", unfortunately not for the benefit and prosperity of society. Therefore we are in a situation where we are still mad hearing words like cooperation, but at the same time we are the spectators of the harmful effects of wild capitalism, based on exacerbated competition. Fortunately, once Romania has joined the EU, we are part of a larger community, more full of innovative ideas.

6. Decisive contribution of the EU

Next we are going to analyze how the EU uses competition and cooperation simultaneously in order to achieve the economic and social well-being and prosperity goals. A good starting point is to "follow the money". Beyond any statements, how an organization invests resources and capital is an undeniable indication of its intentions and of the way it intends to achieve them.

With each new wave of countries that joined the European Union, two phenomena occurred simultaneously: first, the firms and companies of countries now members of the EU compete on a free market with the other EU companies (the competition aspect), and at the same time cooperate with them, both out of their own initiative and, as we shall see, due to funding programs that require this cooperation. The process of helping the new EU countries started back in the pre-accession period by means of the pre-accession financing programs (PHARE, ISPA, SAPARD), who had the early role of an incipient harmonization and homogenization with the rest of the EU.

The EU deliberately assumes a cohesion policy:

"The regional EU policy is an investment policy, which aims to support competitiveness and economic growth, an improved quality of life, job creation and sustainable development. Investments contribute to the fulfillment of the Europe 2020 Strategy.

Regional policy focuses its funding in areas and sectors where results can be significant, as an expression of EU solidarity with less developed countries and regions.

The goal of regional policy is to reduce the major economic, social and territorial disparities among major European regions. In lack of the measures needed, it would

undermine the EU's major achievements, among which the single market and the euro. In 2007-2013, the EU will invest in European regions 347 billion euros.

The funds are used, for example, for improving the transport infrastructure and for expanding the Internet networks to remote areas, in order to stimulate small and medium enterprises from disadvantaged areas, for the implementation of environmental projects and the improvement of the education level and skills. EU also invests in innovation, the development of new products and production methods, energy efficiency and coping with climate change.

For every EU region, two or three of the main objectives of the cohesion policy (convergence, regional competitiveness, employment and European territorial cooperation) are applied. However, most of the funds are directed to areas that most need them: regions where the GDP per capita is below 75% of the EU average" (UE, http//ec.europa.eu/regional_policy/what/index_ro.cfm)

Clearly we are dealing with a kind of philanthropy where a part is taken from the richer in order to be delivered to the poor. From this we can infer two important things: on the one hand, it is understood that there can be no prosperity and social harmony if there are too high economic and institutional discrepancies, and so on, and secondly that while the competition takes place somewhat by itself only through the existence of a free market, cooperation must be supported through conscious policy commitments.

The European territorial cooperation objective aims to strengthen cooperation across borders, at a transnational and inter-regional level. Therefore, various actors from EU regions are brought together, in order to pool resources, know-how and expertise in view of attaining common objectives.

The Seventh Framework Program - FP7 for research and technological development is the main instrument for funding research in the European Union for the current period. The FP7 program runs from 2007-2013 and it has a 53.2 billion euro budget for the 7 years.

Through this program, the European Commission aims to achieve two main objectives, namely to improve the scientific and technological base of European industry and to encourage European competitiveness at the international level, while promoting research that supports EU policies.

Only consortia are eligible to receive these funds. Universities and research institutes from various European countries (the more, the better) together with SMEs (so that research findings can be applied) are associated, cooperate, thus reaching a pure coopetition paradigm. These organizations and companies remain competitors, but within specific projects they choose cooperation, and the results are far superior than the ones associated to adopting a purely competitive paradigm.

The neologism "coopetition" was introduced in Romanian language together with another term "cluster" which in short means the structure where the principle of coopetition applies.

Innovation, technological transfer and coopetition, i.e. a balanced mix of cooperation and competition between business partners are the ingredients that led to the emergence of new business infrastructures oriented towards global competitiveness: the cluster.

Michael Porter (1980) is considered today the father of economic policy based on cluster development. He is the one who gave the following definition: "Clusters are geographic concentrations of interconnected companies and institutions, in a given area. Clusters comprise a group of related industries and other entities important from the competition viewpoint. These include, for example, suppliers of specialized inputs such as components, machinery and services, or specialized infrastructure providers. Clusters often extend downstream towards various distribution channels and customers and sideways towards manufacturers of complementary products and various industries related by means of

common qualifications, technologies or inputs. Finally, some clusters also include other types of governmental institutions - such as universities, standards agencies, think tanks, professional training providers and employers - that provide specialized training, education, information, research and technical support".

The economic practice validated the model known in the specialized literature as the "triple helix" which brings together in a cluster representatives of the following:

- companies – representing the business side of the cluster;
- universities and research institutions - representing the providers of innovative solutions applicable to the real needs of enterprises in the cluster;
- local, regional public authorities, etc.

7. Romanian experience

In Romania, experience has shown that the 3 natural partners of "Triple Helix" model do not cooperate; even more, they do not know and never get to talk to one other. In Western Europe, clusters were formed spontaneously, in areas ranging from IT, automotive, electronics or railway rolling stock manufacturing. In Romania, however, a "bottom up" approach is needed, where the best practices are implemented by support institutions. There is a need to adapt the model and transform it into a "Four Clover" - "four leaf clover", the fourth actor being the catalyst organizations - consulting firms specialized in technology transfer and innovation, technological transfer centers, regional development agencies.

EU funding (European Regional Development Fund) in this field has resulted in two programs within the Sector Operational Program "Increase of Economic Competitiveness", namely "Competitive poles" and "Companies integration into supply chains or clusters" both released in 2012.

The "Pole of Competitiveness" is an association of companies, research-development and professional training organizations acting in partnership in order to implement a common development strategy. This strategy is built around innovative projects aimed at addressing one or several markets.

Under "Company integration in supply chains or clusters" program, one aimed to boost innovation clusters consisting of at least 10 SMEs, research institutes and other support institutions.

Initially a certain degree of reluctance was expressed in relation to the viability of these models in Romania, especially because of the lack of maturity and communication between the various companies and organizations. But participation in these programs was well above the funding available, Romanian companies proving that they also have the ability of cooperation, at least to facilitate the absorption of these European funds. We sincerely hope that the links thus created will also continue after the completion of these projects. Of the emerging clusters in Romania, we can mention the Seaside Cluster (Constanta), Dacia Renault Pole of competitiveness, PRO WOOD (wood industry), Polaris (IT, Cluj Napoca).

Conclusions

In conclusion, we consider it appropriate to adopt the neologism "coopetition", a term that captures the emerging processes as well as a new angle of analysis of the interactions among various organizations. A social component of this term is also obvious: competition leads to better products and services, but only when completed by cooperation it will lead to the emergence of an enduring and sustainable society.

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The pilgrimage at Santiago of Compostela between tradition and modernity – a statistical approach

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Abstract

The pilgrimage to Santiago de Compostela is a classical destination in the Catholic education space and recently a destination appreciated by the Romanians. The large number of pilgrims who participate in this ritual, is constantly increasing, and statistics emphasizes the religious, economic and tourist importance of the pilgrimage. Due to this special attention that is enjoyed by the pilgrimage to Compostela, the paper aims to investigate various influences that led to this dynamic.

Keywords: marketing, religious marketing, tourism, religion, pilgrimage,

1. Introduction

Santiago de Compostela in Spain has become in this century the most important pilgrimage destination "without vehicle" of the Christian cultural space, and by 'without vehicle' we understand the pilgrimage executed on foot. Revitalization of Compostela pilgrimage has transformed this destination, as the most important place of pilgrimage "without vehicle" in the world, comparable only with pilgrimages in Japan, Shikoku and Saikoku (Davidson, 2002).

One of the three holy pilgrimage destinations alongside Jerusalem and Rome is Compostela that due to the revitalization of event has become in our century a favorite destination for pilgrims and a cultural-religious standard. Revitalization of pilgrimage to Santiago de Compostela was achieved through the efforts of the Catholic Church and with economic and logistical help of Catholic governments.

2. History - pilgrimage between tradition and modernity: Santiago of Compostela

Pilgrimage to Compostela was an important destination in medieval human life. The cultural dimension of this travel is rooted in how we perceive the modern day pilgrimage and how we look at the hastened pilgrim from an airplane and coach bus. The true pilgrim is the one that measures distances in the number of steps and not in kilometers. Christian pilgrimage should be performed slowly with painfully and humbleness and no by flying over distances that separates him from sacred place. Thus, such discussions are present in media discourse of journalists, experts and priests. For each person there exists an ideal projection of pilgrim that serves as standard reference of believers who go on pilgrimage.

About Apostle James life, was mentioned less in the Bible, we only know that he was one of the disciples of Jesus. The Bible says that he was a fisherman before following Jesus and is known that was the first among the apostles which was martyred in 44 by Herod Agrippa. The story begins after the Crucifixion when St. James the Holy driven by the desire to preach Christian values he wandered to the world and reached the Iberian Peninsula, where he converted a few disciples to Christianity. On the way to the Holy Land has passed through the town Caesar Augusta, Zaragoza today, where he had a vision of Blessed Virgin which urge him to build a church and gave him the pillar to which Jesus was whipped. The church

that is supposed he erected is named Virgen del Pilar, in memory of pillar from that vision. St. James was beheaded before reaching to Jerusalem and his body was thrown into a boat. This boat carried away by waves reached in a miraculous way to his followers in Iria Flavia, Padron city today. Followers buried him after long wanderings in Compostela.

Legends do not say anything about the tomb of St. James for several centuries until the tomb is opened by Bishop Teodomino and Holy relics are recognized. Above the grave they erected a small church and named it Santiago de Compostela. Miraculous power of Saint is recognized as a result of some battles won against the Moors and starting from then it is known as the Santiago Moors killer (Davidson, 2002).

Pilgrimages to Compostela started from the moment the relics were discovered. Generous donations of Spanish kings and nobles made it possible to build a new cathedral. Pilgrimage reached its height in the twelfth century, when the chronicles record over a million pilgrims. Pilgrims who cover the journey to Compostela were distinguished among other usual travelers by shell sign, token of fact that Santiago was fisherman and it came in a boat at sea in the Iberian peninsula. Shell had also and a practical use, it was a unit of measure, hungry pilgrims were fed by locals with a food portion that fitted in the shell scoop.

An entire industry has emerged as a result of the large number of believers who came on pilgrimage. Accommodation were built especially for shelter, money were collected for building roads and bridges. People who helped in the construction of roads, bridges, shelters, hospitals or helping pilgrims, were most often canonized as saints.

Religious orders, especially Benedictins, took care of maintenance of shelters, hospitals and cemeteries for pilgrims. Monks took care of management of an entire network with international ramifications which helps the pilgrims to cover the journey to Compostela (Coleman and Elsner, 1995).

Pilgrimage importance decreased gradually due to the Reformation of Martin Luther in the sixteenth century. In the eighteenth century, by the emergence of Enlightenment,the interest in pilgrimage declined further, but the pilgrimage continued to exist and be funded by the Spanish Government (Davidson, 2002).

3. Reviving pilgrimage to Santiago of Compostela

Reviving pilgrimage to Santiago of Compostela was due to the Catholic Church and to some scholars mesmerized by the tradition of pilgrimage and of historical and cultural importance of the route. Starting 1975 the Spanish route was marked, and the religious orders began to develop the accommodation network. A massive campaign to promote pilgrimage began with the publication of travel guides, the governments and various associations of Catholic countries began making known the pilgrimage. A number of associations were born to support, collect donations and promote pilgrimage: British Confraternity of Saint James, The American Friends of the Road to Santiago, and the Belgian Vaams Genootschap (Carrier, 2005). In 1974, when the project started, no pilgrims could be sighted on their way to Compostela, in 1996 the number who were registered at the pilgrimage offices exceeded 100,000. However, modern pilgrimage at Compostela is not practiced by devout believers, this is noted primarily by insignificant presence of pilgrims to religious services held in churches and cathedrals located along the route. The journey is more a joy of the community and a communication between the pilgrims. Each starts out at road with its own agenda, some take pilgrimage as a endurance test, a sportive trial or a mental trial, others savor the joy of the journey and admire works of architectural art which are strung along the route, but each pilgrim is inevitably caught in a life rhythm that not differs from those of medieval times. At the end of a road of hundreds of kilometres and after reaching the relics of St. James, the pilgrim receive the certificate certifying the pilgrimage completion (Davidson, 2002).

4. Statistics on pilgrims who come to Santiago de Compostela.

It is hard to overlook the spectacular evolution of pilgrimage to Compostela, which in 1986 had a total number of 2,491 pilgrims, and in 2009 had a total number of 145,877 pilgrims who came from around the world. The, the number of pilgrims has increased by nearly 6000% statistically. And that happened in a very short time of only 23 years. Number of those who cover the distance of pilgrimage, is carefully monitored by the Archdiocese of Compostela, which manages the pilgrimage, and who because of information supplied by each pilgrim have an accurate records. Thus, based on data provided by pilgrims, statisticians segmented the pilgrims after the way they traveled on the route : on foot, bicycle, horse or other autonomous transport modes. In 1989, the number who travel the pilgrimage on foot was 4145, so that in 2004 the figure to rise to 156,952 pilgrims, by bicycle in 1989 were only 829 riders and 2004 to be 21,260, another way to travel on pilgrimage is on horseback, in 1989 were 22 riders, and in 2004 were 1672 pilgrims on horseback.

In 1989, 2,730 pilgrims said they travel through the route for religious reasons, and in 2004 reported 134,330. For religious cultural purposes in 1989 have declared 414 pilgrims, and in 2004 the number of such pilgrims increased rapidly to 35,528. For purely cultural reason in 1989 came 49 people, but their number has increased significantly in 2004 to 10,086 of enthusiasts.

The statistics provides a blueprint for the pilgrimage to Compostela, so most pilgrims are from Europe, followed by pilgrims from the Americas and Asia. In 2006, from a total of 100,377 pilgrims, 92,536 were Europeans, in 2007 from a total of 114,026 pilgrims 104,568 were Europeans, in 2008 from 125,141, a number of 114,688 pilgrims were Europeans, in 2009 from 145,877 Europeans pilgrims were 132,502. Of all Europeans, according to statistics, the first is Spanish, followed by French, German, Italian, Belgian, Dutch, Swiss, British, North American, Austrian, Portuguese and Irish. We take for example some nations: Spanish, French, Germans and Italians, Portuguese and we will study the developing of Compostela phenomenon in the last 20 years.

Year after year, Spanish pilgrims number increased rapidly. Thus, in 1989 the number of pilgrims who received the Compostela had reached 3367, in 1994 had reached 11,680, in 1998 their number increased to 20,112 Spanish, after two years, in 2000, were 37,069, in 2001 were 39,429, in 2003 were 44,430 pilgrims of Spanish origin, so that in 2009 their number reached 79,007 pilgrims of Spanish origin. As I said in twenty years increased the number of Spanish pilgrims in a dazzling pace, reaching that their number had a statistical increase of 2000%. A similar growth rhythm had the Frenchmen number - in 1989 there were only 967 pilgrims, and in 2004 there were already 6,567 pilgrims. The number of German pilgrims has increased at more spectacular pace, in 1989 have received the Compostela 648 pilgrims, so that in 2004 were registered 6816 and in 2009 the number doubled to 14,789 pilgrims. The number of Italians in 1989 was 212 pilgrims, and in 2009 their number was 10,341. In 1989 seven Portuguese had received Compostela, in 1990 also seven pilgrims, in 1991 four pilgrims, so that after 1992 the number of pilgrims to grow rapidly, in 2009 reaching a total of 4,854 pilgrims who were received Compostela (Arhidiocesa Compostela, 2009).

The sex prevailing for persons who obtain Compostela is male. In 1991 from a total of 7,274 pilgrims - 5,010 were men and 2,249 were women, so about 60% were men and 40% were women. But in 2004, the "Holy Year" balance was turned upside down when a total of 179,944 pilgrims, the number of women was 100 431, surpassing the number of men: 79513. In subsequent years the number of women who participated in the pilgrimage was lower than the number of men. In 2009 the proportion of the number of pilgrims, men and

women indicated that from 145,877 pilgrims: 85,945 were men and 59,932 were women (El Camino de Santiago, 2009).

Following statistical surveys was found that among people who come to Compostela the professions were different, so people who were travelled El Camino in 2004 had the following professions: from a total of 179,944 pilgrims most were students - 45,132, followed by employees of all areas - 29,330 people, the liberal professions - 22.660, -18.481 technicians, retirees - 12,804, -12,019 workers, teachers - 11.805, -10.048 officials, 9,763 households, 1,521 managers, 1,233 priests, various crafts - 4853.

Most of those who travel El Camino are young. Here are the statistics on the average age of those who came in 2004: 0-10 years: 925 people, 11-15 years: 9672, 16-20 years: 21,227, 21-30 years: 39 045, 31-40 years: 32,050 pilgrims, 41-50 years: 34,798, 51-60 years: 27,666, 61-70 years: 12,960, over 71 years: 1,601 pilgrims. The data in percentage, generally, are the same as previous years, ie the most significant are those in the age group 21-30 years, followed by the 31-40 and 41-50 groups. In 2004, the group 41-50 was in advance for the first time against the group 31-40 and this trend is observed during the years when those in the group 41-50 are becoming ever more numerous (Arhidiocesa Compostela, 2009).

Conclusions

Pilgrimage to Santiago de Compostela is unique in the world by the way how it is practiced. It succeeds to motivate every year thousands of pilgrims to leave the family safety and to venture on the pilgrimage routes. The statistical data speak for themselves about the successful method of religious marketing by which has been promoted pilgrimage. Now, pilgrimage exceeded the boundaries of European, it attracts pilgrims from other continents, but also pilgrims belonging to other Christian cults. Compostela is often considered as a good example of religious marketing, which can be promoted successfully and in other European locations

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Organisation of human resources in tourism company – job evaluation, based on method score

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Abstract

Job evaluation represents a synthetic analysis of the jobs of a company, being used especially in big multinational companies. The main purpose of this method is to produce a rational remuneration schema based on the relative evaluation of the job. The more important or valuable a job is, the greater the salary received by its holder compared to other jobs in the company. This job evaluation mainly aims at reducing the weighting of arbitrary methods in determining the salary scales (it is important to note that such an evaluation cannot determine the salary level and it only represents a structure based on which the remuneration grids can be drawn up)
Keywords: job evaluation; analytical methods; non-analytical methods; point rating method.

1. Introduction

The basic idea behind job evaluation in multinational tourism companies is to obtain a correct and well-founded job ranking based on which other internal policies (remuneration, professional development policies) may be developed. Due to this reason, when starting the job evaluation process, one has to consider several aspects. The most important aspect is that the job is subject to evaluation and not the person who holds it at the respective moment or the "ideal image" of the person who will hold the job (the job requirements and its contribution to the organization mission are in fact to be determined). The starting point of the evaluation consists in the information collected from the job analysis, which represents the basis of all human resources related activities. The evaluation standards are also relative, not absolute, and the subjectivity percentage, even if it cannot be avoided, should be very small. One has to identify those valuable indicators according to which the evaluation is to be made (working conditions, abilities, size of coordinated team, decision making power etc.)

2. Analytical and non-analytical method

Multinational tourism companies, and not only, use in the job evaluation at least one objective element from the methodologies of job comparison. These methods may be *non-analytical or analytical.*

Non-analytical methods have the role to treat the job as a whole and to compare it with similar ones from other organizations. One example of non-analytical method could be *the method of evaluation based on the market price*, which consists in comparing own jobs to jobs from other similar institutions establishing the salaries according to the ones practiced on the labour market. The main advantage of this method is that it does not imply high costs for the organization.

The analytical methods are at the opposite end and have the role to break down the job into components and to compare each factor, starting from the most general model to the in-depth layers of the job, compared to the non-analytical methods which view the job as a whole. In contrast to the non-analytical methods which do not imply very high costs for the organization, the analytical methods have as main disadvantage the great amount of time, human and financial resources they require. etc. Nevertheless, if tourism companies wish a thorough and sound analysis, they may accept these costs.

Thus, considering the advantages and disadvantages of each method, one can say that there is no universally valid solution for all companies, as some companies depending on their business activity may prefer a certain method and other companies depending on the number of jobs may prefer another method. However, the "budget" assigned for this process – by budget we mean financial, human and time resources - is also a determining factor. The selection of the job evaluation system highly depends on the capacity of understanding and accepting the results of the methods foremost by the management and secondly by the employees.

3. Job evaluation method

One of the most used methods in job evaluation in the tourism companies is based on point rating, a multicriteria analysis which uses numerical scales for comparing the key factors. This method implies undergoing the following steps:

Step 1 – *Breaking the job down in evaluation factors*
The considered factors are noted from F1 … F4:

F1 – **Job complexity** measures the judgement, creativity and resources required for fulfilling the job tasks and the degree of control in fulfilling them.

F2 – **Organizational impact** measures the influence of the job and its contribution in the company activity.

F3 – **Supervision responsibilities** measures the supervision responsibilities of one job over other jobs.

F4 – **Job requirements (specifications)** evaluates the minimal qualification level and knowledge acquired through education or work experience, necessary to satisfactorily fulfil the job tasks.

Step 2 – *Breaking evaluation factors down in sub-factors*
Each factor is divided in sub-factors from SF1….SFi

F1 – Job complexity

- *SF1- problem solving* – the degree of use of judgement, capacity to make decisions, carrying out researches and creativity to fulfil the job tasks.
- SF2- *job autonomy*- the degree (modality) of required supervision of a job and the freedom assigned to the job in the fulfilment of its tasks.

F2 – Organisational impact

- *SF1 – internal impact* – the scope and level of responsibility required by the job tasks.
- *SF2 – external impact* – job influence on and contribution to the programmes, operational services and systems, which have a direct impact on the company's activity outside the local environment.

F3 – Supervision responsibilities

- *SF1 – supervision type*, there are two essential supervision types:

✓ *Functional supervision* is assigned to a job if it is responsible for determining the work tasks, priorities and methods used by other jobs. The job is not responsible for assessing work performances.

✓ *Administrative supervision* is assigned to a job if it is responsible for recommending / approving all actions of the supervised personnel and for its assessment.

- *SF2 – supervised employees*, total number of employees with complete working programme supervised by a job (in subordination relation)

F4 - Job requirements (specifications)

- *SF1 – Level of knowledge* – measures the minimum level of necessary knowledge acquired through education or similar work experience.
- *SF2 - Experience* – measures the minimum level of work experience necessary for fulfilling the tasks and responsibilities of a job.

Step 3 – ***Break the subfactors down on different levels***

This step implies the detailed analysis of the job description annexed to the present supporting documents

F1 – Job complexity

SF1 – Problem solving

Level 1: Job requires manual dexterity in fulfilling the job tasks. The use of judgement is minimum or it is lacking. The job tasks are repetitive or routine-oriented.

Level 2: Job requires use of judgement for adopting the working methods and procedures and / or for interpreting work policies and / or for carrying out analysis necessary in fulfilling the job tasks. The job tasks are more complex, but they are repetitive and intercorrelated.

Level 3: Job requires use of judgement and/ or analyses for performing the job tasks and recommending action directions where there is no precedent. The job tasks are various and are usually circumscribed to a single discipline.

Level 4: Job requires use of judgement in order to create, draw up and assess the implementation of company's policies, objectives and capacity to systemise in analysing the different activities of organization.

SF2- Job autonomy

Level 1: Job needs constant supervision and work instructions. There is no freedom in adopting the work methods.

Level 2: Job needs constant supervision and work instructions. The job has a great degree of freedom in adopting the work methods.

Level 3: Job needs supervision and general instructions. The job has full autonomy in attaining the objectives.

Level 4: Job needs supervision and instructions only in exceptional situations from superior management. It has full freedom to elaborate and / or develop strategies for attaining the objectives of a major segment of the company.

F2 – Organisational impact

SF1 – internal impact

Level 1: Job creates responsibilities for fulfilling job tasks with limited impact on the company.

Level 2: Job creates responsibilities for fulfilling job tasks with indirect impact on the company. The job related work is support (it supports other jobs which have an impact in attaining the company's objectives).

Level 3: Job is responsible for the activity of one department or implementing some directives from the management of the company.

Level 4: Job is responsible for attaining the scopes and objectives through the activity of several departments and for implementing some directives from the management of the company.

SF2 – External impact

Level 1: Job does not have a direct impact on the performance of company's activities outside the local environment.

Level 2: Job has a direct limited impact on the performance of company's activities outside the local environment. The external impact is limited to ensuring support for other jobs which directly serve the company's branches outside the local sector.

Level 3: Job has an important influence on the performance of company's activities outside the local environment.

Level 4: Job has a direct impact on the performance of company's activities outside the local environment. Job works directly with the company's branches in order to design, develop and implement operational programmes, services and systems within the organization.

F3 – Supervision responsibilities

SF1 – supervision type

Level 1: Job does not imply supervision of other jobs.

Level 2: Job implies assigning tasks to other jobs, but no functional supervision.

Level 3: Job provides functional supervision.

Level 4: Job provides administrative supervision of other jobs.

SF2 – supervised employees

Level 1: Does not supervise any employee.

Level 2: Supervises 1 - 3 employees.

Level 3: Supervises 4 - 10 employees.

Level 4: Supervises more than 11 employees.

F4 – Job requirements (specifications)

SF1 – Level of knowledge

Level 1: Job tasks require basic writing and reading skills.

Level 2: Job tasks require technical and specialised knowledge

Level 3: Job tasks require advanced technical skills.

Level 4: Job tasks require expert technical skills.

SF2 - Experience
Level 1: Job requires minimum less than 6 months relevant work experience.
Level 2: Job requires minimum 6 months to 1 year relevant work experience
Level 3: Job requires minimum 1 to 2 years relevant work experience.
Level 4: Job requires minimum 2 to 4 years relevant work experience.

Step 4. Selection of level

This step implies the detailed analysis of the job description (annexed to the present supporting documents) and selection of levels mentioned at the previous step.

Step 5. ***Assigning importance coefficients on evaluation factors and subfactors***. Where Ki – importance coefficient, and $\sum Ki = 1$ (100%).

Step 6. ***Calculation of point rating tables for each evaluation factor***

Example:

Fi	Level 1	Level 2	Level 3	Level 4	Sub Total
SFi1	SF1 X 1	SF1 X 2	SF1 X 3	SF1 X 4	-
SFi2	SF2 X 1	SF2 X 2	SF2 X 3	SF2 X 4	-

Where: i = 1....n

Step 7. ***Matrix calculation for each evaluation factor***

Example:

SFi2 / **SFi1**	Level 1	Level 2	Level 3	Level 4
Level 1	SFi1gr1 + SFi2gr1	SFi1gr1 + SFi2gr2	SFi1gr1 + SFi2gr3	SFi1gr1 + SFi2gr4
Level 2	SFi1gr2 + SFi2gr1	SFi1gr2 + SFi2gr2	SFi1gr2 + SFi2gr3	SFi1gr2 + SFi2gr4
Level 3	SFi1gr3 + SFi2gr1	SFi1gr3 + SFi2gr2	SFi1gr3 + SFi2gr3	SFi1gr3 + SFi2gr4
Level 4	SFi1gr4 + SFi2gr1	SFi1gr4 + SFi2gr2	SFi1gr4 + SFi2gr3	SFi1gr4 + SFi2gr4

Where: i = 1....n

Following the matrix analysis for each job (the factors on one side and the point rating level on the other side) the calculation of points for each job is made and the job is ranked. If there are errors, even if they are small, a more detailed analysis of the point rating is recommended. Unfortunately, these systems of analysis based on point rating cannot be considered "perfect", due to a certain degree of subjectivity in assigning the points.

Step 8. ***Calculation of total score for the job – Reception Manager***

Conclusions

To conclude, the tourism companies have to take into account that the job evaluation does not have as single objective to establish and regain the internal equilibrium of the salary system. However job evaluation may greatly contribute to a realistic comparison to similar systems of competitor or partner companies on the business market. It may also support in assessing the individual performances, facilitating the salary negotiation policies, reducing

the number of work conflicts, increasing the level of understanding of job importance and of the way in which jobs are subordinated within a clear ranking.

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Attitudes and solutions on environmental impact of tourism

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Abstract:

Among the many contributions of tourism to the economic and social development we include the ecological vocation, assuming it to impose some measures to protect the environment and its components: air, water, soil, etc., which are needed for the tourism practice. It appears that there is an interdependence relationship between the tourism and the environment, expressed by its potential for natural wealth, cultural, historical, the social climate being the main determinant element of the trips, so-called the "raw material" of the tourist activity, while a clean and untouched environment cannot exist without a high quality tourism, of the so called "sustainable tourism". This involves promoting those forms of tourism that ensures the exploitation in connection with the environmental protection requirements.

Keywords: environment, touristic potential, tourism, carrying capacity, pollution

1. Introduction

Tourism, both the domestic and international one, requires a meeting of persons belonging to various cultural and social environments and also a considerable spatial redistribution of income resulting from this activity, with a significant impact on the economy of the destination areas. The latest research in the field goes primarily to the economic aspects of the tourism phenomenon that can be easily quantified, but also because tourism is a net economic benefit to the destination host. Later, the tourism place mainly in the nature of attraction led to a unique and fragile environment which meant that many times the economic effects of tourism to be offset by social and environmental consequences that cannot be measured only in a little measure.

2. Theoretical aspects regarding the relation between the tourism and the environment

The connection between the environment and tourism can be evidenced through established definitions of the term "environment". Thus, in the opinion of chem. prof. A. M. Băloiu (1995), the environment is "**the assembly at one time of all natural factors (physical, chemical, biological) and social ones - created by human activities - which, in close interaction, influence the environmental and determine the living conditions of a man and the conditions for the economic and social development of the society.** "This view shows the complexity of the concept, besides mentioning the particular arising from the natural and social factors from which it resulted the Conclusions that man has a major influence on the environment, fact which the mankind really began to understand only in the twentieth century.

From the appearance of man on earth and until this day, there were many changes in the geographical landscape of the globe, some of them being natural causes, others being due to human intervention. The minimum change from ancient times until the great changes that have occurred in the last two centuries, due to the planetary-scale industrialization, on the one

hand characterized by a high concentration of population in the urban areas, where there is a congestion of people both at work and in blocks of flats, the children in nurseries, kindergartens, schools, colleges and universities, the ways and means of transport, the places of amusement, and on the other hand, the discharge of toxic substances disposal in rivers or in the atmosphere, all these have changed the natural environment, transforming it into one controlled by man. The environment is a combination of extreme complexity between the natural elements intertwined and dynamic interrelated, plus the construction which changes the natural landscape during its evolution. These elements can be grouped into three categories:

1. Basic elements (air, water, territory);

2. Secondary elements ((vegetation, fauna, soils), which together form the first natural elements*;*

3. Elements of anthropogenic (human settlements, agricultural crops, livestock, industrial, network of communication).

The benefits and the costs of tourism come from two distinct groups of people. On one hand, it is visitors who have benefits and development costs with holidays. On the other hand, the resident population of the host regions benefit from tourism (not just financially) but the development and the organization of this activity requires some costs.

3. Positive and negative effects of tourism on the environment

The space reception possibility is based on the natural conditions and has a determined limit, which can be development up to a determined number of users, and the building which is connected with this space will not damage the natural surrounding (Busuioc, 2010).

The analysis of the positive and negative effects of tourism on host population, mainly involves the use of the term "**carrying capacity**" which refers to a certain level of access (number of tourists) which can be supported by the local population and environment (without damaging the environment and without disturbing the local population). The development or access may lead to an unacceptable degradation of the physical environment and visitor experience, the impact depends on the volume and the characteristic profile of tourists (length of stay, means of transport used, contract services, activities, etc.). The resource type is a factor important for tourism as its development.

Table 1. The evolution of the world population in the period 1960-2010

- Million-

Region	1960	1970	1980	1990	2000	2010
Global level	3023	3686	4438	5290	6115	6909
Europe	604	656	693	721	727	733
Africa	285	367	482	639	819	1033
Asia	1694	2125	2623	3179	3698	4167
Latin America and Caribbean	220	286	363	442	521	589
North American	204	231	254	283	319	352
Oceania	16	20	23	27	31	36

Source: Key Figures on Europe, Eurostat, European Commission, and 2011 Edition

The world population is approaching 7 billion people in 2010; fact accomplished in 2011, and continues to grow. Asia holds 60% of the world while Africa is the next region with the largest number of inhabitants which represents 15% from the total global population.

During 1960-2010 the number of people worldwide has doubled, the increase being largely due to Asia, Africa and Latin America.

The latest forecasts issued by the United Nations show that the world population will reach 9 billion people by 2050.

The rapid international population growth leads to a more intensive exploitation of the renewable and non-renewable resources in a much higher pace than their recovery capacity. It is added the accelerated industrial development with negative implications on the environmental quality. The negative environmental impact is determined by the lack of public information about the value of the natural resources.

The social and environmental effects can be very difficult to quantify as they are different than the economic ones, although they are important, significant and serious. Therefore, the carrying capacity refers to a destination to be operated so as to support an optimum number of visitors. Thus, concepts like "sustainable tourism" as "responsible consumption of tourism" can be an answer, an alternative to solve these problems.

The environment in which tourists operate most of their activity is the essential element for an optimal spending free time. Often, even the environment itself initially attracts tourists to a destination, e.g. the sunny beaches of the Mediterranean. Each village or city hopes to attract visitors who seek to enhance their image by creating attractive areas, which is possible by filling in some artificial natural attractions. When this happens, not only tourists but also residents benefit from these changes. Sometimes, the artificial elements are those which encourage the development of the tourism. It is the construction of accommodation, catering, and creation of zones that allow the provision of services and varied entertainment (amusement parks, land for practicing different sports, etc.). Tourists prefer to have a wonderful view of the hotel window to watch the road and tourist destination for pleasant scenery, relaxing, unspoiled. If the environment is so important for tourism, then in order for the development to be reasonable, the assumption of responsibility by those involved in the construction of accommodation facilities, catering and leisure facilities, ensuring that the environment was not affected, but instead was protected. This fact is more necessary as the tourist activity tends to record significant growth rates in the future. In future, all indicators show a significant socio-economic development for many countries. So, the challenge would be to ensure that such an increase can be adapted, restrained and controlled through sustainable structures.

It is recalled that both the international and domestic tourism have positive effects in helping to conserve the environment of the areas where tourists spend their holidays. Many of the above disadvantages can be avoided through a planned development of tourism and tourists education for the purpose of appreciating the environment. Tourists are attracted to areas with a lovely landscape, regions and areas of historical and architectural interest with a wild lifestyle. Therefore, some of the money spent by them can be used to preserve and protect the natural environment.

The tourism can contribute directly to the protection and conservation areas and sensitive habitats. The incomes from entrance fees to protected areas and similar sources can be allocated specifically for the protection and management of sensitive areas. The imposing taxes on the sale or rental of the recreational equipment for various activities such as hunting and fishing can provide local government funds for the natural resource management.

A practiced tourism whose development is excessive and it’s poorly planned can physical affect the environment of destinations. It may be an architectural pollution when there are large resorts and buildings does not respect the harmonious integration with the environment they are built. Also, for building these resorts there are deforestation, diversion of river courses, it creates large amounts of waste and residues that are discharged into rivers

and lakes in the area, polluting them. All these activities determine, finally, the erosion and landslides with disastrous effects on the environment.

4. Solutions to improve the relation between the tourism and the environment

In order to reduce the negative effects and enhance the positive effects of tourism on the environment, it should be sought and implemented the **most appropriate solutions** (Hector Ceballos-Lacurain, 1996) as follows:

1. the environmental considerations should be given priority in tourism development plans, especially the ones on air and water quality, soil conservation, protection of natural and cultural heritage and the quality of human equipment;

2. The tourism objectives must take into account the capacity of the sites and the environmental sustainability and to be consistent with regional development, social issues and land use planning;

3. All decisions must be based on a large number of possible information on environmental implications. It's indicated to achieve an environmental impact assessment of the main types of tourist implantation in order to estimate the possible damage on the components of the environment in order to increase the tourist traffic. The alternative development sites should be considered appropriate to the local and reception capacity, measured in physical, ecological, social, cultural and psychological terms;

4. The appropriate environmental measures must be defined and implemented at every stage of planning. It is appropriate to consider in particular demand during the peak season, networks of water purification, solid waste disposal, noise pollution and control of tourist traffic. The most threatened areas should be developed and implemented comprehensive conservation programs;

5. The simulation systems should be applied in both the public and private sectors to share in time and space the tourism demand for a more complete use of the accommodations (a higher occupancy rate);

6. The legislative acts should be drafted in order to limit the operations in the sensitive areas and they should also enacted an appropriate legislation to protect the environment in danger;

7. Beside the efforts aimed for preventing the environmental degradation, but also in their interest, the trips and tourism industry should oppose, refusing the participation in unsustainable activities, refraining to invest, making pressure on authorities and professional bodies and work with NGOs for the following **actions**:

- discharge waste into the sea;
- unsustainable fishing, fishing targeting "explosive" (e.g. that of whales);
- extraction or collection of corals;
- unsustainable forestry, deforestation of tropical forests;
- unsustainable cultivation methods;
- nuclear power equipment near the tourist areas;
- setting color tourist beaches near oil shipping.

Other **ways to prevent the degradation of the tourism potential** can be:

- Limiting the access of tourists, especially near the monuments of art and architecture because of the tendency to touch or to steal the stones that make up that building;

- Controlling the access of the potential tourists on certain routes, accompanied by the specialized personnel, especially for speleological tourism;

- Creation of museums and visitor centres;

- Establishment of differentiated prices for different hours of the day, for weekends, for certain periods of the year.

Many of the degradation faced by natural or artificial environment in practicing tourism can be controlled, stopped or even prevented by an intelligent development of tourism. Therefore, the negative influences of tourism on the environment can be minimized.

The national authorities together with the local authorities can control the conduct of tourist activity, mainly through the adoption of regulations on land tourist areas, limiting the construction in certain areas, establishment of parks and nature reserves to limit the access of routing the flow of tourists or travellers.

Also, there is an issue of **financial support and some additional investments and pressures made** for:

- the efforts of the authorities and NGOs for the environmental protection;
- the measures to reduce the industrial emissions and energy;
- the instalment of the damming equipment and oil cleaning in the strategic areas to fight in this way against the black tides;
- direct negotiations with the representatives of the indigenous peoples before taking any action that may affect their territory and way of life.

Therefore there are many solutions that reach the central and local authorities in order to improve the relationship between tourism and the environment, the state has numerous handy levers to intervene in this sense.

5. The attitude of Romanian and European people regarding the environment

The European Commission (2011) recently published a Euro barometer survey on the Europeans attitudes about the environment. It took place on the ground in two periods, respectively 13.04.2011-8.05.2011 and 15.04.2011-27.04.2011 and using the method of face-to-face interview. In the European Union were 26,825 interviews from which in Romania there were 1052 interviews.

The first issue approached was the relationship between the environment and the EU economy. Therefore, the statement "*the efficient use of the natural resources can stimulate the growth in the EU*"; the following results were obtained in the EU27: 83%-total "agree" and 10%-total "disagree" and 7%, I don't know. In Romania, the responses were similar to those obtained in the EU27 as follows: 82%-total "agree", 6%-total "disagrees" and 12%-I don't know. Therefore, the effective and rational use of the natural resources (landscape, climate, flora, fauna, hydrograph, soils, landscape, and protected areas) causes a positive and sustainable economy over time.

Another statement was presented to the interviewed people: „*the environmental protection can stimulate the economic growth in the EU* ". Again, the responses of the two levels, EU27 and Romania were similar, as shown in the chart below, which shows the full integration of Romania into the EU and in terms of information and knowledge about the environment.

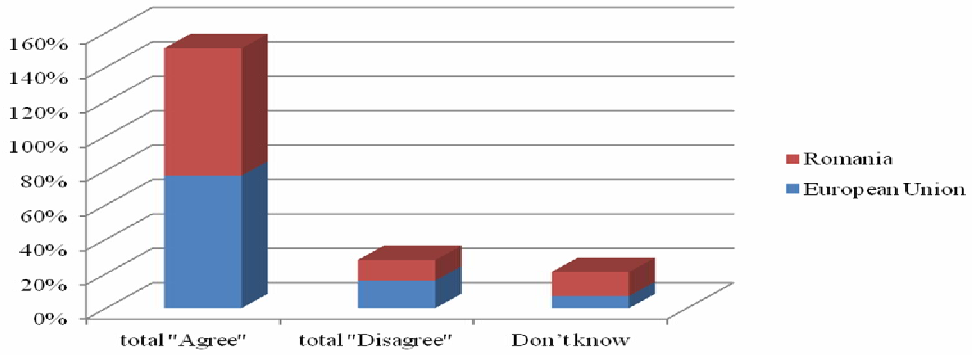

Fig. 1. The protection of the environment can stimulate the economic growth in the EU

Further, the people interviewed were asked about their opinions on the statement "*EU funds should be allocated to support more friendly environmental activities and development*", resulting in the following percentages in the EU27: 89%-total "agree", 7%, total "disagree" and 4%, and 85% I don't know-all "agree", 7%-total "disagree" and 10%-I don't know, in Romania. The answer is more important and significant for our country, since in the last years, the European Funds absorption was performed in a small proportion.

Another related approach was the involvement of the *various institutions and organizations for an efficient use of the natural resources*. Concerning the own government, 72% of those interviewed in EU says it is not doing enough in this direction, in Romania, the percentage is higher, 84% respectively. The corporations and industry also hold the majority, namely 79%, EU27 and 81%, Romania, regarding the non-involvement in this process. In terms of EU involvement, 63%, EU27 considers that it is not doing enough, while 53% say the same thing-Romania. Finally, the citizen involvement is also appreciated by 69%, EU27 and 79%, Romania. So, the degree of non-involvement is well above 50% both in Romania and EU27, hence the reduction or disappearance of the number of species of plants and animals, the consumption of the resources in a much faster rate than their capacity of recovery, the large reductions in the forests and the frequent occurrence of landslides.

„When people talk about "the environment", which of the following aspects do you think at first? "This is the following question addressed to the participants of the survey. In order, the answers were:

- The protection of nature-EU27-47% and 55%, Romania;
- The state of the environment that our children will inherit-EU27-41% and 35%, Romania;
- The climate change-40%, EU 27 and 36%, Romania;
- The pollution from small and large towns-EU27-39% and 54%, Romania;
- The disasters made by man, such as oil spills and industrial accidents-39%-EU27 and 37%, Romania;
- The quality of life where you live-EU27-33% and 42%, Romania;
- The exhaustion of the natural resources-31%-EU27 and 23%, Romania;
- The green and pleasant landscapes-EU27-28% and 44%, Romania;
- The earthquakes, floods or other natural disasters-EU27-26% and 31%, Romania.

Next, the respondents were asked to choose *the top five most important environmental issues that worry them*. Therefore, in the EU27 there were recorded the following responses:

1. Human disasters (oil spills, industrial accidents) -42%;
2. Water pollution (seas, lakes and underground sources) -41%;
3. Air pollution-36%;
4. The impact on our health due to the chemicals used in everyday products-34%;
5. The climate change-34%.

In *Romania*, the situation is the following:

1. The air pollution, natural disasters (earthquakes, floods, etc.), exhaustion of the natural resources, increasing the amount of waste, each with 41%;
2. The water pollution (seas, lakes and underground sources) -40%;
3. The human disasters (oil spills, industrial accidents) -37%;
4. The climate change-36%;
5. Impact on our health due to the chemicals used in everyday products, the agricultural pollution (pesticides, fertilizers, etc.) - each with 31%;

It can be observed from the previous answers that in our country, the pollution has increased in the last years, affecting the natural resources and the quality of life of people with major implications on future generations.

When asked "*How important is the environment for you*?" a very high-EU27 and 95% and 92%, Romania responded that this action is very important.

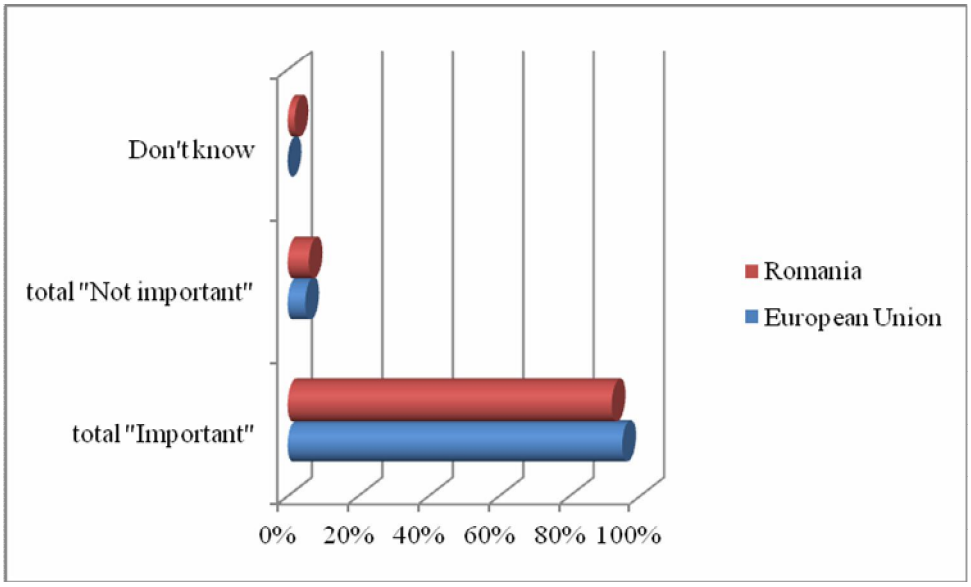

Fig. 2. How important is the environment for you?

Another question asked to the participants was: "*Are you ready to buy green products even if they are a little more expensive?*" The responses given have marked a difference of a few percent between the EU27 and Romania, meaning that 72% would do so in the EU27, while in our country, 65% agreed to purchase such products. This time also, the Romanians living and education regarding the ecological industry and production has determined such a response.

The relationship between the environment and the decisional factors was also approached because of the implications that should result from such cooperation. The question refers to the decisions to be taken by the Government of that country in the environmental protection or to make decisions jointly within the EU. 64% of respondents in the EU27 appreciate that such decisions should be made jointly within the EU. With regard to our country, 59% gave the same answer.

Among the **most effective ways to solve the environmental problems** were mentioned in the EU27:

1. Introduction of higher fines for offenders, 36%;
2. Provide more information about the environmental issues, providing financial stimulants (e.g. elimination of taxes, subsidies) higher for the industry, trade and citizens who protect the environment; the more efficient usage of the natural resources, each with-26%;
3. Ensure a better enforcement of the existing environmental legislation, 25%;
4. Introduction of more stringent environmental legislation, 23%;
5. Introduction and increasing the taxes for the activities which harm the environmental-15%.

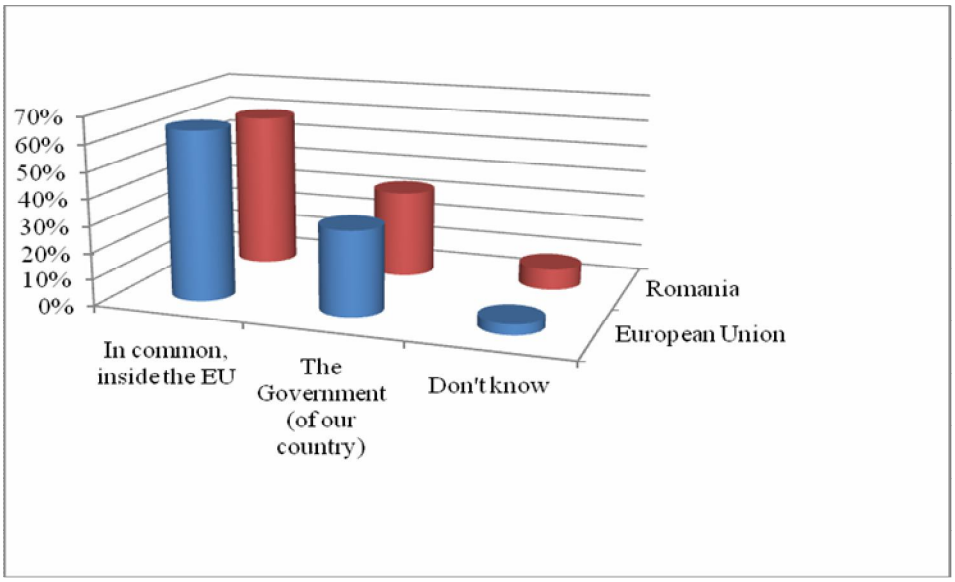

Fig. 3. When it comes to environment protection, do you think that the decisions should be taken by the Government (of our country) or in common, inside the EU

Concerning **our country**, there were named the following **efficient ways of solving the environment issues**:

1. The introduction of higher fines for contraventions, 39%;
2. The introduction of more stringent environmental legislation, 31%;
3. Provide more information about the environmental issues-28%;
4. Ensure a better enforcement of the existing environmental legislation, 24%;
5. Providing financial stimulants (e.g. elimination of taxes, subsidies) higher for the industry, trade and citizens who protect the environment -20%.

Therefore, in Romania, the environmental legislation and how it is applied and if it is applied, presents the main threat to the environmental issues.

Regarding *the awareness on the environmental issues*, the EU citizens believe are well informed - 60%, 38% of them are not well informed and 2% do not know. In Romania, the percentage of good information falls below 50% and 47%, 49% of respondents are not well informed and 4% do not know. There are alarming percentage, whose consequences are seen everywhere in our country, from mountain to sea from the delta in the urban areas.

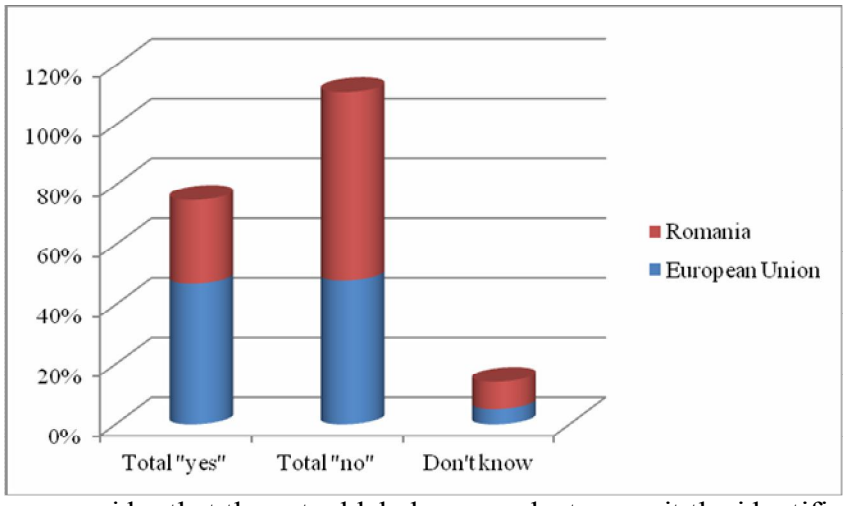

Fig. 4. Do you consider that the actual labels on products permit the identification of the products which respect the environment?

Another current problem and concern by its consequences *is related to the current labels on products which allow / not allow* the identification of the products which respect the environment. If the EU27 almost half of the responses (47%) say that the labels shall also provide information for Romania, the answer is yes only 28%, almost half from the EU.

Conclusions

Both the international and domestic tourism have positive effects in helping to conserve the environment of the areas where tourists spend their holidays. Many of its negative effects can be avoided through a planned development of tourism and also by the education of the tourists in order to appreciate the environment. Tourists are attracted to areas with a lovely landscape, regions and areas of historical and architectural interest, with a wild lifestyle. Therefore, some of the money spent by them can be used to preserve and protect the natural environment.

In general, most natural resources are non-renewable which makes them difficult to maintain the same level of quality, a longer period of time, even if the incomes obtained from the tourism practice are substantial.

A practiced tourism whose development is excessive and it's poorly planned can physical affect the environment of destinations. It may be an architectural pollution when there are large resorts and buildings does not respect the harmonious integration with the environment they are built. Also, for building these resorts there are deforestation, diversion of river courses, it creates large amounts of waste and residues that are discharged into rivers and lakes in the area, polluting them. All these activities determine, finally, the erosion and landslides with disastrous effects on the environment.

Therefore, the tourism has a negative but also positive influence on the environment. In a negative sense, tourism is a factor of damaging the facilities by roads, construction of stations, etc. Positively, it can be practiced the ecotourism, which protects the environmental. there can be created areas which will lead to the reorientation of tourist flows to less sensitive areas.

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Considerations regarding Romania's country brand

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Abstract

A positive image of a country will, always cause the movement of streams of tourists contribute to increasing income country tourist destination. In practice, the focus of each country in a campaign to promote his own image, in four dimensions, namely tourism, exports, foreign direct investment, foreign policy varies depending on its competitive advantages, and the essence of its existing image. Promoting the tourism by country image assumes advertising in international media, made by specialized state institutions and professional associations in the field, accompanied by a more concentrated promotion made by the associations and travel companies, on individual level. In Romania, before the year 1990 have been developed various successful promotion of tourism potential, as evidence the large number of foreign tourists and markets host their origin. Later in the 1990 year, they carried as many campaigns to promote tourism ministers as many there have been in ministry leadership.

Keywords: brand, image, promote, tourism

1. Introduction

Even if the authorities do not get involved in creating a country brand to be intensive promoted on international level, Internet can be a binder and a mean of promotion in this regard through photos and video clips posted by tourists after the visits undertaken in various countries of the world.

The image is built, it maintains, it should not be left to chance, it means awareness and positioning.

A good reflection of the image of a country is determined by what appears in the foreign press about the country in question (in particular the experiences of tourists in different countries of the world), this also being one of the main ways of making a imagine of a country, even it is good or less good.

2. Tourism destination image

A destination image contains the qualities, attributes, functional elements, psychological, and unique joint and covers political, economic, touristic, historical and cultural.

We may consider *a tourist destination the image as the sum of beliefs, impressions and mental images that a tourist remembers about that area*.

Countries that attract a number of tourists, especially those with an unpolluted environment and lifestyles high host population, have a unique opportunity to transform tourists into loyal customers and loyal tourism products and services and even unofficial promoters of the country.

The assessment of the current image of a tourist destination will continue to build the new image to reveal the previously identified strengths and mitigate weaknesses. So, for the image of tourist destination to be effective and have a major impact on the target audience, it must meet the following conditions:

- to be real;
- to be credible;
- to be simple;
- to be attractive;
- to be distinctive.

After creating the image of a tourist destination, follows the identification and/or creation of its **propagation tools** such as:

- *slogans*. They can summarize in one sentence or phrase, the vision of the tourist destination. Example: Romania-"Come as a tourist, leave as a friend", Romania-"Land of Choice" India - "Incredible India" Egypt-"Nothing compares to Egypt", Jamaica - "once you know where you go," Seoul - "Seoul Soul of Asia" "Korea Sparkling "-" Brilliant Korea ", Dubai," Welcomes the World "and so on;
- *visual symbols* for example the architectural monuments;
- *events* (artistic, cultural, sports) that is an appropriate way to convey information to a destination and to influence public opinion.

3. Country brand

American Marketing Association defines brand as *"a name, a term, a sign, a symbol, a design, or a combination of them, intended to identify the goods or services of a seller or group of sellers to differentiate them from those of competitors''*.

In any country, the most important objective of the brand is the economic one. **The five major components for an effective country brand** are:

1. stimulating domestic and international **tourism** by attracting a large number of tourists;
2. stimulating **foreign investment** and local business support;
3. **expansion of exports** and boost domestic sales of local products;
4. **acquiring an increasing role in international organizations and in international affairs;**
5. increasing the confidence and pride of the resident population.

A tourist destination brand defines a symbolic construction that emphasizes a positive, memorable, attractive, unique, relevant and sustainable qualities of a nation. Therefore, the image of a tourist destination refers to a set of beliefs, ideas and impressions that a person has about a particular tourist complex. These perceptions and/or misconceptions lead to the development of a country, the most common tourism, exports and direct investment.

In the hospitality industry, brand is essential in obtaining a competitive advantage.

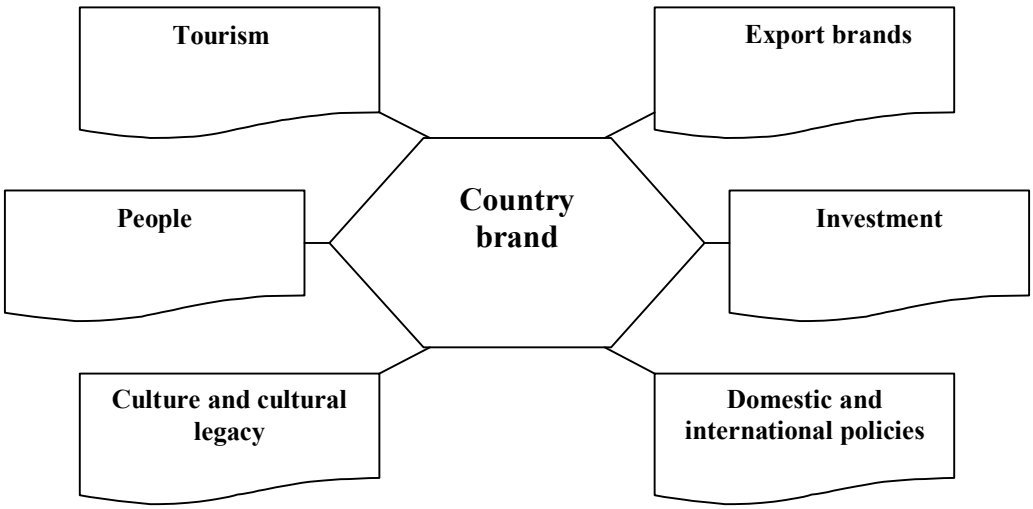

Fig. 1. The six dimensions of country brand

Source: www.placebrands.com

It can be seen from the previous figure that **tourism** plays an important brand of the country, the most visible aspect in this equation because, in many countries, receives considerable financial support from the government, being the main marketing tool national level. It is the industry that creates the most jobs on international level, attracts major investment and leads to regional development.

The quality of exported services and products must be greater compared to the competitors. In these circumstances, export brands are an important brand for each country.

The country brand has a lot to say when it comes to attracting foreign direct investment.

Also, countries are judged after internal and external policies initiated by the respective leaders. The two types of policies should be coordinated so as to reinvigorate brand of country.

It is no less true that branding a country must start from the inside because a country brand is promoted frequently by the residents.

Campaigns to promote the brand's country must provide the local population a sense of national pride.

Finally, culture permeates all spheres of life, including scientific ones. The culture of a nation is the one that connects the past with the present, which indicates the quality of a spiritual and intellectual people.

Today, the term "brand" isn't simply a descriptor for consumer goods: it includes products, services, places and experiences, and how they're marketed to audience groups to create familiarity and favourability (2011-2012 Future Brand Country Brand Index).

Creating a country brand involves the six steps (Dordevic, 2008)**:**

1. of a working group that has representatives from government, industry, the arts, education and media;
2. determining how a nation is perceived both nationally and internationally through quantitative and qualitative research tools;
3. determining the strengths and weaknesses of a country and their comparison with results of similar research whether they come from the country or overseas;
4. creating a central idea, strong and simple, which is based strategy and to capture the unique qualities of the nation;
5. coordinating the messages, especially in terms of tourism, investment and exports;

6.establishing a system liaison working group in order to implement actions to support the program and encourage appropriate organizations in commerce, industry, media so on.

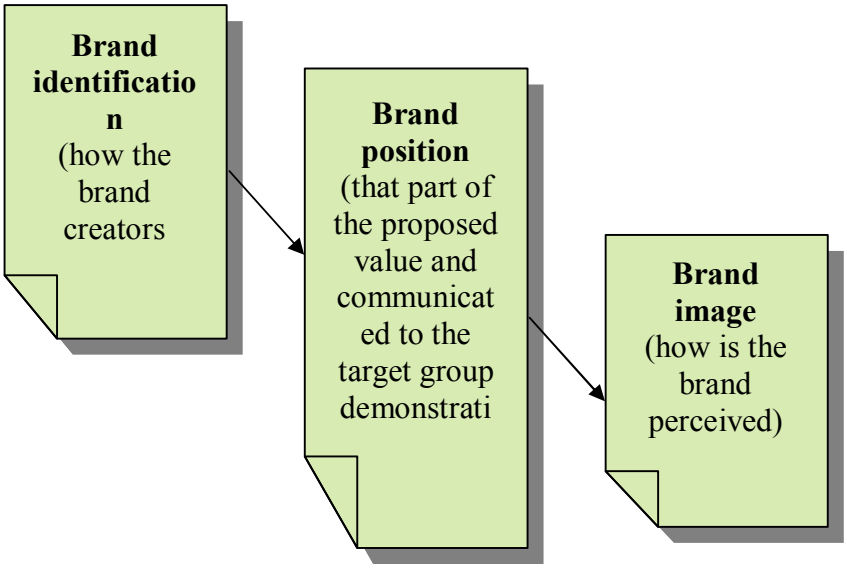

Fig. 2-Brand interconexion brand identification, brand position, brand image
Source: after Zafar U. Ahmed, Creating a Concept Around an Idea or a State of Mind, (rww2coursecontent.wikispaces.com/file/view/branding+a+country.ppt)

Creating a tourist destination brand involves a set of marketing activities as follows (Ban, 2008):

- creating a name, symbol, logo or other schemes that actually identifies and distinguishes a tourist destination;
- consistently express expectations of a memorable holidays that are uniquely associated with a tourist destination;
- serving to strengthen the emotional connection between tourists and tourist destination;
- reducing consumer search costs of a desk and perceived risks.

All these activities together, serve to creating a positive image of tourism destination influencing the consumer's choice.

Currently, according to the 2011-2012 Future Brand Country Brand Index, world ranking from the point of view of the brand is:

1. Canada;
2. Switzerland;
3. New Zeeland;
4. Japan;
5. Australia;
6. United States of America;
7. Sweden;
8. Finland;
9. France;
10. Italy.
11. Romania.

Country brand should focus on five key dimensions to perform on global level. This refers to the system of values, quality of life, suitable for business, tourism and culture and heritage.

So, the countries ranked on the first place in the case of those five dimensions are:

- value system (political freedom, tolerance, legislative stability, freedom of speech, environmentally friendly): Sweden:
- quality of life-Sweden (opportunity finding jobs, Switzerland, the country where you'd most like to live-Swiss-Swedish standard of living, safety-Sweden-Swedish health care system, education system, Sweden);
- suitable for business-Switzerland (environmental regulations-Sweden-Finland qualified labour, technology-Japan investment climate, Switzerland);
- heritage and culture, Italy (Egypt history, art and culture-Italy-New Zealand natural beauty, authenticity, Israel);
- tourism:
    1. Japan;
    2. Italy;
    3. Spain;
    4. United States of America;
    5. France.

(accommodation options-Maldives, food - Italy, landmarks - Japan, the quality-price-Thailand, beaches - Australia, nightlife - USA, shopping - USA).

Tourism and country brand are two concepts which have a close connection as a positive image of a country will determine the attraction of a large number of tourists and tourism quality will create a good image of the tourist destination in question.

4. Romania's main promotional campaigns over time

Until December 1989, Romania had been characterized by a real tourism industry, coordinated and financed by the Ministry of Tourism which published in three languages of international circulation (English, French and German) a magazine called "Holidays in Romania", edited hundreds of thousands of brochures, regularly attended tourism fairs and international exhibits and invited various foreign journalists to visit Romania. They were also interested in publishing numerous tourism guides for each county and for the entire country also, in publishing up-to-date maps, "Our Mountains" collection, a very necessary magazine entitled "Tourism Almanac", a well-known magazine entitled "Picturesque Romania", of other tourism-oriented works or belonging to some travelers such as Emilian Cristea, Ion-Ionescu Dunăreanu, Bucura Dumbravă, Niculae Baticu, Radu □i□eica, Ionel Coman, Marcian Bleahu, Dănu□ Călin, Nae Popescu, Emilian Iliescu, Alexandru Borza, Andrei Beleaua, Ilie Fratu, Octavian Fratu, Walter Kargel etc..

Afterwards, in 1990, the year that marked an important challenge for Romania, we faced a high number of tourism promoting modalities. Therefore, our country has been characterized by a number of tourism brands equal to that of the Ministry of Tourism's boards, each of them having one thing in common: the lack of continuity. From Dracula to Hagi, there hasn't been even one strategy to succeed, all being abandoned even if the boards invested great amounts of money.

We will try to chronologically present Romania's most important marketing campaigns.

The eternal and fascinating Romania consisted of publishing, in **1997**, by the French company entitled Group Saintonge Edition held by the Romanian Adrian Costea, a photo album of the country which also included tourism information. It was published in

eight languages of international circulation (German, English, Arabian, French, Italian, Japanese and Romanian) and consisted of approximately 500 pages. The original version was in French. It was supposed to be an exceptional editorial magazine promoting our country internationally. Here are some ideas about the "Romanian adventure" included in the above mentioned book: "*We want to show you the image of an unique and vibrant Romania, by drag you along in our mythical journey, through the most hidden corners of the legendary Carpathians, the sun burned plains, Danube's basins, searching for blue trout in the clear water, crossing charmed villages in the hot light of a still sky, breathing the perfume of the wind and rose petals*". The paper (of a high quality) includes numerous spectacular images from Romania, which are representative for our country's tourist potential, such as monasteries, fortresses, the Danube Delta, the Black Sea, Carpathian landscapes, customs and traditions, traditional handicrafts, traditional costumes, traditional activities such as grazing, breeding, hay collecting etc., contemporary constructions, portrayals of our country's local people from various tourist areas. However, there are too many images showing people from various regions of the country, as they are not Romania's main attraction. The images are presented randomly, going from monasteries to the Danube Delta, from winter mountain landscapes to summer plain landscapes, from Bucharest images to various portrayals etc.. This guide opens with a preface and a historic synthesis, towards the end it includes explanations for each image, a physical map of Romania, geographical Bibliography, administrative information and an administrative map and it ends with an acknowledgment list. The initial edition was announced to consist of 97.000 copies. Less than 10.000 had been printed. The initial plan was to send this "visit card" to more than 200 countries. Unfortunately, the scandal that accompanied this piece of work affected Romania's image. It cost over 5.97 million dollars.

"Romania – come as a tourist, leave as a friend" developed between 1996 and 2000 and it was the first campaign that promoted Romania, being accompanied by the following logo: "**Romania – come as tourist, leave as a friend**".

Romania's special tourism marketing programme dedicated to the total solar eclipse, August 11, 1999. It had been developed between July 1 and August 8, 1999 and had a budget of 15955000 lei. Its general target was increasing the number of visitors coming to Romania. The specific objectives focused on: stimulating the potential tourists' interest in visiting Romania; attracting investors in the tourism industry field; encouraging local communities from the total eclipse area to exploit this event. The most important advantage of this campaign was the fact that Romania possesses the widest part of the band – 112 km. The entire programme was coordinated by the Tourism Promotion Bureau, being made after a scenario entitled "The road to centre", containing seven tourist sites that were predicted to be the location for various events:

- Bucharest – University Square;
- Bucharest – the Astronomic Observatory;
- Râmnicu Vâlcea;
- Retezat Massif;
- Littoral;
- Banat;
- Olt Valley.

Unfortunately, this programme didn't manage to gather a large number of tourists as initially stated, because before August 11, 1999, NATO had begun to bomb Serbia, near the Romanian border. This thing had negatively influenced the programme, because the potential foreign tourists started being afraid to take part to this programme.

"Made in Romania" was launched in **2000** in the context of a continuous decrease of internal production and of losing major reference points of national economy. Created in

order to support the local economic agents in an unbalanced competition – and lacking loyalty most of the time – with import products, "Made in Romania" programme proposed to its members a unitary and coherent promotion that would ensure their activities continuity. The programme wanted to prove that the products that were labelled "Made in Romania" were highly qualitative. Moreover, this programme was the Romania's sole promoting tool to gather economic agents – producers or services providers – regardless their activity field, ensuring the continuity of the Romanian values. The slogan was: "*Promoting Romanian products means protecting your workplace*!". But it was also meant to fail.

Millennium in Romania – 2000. Millennium in Romania tourism promotion programme's image, public relations and media campaign had been developed by D'Arcy Romania and Universal McCann advertising agencies (which won the auctions made by the Tourism Promotion Bureau) and it cost 820.000 dollars. The objective was that of promoting Romania as a special tourism destination, the main elements of interest being spirituality, Christianity and myths. The target countries had been Germany, France, Italy and Great Britain, as well as the USA and Japan. The main aim of this Programme was to build a new image for our country by continuing the "Eclipse" programme. The public relations campaign had been developed for the journalists in this interest field and for the tourism industry, wanting to create a new image of Romanian tourism.

The promotion of Romania by means of "Millennium" programme was made by means of the target-country's press, of televised advertising, the main TV channels brought into discussion being Discovery, Euronews, CNN and TV5. The first part of the campaign was supposed to begin in July 2000 and end in August, the second part of the action being scheduled for the fall. Almost 2/3 of the campaign's budget, approximately 500.000 dollars, were supposed to be spent during the first part, the total amount of money needed for financing the media campaign being 300.000 dollars, increasing the campaign's total budget to 820.000 dollars.

The board of the Tourism Promotion Bureau considered that foreign tourists could be motivated to visit Romania for its natural beauties, the great variety of relief forms and the original traditional customs, but once arrived in the country they would benefit of high quality hotel services.

"Millennium" campaign had been developed by the Tourism Promotion Bureau and at the various fairs and exhibitions in 2000, the main international tourism agencies being informed about the opportunities provided by Romania. In this case also, the Programme hadn't been successful, especially because the fact that the understanding of the mythical signs in the presentation film was very difficult to be made by tourists, in opposition to those promotion techniques that imply the simplicity and clarity of the slogan.

The Dracula Park Plan, launched in **2011**, was supposed to be the most impressive tourism project at the beginning of the new millennium, being labelled as "Made in Romania". It implied the development of a theme park, having as main interest objectives the following elements:

- Symbolic gates;
- Dracula's Castle;
- International Vampirology Institute;
- Interactive handicraft;
- Amusement parks;
- Dracula lake;
- Accommodation and alimentation units;
- Medieval art festival;

According to the feasibility study, this project presented the following **advantages**:

- The entire project is dedicated to the myth of Dracula, a myth of great impact on foreign tourists mostly;
- It is conceived to offer a varied range of services, combining the classic services such as accommodation and alimentation with those which are not very present on the Romanian market, such as recreation services in amusement parks;
- It is Romania's "shock" offer;
- It appears in a moment when the international tourism market is saturated by classic amusement parks;
- It is the beneficiary of the advantages given to the first to enter Romania's tourism market and the eastern Europe market in this field of activity;
- Its main destination is the amusement park;
- The other facilities will have a secure client age during the entire year;
- It is placed in a city – Sighisoara – with powerful Romanian and German historical and cultural aspects.

The feasibility study estimated a number of 1.100.000 visitors/year, out of which 880.000 were Romanian visitors and 220.000 foreign visitors. It also estimated an average value of 5 dollars for the entrance ticket, with an average cash of 24.5$/person and a total of annual profits of 27000000 dollars. The total cost of the investment was estimated at 31575548 million dollars, with a 10 years investment recovery time and a 22% internal profitability rate. The due date of this investment was after 24 months and the profit was estimated at 2839 thousand dollars.

This project is remembered rather for being discussed by the National Anti-Corruption Directorate than for its capacity of promoting Romania. The emplacement problems had been the first to appear: first at Sighisoara, then at Snagov and finally at Parchet. Over 13000 persons had invested approximately 10 million lei in Dracula Park, an investment society still having many shareholders.

"Romania, Simply Surprising" Campaign (2001-2004) was realized by Ogilvy&Mather. After analysing the competition existing on external tourism markets, it had been reached the Conclusions that it is necessary to develop a diversified and important promotion and advertising campaign, with a great impact on the population potential segments in those countries presenting a real interest in what regards our country's offer (Germany, Austria, Holland, the Scandinavian countries). Taking into account the actions of the competitor countries on those specific markets, it was necessary to augment our country's advertising process on Pan-European and national broadcast channels, to install street advertising panels (outdoor) and to exhibit the offer in public transportation means. The television channels selected to broadcast the 30 seconds advertising video were CNN, EuroNews, Eurosport and the national TV channels in Germany, the Scandinavian countries, Czech Republic, Russia, Slovakia, Hungary and Poland. For promoting the Romanian tourism product, especially the littoral, the following countries were considered: Germany, Austria, Holland, Spain and Czech Republic. The advertising materials were placed in subways, trams, buses, commercial areas, roads etc.. Moreover, another goal was to include the Romanian tourism offer in Euro Travel Guide 2003-2004 edition, with 48 pages about Romania, structured according to the main segments of the Romanian tourism offer, including the historical provinces offer, rural tourism, gastronomy, wines and hotel information. Another target was that of attending more than 60 international exhibitions, mostly in Europe, in order to promote Romanian offers. 14 new print titles were used in a circulation of 600000 copies, 240000 slides, colour photo panels, documentaries etc..

The new campaign of creating a new national tourism brand cost 2 million Euros. It didn't have the estimated results, its slogan being wrongly chosen, the World Tourism Organization saying that "*Romania does not have a clear or strong image on the market and*

the brand of the destination sends mixed messages". In his turn, Richard Batchelor, the head of the international consultants' team of the World Tourism Organization, "destroyed" the slogan: *"'Simply Surprising' does not suggest Romania's essence for the potential visitors"*.

The country branding campaign **"Romania - Fabulospirit" – 2006**. The campaign launched in 2006 by the Ministry of Foreign Affairs, marking Romania's adherence to the European Union, characterized Romanians in the following terms: *"spiritual people who enjoy life"*. The creation of the slogan only cost over 100000 Euros, the entire campaign being estimated to cost 5 million Euros. The slogan only had been paid as the campaign was stopped after the resignation of the Prime Minister Mihai Răzvan Ungureanu. GAV/Scholz&Friends company provided consultancy for developing this project.

By means of this project, the Ministry of Foreign Affairs wants to present Romania as a new member of the European Union, highlighting the spiritual dimension of the Romanian people. The Ministry of Foreign Affairs wanted to achieve a "pragmatic" aim, that of answering the following questions: what is Romania's position as a new member of the EU and what is the affirmation that would make the difference between Romania and the other European states. This project will include a press and international outdoor campaign, a television campaign as well as a series of indoor and outdoor events, culminating with a high media impact live concert.

Romanians were perceived as being open minded, funny but also serious people, having a highly developed artistic side; they were considered spiritual people. In order to reach this communication objective, the campaign turned to national elements or local values known abroad, people coming from the following domains: culture, sports or science, considered to be our visit card in Europe.

The idea of developing another advertising campaign was the result of the negative image that had been representing Romania abroad until that moment, the survey being applied in other EU's member states. According to the Ministry of Foreign Affairs, the campaign aims at establishing Romania's position as a new member of the European Union.

Some of those who criticized this project appreciated that the "Fabulospirit" slogan will have to fight serious linguistic barriers because it is an invented word which doesn't sound good and is hard to memorize.

"Fabulospirit" disappeared together with minister of Foreign Affairs, being rapidly abandoned.

"Sibiu – European Capital of Culture" – 2007 - represented a unique opportunity for a Romanian city to host a European Cultural Capital. As a European Cultural capital, Sibiu/Hermannstadt wanted to open the gates in order to allow the local cultural landscape to meet the European one. The Ministries of Culture in Luxembourg and Romania agreed in 2000 to collaborate in the cultural domain, and this agreement had been renewed in 2002 and 2004, strengthening the approval to become a European Cultural Capital in 2007.

The theme chosen by Sibiu/Hermannstadt – "*City of Culture – City of Cultures*" completes that of Luxembourg – "*The Europe of the Future*" and "*Self discovery – Discovering the others*".

The results of the even called "Sibiu – European Cultural Capital" include the following information (according to www.sibiu2007.ro**):**

- Under aegis of "Sibiu – European Cultural Capital" 2007 Programme, Sibiu hosted 337 projects, a total of 2062 events – a kaleidoscope of artistic genres and directions that satisfied the most varied tastes: from theatre and painting, music, film, dance, literature and architecture to contemporary art and gastronomy. The events included in this programme presented the city's multicultural and multi-linguistic character and confirmed the slogan "A city of culture – a city of cultures". The cultural partnership

with the Grand Duchy of Luxembourg resulted in 40 common projects Sibiu – Luxembourg, showing the programme's European character;

- The total number of those who proposed projects that year was of 301 cultural operators, public institutions of culture, concerts, education, cultural centres, cultural institutes of foreign Embassies in Romania and Embassy, national and international nongovernmental organizations, publishing houses, physical persons, Romanian honorific consulates and commercial enterprises;
- The value of financing allotted for cultural projects was of approximately 13400000 Euros and it was paid by Sibiu City Hall (approximately 8200000 Euros for 215 projects), Sibiu County Council (approximately 450000 Euros for 21 projects), Sibiu European Cultural Capital 2007 Association (7500 Euros for 2 projects), Ministry of Culture (approximately 3400000 Euros for 99 projects) and the European Commission (1400000 Euros for the closing events according to the financing given to cities that gained this title);
- The programme entitled "Sibiu – European Cultural Capital 2007" was being developed under the high patronage of Romania's President. It was made by Sibiu CCE 2007 Association in collaboration with Sibiu City Hall and Sibiu County Council, with the support of the Romanian Prime Minister and that of the European Commission.
- The great benefit of Sibiu was the increase of its visibility. The city had rapidly become "famous", maybe the most famous city in Romania. Although at the first sight this status is just an honorific one, the investments made in the city's infrastructure until 2007 can be continued in the future;
- Another positive aspect of Sibiu European Cultural Capital 2007 programme is the increase of the city's visibility both nationally and internationally by means of some high class events which implied Romanian and European actors. By means of this programme, Sibiu proved that the cultural act in Romania and especially in Sibiu reaches the value of the European one;
- The cultural program represented for Sibiu a way of re-launching tourism industry in Sibiu city and Sibiu County. A significant development has been noticed even from the beginning of the year. If we have to take into consideration the statistics, the number of tourists until December reached 700000, being double as compared to 2006 and triple as compared to 2005. Until the end of the year, the number had increased up to 800000 tourists. The segment of foreign tourists is represented by countries like Germany, Luxembourg, France, Belgium, Austria and Great Britain, as well as other countries in the world. Of the total number of tourists, a 40% percentage being represented by foreign tourists;
- Another benefit would be the experience gained as a result of organizing such an important programme. It would also be highly taken into consideration by cultural operators. They will choose Sibiu again as partner of their projects. By means of this Programme, cultural operators in Sibiu will have the experience of an international programme, gaining a much more significant experience in what regards cultural management. Therefore, over the next few years, Sibiu will use this experience for generating high class cultural events with high national and international visibility.

This event represented the starting point in the promotion of Romanian culture inside the bigger family of European culture.

"Romanians in Europe" was a project that developed between **September and December 2008.**

After many failed attempts to promote the national brand, the Romanian Agency for Governmental Strategies tried to focus on two smaller campaigns that addressed only Italy

and Spain, two problematic countries for Romania. Almost 9 million Euros represented the budget of the two campaigns.

As a result, the new Prime Minister, forced by the Mailat case, proposed a very expensive action of promoting some Romanians in the Italian press. According to a press release of the government, intellectuals, sportsmen and artists had to become the allies in the fight against the negative perception of Romanian people. But this idea also remained at the level of a project.

Eventually, the Minister of Foreign Affairs developed a promotion campaign in Italy and Spain, with the help of the Agency for Governmental Strategies, between September and December 2008. "**Romania, piacere di conoscerti**" (Romania, pleased to meet you), with the Spanish version "**Hola, soy rumano**" was being developed during a period of time when Romanians were mostly known because of their murders, robberies, prostitution and abuse.

"Romania, land of choice" – 2009 cost over 1 and a half million Euros, the heroes of the advertising spots being Nadia Comaneci, Ilie Năstase and Gheorghe Hagi.

In 2009, the Minister of Tourism also launched a hymn (Come to Romania – The land of choice) composed by Marius Moga. They wanted to transform this song into a hit. It cost 10000 Euros, but it wasn't successful. The campaign cost 1.5 million Euros. Comparing the presentation videos of "Land of choice" campaign and the one that accompanies Moga's song, we notice that in the second case the images are more representative, more authentic and numerous than in the first case. This campaign wasn't successful either.

5. Currently touristic brand of Romania

„Explore the Carpathian Garden" takes place between 2010-2013. In 2010 it was launched Romania's first tourism brand, with a European guide and financing. The visual identity of Romania's tourism brand is formed by isotype (the leaf), slogan ("Explore the Carpathian garden") and logotype (Romania writing).

Romania's tourism brand was launched on July 29 in Shanghai, China, at Expo 2010. The press noticed the resemblance between the leaf from Romania's tourism promotion logo and the logo of an international transportation project. Minister Elena Udrea declared, related to all the rumours about the plagiarism regarding this logo, that the entire concept had been legally bought.

Romania's tourism brand cost 894970 Euros and for the country brand more than 75 million Euros will have been spent by 201, the amount of money coming just from European funds.

Romania's tourism brand had been registered at the State Office for Inventions and Trademarks and at the Office of Harmonization for the Internal Market, an European organism.

The Ministry of Tourism and Regional Development began Romania's advertising campaign on three international TV channels: CNN, EuroNews and Eurosport.

Publicity actions will consist of broadcasting advertising spots with a length of 20 or 30 seconds on the first three international channels mentioned above (1 general presentation spot of 30 seconds and two 20 seconds spots for nature and cultural tourism). The promotion campaign will be developing for 12 months.

The concept of these spots underlines Romania's values, its unique resources and the competitive advantage of an almost unaltered and "healthy" nature, a rare and valuable resource for future visitors. This creative concept highlights the Romanian cultural heritage, a mix of historical influences, Romanian authenticity and traditionalism.

The international television channels had been selected according to the audience among individuals with above average incomes who travel (for business or pleasure, at least

6 travels a year), according to the data provided by the European Media and Marketing Survey (EMS) for 2010. TV spots are meant to visually consolidate the destination brand.

The *general objective* of the campaign is the promotion of the national tourism brand on the international television channels in order to create Romania a positive image as tourism destination, to increase – at an international level - the degree of knowing our country, to visually consolidate the destination brand and increase the number of tourists coming especially from the main markets identified in the National Tourism Development Master Plan 2007-2026.

The total value of the promotion campaign is 4960000 Euros including VAT, non-refundable European funds through the Regional Operational Programme 2007-2013, Axis 5 and the operation entitled "*Creating a positive image of Romania as a tourism destination by means of defining and promoting the national tourism brand*". Media Investment Communication is the company that won the auction by means of which the advertising services had been bought.

This brand is also criticized, Claudiu Dobriță, Grey Worldwide press agency's art director saying that the geographical localization made by this slogan is not specific to our country, the Carpathians spreading on the territory of eight European countries; moreover, their highest peak is in Slovakia, not Romania.

As Pavel (2012) says, almost all campaigns primarily have focused on tourism, they had not a resounding effect because touristic brand of Romania has not managed in an organized, continuous, consistent and proficient way.

Conclusions

If in the past the country brand was essentially associated with travel and tourism, namely contact with products, services and tourism resources is achieved only by moving to a particular destination, the situation has reversed because of the Internet and mobile devices sites helps us to communicate instantly across the seas through images, information, blogs, websites, etc.

The country brand is vital both nationally and internationally. The difference between a strong country brand and a weak identifies and translates into an impact on a nation's attractiveness to prospective investors, including tourism and host compromise public confidence and social unity.

The site www.ziare.com launched a survey about Romania's marketing campaigns, the question being the following: Which was the best campaign to promote Romania? The results were the following:

1. don't know: 28.98%;
2. made in Romania: 25.29%;
3. the eternal and fascinating Romania: 16.31%;
4. the Carpathian garden: 15.41%;
5. Romania-land of choice: 9.42%;
6. The always surprising Romania: 2.74%;
7. Fabulospirit: 1.85%.

Therefore, the approximately 8 million foreign tourists visiting Romania each year, without any tendency of increasing this number as a result of the governmental initiatives of promoting Romania, is not due to the campaigns presented above but in a small measure. Another cause is that our country hasn't built yet a strong and efficient country brand. There have been attempts, but the governors managed to change each and every campaign promoted by their predecessors. Hence, the main income source that could seriously contribute to our

country's development and modernization, tourism, is not taken into consideration by any of the local and national organizations.

Unfortunately, Romania's international promoting is made by important personalities from other countries, like Prince Charles, who fell in love with Romania, by means of his interview in the documentary called "Wild Carpathia".

Today, the government has changed its members and this would surely lead to the process of stopping the current marketing campaign and launching a new one which maybe will be more successful.

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Management of tourism destinations

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Abstract

Once with the pass to the third millennium, we are becoming more aware of the complexity, fragility and value of our planet. In the same time, tourism tends to become a more popular expression of this consciousness. Because of the evolution of domains such as: transportation, technology and information, more and more far areas have become accessible. This lead to a rapid growth of tourism in protected areas. As a result, it is more obvious the fact that development of tourism in sensitive natural areas, without correspondent management, can become a threat for both the integrity of ecosystems and of local communities.

Keywords: management, tourism, destination's management, sustainable development, strategy

1. Introduction

The term "destination" is many times defined as the equivalent of terms such as: "destination area" or "community tourism". The local tourism destination is that physical space in which the tourist spends at least one night. The tourism destination includes a totality of tourism products, like: support services, tourism attractions and resources, offered in a journey which has a coming back time of minimum 24 hours. Functional and spacial basis elements of the tourism destination include: access, entrance-exit gates, complex attractions, one or more communities, and also links between attractions and communities.[1]

Complex attractions are principal elements which define a tourism destination. These are geographical places, which are wealthy in natural and anthropic resources, specially arranged for becoming tourism attractions and with the purpose of attracting tourists and satisfying their expectations. The most times, these are in the centre of tourists' attention, giving initial motivation for visiting that destination. Attractions can be *naturals*: parks, mountains, *build:* emblematic buildings like Eiffel Tower, religious cult edifices, patrimony monuments and *cultural:* museums, art galleries, theatres. Intangible factors, such as, uniqueness or emotional triggersor linked to experiences also attract tourist to destinations.

As says Băltăreu (2012), tourism gives value of common attractions located in the developing countries and hot, gentle climate, cultural heritage, outstanding landscapes and abundant biodiversity.

Linking corridors between main cities and complex attractions are important elements of tourism arrangements and planifications. Arrangements of these should be adapted to using resources, to developing the area's plan and to the wishes and needs of the visitors. Arrangement and organization of tourism destinations should *contain at least one or more*

[1] A. Gunn, T. Var *„ Tourism planning:basics, concepts, cases" Routledge N.Y. 2002, p. 223*

populated centres, cities. Quality of arrangement, organizations and of management have importance to future tourists.

The access is another essential element for a touristic area. The means of transportation which assure the circulations of people in a community are adapted to the necessities of resident and not of tourists. The principal access road in the destination should take into consideration also the possibility of planning the flow of potential tourists.

The concept of *destination* areas is developing according to urban development. Because the urban areas are getting more crowded, ecologists prefer the principal of dispersion. Dispersion can reduce the value of local community by combining the central and suburban area of a single city in one unit called „regiopolis"[2]. The regiopolis combines economic, social and human development, also in the interior and in the area surrounding the community. The concept of area of tourism destination allows maintaining the identity of that community but also recognises the importance of setting independent ties with the surrounding area.

2. Management of tourism destination – complex of activities

Management of tourism destination is a complex of activities needed to attract tourist and to offer the perfect trip during their stay in the destination area. While the touristic circulation has positive impacts on the natural, economic and social environment of the local communities on short, medium and long term.

Destination's management, actually, represents coordinated administration of all elements which compile a destination: touristic attractions, support services, accessibility, marketing and pricing. The management of a destination adopts a strategic approach with the purpose of tieing these entities, in assuring a better administration of the destination.

Integrated management can be the one that helps avoiding duplication of efforts referring to: promovation, services for visitors, integrated management can be one that helps to avoid duplication of effort in terms of: promoting services for visitors, initial and continuous training of human resources, support for business and for identifying any administration deficiency which haven't yet been .

The purpose followed by the management of tourism destinations is that of maintaining a competitive and durable touristic system in a destination area

Management of tourism destinations includes much more activities, such as: arranging and/or planning of the territory of tourism development, adaptation of decisions regarding implementation of tourism strategies, generation of projects in the field, attracting investitors, tourism resources and attractions management, providing quality of tourism services. Planning is made taking into account the existing legislation, regarding the use of tourism resources. Implementing the projects' strategic planes of actions can be made with the internal and international financial help.

Destinations and local communities can have an attractive image also for tourism and for business environment.

"A destination functions well just in the measure that simbiotical relationships are created between polarizing cities and surroundings"[3]. The functions of tourism destinations don't stop at local community's administrative limits, but they continue also in the rural surrounding area, which should be integrand part of the destination.

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[2] Y. Gradus *„Regiopolis, toward an effective settlement system for regional" Ed. Human Settlements, British Columbia 1982, p. 47;*

[3] A. Gunn, T. Var *„ Tourism planning:basics, concepts, cases" Routledge N.Y. 2002, p. 187;*

Development of tourism in a durable way, with o good planning and good management , will always ensure that the destination keeps ecological integrity and that resources and character that made it attractive, will be well protected. Moreover, good administration can help to avoid social and cultural conflicts between host population and tourist came to visit and at preventing negative effects of tourism on local way of life, traditions and values.

With other words, development of sustainable tourism of a destination means ensuring the future of the existing destination but planning some new destinations, by elaborating management of tourism destination.

Tourism destinations are considered complex phenomena, hard to administrate because:

- They are found at different geographical levels in terms of inter-relationships; many times appear overlaps between some functions of marketing and destination management, which give birth to conflicts between local authorities and central power.
- Responsibility of destination management depends by the public sector which controls just a small part of the destination's product, the biggest part depending by the private sector, public sector has too little control.
- Management and marketing of many destinations is made by governmental agencies with low budgets, which do not fit with the power of big hotel chains, international tour operators or airline companies.

3. Actors implies in destination management

Destination management implies more "actors", each with his own interest: local tourism industry, foreign companies, tourists, public administration's and local residents' representatives. The most decisions in planning and destination management are taken by chosen representatives, more on political motivations than the interest on developing community's tourism.

Sustainable development of a destination from a local community means making a special management for every item. Tourism can be sustainable by itself and by the way in which it helps the environment and the local community.

The principles of a sustainable tourism encourages operators from tourism industry to develop their business, offering in the same tine social-economic benefits to the local communities, also respecting the surrounding environment.

Economic orientations:

- ✓ Evaluating the economic impact before developing tourism;
- ✓ Specialized assistance to marketing and developing the local;
- ✓ Promoting some equitable business and paying the correct price.

Social Orientations:

- ✓ The evaluation of social impact of tourism activities;
- ✓ Respecting social and cultural diversity;
- ✓ Sensitivity from the host area culture.

Orientations regarding surrounding environment:

- ✓ Reducing the impact on environment when tourism is developing in that;
- ✓ Using the natural resources sustainability;
- ✓ Keeping and protecting biodiversity.

According to Butles's concept, even a life cycle has big implications for its' sustainable development

The model suggests that every level has implications for:

- The number of tourists;

- Level and nature of the contract between the host population and visitors;
- The degree of change inside the destination;
- Who has the control of local tourism industry[4]

Table 1. Ipothetic cyrcle of a destination

Step	Number of tourist	Facilities	Contact	Change	Control
Exploitation	Few	Few	Few	No	Local
Implication		Local			Regional
Development	Maximum	Not local	High, impersonal	Major	National International
Consolidation		Peak			National International
Stagnation				Weak	All levels
Decline	Few	Local	High mechanic		Local groth, Local, International
Revival	Few	New		Relict	
Conversion	Big		Few	Major	

The concept of destination's life cycle is a way to conceptualize about the way in which a tourism destination develops and problems that appear in each step of its' development. Problems appear because of external factors which start to take control on tourism industry of that local community. Relationship between local population and visitors becomes more formal and impersonal as time passes.

The role of administration in the field of tourism, passes from traditional model, which belonged to the private sector, which had as a purpose implementing government's policies, to a corporatist model which puts an accent on efficiency, efficiency investments, market's roles and even on the partnership between public and private sectors.

Such partnerships, cannot be beneficial, because they can cover a bigger range of implication levels, from those informal to contract obligations, which include: as good relationships between partners; a better coordination of policies and partners' procedures for obtaining common objectives; periodical or permanent coordination to undertake a program specific to tourism activities, etc.

It is required that the public, the private and the local sector to join forces to work closely: tourism success counts on strong partnerships and engagements and a common vision.

Tourism's experience is given by a series or partners, in which are included companies from the private and public sector and local community in a big sense (hospitality, care for visitors, environment custody etc.). For the tourism to have chances for success, these groups of interesting factors must work together, according to a common vision.

Tourism destinations can be influenced by the many extern factors, such as: weather, fashion or politics changes. Depending on the resources obtained by that destination and its positioning, it is wise diversification and offer more than one kind of tourism.

Conclusions

Except the visitor and local population, administrative authorities with responsibilities in the field of tourism, they also represent a partner in the process of realising sustainable

[4] R. Butler *„The Tourism Area Life Circle" vol. 1, Ed. Channel View UK 2006, page 5*

tourism. Public administration isn't just a simple partner, but, maybe the most important of them, being responsible with making conditions to facilitate sustainable development.

Authorities that act in tourism industry will administrate the destination in a sustainable way, just in the conditions in which this control in an efficient way the management process of the tourism destination, for taking some correct decisions to make it more attractive, to protect the nature and the surrounding environment, to protect the cultural individuality of the local population and to offer development opportunities for the area, in the limits of a responsible development and influencing tourists behaviour. It is actually about a good evaluation of decision impact in the economic, social, natural, environment and cultural field in order to the expansion of the life cycle of tourism destination.

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Human resources training in tourism in Romania

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Abstract

Cultural diversity of the European space and the free circulation of labor force in tourism have determined the evaluation at a global level of the education and vocational formation system. Today, staff working in tourism, in the hotel and restaurant industry from Romania are highly qualified, most of them have graduated from specialty higher education studies. Unlike other European countries where at a basic level, in the operational tourism functions young people, college or professional schools graduates operate, in Romania in similar positions we can find students and graduates of various economic or different profile graduates. Most of them who choose to have a profession in tourism, most of the times get to sign up for qualification courses in the field, after having graduated from the faculty. This situation raises a series of problems to the level of the didactic process and applied methodologies in order to achieve objectives and to acquire specific skills in tourism jobs.

Keywords: tourism, education, vocational preparation, skills;

1. Introduction

Tourism is an economic important field to the global economy and to the European Union from a generated incomes point of view, by the labour force involved in different specific services providers areas or related areas, as well as by the social role, of remaking the work capacity and by the recreation and entertaining component.

To a global level, tourism has been affected by the crisis more between 2008 and 2009 then, a slight increase in the number of tourists was registered in 2010. That year on an international plan tourists arrivals have increased by 4,7%, getting to 919 000 million dollars, that is 693 000 million euro. For the first semester of 2011 the World Tourism Organization estimates an increase of approximately 4% in relation to 2010, the growth to be maintained, it seems for the entire year.

Even under crisis conditions tourism keeps registering a constant growth rhythm in contrast to other economic activity areas, which implicitly determines a positive influence on relative fields among which specialty education.

Tourism industry, a component of the third sector, specific to services area, is closely connected by the direct provider, by the professionalism, abilities and staff attitude in the production and serving chain of the touristic product. The direct relation between the customer and the tourism agency staff, from the hotel, the restaurant and other tourism workers categories, generated a more special relations system. These relations based on discretion, confidentiality, diplomacy must be developed within the professional ethic limits, in accordance to the standards and procedures specific to the area, set by international regulation and by each tourism activity organization rules.

2. Labour force and tourism education specificities

Beyond tourism internationalization, which has determined the development of tourist flows the specific labor force migration phenomenon has constantly increased as well. The

labor force market in tourism in the European space is very diversified both under the structural aspect and under the provenience point of view, under the general and specific level and preparation form. Labor force fluctuation in tourism is very high, this having negative and positive effects on the reference market. For a future specialist in the hospitality industry, for those who aspire to positions such as: hotel managers, restaurant managers, concierge chef, culinary art master, sommelier, it is of great prestige that they have worked in as many representative unities as possible.

Tourism is an extremely wide and heterogeneous area, made of very many components among which the most representative is the hotel industry one. The hospitality industry has developed in a fast rhythm as a consequence of continuous and constant growth of tourists number, it has specialized and diversified permanently to meet the customers' needs. As a result of hospitality industry development, major changes have taken place in order to satisfy customers' needs. As a consequence of hospitality industry development, major changes took place in the touristic education system in the last 50 years. Many profile schools were created, a hotel profile higher education system was developed constantly adapting to the specific market evolution of the labor force.

Tourists become today more and more instructed, educated and with ever higher demanding level, which consequently determines the need to increase the staff professional preparation level and to improve communication skills of those who work in the hospitality industry, in order to provide services excellence level.

The main problem facing the hotel profile education is the lack of preparation and experience of specialists in this field, having the capacity and necessary abilities to educate and form future specialists. If in other economic areas economic activities and practical applications can be made by non-experienced persons, in the hotel industry this is impossible.

In the modern economy a tourism profile higher education has been developed offering a specialty preparation system, via which both specific skills, thinking and action capacity of graduates are developed.

3. Touristic education in Romania

In Romania touristic profile education is made up of economic high-schools with tourism classes, higher education institutions with tourism faculties or specializations including graduation, master and doctoral school graduation within the Ministry of National Education system, with state or private education options on one side, and the vocational preparation system achieved by National Qualifications Authority (NCA), subordinated to the same ministry.

Two years ago the Arts and Craftsmanship Schools (SAM) were cancelled and they would ensure the vocational preparation of youngsters for basic jobs in the hotel industry after they had graduated from middle school courses. Thus the middle school graduates who would want to sign up for SAM classes were forced to sign up for high school classes. In these schools theoretical preparation and specialty practice were first emphasized. By this process of restructuring the pre-university education a series of SAM curriculum skills were introduced to the high school cycle I specific ones. The curriculum for IX and X grades is based on Professional Preparation Standards for qualifications following the professional skills formation specific to tourism and food area for the second level of qualification. The level 2 professional qualifications to which the curriculum is addressed to, are the following: chef, confectioner/pastry cook, waiter, hotel clerk.

These professional qualifications allow access to level 3 qualifications (Technician in gastronomy, Banqueting organizer/manager, Hotel technician, tourism technician). During the IX^{th} and X^{th} grades, by the specialty modules, weekly specialty practice and practice

preparation stages a basic training in the area is ensured, which is common to all the professional qualifications listed above. The specialized training is also made by practice stages in the profile economic companies, after X^{th} grade, depending on the pupils' options. The practice stages take place for 4 weeks for every study year. To a closer analysis it is found that in the 4 respectively 5 years of high school, graduates acquire general and specific skills to practice the mentioned trades. It is also drawn the Conclusions that to these youngsters, business skills are developed as well as managerial skills such as human resources management in the hotel, coordination of accommodation department activity.

In Romania there is not a higher education of hotel profile. Faculties which have a tourism specialty ensure a general economic and specialty preparation by a couple of subjects such as Tourism operations technique, Hotel and restaurant technique, Tourism ethics etc., by which the target is to know the specific operational activities and to acquire managerial skills. More than two thirds of the studied disciplines have general economic character, in the last study year and that is in the third year, specialty subjects are taught. During the entire graduation and master studies only one practice stage is made up of three weeks long at the end of the 2 year.

The few students who take up the classes of tourism specialty faculties come from the tourism classes high school graduates, and that is why, due to the low numbers of subjects and the lack of practical experience after graduating from three years higher education studies they do not have enough theoretical and practical knowledge to practice in operational positions and all the more into managerial positions from the hospitality industry.

Big part of those who work in the hotel, restaurant industry or tourism agencies, after having graduated from qualifications, specialization or perfecting classes, continue their graduation and master studies daily courses or reduced frequency ones in the tourism or other profile specialty. In such cases, profile higher education studies complete and fill in the tourism preparation level of the specialist.

The National Qualifications Authority regulates and coordinates processes in the vocational formation and continuous formation area. This organism from the Ministry of Labor, Family and Social Protection structure, authorizes professional formation providers based on the Romanian Government Ordinance no. 129 from 2000, republished in 2002 and of the Romanian Government Ordinance no. 76 from 2004.

By the Occupation Classification in Romania (COR) all staff categories which can be trained by the authorized providers, based on occupational standards are set. These allow to acquire general and specific competencies in the specific working techniques area, in communication and team work, as well as in career management.

Except for the management level occupations materializing by obtaining the tourism Certificate, by which the right to practice management positions is granted, that is as a tourism agency director, hotel director and restaurant director, by the preparation programs for most level I, II and III jobs, only technical working skills are developed specifically to occupational standards.

In Romania, there are currently many authorized economic entities as professional providers located all throughout the country, only a few of them organize tourism specialty courses. The big majority of providers obtain authorization on several activity areas more or less related.

The conditions that the provider must meet in order to be authorized by NCA, in order to organize courses for the tourism are the following: to make up a file containing copies of the company's constitutive act, to prove they own a space or have leased one for the duration of the theoretical preparation programs, to present the education plan including the subjects and modules set in accordance to the reference occupational standard, to present analytical programs allowing to acquire general and specific set by standards skills, trainers list for

theoretical and practical preparation, as well as their CVs and study documents stating their preparation, skills and experience in the tourism area, more specific to the related trade, practice conventions stipulated with hotels, restaurants or tourism agencies, on a case by case basis in accordance to the trade for which the authorization is made.

The file is looked upon by two NCA evaluators, specialists in the tourism area and they go to the professional training provider headquarter and to the practice locations to make sure that all conditions are met in order to gain authorization for the courses organization. The authorization is valid for 4 years, during this period the specific activity is monitored to the provider's headquarters. After the authorization expiry the company will file for a new authorization for the same period of time. Thus there can be organized courses of initiation, qualification, perfecting and specialization, as well as managerial training ones for all the trades included in the COR.

There is also another way to obtain a skills certificate for tourism occupation, the equivalent of the graduation certificate for the qualification course obtained by the professional formation providers. We are referring to the evaluation centres, by which skills evaluators certify the knowledge level.

4. Critic aspects regarding the touristic education in Romania

There are several possibilities to benefit from preparation in the tourism field. Each candidate chooses one or more from the presented options.

Tourism classes from the economic high schools were considered ever since their setting up in 1990 as the best, both by the pupils and by their parents. The acquired knowledge is complex but insufficiently mastered under the practical aspect. The practice stages are short as a duration, the specialty teachers cannot get involved directly in coordinating the activities from the tourism profile economic entities. There are no practice tutors within the contracted locations, the pupils are coordinated by various people with no co interest. The curriculum includes several elements addressing the management level, being totally inappropriate to this formation level.

Because, as we have shown, in these tourism classes, the performance level is higher, most of pupils do not limit to graduating from high school and do not get jobs into positions in accordance to their preparation. Generally they apply for economic profile state education institutions or in other areas.

There is the mentality that a person should take on university courses. An important role in this direction is assigned to parents who cannot accept that their sons and daughters would have no higher education studies.

By eliminating the Arts and Trades Schools, many young people who were bellow the high school standards were forced to take on this option and to make big efforts, with the risk of not passing the high school graduation exam. Basically, within these schools practical and best behaviour skills are trained for the basic tourism functions.

Many young people who have graduated from a different high school profile get to study in this area to the graduation and master courses. By the entire education process, for which frequency is not mandatory, graduates with this specialty often get to benefit from less specialty information than the ones in the tourism classes high schools. A part of them get to take on professional formation courses, for which again frequency is not mandatory, for basic tourism occupations such as hotel receptionist, tourism agent or tourism guide. To an older age it is harder to train on specific skills and to shape professional behaviour for those choosing to work in tourism, but at least after the age of 20, on the grounds of a maturing process, the professional knowledge level is higher.

An essential aspect in these processes is represented by the teachers, trainers and practice tutors. In Romania the number of tourism specialists involved in teaching processes is extremely low. There are, to the same extent, teachers with or without practical experience who teach specialty subjects. While practical area specialists get involved only as trainers or evaluators. They are not on management levels but on executing ones.

Conclusions

A real help for the hospitality industry would be to set up again the Arts and Trades Schools where it should be emphasized the formation of specific skills for basic occupations in tourism. The graduates from these schools can continue the specialty training following the presented system.

The practical stages must be of longer duration and they should allow acquiring specific skills on each level and preparation form. The practice tutors must take on pedagogical training stages and should be co-interested in order to be of real use to the youngsters in training.

School' teachers and counsellors have the task of auctioning in order to change pupils and parents' mentality regarding career management.

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The role and importance of tourism to the economy

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Abstract

The rapid growth of tourism in recent years has brought many positive effects on the countries participating in global tourism activity, economic, social, cultural and environmental. This paper aims to present and analyse the economic, socio-cultural and environmental positive effects of tourism in the economy observed in the literature in recent years.

Keywords: tourism, impact, economic importance, socio-cultural importance, ecological importance

1. Introduction

Tourism is a global economic activity that takes place in destinations around the world, from major capitals, small towns and villages in rural and coastal areas to some of the most distant points of the planet. It is at the same time, one of the largest industries in the world, contributing with trillions of dollars annually to the global economy, creating jobs and wealth, generating exports, increasing taxes and boosting capital investment. (World Travel & Tourism Council, 2011)

As stated Associate Professor Ph.D. Puiu Nistoreanu in his work "Tourism economy - theory and practice", "in the whole national economy, tourism acts as a stimulating element of the global economic system, he assuming a specific request for goods and services, demand which drives the increase in the production thereof." Thus, tourism demand leads to the development of production sectors involved in building vehicles, to the achievement of different recreational means used in tourism, to the building of tourist material base etc. (Nistoreanu, 2005).

Tourism supports 260 million jobs worldwide, existing either in the tourist industry either in similar sectors. These jobs are vital not only for employees but also for their families and for communities in host destinations. Today, there are few people who have never contributed to the development of tourism through its own costs or who have not felt the impact of expenses of others.

Tourism impact feels strong in national economies. This not only refers to the costs realized by visitors during travel, accommodation, holidays, amounts that are expected to exceed U.S. $ 1200 billion in 2011 worldwide. Meanwhile, the tourism industry stimulates collaboration between communities, tourists, governments, local providers and private companies along the supply chain.

The approximately 260 million people worldwide who work in tourism, of which 100 million are directly employed in the tourism industry, spends part of their income on goods and services from various sectors of the economy.

In addition, demand for domestic and international travel stimulates investment. In 2011, 4.5% of the total capital invested about 650 billion dollars, was directed by the tourism industry (World Travel & Tourism Council, 2011).

The literature contains more information on tourism and its role in the economy.

2. The economic importance of tourism

The economic importance of tourism can be assessed in different ways. Tourists contribute to sales growth, obtaining the profit, increasing the number of jobs, tax revenues, the economic development of the tourist area (Stynes, 2012).

Tourism is an important economic activity in many countries worldwide. This industry has both a direct economic impact as well as an indirect and induced significant influence. Tourism Satellite Account methodology quantifies only the direct contribution of tourism to the economy, but the World Travel and Tourism Council (WTTC) recognizes its major contribution overall, analysing including indirect and induced impacts through its annual surveys (World Travel & Tourism Council, 2012).

Most direct effects are obtained in the main components of tourism: accommodation, food, transport, leisure and retail. Through secondary effects (indirect and induced), tourism affects most sectors of the national economy. Analysis of the economic impact of tourism takes into account any change in income, sales and employment due to tourist activity.

Formally, economists make the difference between the direct, indirect and induced economic effects of tourism. Indirect and induced effects are sometimes called secondary effects. Total economic impact of tourism is the set of direct, indirect and induced effects from a region. Any of these three types of effects can be measured as gross output or sales, income, employment or value added (Stynes, 2012).

Direct effects refer to changes in tourist costs driven by changes in tourism production. For example, sales growth in the hospitality sector driven by the increasing number of overnight stays of tourists in accommodation units is a direct effect. The growth of tourism expenditure has as direct effects increasing sales of hotels, increasing amounts for payments of salaries, fees, taxes, goods and services.

Indirect effects refer to changes in sales, income and employment in the industries providing goods and services to tourism enterprises. For example, sales of companies providing linens for hotels due to the increase in the number of overnight stays are an indirect effect of tourism expenditure.

Induced effects refer to the growth of sales in the region due to increasing household expenses made by those employed in tourism. Tourist industry workers spend revenues from tourism to pay housing, utilities, food and other consumer goods and services. This generates sales, income and jobs in the entire economy of the region.

Through indirect and induced effects, changes in tourist expenditure can have virtually an impact on any sector of the economy (Stynes, 2012).

Information on tourism and its economic importance are found in many works of different authors.

Associate Professor Ph.D. Puiu Nistoreanu takes into account in the work cited the importance of tourism *to GDP creation* and *realization of value added* due to "high consumption of manpower, intelligence and creativity". He also highlights the role of tourism in *stimulating production in other sectors of the economy*; tourism is, at the same time, ”a *means of diversifying the economic structure of a country*” by influencing the emergence of new specific tourism activities.

Tourism is also seen as "*a way of superior capitalizing of all categories of resources*" underlying the tourist activity - natural resources as landscape, hydrography, flora, fauna, climate, etc. (Nistoreanu, 2005).

In the literature it is emphasized the role of tourism in *creating new jobs*. Tourism is an industry that involves intensive labour, having the ability to provide more job opportunities than any other sector both directly and indirectly (Personal, Social and Humanities Education Section, Education Bureau, 2009).

Direct employment of labour refers to jobs created by the enterprises directly providing services to tourists: accommodation units, tourism promotion and information units (agencies), catering, those providing recreational and other facilities etc.

Indirect employment of labour refers to the employment offered by establishments producing and providing goods and services used directly by serving tourists units: taxi companies, shops, factories, furniture, hotel, etc.

Another aspect of the economic importance of tourism refers to its role in *providing tax revenue*. Tourists pay taxes like other people, and revenues obtained by tourism regions from tourists' expenses become higher tax base for host areas. Generating higher taxes, tourist regions may require to the local government the development of the utilities and public services involved in tourism activity (Personal, Social and Humanities Education Section, Education Bureau, 2009).

The importance of tourism consists also in *equilibrating or improving the external balance of payments.* Balance of payments is the accounting of the flow of goods, services and capital in and from a country in a given period of time. If a country agrees to pay a higher amount of money than it receives, has a balance of payments deficit. If it receives more than pays has a surplus balance (Personal, Social and Humanities Education Section, Education Bureau, 2009).

The tourism industry can improve the country's balance of payments by bringing a large amount of currency from the provision of tourist services to customers arriving from other countries. Tourism belongs to "invisible world trade", respectively to international economic exchanges whose object are services (Nistoreanu, 2005). If foreign tourists arrived in the country spend more than domestic tourists gone abroad, we can say that tourism brings a surplus that improves the balance of payments.

Tourism has a positive effect also the *generation of income* from wages, interest, rent and profit. Being an important manpower consuming, tourism generates a lot of income from wages obtained by workers involved directly or indirectly in this industry. In addition, the benefits of tourism can help create jobs in other sectors of the economy.

This role of revenue generating is closely related to *the multiplier effect of tourism*. It is based on the recognition of the fact that different sectors are interdependent, meaning that each sector purchases goods and services produced by other sectors of the economy. Therefore, any individual change of demand's final level in one sector will affect not only industry that produces that good or service but also the supply industry of the bidder (Personal, Social and Humanities Education Section, Education Bureau, 2009).

In turn, the multiplier effect of tourism includes a direct multiplier effect that refers to increased revenue in the tourism sector generated by tourists' expenditure incurred within a period of time; an indirect effect, which refers to the revenue growth of companies providing tourist industry due to increased demand for goods and services it needs; an induced effect on the economy as a whole, which involves reinvesting the income of those working directly in tourism and the income earned by suppliers to purchase other goods and services necessary. (Nistoreanu, 2005)

3. The socio-cultural importance of tourism

Tourism also generates socio-cultural benefits to both travellers and residents of the areas visited, benefits that are reflected in increased consumption, beneficial use of leisure time, increasing of training and education, improve the environment, linkages between countries, and so on. In addition, tourism indirectly promotes heritage and global communication, contributing to a better understanding between people, resulting in improved international relations between governments and promotion of the world peace.

The socio-cultural importance of tourism is highlighted in the works of numerous authors.

Thus, Associate Professor PhD Puiu Nistoreanu highlights the *comforting role*, the quality of tourism "to contribute to the regeneration of work capacity of people, both through resting forms and through the forms of the balneal-medical treatments" (Nistoreanu, 2005).

Tourism is also "one of the *most complex and beneficial ways to use leisure*" (Minciu, 2004) with the increasing of the spare time size it became necessary the organization and effective use of leisure.

Through the diversification of tourism services, beneficial effects occur on the size and the use of leisure time and on the increase of life's quality, especially under conditions of accentuated stress that characterizes modern civilization (Ioncică, 2003).

Associate Professor PhD Puiu Nistoreanu considers also that the socio-cultural importance of tourism lies in the fact that it is "a means of education, of raising of training's level, of culture and civilization of the people" (Nistoreanu, 2005). Tourism development involves increased level of workers' education that could achieve better performance, increasing quality of services offered to tourists. At the same time, tourism is also a way to broaden the knowledge of cultural and historical values of the world, a way to educate tourists concerning traditions, culture and civilization of other peoples.

The tourism industry offers some of the most flexible ways and places of working in the sectors of the economy. Hotels and restaurants employ, more than other industries, women, ethnic minorities, older people and part-time workers. Job duties may often be performed in different locations away from the employer's premises even at home.

The tourism industry provides an essential source of income and employment for many developing countries in the world, without which millions of people would live in poverty or would be forced to leave their countries to seek work. In many countries, tourism is the only source of living.

The major cultural differences between people in the world can produce tensions and conflicts. Giving people the opportunity to travel, study and work in other countries can be overcome these problems. Indirectly, it can promote the exchange of culture and global dialogue, which favours understanding between people, boosts national pride, promotes the cultural heritage and protects the lifestyles of indigenous peoples (World Travel & Tourism Council, 2011).

In the book "Who Really Benefits from Tourism" series of works 2007 - 2008, have been identified the following social and cultural benefits of tourism: (Equitable Tourism Options, 2007 – 2008)

The awareness of tourists to the local culture, norms and social customs

Tourism activity provides the opportunity to learn about other communities, culture, traditions and lifestyles of these. By its nature, tourism offers tourists the opportunity to travel to different socio-cultural backgrounds, often exotic; they have the chance to discover unique cultural and traditional lifestyles, cultural heritage of the regions visited. At the same time, it is important for tourists to know and follow the rules and customs of the host communities, understand that they have an identity and that they own the places visited (Equitable Tourism Options, 2007 – 2008).

Improvement of social infrastructure and basic facilities

Tourism plays an important role in improving life in tourist areas, contributing to the development of social infrastructure including health care, water supply network, energy, and telecommunications network. Both tourists and residents benefit of these facilities, but in the long run, they are a means of improving the standard of living for future generations (Equitable Tourism Options, 2007 – 2008).

Extending understanding of local culture

Culture is an experience, not a product, it means more than costumes and traditional dances, it includes nutrition, style and language, local arts, handicrafts and everything that constitutes a way of life. Tourism aims to revive crafts and disappeared art forms. It must instil pride among host communities towards their own cultural richness and diversity, without becoming a simple exposure environment of culture. Promoted with sensitivity, tourism can bring the old world charm of cultural activities (Equitable Tourism Options, 2007 – 2008).

4. Ecological importance of tourism

The environment, natural and human, is the cornerstone of the tourism product, the main attraction that determines tourists to visit an area. However, with the development of tourism, various changes take place in the environment, either by creating the conditions for access to areas that have become tourist attractions, either by effective realization of tourism. Although tourism development is not possible without environmental influence, however, through proper planning, it can be managed by the minimization of negative impacts and by supporting the positive impact (Cooper, 2008).

The environment is very important in attracting tourists to various tourist destinations, therefore preserving and protecting its features can help improve tourism activity and tourism contribution to the economy.

One of the roles of tourism concerning the environment is *its protection and preservation* (Personal, Social and Humanities Education Section, Education Bureau, 2009).

The excessive urbanization, modernization and industrialization have negative effects on the environment. Tourism development can be the economic alternative of growth that can provide the necessary motivation and funding of ancient monuments, archaeological discoveries, preserving natural resources for future benefit of the locals and the tourists.

Globally, nature reserves and parks were created for tourism. These, however, could not exist without the funding provided by tourism activity, being transformed into agricultural land or basis for other industries that would destroy natural habitats.

Tourism can also lead to *environmental improvement* (Personal, Social and Humanities Education Section, Education Bureau, 2009). It is known that, most of the times the environment is the main attraction of the regions visited. Therefore, in the attempt to attract more tourists, the tourist areas perform activities of improving their image through beautification, cleaning and environmental arrangement. This can be achieved through control actions of the air, water, noise, waste and other environmental issues.

Ecological importance of tourism consists also in *raising awareness* of environmental issues and of the need to conserve the natural environment (Personal, Social and Humanities Education Section, Education Bureau, 2009). This leads to the adoption and implementation by governments and local governments of some planning and control measures regarding the maintaining environmental quality. In this way, codes of ethics and conduct can be created in relation to the environment that promote public awareness of the economic, social and ecological importance of tourism and encourage efforts to environmental compliance.

Being an industry that depends mainly on the natural, historical and cultural environment, tourism must take action within the meaning of sustainable development, respectively to operate in ”idea of meeting the needs of present tourists and of tourism industry and, at the same time, protecting the environment and the opportunities for the future.” (World Tourism Organization ”Tourism in 2010”).

Tourism has the potential to contribute to sustainable development in economically, environmentally and socially because it has a lower impact on the natural environment than

any other sector, is based on respect and appreciation of local culture and natural environment, may play an important role in increasing consumer commitment to sustainable development through tourism education and provides an economic incentive to preserve the environment and natural habitats, helping to preserve biodiversity.

Conclusions

Tourism is a rapidly growing industry and a valuable sector, contributing significantly to the global economy, affecting the economy and community life and proving to be a saviour for many destinations.

Globally, tourism is recognized as one of the few sectors with prospects for growth and is characterized as a catalyst for peace and prosperity throughout the world.

Orientation of the positive results of tourism to local needs and interests can increase the value of tourism to the community and create a sustainable industry. Many communities may have the skills and resources needed to develop tourism, but the development of a tourist activity that adapts to the local community requires more effort.

Tourism has significant positive effects on national and local economy, increasing the living standards of the host community. At the same time, tourism can be seen as a poverty reduction strategy that supports economic and social development of the population in regions welcoming tourists. Therefore, participation of local communities in tourism activity is essential for maximizing the benefits of the industry, to eliminate poverty and protect the environment. This will keep the local culture and social structure of the community and will attract more tourists, having a positive impact on living standards and the economy as a whole.

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Environmental policy – a major component of the corporate social responsibility concept in Romanian companies

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Abstract

Corporate Social Responsibility (CSR) concept represents today a new philosophy, showing responsibility that organizations have towards people, society and the environment, as they are or can be affected by companies' activities.

The CSR concept is strongly related to the concept of sustainable development. The CSR policy is integrated in the sustainable development strategy. A key component of the CSR concept is responsibility towards the environment (CSR - environmental policy) that implies obtaining concrete competitive on a market that has been strongly affected by the economic crisis.

Starting from these considerations the paper aims to analyse the environmental dimension of CSR policy within the several Romanian Western Region companies. The paper assesses the environmental dimension of CSR policy using several criteria considered relevant for this dimension.

Keywords: Corporate Social Responsibility, sustainable development, environmental policy, Romanian West Region companies.

1. Introduction

At the beginning of the 21st century, around the world we see signs of severe stress on our interdependent economic, environmental and social systems. Population is growing – it topped 6 billion in 2000, up from 4.4 billion in 1980, and it is expected reach 8 billion by 2025 (Bugge, 2008). Excessive consumption and poverty continue to put enormous pressure on the environment. In many areas, the state of the environment is much more fragile and degraded than it was a few decades ago. Despite notable improvements in areas such as river and air quality in places like Europe and North America, generally there has been a steady decline in the environment, especially across large parts of the developing world (WCED, 1987).

These trends suggest that our current development course is unsustainable. The high and increasing consumption of scarce resources and resulting pollution compounded by population growth, and the growing imbalance in development between different countries pose unacceptable risks to communities, nations and humanity as a whole. It has become clear that economic development that disregards environmental and social impact can bring unintended and unwanted consequences, as evidenced by the threat of climate change, overuse of freshwater resources, loss of biological diversity and raising inequalities (Franks et al., 2011).

In today's business world appeared a new concept, Corporate Social Responsibility concept, which represents a new philosophy, showing responsibility that organizations have towards people, society and the environment, as they are or can be affected by companies' activities. (European Commission, 2001, 2002 a, 2002 b)

2. The relationship between CSR concept and sustainable development concept

Corporate Social Responsibility (CSR) was defined by the European Commission as *a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis* (European Commission, 2004).

The concept of corporate social responsibility (CSR) has a long and varied history.

Formal writing on social responsibility, however, is largely a product of the 20th century, especially the past 50 years. Furthermore, although it is possible to see footprints of CSR thought throughout the world (mostly in developed countries), formal writings have been most evident in the United States, where a sizable body of literature has accumulated.

The 1950`s marks the modern era of CSR concept. Definitions expanded during the 1960`s and proliferated during the 1970`s. In the 1980`s, there were fewer new definitions, more empirical research, and alternative themes began to mature. These alternative themes included corporate social performance (CSP), stakeholder theory, and business ethics theory. In the 1990`s, CSR continues to serve as a core construct but yields to or is transformed into alternative thematic frameworks.

The **CSR concept** is strongly related to **the concept of sustainable development**.

Sustainable development has been defined in many ways, but the most frequently quoted definition is from *Our Common Future*, also known as the *Brundtland Report: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."* (WCED, 1987:46)

Sustainable development has developed as a concept through several decades of active international scientific debate and has acquired distinct political connotations in the context of globalization. (Buggle, 2008).

The first signal that economic and social development of the world's states and of humanity as a whole can no longer be separated from the consequences of human activity on the natural environment was set forth in the 1972 report of the Club of Rome on the *Limits of Growth* (Meadows Report).

The issues involved in the relationship between humankind and the environment became a matter of concern for the international community starting with the United Nations Conference on the Human Environment (Stockholm, 1972) and took concrete shape in the work of the World Commission on Environment and Development, which was established in 1985.

Henceforth, the complex problems of sustainable development acquired a global political dimension as they were tackled at the summit-level United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro (1992), the Special Session of the United Nations General Assembly which adopted the Millennium Goals (2000) and the Earth Summit in Johannesburg (2002).

A series of international conventions were adopted in the course of this process, spelling out precise obligations for states and strict implementation deadlines in such areas as climate change, biodiversity conservation, the protection of forests and wetlands, curbs on the use of certain chemicals, access to information regarding the state of the environment, and more. Those agreements define the international legal space for the application of the aims and principles of sustainable development.

It is thus widely recognized that the Earth has a limited capacity to meet the growing demand of the socio-economic systems for natural resources and to absorb the destructive effects of their overuse.

People concerned about sustainable development suggest that meeting the needs of the future depends on how well we balance social, economic, and environmental objectives or needs when making decisions today.

When we focus on the social aspects of sustainable development, we look at the issues that impact people directly and those either help or hinder the process of improving the quality of life. The goal of sustainable development is to improve living standards and the quality of people's lives, both now and for future generations.

When we focus on the economic aspects of sustainable development, we look at the system that determines how the limited resources needed to improve peoples' lives are distributed. We also examine how these limited resources are used.

When we focus on the environmental aspects of sustainable development, we look at the natural resources, both renewable and non-renewable, those make up our surroundings and help us to sustain and better our lives.

Environmental concerns are inextricably linked to economic issues such as poverty. People living in poverty may damage the environment as they struggle simply to survive, cutting down trees for fuel wood, exhausting crop land, and contaminating urban water supplies with waste they cannot afford to treat.

Environmental concerns are also linked with social issues such as population growth. A rapidly growing population places strains on a country's natural resources, as well as on its ability to provide housing, health care, education, safe water, and sanitation for all.

Although ideally these three dimensions should be tied, this is more difficult to achieve in practice. Traditionally, the economic dimension has received the most attention.

According to Wheeler (2004) we are now in a transition from an economic perspective towards an environmental perspective. In the first approach, economic values are fundamental and only within these values, we have the social and environmental dimensions, as sub-sets of values.

In the environmental perspective, sustainable development requires that economic values are only a subset of ecological and social values with a greater scope of coverage.

The concept of sustainable development proposes an integrated policy and decision-making approach, in which environmental protection and long-term economic development are considered to be complementary and interdependent.

The CSR policy must be integrated in the sustainable development strategy. Companies have the power to shape their actions so that they do not prejudice communities and the environment. The CSR policy enables companies to monitor voluntarily and to improve the social and environmental impact of their actions.

The CSR concept targets both the internal side of the activities of an organization and the external one. Thus, we may speak about an internal dimension of CSR and an external dimension of CSR (European Commission, 2004).

The internal dimension of the CSR concepts refers to aspects related to procedures used in relationships with employees. Thus, the internal dimension of CSR refers to the following aspects within an organization:

- **human resource management:** employees' recruiting and retaining procedures, stimulating lifelong learning process, offering employees the power to decide (delegating and participative management), transparency and better circulation of information within the company, a general sustainable balance between objectives/ tasks and family needs, rewards and transparent and fair career opportunities, etc.;

- **workplace security:** companies and governments search for additional methods to promote workplace security, pursuing a promotion of preventive culture, focused on obtaining a high level of occupational security;
- **adaptation to change:** change is the main characteristics of today's world of business. Structural change that took place during the last decades affected both employees and the other stakeholders. The restructuring process should have as an objective, besides the strict criteria of efficiency and employees' rights protection (offering them the possibility to attend requalification courses when it is necessary) or the modernization of the production process, aiming to increase occupational security.

The external dimension of the CSR concept is related to: partnerships with the local community; partnerships with the business community; human rights; *global environmental protection.*

In order to accept CSR, a company should design its programs so as to cover the entire range of responsibilities. There are four types of social responsibilities that constitute total CSR (Cristache et al, 2012):

- economic responsibilities;
- legal responsibilities;
- ethical responsibilities;
- philanthropic responsibilities (discretionary).

A key component of the CSR concept is **responsibility towards the environment (CSR - environmental policy)**.

The environmental protection component should be clearly defined in the CSR policy and there should be responsible people designated to implement it. Companies should become aware of the advantages of having and applying a coherent CSR – environmental policy.

3. Case study regarding the assessment of CSR - environmental policy in companies from west region Romania

3.1. Research methodology

The research presented in this study aims assessing the environmental dimension of CSR policy within the Romanian West Region companies.

The study was conducted on 34 companies with Romanian, foreign or joint capital from West Region Romania, working in different economic areas: industrial-production, trade, services. 12 of these companies (35%) are multinational companies.

We used as the research method the survey, and as the research instrument we used the questionnaire applied to managers of the investigated companies, (during the year 2012).

We defined **Environmental dimension** as an ensemble of essential characteristics which are considered evaluation criteria for that dimension.

CSR - Environmental dimension referring to the impact of company activities on the environment is evaluated based on the following criteria:

C1. Existence of some evaluations of the impact of company activity on the environment by using specific audit instruments (to evaluate in detail the degree of conformation or to identify opportunities to reduce costs, repercussions on the environment and resource waste);

C2. Existence within the company of a CSR policy with an environmental component and the existence of someone responsible to implement it;

C3. The degree of conformity with the environmental norms evaluated using the environmental standards (if fines or other warnings have been applied for not complying with the law);

C4. The degree of active participation of employees in protecting the environment evaluated by the existence of specific programs for employees' information, training and evaluation;
C5. Additional investments for implementing green technology (percent from total investments);

The level for each criterion was evaluated by offering points on a scale from 0 to 4 for *current situation*: 0 – very weak/inexistent, 1 – unsatisfying, 2 – satisfying, 3 – good, 4 – excellent) and also *for estimated trend* (0 – extinction / total deterioration, 1 – slow deterioration, 2 – maintenance, 3 – slow improvement, 4 – rapidly improvement).

Next step we have calculated an average score for previous appreciation scales, for each criterion (Mateia, 2013). So, the 0 value is a minimum level of appreciation, and the 4 value is a maximum level of appreciation. An average value between 3 and 4 indicates a good appreciation to a very good appreciation of those aspects.

We have calculated a *general score* for **CSR - Environmental dimension** as simple arithmetic average of the obtained averages for each criterion (criteria being considered equally important).

3.2. Results and discussions

The obtained averages for each of the five analyzed criteria and the general score for the **CSR - Environmental dimension** are presented in table 1.

A comparison between the current situation and the estimated trend for the **CSR - Environmental dimension** is shown in Figure 1.

Table 1. Averages and the general score for criteria describing CSR - environmental dimension

CRITERION	AVERAGE SCORE	
	Current state	**Estimated trend**
C1. Evaluations of the environment impact	2.05	2.89
C2. CSR environmental policy	2.56	2.91
C3. Conformity with the environmental norms	3.28	3.80
C4. Participation of employees in protecting the environment	3.15	3.41
C5. Additional investments for green technology	2.7	3.18
GENERAL SCORE for CSR - environmental dimension	**2.74**	**3.23**

As the figure 1 shows, the lowest averages are for the *C1 criterion - Evaluations of the impact of company activity on the environment* (2.05) - which means that not all companies are showing responsibility towards the environment not carefully analyzing the effects of their actions on environment.

The estimated trend for this criterion is close to *slow improvement (2.89),* and this is the best evolution of all the five criteria. However, this criterion score is relatively low. One possible explanation could be the high cost of the specific audit instruments.

C2 (2.56) and C5 (2.7) criteria recorded an average value close to 3, which shows a satisfying to good appreciation about these issues. This means that many of the investigated companies have made efforts to assume responsibility for the environment by implementing a CSR environmental policy and by additional investments for implementing green technology, despite economic crises. Environmental CSR policy aims voluntary actions, donating money to green causes, donations of materials for green causes.

These criteria have also a good evolution, especially C5 criterion, confirming once again companies' efforts for the environment.

C4 criterion (3.15) records a very good score and also a good estimated trend (*a slow improvement to rapidly improvement*), showing that the investigated companies were actively involved employees in environmental responsibility projects.

The criterion with *the highest average and a very good trend* is *C3 criterion (3.28)* which shows that investigated companies comply with environmental standards, (noting the almost complete absence of fines or other warnings applied for not complying with the law).

The general score for **CSR - Environmental dimension** is relatively low, 2.74. This self-assessment of investigated companies, with a general score under level 3, means a satisfying to good appreciation of environmental aspects, but this is not sufficient. The general score records a satisfactory trend, showing an increased concern for environmental protection in the context of tightening environmental legislation.

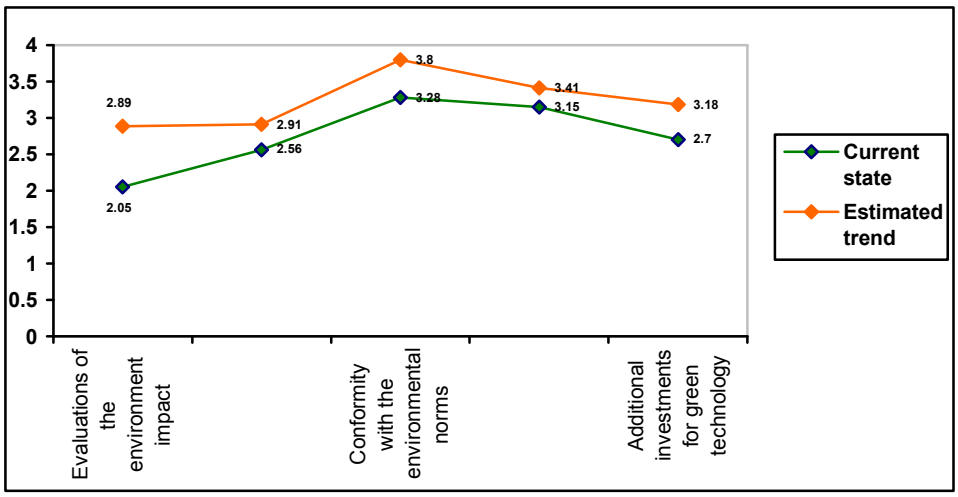

Fig. 1. The averages for criteria describing CSR - environmental dimension

Conclusions

Following the results obtained we can formulated several remarks on CSR – environmental dimension, in the companies from Romanian Western Region.

Within investigated companies CSR environmental dimension recorded a relatively low score, under level 3. But the evolution of the general score for this dimension is slow improvement to rapidly improvement. This result can be explained by the penetration in this region of western culture and by the need for business environmental standards compatible with EU law; within this dimension, the best assumed criteria are *the conformity with the environmental norms evaluated using the environmental standards* and also *the active participation of employees in protecting the environment,* evaluated by the existence of specific programs for employees' information, training and evaluation;

Nowadays, the existence of an environmental policy within the companies is a must.

Among the benefits of the CSR environmental policy, we can enumerate the following: brand image consolidation, increasing productivity, increasing customer loyalty, and facilitating access to capital. The most significant benefit brought to a business by the CSR policy is the positive effect on brand image and customer loyalty. If a company is known for its ethical and responsible behaviour, then it will be well positioned on a competitive market.

The integration of sustainable development in a company's policies and processes implies refining management systems, practices and procedures. Managers should constantly monitor the environmental performance in order to ensure that the sustainable development Strategy is implemented. A sustainable company is not contented with merely conforming to legal norms in force. Being open towards green economy is reflected especially in the measures applied by the company for environmental protection besides the environmental rules imposed by the norms in force.

Despite the increasing enthusiasm for CSR, the concept still remains vulnerable to those who deny its strategic role and advocate for the diminishing of the social initiatives in case of recession. In order to face criticism, the CRS concept should be analysed and promoted from the perspective of concrete economic benefits it brings in value added and profit respectively. The necessity to test CSR policies in terms of profit has emphasized the need to assess their impact according to certain quantitative and qualitative indicators.

Considering that the research was realised on a relatively small sample of companies, we do not argue its representativeness for all companies in Romania. However, the research can be a starting point for further national research. In a further research this CSR environmental dimension can be compared with two other dimensions of the CSR policy (internal dimension and local external dimension - partnerships with the local community, partnerships with the business community, human rights) in order to detect which is the predominant dimension of CSR policy within Romanian companies.

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The relationship between quality management and human resources in tourism Spas

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Abstract

Tourism development contributes significantly to employment in more countries, as evidenced by the large share of employment in this sector.

The relationship between tourism and human capital is therefore a complex one, of interaction, each of the two factors, the role of both cause and effect. Therefore, any human resources policy must be based on knowledge of the distinctive features of work in tourism, particularly in assessing the intensity and mode of action of the tourism labor on production and results of operations.

Keywords: tourism, human resources, quality management, tourism services

1. Introduction

In the tourism industry, human resource is considered a crucial resource for quality services. Human resource management contributes to a large extent successful implementation of a quality management system and promoting quality policies in tourism establishments spa.

Tourism development has had positive results both in terms of recovery of national economies of many countries with high tourist potential, but also because the tourism industry ranks first in the world in terms of contribution to employment, according to WTO findings Staff in the tourism industry accounts for about 11% of the total employed labor force in the world economy. Most of these are found in small rural and urban areas, i.e. where it creates the largest labor available. In this area, the tourism industry stands out as a dynamic sector, through the creation of jobs, especially for young people (Snack, Baron, Neacşu, 2001).

2. Particularities of work in the tourism sector

According to the WTTC forecast made in the coming years it is expected that the total number of people employed in tourism to reach about 260 million, meaning that 1 in 12 jobs will be filled in tourism.

Tourism benefits as mobilizing labor, resulting in the following:

- An abundance of direct and derived effects for the entire economy;
- Potential to increase labor utilization higher than the industry in general;
- Number of jobs for beginners, young, particularly early career female staff, and providing a wide range of specific trades tourism industry;
- Seasonal jobs or part-time people whose use of the service industry requires flexibility given further study or family responsibilities;
- Generating jobs in areas with high levels of unemployment (urban centers, rural communities);
- Ability to stimulate the creation of new jobs in different regions through investment in infrastructure;

- Predominance of employment in SMEs - the main driver of the market economy.

To highlight the importance of human resources on the quality of tourism services, it is necessary to list the main features of work in tourism. These features are:

- manpower intensive;
- superior material and moral responsibility;
- high and complex training;
- direct worker-client relationship;
- pronounced seasonality;
- use of part-time work model.

Tourism is a labor intensive industry, in other words, manpower consumption is higher than other industries, requiring a greater number of workers. Tourism labor productivity is lower, this being the result of mechanization and automation have relatively limited in scope, can be achieved for a small number of operations. Are service towards which human replacement drive is not the most inspired solution such as accommodation services, reception, food-service, management-guided groups. In this case the decisive quality depends on the quality of employees, training and staff behavior.

No liability is determined by material values that we have carefully manages and manipulate workers (furniture, equipment, machinery, facilities) plus responsibility for goods tourists in hotel accommodation facilities (Minciu, 2004).

In the assessment of moral responsibility must start from the premise that tourism between worker and consumer relationships occur with a particular content. Thus, workers work involves, along with the development of quantitative elements (volume of services provided, goods sold, number of tourists served) and the qualitative performance requirements, such as those related to the serving or degree of Customer Satisfaction . In this case, the employee tourism plays an important role in boosting demand, creating an atmosphere of relaxation, training and maintaining the interest and sympathy for a tourism product or destination holiday hotel or catering establishment, transportation or entertainment form and that, in determining tourists return.

The literature shows that influence a tourist feels satisfied or dissatisfied about 10-12 potential tourists, getting a new customer costs at least 10 times more than retaining an old customer, a customer may be lost within 10 seconds but are sometimes needed 10 years to recover and appreciated that in developed countries economically, that 80-90% of customers are willing to pay the price necessary to achieve high quality of service purchased.

Tourism development and increasing consumer demands would require moral and material responsibility of staff. Therefore, the selection process must take into account both the training and the moral qualities of workers, on fairness, patience, solicitude, the ability to anticipate the needs of tourists.

Work in tourism implies a high level of training of the complex. Thus, the practice of tourism by professional standards, those engaged in this type of service field must have comprehensive training, to master new rules of conduct, learn to evaluate their potential to respond promptly correct any kind of request (Minciu, 2004). Worker, especially for those who come into contact with foreign tourists need to know a foreign language, however, he must behave civilized, elegant, be persuasive, be able to adapt to the mental state tourists promote and maintain a relaxed atmosphere, relaxed, reliable.

To this it must be added that often, especially during peak periods, the worker is required to deal with more complex applications to perform tasks related to the function, which requires comprehensive training, and physical condition appropriate.

For training personnel with a high level of training in tourism is not without importance need to involve the Ministry of Education and the county school inspectorates in organizing a network of schools and faculties to ensure the training of future employees who

will work in tourism services, forming them mentality new corresponding increased demands from tourism. It also still requires development literature that aims to reorient the thinking and action of those working in tourism towards achieving quality services to international standards.

Tourist activity is characterized by direct contact between worker and client / tourist, through participation in a greater or smaller tourist tourists to achieving service itself. This feature determines a worker's ongoing effort to adapt to the needs and personality of each client and an adequate system of communication between the two partners. Achieving quality travel services requires a good knowledge of market needs in general and demand, particularly for specialization of employees for these activities (Ioncica, 2006).

Direct contact worker / client requires increased demands for training, specialist and mental. However, we must not neglect efforts to inform and even educate tourists.

Among the peculiarities of tourism and seasonal employment falls and associated its high staff turnover compared to other sectors, the result of seasonal concentration of tourist traffic and temporary operation of a part of the technical and material. In periods season, is the need for a large number of workers, unavoidable situation demands reduction in their selection process. In this context, the loan does not stimulate efforts to increase the level of training, or of firms or workers resulting from lower quality of services and lower labor productivity.

Another feature of the tourism activity is part-time. Appropriate employment weekends, during special events, holidays or for certain activities, when the number of tourists is much higher than usual. Staff in these situations is employed for a period of time (Minciu, 2004).

3. The importance of human resources on service quality in tourism Spas

Dimensions of service quality in tourism workers are determined, mostly, contact staff activities. The mere enumeration of these emphasizes the role of service provider staff in improving the quality of tourism services: reliability, responsiveness, inspired confidence and personalizing their inclusion as an objective of using staff.

Because improving service quality and increasing productivity are found often in an inverse relationship appears necessary to conduct business in a manner that ensures a balance between quality and quantity of services provided, as equilibrium is established in a specific objective of using staff.

In this context it is clear that staff use strategies found in conducted in insurance business strategies with the necessary human resources: recruitment of real skills for the provision of tourism services, its improvement in the provision of high quality services, motivating staff to make permanent, providing material support necessary to achieve performance and retention in the company of the best.

The existence of a close relationship between quality management and human resources in tourism spa, contribute to and provide high quality services to tourists, offering the best possible value, continuous improvement of services to meet customer expectations and finally facilitate the implementation of the quality management systems in tourist facilities.

Volume and quality of the spa tourism depend decisively on a number of factors related to:

- Manning, namely the number of workers. Any tourist facility must have a sufficient number of workers to conduct this activity in smooth and efficient. Number of workers to be directly proportional to the size of unit that tourism, because tourism when the unit is large and the number of workers is inadequate, repercussions have an

impact on waiting times. Spa tourism, the length of waiting time is recommended to be minimized so as not to inconvenience tourists should fit into a tight schedule, most times.

- Skill level of the workforce. Quality of services is closely related to the training and qualification of the labor force. Spas for specific activities, training of medical staff is a condition of this activity cannot be achieved without specialized studies in medicine. Our country is recognized internationally for its natural resources therapeutic effect, but also for the training of health professionals.
- Correspondence between the characteristics of the labor force and functions performed. Each workstation must be occupied by persons trained in this field and there is no major discrepancies between the training and tasks to be accomplished.
- In exercising professionalism and promptness. Employees must act promptly to demonstrate professionalism and respect in dealing with tourists, because only by doing so their satisfaction and satisfaction are direct results.
- Educating and motivating workers in tourism. For customers to be favorable impression left, personnel must be trained and motivated. Units Spas really interested as I know that ensuring adequate human resources is a necessary investment when aiming to achieve a higher level of quality. It is known that a quality service can be a profitable strategy for the facility and also provides greater satisfaction of tourists. A good tourist service provided results in attracting increasing numbers of tourists, creating loyal customers and build a good market positions in the face of competition.

Requirements and physical qualities, moral and intellectual skills of the human resources in the field of tourism services creates the potential formation of professional quality, able to provide the highest quality services, which eventually will affect the image and prestige of the tourism unit they operate.

Conclusions

In tourist service industry, human resource is considered a crucial resource for quality services. Human resource management contributes to a large extent successful implementation of a quality management system and promoting quality policies in tourism establishments spa.

Highlighting the importance of human resources on the quality of tourism services can be done by presenting the most important features of work in tourism, namely manpower intensive, higher material and moral responsibility, high level training complex, direct worker-client relationship, pronounced seasonality, use of part-time work model.

The relationship between quality management and human resources in tourism spa is complex and may be evidenced by a number of factors are mainly: manning numerically, the correlation between workforce training and functions performed, professionalism and promptness in carrying task, educating and motivating employees in this area.

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The importance of niche tourism in sustainable development

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Abstract

The present article is intended to analyse the impact that tourists have on Romanian coastline, by using data from years 2009, 2010, 2011 and 2012. These particular years have been selected because the economic crisis was best perceived during this period. However, even if the standard of living declined (i.e. incomes diminished, energy prices increased, local currency depreciated against the Euro, jobs were lost), the number of tourists at the seaside increased.

This article does not propose to limit beach access; instead it recommends that coastal tourism should be practiced in a responsible and organized manner. For a sustainable development, it is necessary that the economic agents operating in tourism and the authorities adopt proper measures for the development of niche tourism.

Keywords: coastline, niche tourism, environmental protection, sustainable tourism.

1. Introduction

Rapid and uncontrolled development of tourism in coastal areas has led to fragile ecosystems being exposed to an increasing risk and to environmental degradation.

General researches on the influence of tourism on the environment show that nations do not pay enough concern in protecting the environment, but prefer to achieve a more rapid economic growth through making profit. And they succeed to obtain it, as the seaside tourism has become a mass one, which almost any tourist can afford. However, tourists' financial behaviour was a prudent one because, on average, they have spent less money than in previous years.

Tourism also has a contribution to global warming by excessively consuming energy, transport, water and production of waste (Zahedi, 2008).

Sustainable tourism meets the needs of tourists and receiving regions regarding the protection and improvement of resources for future generations. It aims at integrated management of all resources, pursuing the satisfaction of economic, social and aesthetic needs without jeopardizing the conservation of cultural integrity, essential ecological processes, biological diversity and the environment.

More than any other field of activity, tourism is dependent on the environment, the latter representing its "raw material", the object and area of activity and manifestation of tourism, its framework and the bearer of its resources. Tourism takes place in the

environment and through the environment, quality of which is able to encourage or to reject tourism activities (Erdeli, Istrate, 1996).

Coastal tourism is very important for all countries around the world because of the influence it has on local, regional and national economies. The Mediterranean Sea, for example, saw an increase in the number of tourists between 3% and 4% during the last decade. Each year it is visited by more than 300 million tourists and the number is constantly increasing, around 400 million tourists being expected by 2025 (Magnan, 2010).

The seaside represents the distance between continental and maritime region of Romania.

Romanian seaside stretches from north to south for 245 km, from the border with Ukraine to Bulgarian border. Out of this, 163 km is the length of the Danube Delta and the Razim-Sinoe Lagoon included in the UNESCO Biosphere Reservation and the rest of the beach is the public property of the state, being managed by the "Romanian Waters" National Administration.

Each year, a growing number of tourists visit the Romanian seaside, on which the constructions and improvements multiply. Further on, whenever we refer to “seaside”, particular attention will be paid to “beaches”. These are the most exposed and their area is constantly decreasing, especially in the southern side (the 82 km outside the Reservation). The problem associated with the continuous growth of tourists is pollution, both visible (waste) and not visible (unfiltered waste waters, industrial and agricultural waters). During year 2009, 1.3 mil. tourists visited Black Sea’s Romanian seaside, out of which only 40.000 were foreign tourists - a low and worrying weight.

Seaside tourism practiced in Romania is a mass one, especially based on the sun and the beach. In its life cycle as destination, it is in the maturity or even decline stage, if we were to compare the Romanian customer satisfaction to customer satisfaction of those who went on other countries’ beaches.

The seaside summer season officially opens May 1st and ends on September 1st, when "*Seaside for everybody*" program starts. Thus, we consider that tourists take advantage of aerosols around 123 days a year (May + June + July + August), the maximum.

2. Status of Black Sea Romanian seaside tourism

In elaboration of present research, data published by the National Institute of Statistics in Romania have been used, accessed online via www.insse.ro platform. Based on the tables from monthly bulletins, various calculations were performed (averages, percentages), and new figures have resulted, which we highlighted in graphics.

Data analysis begins with 2009 figures, given that during 2008 and years before, when counting tourists’ arrivals in accommodation units, destinations that had a minimum capacity of 5 seats were considered. However, during 2009 – 2012, tourists’ arrivals in accommodation units that had a capacity of 10 seats or more were included in statistics. Thus, if it were to extend this research for years 2008 and before, major discrepancies would have been encountered from one year to another and an erroneous result would have been obtained.

In order to obtain the below chart, it was determined the average number of tourists who stayed at hotels, hostels, motels, inns, tourist villas, chalets and touristic pensions, agro-touristic pensions, students and preschoolers camps, campgrounds, tourist stops, bungalows, tourist cottages and accommodations on vessels, depending on the type of destination and month of the year.

Destination types are: health resorts, seaside (not including city of Constanta), mountain resorts, Danube Delta (including town of Tulcea), Bucharest and counties' capitals, other cities and tourist routes.

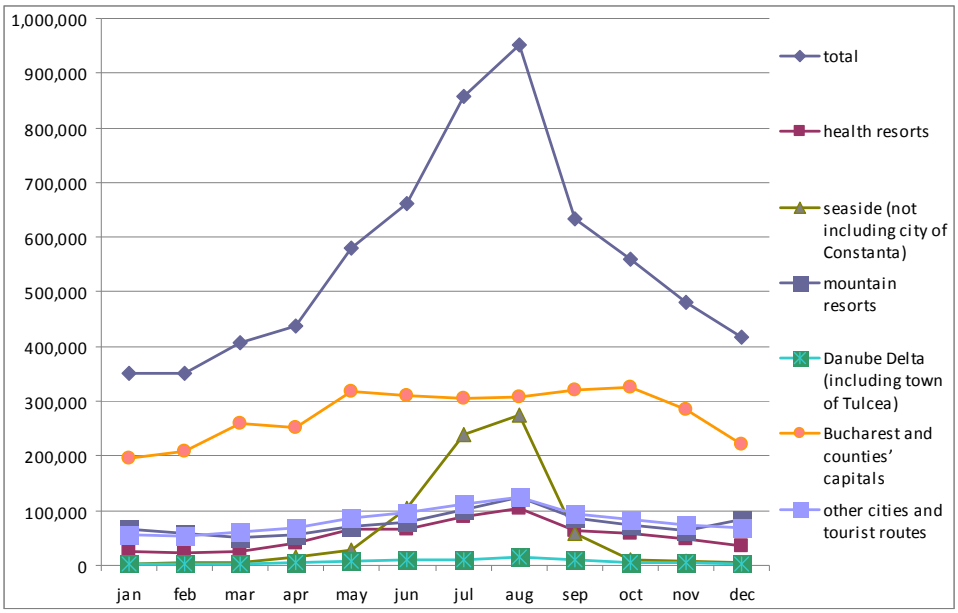

Fig. 1. Average number of arrivals in the main structures of tourist reception with functions of tourist accommodation during 2009, 2010, 2011 and 2012

Source: authors' contribution, based on www.insse.ro data

The above chart highlights the destinations that yearly attract the highest number of tourists. For example, Bucharest and counties' capitals register the greatest number of accommodations, due to business tourism. The next inferior level comprises the rest of cities and tourist routes (e.g. rural tourism, religious tourism), mountain and health resorts. The lowest number of tourists is recorded in the Danube Delta.

As far as seaside tourism is concerned, it can be noticed that it is the most affected by seasonality.

Further on, the comparison seaside / mountain resorts will prevail, since these are two types of tourism well known and practiced in Romania. Within the calculations, the starting point will be the assumption that some people go to the mountains during winter, while other people prefer the fresh cool mountain air during summer.

In the same time, according to statistical data, it is presumed that the tourists that go to the seaside during winter are very few and they do not significantly influence this research.

The chart below (chart no. 2) reveals the months which present the greatest number of arrivals in accommodation structures. It can be noticed that during August (for the last 4 years), an average of 274.929 people that stayed for at least one night at the seaside was registered.

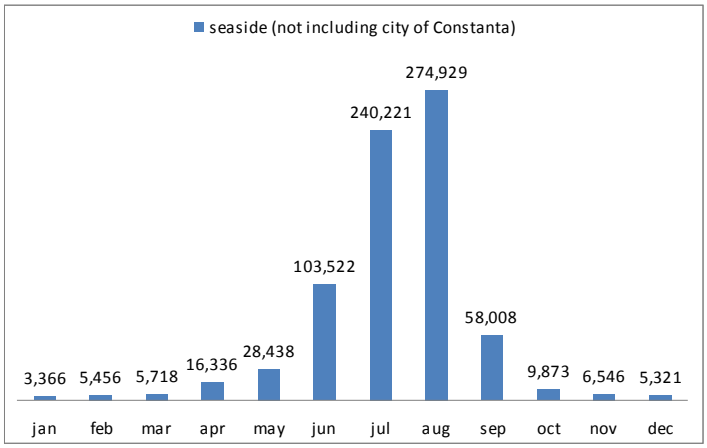

Fig. 2. Average arrivals in main accommodation structures at the seaside, during 2009, 2010, 2011 and 2012

Source: authors' contribution, based on www.insse.ro data

The soaring number of tourists recorded at the seaside over time led to expansion of the resorts, these becoming permanent settlements. The number of local residents increased and their main income source comes from tourism. This coastal area cities' development was not recorded only in Romania, but also on the Mediterranean shores (Miralles i Garcia, Veintimilla, 2013), which means that the appropriate institutions must take actions for protecting the coastal area worldwide.

Table 1. Number of people accommodated in tourist units along Black Sea Romanian seaside

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2009	2,954	5,919	7,963	14,042	38,667	121,968	254,689	265,504	54,509	9,044	7,419	5,654
2010	3,437	6,707	5,237	16,817	32,475	93,799	217,045	258,336	48,587	10,158	5,687	4,232
2011	2,847	4,197	4,556	14,829	22,366	88,360	229,579	284,038	61,582	10,705	6,705	6,117
2012	4,225	5,002	5,114	19,654	20,245	109,959	259,570	291,839	67,353	9,585	6,373	5,279

Source: authors' contribution, based on www.insse.ro data

Related to the analysis of coastal tourism, the months of June, July, August and September are considered, as this is the optimal period during which Romanian climate allows tourists to take maximum advantage of the 3S's. It can be noticed (from Table 1) that more tourists came along Black Sea Romanian seaside in 2012 than in 2010 or 2011. This continuous evolution is encouraging; however it represents an alarm signal for the authorities. The area of the beaches does not grow in line with the number of tourists; this is why measures for preventing the deterioration of the environment must be taken.

3. State's implication in protection of beaches

Due to tourism importance for a country's national economy, the State is interested in expanding this sector. The State, acting as a coordinator for the entire activity at macroeconomic level, establishes the social-economic strategy and the allocation of resources.

As owner or co-owner of touristic resources, the State is directly involved in tourism, which justifies the need to intervene in tourism. Due to the complexity and numerous

interdependencies at economic and social level that tourism activities entail, State's role is reflected in (Minciu, 2004):

- tourism development stimulation;
- coordination, control and activities supervision of specialized companies;
- production of services or tourist holidays;
- tourism promotion.

The political commitment for developing the tourism in a planned and sustainable manner is essential. Furthermore, the NGO's are more and more involved in aspects related to tourism development.

A series of programs for natural environmental protection have been implemented in each country (Duvat, 2010), but in order for them to work, they need to have a major impact on tourists education, through accountability. The programs are not meant to influence the companies alone (through rough legislation and high environment maintenance costs), but equally the attention must be focused on visitors' behaviour.

In 2006, 80% of total beach area was leased to several private companies for utilization, following public auctions.

According to Decision no. 632 / 20.06.2007 related to renting of public State property managed by "Romanian Waters" National Administration, lease contracts are concluded for maximum 10 years. If, during the term of the contract, unexpected costs related to shores, beaches or waters deterioration arise, the lessee is bound to bear them.

As far as rent income is concerned, 50% goes to "Romanian Waters" National Administration and 50% to State Budget.

Conclusions

The so-called "Robinson tourism" becomes more and more popular. This is characteristic to places in which tourists seek isolation, quiet and peace, in an intact environment (Opačić, Favro, Perišić, 2010), and this is due to more and more stressful life in big cities.

It is well-known that climate factors and the 3S's are not the only ones that influence tourists' decision to spend their holidays in a certain place, yet they are the most important factors.

We need to consider the fact that Romania must not attract tourists only for the 3S's (sea, sun and sand), instead it is a destination having a great development potential for complex touristic products, which take into account environment protection in coastal area. In order to achieve this goal, attraction of more demanding, more educated and environmentally conscious tourists is needed. But the question which arises is: *are we prepared for welcoming such tourists?*

As compared to mass tourism, niche tourism targets a reduced number of tourists, who benefit from specially arranged programs and touristic places. Niche tourism brings together in the same place people sharing the same hobby, with similar age, education and financial levels.

For example, tourists could be attracted on Romanian seaside based on their hobbies, among which:

- Fishing enthusiasts - for which fishing competitions, cooking and fish-eating competitions, trainings, exhibitions of fishing tools and their history, specific fairs could be organized.
- People who are deep diving and swimming - for which schools and specific pools, equipment selling and rental centres could be open, competitions on the subject could be organized.

– Women and men who come to the seaside to get a tan and benefit from the natural therapy that salt water of the Black Sea offers. For them, spas, medical and skin beauty centres could be open and masseurs, doctors and cosmeticians could be present on the beach to offer advice and to make available their services.

Another advantage of seaside tourism specific activities diversification, by transforming it into niche tourism, is the decrease of seasonality. In this way, June, July, August and September congestions could be also distributed toward April, May and October.

Tourists could be attracted to the seaside during these three months by informing them using mass-media and by receiving invitations.

We propose the development of specialized tourism because like this tourists could be easily trained related to environment maintenance and protection and easily supervised if they damage the natural environment by their activities. In their turn, tourists will benefit from specialized services. The companies will also benefit as a result of customer loyalty and increase of customer satisfaction related to accommodation, catering and entertainment services received.

In this manner, a sustainable development of Romanian seaside could be achieved, without environment further deterioration.

The present article could constitute a starting point for a detailed research of current Black Sea seaside services, depending on surrounding localities: Sulina, Sfantu Gheorghe, Navodari, Constanta, Lazu, Agigea, Eforie, Techirghiol, Tuzla, Costinesti, Tatlageac/ Unirea/23 August, Mangalia, 2 Mai, Vama Veche.

Acknowledgment

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The analysis of tourism's technical-material base of Suceava county tourism

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Abstract

The valorisation of a country, region or geographical area's touristic patrimony implies the fact that minimum conditions regarding tourists' journey, sojourn and qualitative free time spending should be provided. In essence, the combination of these elements offers tourists the highest satisfaction in a trip or holiday.

In order for a territory to be declared as being important from a touristic point of view, its touristic potential must respond to two essential requests: it must possess natural resources and other elements that tourists would find attractive, access roads, transportation facilities, accommodation and alimentation facilities, trade units, installations, treatment facilities, leisure centers (spas), recreation units (clubs, classic and 3d cinemas, disco-bars recreation parks for the whole family leisure etc.). We proposed an analysis of the existing tourism technical-material base in order to reveal the touristic importance of Suceava county, other adjacent constructions.

Keywords: technical and material, accommodation, leisure, average journey duration, accommodation capacity

1. Introduction

In essence, it should possess the material base and the infrastructure which is necessary in order to facilitate various tourist activities. Tourism's technical-material base consists of the following elements:

- ✓ tourism accommodation units;
- ✓ tourism public alimentation units;
- ✓ tourism treatment units;
- ✓ tourism recreation units.

Accommodation Units

Tourism accommodation units represent the main component of tourism's technical-material base, being part of the base tourism services.

Accommodation units are those specially built and equipped units that are classified according to their comfort degree and functions. Their main purpose is that of hosting tourists and providing a set of services during the tourists' stay. Accommodation units includes

hotels, motels, villas, lodges and camping, fluvial and maritime ships with accommodation spaces, holiday villages, pensions, agro-touristic pensions and other accommodation units.

Public alimentation units

The material base of public alimentation contains the total number of units in which complex activities are being developed, from food and pastry preparing to the activity of serving them together with other kinds of products, such as alcoholic and non-alcoholic beverages in a relaxed ambient in order to fulfill clients' requests.

Treatment facilities

The treatment facilities implies the existence of specific components of the tourism technical-material base such as: resorts, pavilions, spas, health resorts or nursing home equipped with adequate facilities as well as the presence of qualified medical personnel: doctors specialized in physical and balneological medicine, medical recovery, kinetotherapists, dietitians, psychotherapists, sports instructors, etc.

Recreation units

The material base for recreation is a component of the technical-material base of tourism and includes a large number of ways and equipments destined to fulfill tourists' free time spending necessities (Neacşu N., et all, 2009).

The analysis of tourism's technical-material base

Tourism accommodation units are classified in concordance with a system based on number of stars or flowers – in the case of rural tourism pensions, according to characteristics regarding the construction, the equipment and quality of services.

Table 1. Level and structure of accommodation units in Suceava during 2000-2011

– % –

Types of tourist accommodation	2004	2005	2006	2007	2008	2009	2010	2011
Total	100	100	100	100	100	100	100	100
Hotels	49,22	43,02	39,99	39,2	39,59	42,04	41,35	39,72
Hostels	0,31	0,7	0,56	0,67	0,65	3,86	3,31	4,71
Motels	1,25	1,67	1,52	1,59	1,16	1,46	1,38	2,97
Tourism villas and bungalows	8,44	9,27	10,46	10,1	9,56	7,54	7,12	4,28
Tourism lodges	3,85	3,55	3,76	4,2	4,19	3,42	3,06	3,75
Tourism pensions	11,32	13	12,36	13,46	13,88	14,59	17,21	17,36
Agro-tourism pensions	12	14,51	20,63	23,81	24,71	23	21,85	22,28
Camping and Cabins	3,02	4,25	4,67	4,39	3,27	3,04	2,86	2,65
Tourism halts	1,77	0,21	0,11	0,12	0,6	1	0,95	0,86

Source: Suceava County's Statistical Annuary, National Institute of Statistics, Suceava, 2010

The existing accommodation units' capacity represents the number of tourism accommodation places listed in the last reception, homologation or classifying act of the tourism accommodation units, including the number of extra beds which can be used when necessary.

Figure 1 shows that the accommodation capacity has registered an oscillatory evolution; it means that between 2004 and 2006 it the number of accommodation places

increased, while in 2007 it decrease by 3% as compared to 2006. Between 2007 and 2009 it was registered an increase of the number of accommodation units.

From the perspective of the accommodation places number, it can be noticed that in 2009 the highest number belongs to hotels (42%), followed by agro-tourism pensions (23%) and the last place is occupied by tourism halts (1%).

Table 2. The percentage change of the accommodation units number in Suceava County between 2005-2010

2004=100 -%-

	2005	**2006**	**2007**	**2008**	**2009**	**2010**
Total number of accommodation units	25,17	53,85	65,03	62,94	64,33	71,33
Hotels	4,34	8,7	8,7	13,04	30,43	34,78
Youth hotels	200	200	200	200	-	-
Hostels	100	100	100	100	700	700
Motels	50	50	50	50	50	50
Tourism villas and bungalows	35,29	41,17	35,29	35,29	17,65	23,52
Tourism lodges	0	0	33,33	33,33	33,33	133,33
Camping	66,67	100	100	33,33	33,33	33,33
Children camps	46,67	46,67	63,33	66,67	80	106,67
Tourism pensions	16,67	80	100	95	83,33	78,33
Agro-tourism pensions	-50	-50	-50	-50	0	0
Tourism halts	25,17	53,85	65,03	62,94	64,33	71,33

Source: Suceava County's Statistical Annuary,National Institute of Statistics, 2010

Table 2 underlines the vacillating evolution of the accommodation units number of units compared to the county's tourism potential. We notice the disappearance of some types of accommodation units, such as tourism inns, but we also notice the appearance of new ones such as hotels or tourism halts. The development of units like those mentioned above is due to the development of youth tourism. The industry of agro-tourism and urban pensions has registered a significant growth in the last few years, having the highest percentage of the total of units.

After analyzing the data presented in Figure 2,the accommodation units number in 2011 slightly modifies compared to 2009, but it significantly modifies compared to 2008; the number of tourism villas decreases with 3 units as compared to 2008 and the number of agro-tourism pensions decreases by 6%. It can also be noticed a growth of hotels number with 15.3%.

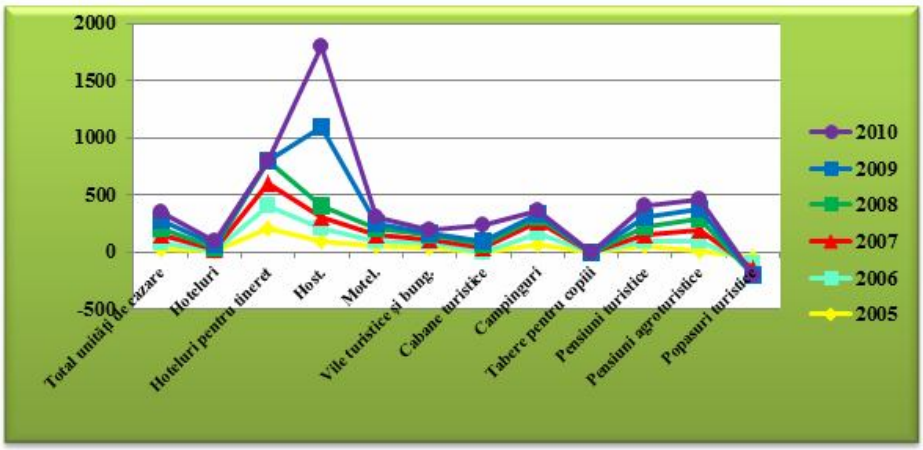

Figure 1. The evolution of accommodation units' number in Suceava between 2004 – 2010

From Figure 1 it can be seen that the number of accommodation unit available in Suceava County have risen significantly in the category Hostels (700%).

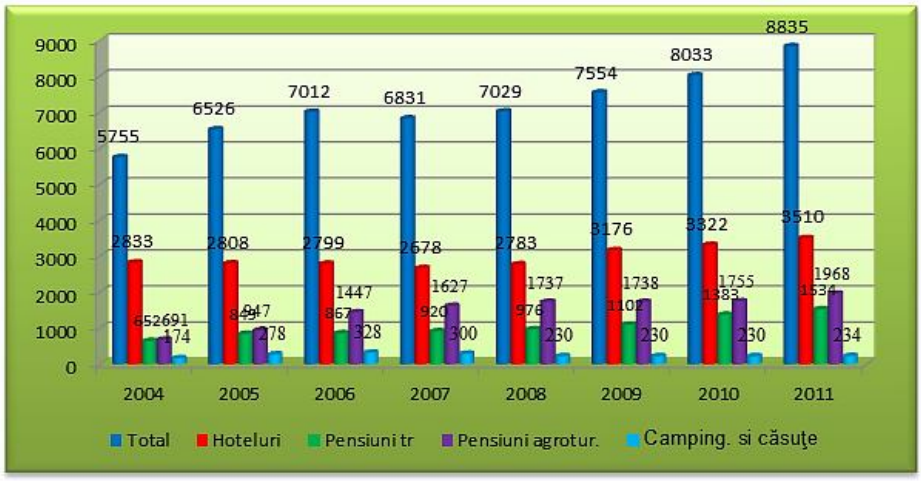

Figure 2. Evolution of main elements of accommodation units' number in Suceava between 2004 - 2011

Suceava County's tourism capacity, registered an increase of the accommodation units number with 53.5% in 2011 compared to 2004, The highest increase belonged to agro tourist pensions with 184,8%.

Table 3. Dynamics of accommodation units' level and capacity in 2008 and 2009

Comfort categories	***Dynamic in 2009/2008 (%)***	
	Nr. of units	***Funct. capacity***
Total	*100,8*	*103,5*
5 stars	*100*	*79,8*
4 stars	*110*	*138,2*
3 stars	*113,4*	*106,5*
2 stars	*93*	*94,3*
1 star	*100*	*89,2*

Source: Calculations according to: Romanian Tourism, Statistical Breviary, 2003-2010 edition

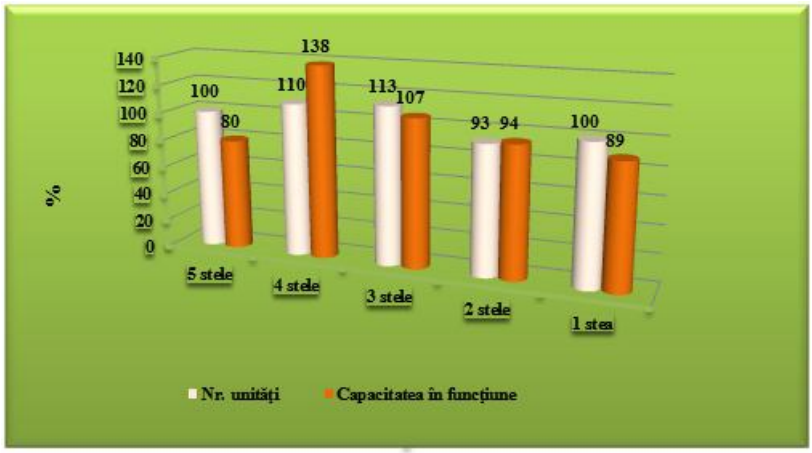

Figure 3. The dynamics of accommodation units and functioning capacity in Suceava County in 2009 as compared to 2008

The analysis of the accommodation units and the functioning capacity in Suceava county indicates a growth of these two categories, such as categories 4 and 3 star comfort, while the category 5 star comfort has registered the highest decrease (22%).

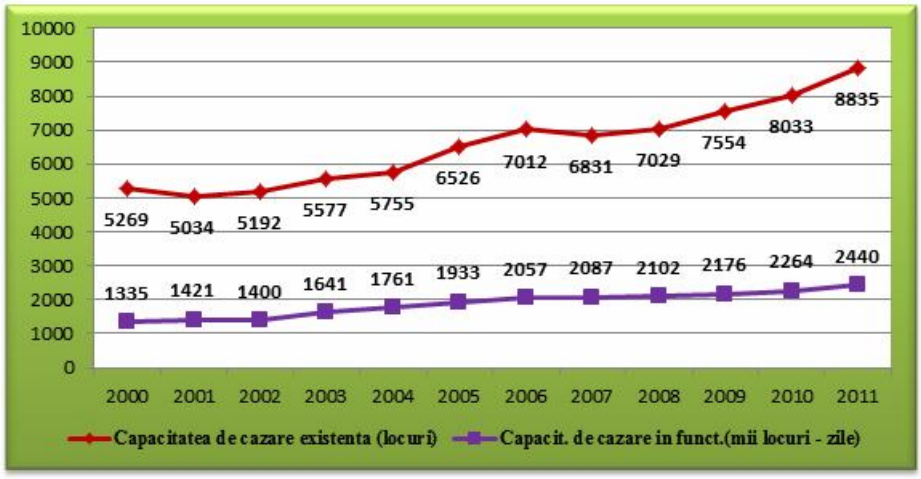

Figure 4. Evolution of existing tourism accommodation capacity between 2000 – 2011

From figure 4 can be observed an increasing trend both the existing tourism accommodation capacity (67,7% in 2011 compared to 2000 and approximately 10% in 2011 compared to 2010) and the functioning capacity (82,2 in 2011 compared to 2000 and 7,8% in 2011 compared to 2010).

Table 4. Structure of rural tourism services on comfort categories in 2008 and 2009 (%)

Comfort categories	2008	2009
5 flowers	0,6	0,6
4 flowers	9,6	10,4
3 flowers	23,4	25,6
2 flowers	62,3	59,1
1 flowers	4,2	4,3
Total	100	100

Source: Suceava County's Tourism Breviary, 2010

Table 5. Utilization index of the functioning accommodation capacity on types of accommodation units (%)

	2005	2006	2007	2008	2009	2010	2011
Hotels	29,1	24,3	25,6	25,2	22	27,25	28,92
Hostels	15,8	22,2	40,9	21,3	11,4	13,48	16,03
Motels	9	17,5	19,1	14,5	18,1	13,33	14,87
Tourism villas	27,2	29,5	30	33,3	33	21,23	24,5
Tourism lodges	7,9	8,6	9,2	8,2	3,4	5,26	11,47
Camping	8,2	9,2	7,4	8,1	7	3,44	6,25
Tourism pensions	13,1	18,2	19,4	14,2	12,2	12,4	15,8
Agrotourism pensions	12,3	14	15,5	14,4	14,7	13,93	18,28
Tourism halts	0,5	31,8	-	3,5	4,2	3,75	2,5
Bungalows	10,2	14,1	16,5	21	11,6	12,5	16,67
Total	22,5	24,3	25,6	25,2	22	20,3	24,8

Source: Suceava County's Tourism Breviary, 2012

The analysis of index of the functioning accommodation capacity on types of accommodation units indicates a growth of the utilization level of accommodation functioning capacity.

- **Characterization of the functioning accommodation capacity**

In order to provide an objective presentation of the offer, we must also analyze the functioning accommodation capacity. Its level and dynamics are considered to be the effective offer of accommodation spots existing in accommodation units.

Table 6. The functioning accommodation capacity in Suceava County between 2000 and 2009 (%)

2000 = 100

Year	Accommodation capacity		Utilization indexes of the functioning accommodation capacity
	existing	in function	
2000	-	-	36
2001	95,5	106,4	32,4
2002	98,6	104,9	29,1
2003	105,8	122,9	25,8
2004	109,2	131,9	24,6
2005	123,9	144,8	22,5
2006	133,1	154,1	24,3
2007	129,6	156,3	25,6
2008	133,4	157,5	25,2
2009	143,4	162,9	22
2010	152,5	169,6	20,3
2011	167,7	167,8	24,8

Source: Calculations according to: Suceava County's Tourism Breviary, 2010

From table 6 it can be observed that in dynamics the evolution of the existing accommodation capacity is vacillating, so it has increased until 2006 and decreased for 2007. However since 2007 the development is continuously growing. Also the dynamics of functioning capacity is growing (in 2011 the relative growth was 67.8% and the absolute growth for 1105 spots-days).

- **Public alimentation units**

Public alimentation units are categorized the following way:

- ✓ Restaurants: classic, specialized (fishing-hunting, diet, lacto-vegetarian, rotisserie, family, pension), with national or local specific and artistic program (brasserie, brewery, summer garden)
- ✓ Bars (night bars, day bars, café-bars, disco-bars, buffet)
- ✓ Fast-food (self-service, express/bistro, pizzeria, snack-bar)
- ✓ Confectionery
- ✓ Pastry, pastry-cook's shop

Table 7. Dynamics of alimentation units (%)

	Dynamics 2009/2008
Restaurants	107,7
Bars	104
Fast-food	112,5
Confectioneries	100
Brasserie	100

Pizzeria	150
Breweries	100
Total	110

Source: Ministry of Tourism

Table 7 highlights the fact that a number of 132 alimentation units were registered in 2009, 10% more than the previous year. There had been built five more restaurants, two fast-foods, one bar and 5 pizzerias. The highest number belongs to restaurants, followed by bars and fast-foods. It had been registered only one brasserie.

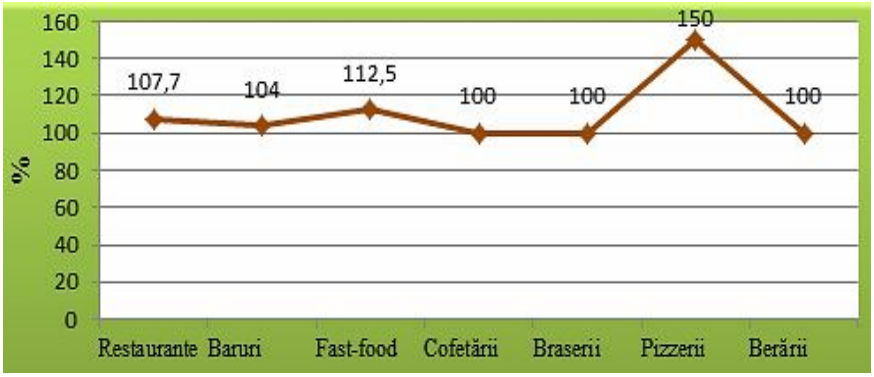

Figure 5. Relative dynamics of alimentation units in 2008/2009

Recreation and treatment units

A general classification of the recreation material base in Suceava County would include:

✓ The material base for entertainment. In Suceava County there are some elements which assure the entertainment especially in urban and health resorts areas, and these include clubs, electronic games rooms, bowling and billiard rooms, fun parks etc.

✓ The sports centre recreation base: it includes sports fields, horse-back riding centres (in Suceava county there are many possibilities of practicing equestrian sports thanks to the two most popular equestrian regions, Radauti and Lucina and others smaller centers in the mountain area, on routes very appreciated by tourists), swimming in specially built basins and pools, skating (In Suceava there is an artificial skating rink), skiing (it is practiced on specially built slopes).

It has been recently noticed that there exists a high preoccupation for introducing recreation facilities in tourism accommodation units. We notice the high number of volleyball basketball and football fields, indoor and outdoor pools, fitness rooms, all these contributing to the sojourn's diversification.

Table 8. Per cent change of recreation units (%)

	Δ%
Bars	7,04
Discos	-14,3
Clubs	33,3
Casinos	-25
Indoor swimming pools	40
Parks	16,7
Total	1,7

Source: Suceava Tourism Information Centre

Table 8 shows a relatively high number of recreation units. Most recreation units are sports centers, followed by bars. The last place is occupied by swimming pools and fun parks, each of them with only one unit. In 2009, the number of recreation units increased with 7 units: there had been built five bars, three clubs, two swimming pools and a park, but it had decreased the number of discos and casinos (with 2 units).

Suceava County's treatment material base includes health treatments spaces which are included in Vatra Dornei hotels, a famous spa health resort. Suceava County is characterized by the existence of many natural methods of treating various diseases, thanks to the existing natural resources. Mineral waters, hypotonic waters, non-thermal waters, sodium and calcium bicarbonate waters in Vatra Dornei and Dorna's Basin, natural pits probe of high purity and CO_2 concentration, peat mud from Tinovul Mare, Poiana Stampei, the sulfurous mineral waters from Iacobeni area, the tonic bio-climate represent the raw material for dozens of procedures which are made in treatment units.

The physical-chemical quality and the therapeutic value of natural cure factors are similar and even superior to those existing in global recognized balneary health resorts. Of these natural factors benefit people with physical and intellectual overworking, with nervous hyperactive functional disorders, sedentary people or persons who work in a highly polluted area. At the level of Suceava County we notice Vatra Dornei balneo-climaterical health resort which is of national interest and it is included in the international circuit. It is recommended in treating affections of the cardio-vascular, locomotion and respiratory system, gynecological affections or nervous system affections. There are special springs used in the mineral water internal cure.

Conclusions

We notice the disappearance of some types of accommodation units, such as tourism inns, but we also notice the appearance of new ones such as hotels or tourism halts. The development of units like those mentioned above is due to the development of youth tourism.

In recent years, Suceava county has noticed that there exists a high preoccupation for introducing recreation facilities in tourism accommodation units. We notice the high number of volleyball basketball and football fields, indoor and outdoor pools, fitness rooms, all these contributing to the sojourn's diversification.

Suceava County's treatment material base it is necessary to be modernized to cope with the increased requirements of the tourists for treatment and leisure. Thus in Vatra Dornei, resort recognized worldwide, can be built spas that offers beauty and relaxation programs besides treatments to various diseases. To welcome the new touristic health trends market it is necessary to built camps for weight loss and body maintenance as well as the implementation of programs with tenders for vegetarian tourists.

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Strategies to improve air quality on the Romanian Black Sea Coast

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Abstract

The state of the environment has become a human global problem since the beginning of the ’70 when the man realized the importance of maintaining the ecological balance. Nowadays, the sustainability and the health of most natural ecosystems are directly and indirectly threatened, on the one hand by the climate changes, the chemical and radioactive pollution, and on the other hand by the way and the intensity with which the man acts on them.

The presence of pollution in areas with touristic potential raises problems which have to be solved the more as they possess their own brand image, have their own touristic potential; for example, the tourists from the entire country “dream” about the touristic attractions of the Romanian Black Sea coast, of the Danube Delta, or of the Carpathian mountain areas.

The present study represents a part of the thesis called “Studies concerning the impact of industrial activities on areas with touristic potential”. The Conclusions we reached, that of needing some strategies of improving the quality of all environment factors within the area of Romanian seaside, is based on numerous studies conducted during the period of realising my Ph.D. thesis (Neacsu, 2012) Thus, there were conducted studies on: the development level of the industry and the tourism in seaside area, the pollution sources present in the area, the impact of the sources of industrial pollution on the environment factors (in this case the air), the meteorological phenomena, etc. Based on these studies, a series of measures are proposed.

Keywords: sources of pollution, environment factor, protection policies, involved factors, horizon of achievement.

1. Introduction

In the area of Romanian seaside, the main factor of natural environment which contributes to the development of spa-climate and touristic function, which transforms it in a special place, is firstly represented by the curative activity of Black Sea waters. The stretched beaches with fine sand and the orientation towards east, where the daily heatstroke is over 11 hours, offers the seaside a highlighted brightness similar to the one from the Mediterranean coasts and represents the second factor that recommends the seaside as a wonderful place for spending the holidays.

The Black Sea confers the spa-climate function to the Romanian seaside. Through the salinity and the variety of mineral salts (sodium, chlorine, iodine, bromine, magnesium) that it contains, together with a specific flow-through, it plays an important role in spa therapy. The sea temperature is higher than other seas and oceans, having in relation with the ambient atmosphere, a constant heat. The water average temperature is lower than the air temperature from March to June and higher during the rest of the time. It is worth noting that the waters highest temperature is registered during June-August, in peak season, when it reaches 22,9^{0}C. „Added to this is the fact that the Black Sea is devoid of flux and reflux, and the waves that are formed lose their strength in the shoreline area, because of the reduced depth and of the

continental platform which is still far below the sea water, favouring the thalassotherapy", as (Dragan, 2003).

In the studies that we conducted regarding the polluting industries, we constantly took into account the importance that the Romanian Black Sea coast has, as a curative and recreational factor, for the development of regional and national tourism. In this context, we can highlight that in a relatively young economy, as the one from Constanta County, a balance between the industry and the tourism has to be kept, a symbiosis between the two branches that are in full development has to be created.

The purpose

The purpose of conducting this paper is that of sensitizing all management and responsibility factors, the specialised organizations, the population, mainly the civic society, in order to adopt and apply the measures of improving the quality of environmental factor – the air – in the area of Romanian Black Sea coast.

The hypotheses

The hypothesis used was that "the danger awareness of air pollution in Black Sea coast area, by the economic agents, the tourism developers, the population and by others can prevent the pollution by implementing some viable programs and a better empowerment of the civic society".

2. Materials and methods

In conducting the study we took into account three aspects previously researched and which we synthetically present here

1. The situation of developing the industry and the tourism in the area of Romanian Black Sea coast.
2. The pollution sources present in the area of Romanian seaside.
3. The main air pollutants.

2.1. The investigated material

The study conducted on the industry development in the area of Romanian Black Sea coast has shown the transformations that it registered after 1990 through the process of restructuring and privatization. The study of the industrial production structure during 1980 – 2000 has shown the tendency, towards which the industry has headed, the one of diminishing the intensive energy branches in behalf of the services sector. As it can be noticed from figure 1, after the year 2003, both the extractive industry and the energy industry considered big polluters, have reduced in number in the industry total, the number of the manufacturing industries increasing, also because of the fact that they incorporate a modern technique.

In the evolution of the enterprises number from the services sector, we notice the wholesale and the retail trade, the repairing and maintenance of motor vehicles and motorcycles and of personal and household goods, which registered a growth due especially to the private sector; an upward evolution had the hospitality sector, due also to the private sector development. The free circulation of the private property has also determined the unprecedented boom of real estate sector and tightly linked to it of the banking sector. The budget sectors -education and health have registered insignificant growths if we refer to the county total population.

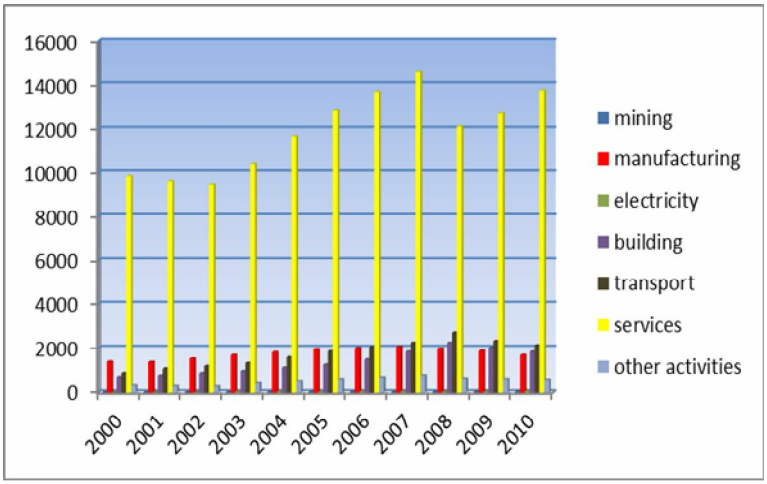

Figure 1. Evolution of the number of active companies in Constanta County

The labour force refocused according to the evolutions registered in industry, as follows:

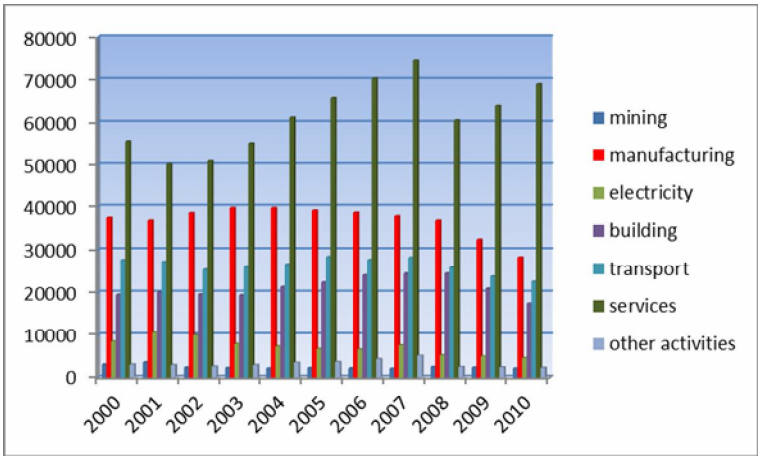

Figure 2. Evolution of the number of employees in active companies in Constanta County

In the structure of the employees' number from industrial sector, we notice the same tendencies as in the evolution of the enterprises number (fig.1), in manufacturing industry being employed over 39000 employees, followed by the energy sector with a "peak" in 2001, with more than 10000 employees and the extractive industry with a continuous retrogression, from 3088 employees in 2000 to 2075 employees in 2007.

The statistics have demonstrated that after the transition period, the industry has started to reorganize and register progressive growths of the turnover. Substantial growths have been registered after 2003 in constructions and transportations sectors. Services sector registered also some spectacular growths from 2411 million lei to 18521 million lei in 2010.

"At present, as in future, as a consequence of the growth of touristic services demand and as a result of the request, in a bigger measure of some services and more refined products, we notice the emphasis of the tourism role within the national economy, as "the touristic product" includes more services and less material goods", (Istrate, et al., 1996).

On the Romanian Black Sea coast where there are 21% - 26% from the total number of accommodation units in operation, meaning a quarter of Romania accommodation capacity, the accommodation units average calculated for the period 2000-2010, was of 904 accommodation units.

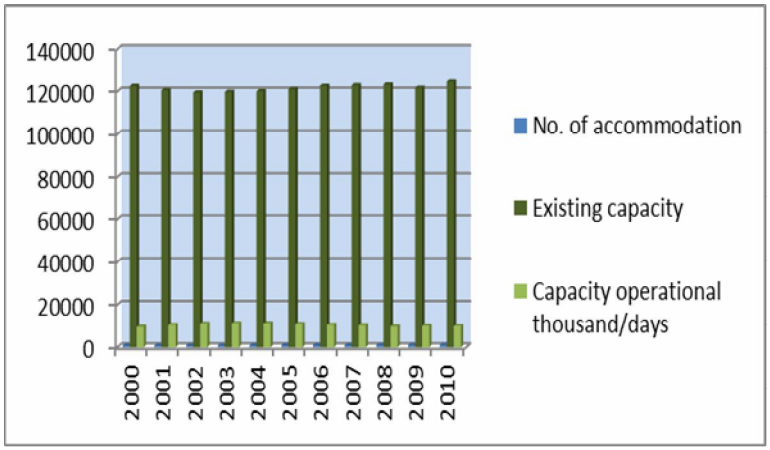

Figure 3. Capacity of accommodation units in operation on the Black Sea Coast in the period 2000 – 2010

On the seaside there are focused almost 18-22 % from the total number of accommodation units in operation at national level, and the accommodation units average calculated for the period 2000-2008 was of 11648 thousand places/days/year. The accommodation units' dynamics registered during 2000-2010 on the seaside presents an oscillating evolution; thus, during 2000-2003 the accommodation capacity has increased, making that the level registered in 2003 to be higher than the previous year with 195 places/days (which represent an increase of 1.75% over the level of the year 2002).

In figure 4 we analysed the pollution generating activities, the substances harmful for the environment emitted as a result of the technological processes and the main pollutant economic agents from Constanta County. The pollutant economic agents have been selected according to their measure, the activity developed and the turnover.

The main air polluters have been tracked to three big pollutant economic agents, one of those being CET Palas Constanta. (Neacsu G, 2012) For example, the gaseous emissions: sulphur dioxide SO_2 (14078,8t/year), nitrogen oxides NO_x (2324t/year), carbon dioxide CO_2 (855637t/year) and powders, tons (277t/year), have registered these values evacuated on average per year.

Industrial activities generate pollution	Pollutants from technological processes from industry		The pollutants economic agents from Constanta County
Production, transportation and distribution of electricity and heat	air	CO, CO_2, NO_X, N_2O, SO_2, COV, heavy metals, dust, ash.	Enel Distribuţie Dobrogea S.A. S. C. Uzina Termoelectrică Midia S.A. Societatea Naţională „Nuclearelectrica" S.A. Direcţia CNE Cernavodă; Congaz S.A. RAJA S.A. EdilPrest S.R.L.
Extraction, transport and distribution of petroleum, petroleum products and natural gas	air	CO, CO_2, NO_2, N_2O, SO_2, benzene, heavy metals, particulate matter, phenols.	S.C. Rompetrol Petrochimical S.R.L. Petrom S.A. S.C. Rompetrol Rafinare S.A. Năvodari Secţia Terminal Midia – Petrom S.A. Platforma Fixă Centrala de Producţie (PFCP) Oil Terminal Constanţa
Mining and processing of building materials	air	CO, CO_2, NO_X, SO_2, magnesium oxide, silicates, aluminum sulphate, powders, heavy metals	S.C. Simcovar S.A. Oradea (punct de lucru Medgidia) La Farge Ciment (România) S.A. (punct de lucru Medgidia) S.C. Prefabconstruct S.R.L COMCM S.A. CompresUtil S.R.L.
Metallurgy, metal constructions and metal products and machinery	air	CO, CO_2, NO_X, SO_2, powders, heavy metals.	Erco S.A. Altees S.A. Steel Building S.R.L. Metacom Maritim S.R.L. Metacom Anticor S.R.L.
Shipyards for ship construction and repair	air	CO, CO_2, NO_X, SO_2, powders, heavy metals	Şantierul Naval Constanţa S.A. Şantierul Naval Mangalia DAEWOO Novotec S.R.L. Karom Hatch Covers S.R.L.
Chemical industry	air	CO, CO_2, NO_X, N_2O, SO_2, COV, powders, heavy metals, phenols, ash	Procom Dual S.R.L. Sterk Plast S.R.L. Magistra C&C S.R.L. Ecorom 2000 S.R.L.

Figure 4. Sources of pollution from Constanţa County

"The environment polluters are many, having in general a cumulative action, as Derek (1992) highlights because of natural cycles that take place in each ecosystem (air, water, soil) and that intertwine and influence each other, no matter where a pollutant substance could appear, it will be able to be found, even under harmful form, in any of the other systems". The most widespread and in the same time the most studied polluters are:

Powders or dust are solid particles capable to temporarily maintain themselves in abeyance. *Smoke* is a very fine aerosol that contains particles having measures between 0, 01 and 1 μm. Because of very fine dimensions, the smoke can stay suspended for a long period of time and it manifests a powerful Brownian motion.

Sulphur oxides Frequently met in the atmosphere, the sulphur dioxide is a polluter often met in industrial and urban environment. It belongs to the category of substances with high toxicity. As nitrogen oxides, sulphur oxides are precursors in acid rains forming.

Carbon oxides Among the two carbon oxides, carbon monoxide is the most spread and common air polluter. It is an important factor in generating the greenhouse effect. In the atmosphere, it reacts with tropospheric ozone and with some smog intermediaries with CO_2 forming.

Volatile organic compounds (VOC) In this category of pollutants are included toxic organic substances, that reach in the atmosphere as a result of some human activities. Among the substances with high toxicity, we frequently meet: benzene, formaldehyde, ethyl and butyl acetates, chlorinated derivatives of methane, ethane and benzene, as well as freons.

2.2 Methods and tools used

In the analysis of air quality on the Romanian Black Sea coast, different methods and tools were used, through which it was realized:

Table 1. Methods and tools used in determining the air quality

No.	The effect obtained	Methods	Tools
1.	Control of the pollutant emissions	Isokinetic sampling method	gas measuring instrument TESTO 33;
2.	Immission monitoring of gaseous pollutants	Method of monitoring by continuous measurements	2 station traffic 3industrial station 2 urban background station
3.	Validation samples collected	Method of validation of samples collected	Calculation of daily averages and then based on their is calculated the monthly and annually averages
4.	Analysis of pollutant* dispersion in the atmosphere and ground maximum concentration	The method of concentration on the soil in point zero The method of maximum concentration on the soil	Calculation of the effective height of the exhaust basket Quantity of pollutant. Annual average wind speed
5.	Overall assessment of the impact of industrial activities on air quality	Rojanschi method of determining the degree of pollution in an area, by calculating the overall index of pollution	Table of creditworthiness

Source (Neacsu, G. 2011)

In table 1 some of the methods that have been used in establishing the quality of air - as an environmental factor, are presented.

3. Discussions and results

The plan can be developed as a guidance guide for economic agents in sustainable development. It includes a series of measures that targets the industry agents, whose technological processes need the existence of taller exhaust chimneys, so that the emissions dispersion to be done at a higher height. This happens because it was demonstrated through mathematical calculation, that once with the growth of the exhaust chimney height, the pollutant quantity that reaches the soil decreases. A special category is represented by small and medium economic agents, whose technological processes need also the emissions evacuation into the atmosphere and who, because of the lack of financial funds to be invested in the environment protection, and of rare check from the Environmental Protection Agency, they cumulatively get (especially if they are concentrated in the same area, as in Constanta case) to pollute the air almost as big economic agents do (Neacsu et al, 2012).

Conclusions

From the studies conducted, we can notice that all big economic agents that have been studied try to fit their industrial activity into the European Union rules and directives, but also into the programs initiated at global level (through Kyoto protocol), at European level (The new concept elaborated by the European Environment Agency, gas accounting, is one pretty abstract, that's why the real significance of increase or decrease proportions is hard to decipher), at national level (National Emissions Reduction Plan), but also at local level (Air Quality Management Plan that runs from 2010 for 5 years).

An action that would especially concern the economic agents with financial power would be that related to applying investments programs that refer to the implementation of unconventional technologies, for examples the solar energy obtained during summer, based on solar batteries, to permit its use in different technological processes instead of the classical one.

Table 1. Measures concerning the improvement of environmental factors quality in the areas with touristic potential

Pollution sources	Environment factor upon which we act	Protection policies		Involved factors	The action/the project	Horizon of achievement			Results
		General	Specific			Short (5 years)	Medium (10 years)	Long (20 years)	
Industrial activities that emit pollutants into the atmosphere CO, CO_2, NO_x, SO_2, N_2O, VOC, powders, ashes, smoke.	A I R	1. Utilising low-carbon fuels (gas, liquefied petroleum gas -LPG);	1. Assuring the complete combustions from technological or chemical processes;	1. Economic agents; 2. Companies specialised in constructions 3.Labour protection department;	1.Project concerning the construction of exhaust chimneys with the height between (150-250 m);	x			1.Protecting the areas with touristic potential and the urban agglomerations;
		2. Permanent monitoring of these activities no matter the economic agents' size;	2.Planning the desulphurisation of waste gas as possible during evening*;		2. Increasing the number of enterprises specialised in tracking emissions and immissions that monitor the activities generating pollutants at accessible prices, and of small and medium economic agents				2. Creating new jobs, permanent monitoring and verifying that the rules and regulations imposed at European and global level are respected
		3. Utilising renewable energy sources;	3.Feasibility studies;	1. Economic agents; 2.Environmenta protection Agencies; 3. Local	3. Project concerning the study of possibilities of obtaining electrical and thermal energy by combining classical		x		3. Designing technological installations in order to allow the switching from a classical

				authorities; 4. Specialised bodies	and unconventional technologies				system for obtaining thermal and electrical energy, to another one (for example solar energy)
		4. Realising some natural dams by planting some green curtains around economic agents;	4. Parcelling perimeters in order to realise afforestation	1.Environmenta protection agencies; 2. Local authorities ; 3. Economic agents; 4. Cadastral office ; 5. R.A.P.R. Forestry Department Constanța	4. Project concerning the rehabilitation of the areas belonging to urban agglomerations, especially of the touristic and protected areas	x			4. Improving the air quality in urban areas and in areas with touristic character; populating urban areas with species of birds that migrated to areas favourable for their life environment
		5.Transport of solid waste, especially those dangerous derived from technological processes, in mines declared closed	5. Establishing connections by economic agents with concerned authorities in the field	1.Mines National Department; 2. Geology National Institute 3. Internal and international organisations and bodies; 4.Trades; 5. Local authorities;	5. Project concerning the transport and storage of solid waste into the mines declared closed; or in sections closed from active mines, that are currently in preservation.			x	5. Reducing solid waste which storage needs specific conditions; creating new jobs

In this study we realised a ranking of factors responsibilities involved in protecting the environment. Therefore, the desire of realising a less pollutant activity must belong above all to economic agents, no matter their measure, who have to be aware of the importance of realising this desire, especially in a touristic area, such as Constanta County, thereby they were given a percentage of 80 %, in respect of their involvement in the industrial sustainable development.

Just as important in implementing the measures plan are the Environmental Protection Agencies (75 % weight) which have responsibilities in what concerns the economic agents' permanent monitoring, including the small and medium ones. Their activity has to develop based on a solid legislation (maybe a little different according to the type and quantity of discharged harmful substances), without discrimination, adopting right measures from case to case.

A source good to be exploited, will always be represented by external structural funds, national development funds and personal funds created for the economic agents' sustainable development.

A problem that was tangentially analysed at the beginning was that of small and medium economic agents that raise as many problems as big economic agents do, because of the accumulated effect that they produce on the environment through their coexistence in the same area. Therefore, we considered necessary the control extension even at small and medium economic agents at short periods of time, in order to monitor them. Regular assessment of the quantities of harmful substances discharged into the air and water, spilled on the soil and subsoil could permit the forming of an overview on the pollution produced by these (known being the fact that great polluters of seaside area have made investments in modern installations that could protect the environment also because of the often checks made by the Environmental Protection Agency), but it could also permit the creation of a database that contains information about the concentrations of polluters discharged into air, water, soil and subsoil.

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The economical importance and the environmental impact generated by the construction of Calafat - Vidin Bridge

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Abstract

This paper importance refers mainly to form a clear image on the positive and negative effects resulting from the construction of the bridge over the Danube at Calafat - Vidin, given the initial conditions of the environment and socio-economical situation of the region.

Thus, there are followed the physico-geographical components, the socio-cultural factors and socio-economic development, evaluating the situation considering the environmental initial conditions and determining the types of impacts caused by the construction of the bridge.

Keywords: Calafat - Vidin Bridge, economical importance, environmental impact

1. Introduction

The construction of the mixed road and railway bridge was performed over Danube river in the Vidin (Bulgaria) and Calafat (Romania) area situated north from the two cities at km 796. This transport infrastructure represents a component part of the European system of international motorways as well as a part of the Southern sector of the Pan-European Fourth Corridor (Berlin-Salonic).

Between Bulgaria and Romania there is a bridge over the Danube in Giurgiu – Ruse area, south of Bucharest (Pan-european Corridor no. IX). The projects for the construction of a second bridge exists since the 80s.

2. A brief history of the Calafat-Vidin bridge construction

Even if a bridge construction project in the Calafat-Vidin dates from year 1925, the final agreement regarding the general location of the bridge was signed only in year 2000, on 5 june, between the governments of Bulgaria and Romania, all the activities related to this bridge being coordinated by Implementation Unit and Project Management of the Ministry of Transport and Communications, Bulgaria.

Subsequently, the Bulgarian government has provided funding for the preliminary design and construction through 5 agencies (European Investment Bank (EIB), European Commision ISPA, Agence Française de Development (AFD), Kreditanstalt für Wiederaufbau (KfW) and the bulgarian government). It was also established a Mixed bulgarian-romanian commission, approving the work of nine joint working groups in areas relating to technical aspects of the project, financial, environmental, legal and organizational.

Have had another 7 years for the work to begin. In 30 january 2007, the project was assigned to the spanish constructor FCC Construccion, in a contract worth nearly 100 million euros. The costs of construction which until year 2011 were estimated at about 225 million euros, exceeded 250 million until completion of the project.

Initially the bridge construction should've been completed in 2010, but the deadline was postponed due to the geological structure which necessitated a new analysis. The official opening was then planned for November 29, 2010, but was postponed again. Later the term was extended until autumn 2012 and again postponed until the spring of 2013.

The construction of the bridge is now completed, being finalized the last 18 meters on the Romanian side. In principle, pedestrians can cross the 2 km long bridge, access routes have not yet been completed and border checkpoints not established yet. It is expected for at least another year until inauguration, dedicated test period, but both sides, Romanian and Bulgarian, are looking forward to the inauguration of the bridge to be completed as a stimulus to the areas of the economy.

The bridge Calafat-Vidin, the second connecting Bulgaria and Romania banks of the Danube river, has a length of 1,971 meters and a width of 31 meters, two lane road in each direction, a railway line, two sidewalks and a bicycle lane . It is estimated a daily traffic of 8,400 vehicles and 30 trains.

Figure 1. The bridge over Danube at Calafat - Vidin

Source: processing after http://www.economica.net

The bridge over the Danube River at Vidin-Calafat, is a transboundary project. However, it is noted that, in this case, the project supporter has one in each of the two countries involved (Ministry of Transport and Communications, Bulgaria, Ministry of Transport, Constructions and Tourism in Romania), both of which signatories to the UNECE Convention on the assessment of transboundary are impact.

Bulgarian Prime Minister Boyko Borisov said that the bridge over the Danube between Vidin and Calafat cities could be opened on 9 May 2013, Europe Day. Head office in Sofia found that 98% of construction things are finalized.

On the other hand, Romania and Bulgaria have not yet reached an agreement regarding company that will manage the infrastructure of this objective. Issues still under discussion are how the bridge will pay taxes and revenue sharing thus obtained. Company headquarters will be in Vidin.

3. The economical benefits and the environmental impact generated by the existence of the second Romanian bridge over Danube

With the realization of a new bridge over the Danube at Calafat - Vidin, a new gateway into Bulgaria and south-west Europe was created. This has increased the strategic significance of DN56 (Craiova - Calafat), which thus link (in a much more direct) between Pan-European Corridor IV and Bulgaria, its users are fortunate, considering that it takes account of the current and projected growth of traffic on this route.

However, like other large infrastructure works, bridge construction has the potential to cause an adverse impact on the environment as a result of its physical structure and operation of infrastructure.

The main impact of traffic generated by this path of road and railway is the biotopes loss of fauna and flora in the area of road reservation and in certain portions of larger excavation or development of canal embankment.

The only element of national importance, both for Bulgaria and for Romania which was affected by the construction of the bridge is the Danube river, but taking specific measures to mitigate the impact caused major effects on biocenosis exclusion associated to Danube.

Figure 2. The bridge over Danube at Calafat - Vidin - panoramic view
Source: processing after http://www.ghimpele.ro/articole/pod

However, it is undeniable importance of building the transport infrastructure, in terms of socio-economic benefits (beyond the positive effects felt by the population of Calafat, due to easing traffic), but we can say with certainty, that there are no real benefits to other important environmental areas (eg. flora and fauna, soils etc.).

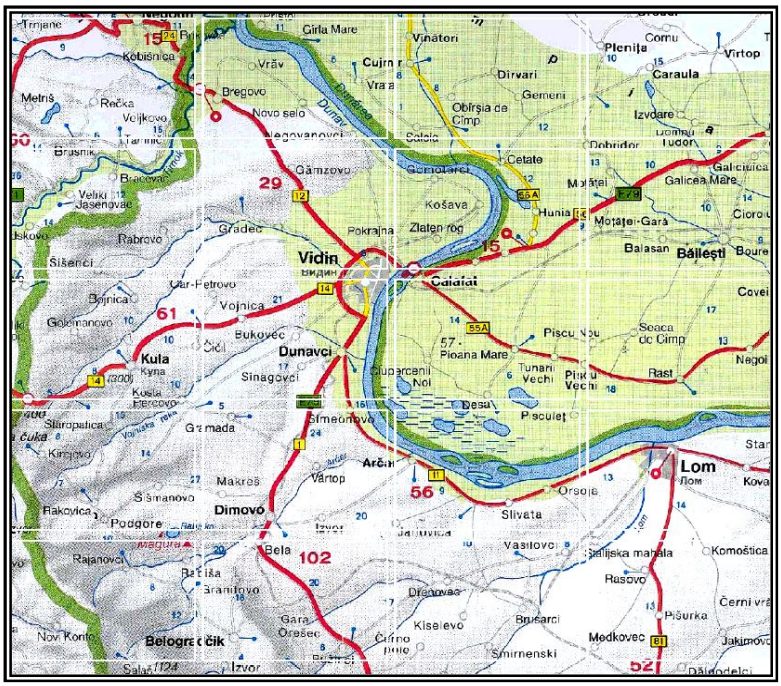

Figure 3. General image regarding the location of the bridge over Danube from Calafat - Vidin

Source: processing after EIA Calafat-Vidin Bridge - Final Report, ERM GmbH, Neu-Isenburg, 2004

International Commission for the Protection of the Danube River (ICPDR) decided to this stream, a division into nine sectors geomorphology. Vidin-Calafat is located in the no. 7 of the Lower Danube, between km 943 (Iron Gates I dam) and km 537 (Junction with River Jantra). Likewise, another classification, widely used in the specialized literature describes this area as belonging to the so-called Upper Danube.

Phenomena such as soil degradation, habitat fragmentation, producing barrier effect on wildlife are just a few examples of all environmental components that may undergo serious changes in terms of violations of preventing potential impacts and, ultimately, in terms not taking any measures to mitigate existing problems.

Taking into account the environmental initial conditions, the construction of the bridge over the Danube from Calafat - Vidin generated a negative impact on the environment, materialized through loss of habitat, fragmentation of other Danube ecosystems, disturbances on biodiversity caused by human intervention and also by the increase of human intervention to geographical landscape.

Undoubtedly, by researching all the factors that have made it necessary to build this bridge mixed road and railway, across the Danube at Calafat - Vidin, it's demonstrated that the positive effects are achieved through reducing distance of Pan-European Corridor IV users by creating inter-modal transport points (already systematized ports of Calafat and Vidin), resulting in major economic benefits (reducing transport costs), but in terms of natural environmental factors (including flora and fauna of the area concerned) there are no real benefits.

Conclusions

The Danube strategy seeks four main objectives: interconnecting the region, environmental protection, prosperity and strengthening the Danube region. Each objective corresponds to the strategy specific areas of action, grouped into 11 priority areas. These

priority areas are coordinated by two states / provinces in the region. Romania is involved in coordinating the three priority areas of the EU Strategy for the Danube Region: Inland Navigation (with Austria), promoting culture and tourism (together with Bulgaria), environmental risk management (with Hungary).

Romania focuses on the promotion of flagship projects such as: achieving energy interconnections with the neighboring countries, building new bridges over the Danube, removing obstacles to navigation on the Danube river ports modernizing and transforming them into ports "green" flood risk management in the Danube basin, water quality monitoring, integrated coastal zone management in the Black Sea, creating a research center for biological diversity and ecosystems in Murighiol, logistics corridor redevelopment of intermodal transport and for Central and South-East to capitalize importance of the port of Constanta, improving training systems to facilitate new industrial investments in the Danube region, development of tourist routes "green" combining tourism with cultural aspect.

In this context, the construction of the bridge over the Danube at Calafat - Vidin is, for Romania, one of the successful projects with macro regional impact. In the current context of a "European" Romania and the development of more pronounced transport sector, it is necessary to maintain a balance between socio-economic and natural components of the environment, so that the concept of sustainable development does not remain a pure theorizing for future generations.

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Some principles relating to the protection of the environment

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Abstract

Environmental protection has been developed through different principles. These principles, applied by interpreters and legislators, even if in different ways from one country to another, can harmonize the subject inside the European Union, to make it dynamic and flexible.

The culmination of the development of law and jurisprudence is also represented by the imposition of criminal sanctions, indicating greater social disapproval, and about the valorisation of the precautionary principle and preventive action.

Keywords: environment protection, prevention, repair, environmental damage.

1. Introduction

The EC Treaty has examined the environmental theme from its first version. Complex issues related to environmental protection have been discussed in many regulations and other Community acts.

In the 1948 Italian Constitution, the environment has not been mentioned among the inviolable rights of men that are protected by art. 2 of the same Constitution (art. 2 Const.: "The Republic recognizes and guarantees the inviolable rights of the person, both as an individual and among social groups where human personality is expressed. The Republic expects that fundamental duties regarding political, economic and social solidarity are fulfilled).

Art. 9 paragraph 2 of the Constitution "safeguards natural landscapes and the historical and artistic heritage of the Nation". Art. 32 establishes that "the Republic safeguards health as a fundamental right of the individual and as a public interest...".

2. The development of the environment concept

Environmental protection was originally very inadequate. It was insufficient for the material Constitution (Mortati, 1942), as the care for environment was already very important.

It was, therefore necessary to find a way to create adequate openings in order to protect such an important good at higher constitutional levels.

There was a problem: environment wasn't a good recognized autonomously. Some authors tried to stern this phenomenon which, otherwise, would not have allowed a maximum protection.

Many consents were given when a famous scholar (Giannini, 1973) included the environment in a tripartite conception. In particular: the environment to which is referred the landscape legislation; the environment to which a legislation regarding the defence of the soil, air and water is referred; the environment to which the legislation on urban planning studies is referred.

The second of these "environment concepts" represents the principle of preventive action which will become popular in the community law. This first allocation has been replaced by a unique concept of environment, as a good worthy of protection, on several fronts. For the matter of environmental damage, the Italian Supreme Court expressed its view in the judgment n. 5172 of 6 October 1979, in which it has highlighted that the right to health wasn't just the right to life or physical safety but also a right to a healthy environment, based, on Articles 2 and 32 of Italian Constitution, and executable by every person in force of Art. 2043 of Italian Civil Code (Supreme Court 06/10/1979 n. 5172).

It is an historical judgment because it unites the environment on two important articles of the Italian Constitution.

Very important is the reference to Art. 2 as it expresses the possibility of considering the environment as an inviolable right of the person.

Another key moment was the recognition of the environment as a good in many international acts: Directive, Regulation or Treaties.

The second paragraph's text of, Art. 174 CE is fundamental: "Community policy on environment, aims to a high protection level considering the different situation in the various Community Regions. It is founded on precaution and preventive action, on the principle of correction at the source of the problem, on environmental damage, and on the "who pollutes pays" principle (Art. 174 paragraph 2 of the Treaty that institutes the European Community, 24/12/2002).

Since then, a series of Directives and Regulations have been issued by the Community; acts that are based on all the above mentioned principles, that have been accepted in every legal sector regarding the environment.

3. Community law in civil and administrative matters. Directive 2004/35/EC

In civil and administrative matters the European Parliament and of the Council of 21 April 2004 enacted Directive 2004/35/EC on environmental liability regarding the prevention and remedying of environmental damage.

The 1. Introduction that precedes the text, composed by 24 articles and 6 annexes, sets out a policy based on the principle of "Who pollutes pays". The prevention and repair, is said in paragraph 2, should be implemented by applying the principle "Who pollutes pays" (as confirmed immediately by art. 1: This Directive establishes a framework for environmental liability based on the principle "Who pollutes pays", for the prevention and remedying of environmental damage) as stated in the Treaty and in accordance with the principle of Sustainable development (Directive 2004/35/EC enacted by the European Parliament and of the Council of 21 April 2004).

Article 5 of this Directive refers to prevention operated by the States. The goal is to prevent the risk of environmental damage and the operator (for the definition of "operator" see art. 2 Directive 2004/35/EC and Art. 302 legislative decree n. 152 dated 3 April 2006) has the obligation to inform the competent authorities if environmental damage has not yet occurred but there is an imminent threat. Article 301 of Legislative Decree 152 dated April 3, 2006 (Treaty Act on the environment), with which Italy acknowledged the abovementioned Directive, has worsened the terms of that provision, talking about "even potential dangers". Recognizing, the right and duty of the State to impose, even with a Regulation by the Minister for Environment Land and Sea, to take every precaution necessary to prevent a risk to the environment.

Another principle invoked is the one of cooperation between several Member States, which is essential to ensure proper and effective action to prevent or repair any environmental damage, given the importance of cross-border environmental damage.

In the main body of Community legislation, it is also specified that the Directive does not prevent Member States from maintaining or enacting more strict regulations regarding the prevention and remedying of environmental damage. This assumption allows to single out another principle, that makes it possible for the States to derogate from Community law, in order to give a larger protection to the environment. As it is well understood, however, it is a positive derogation, it is the Directive itself that traces the path of such derogation, verifying the severity of the rules.

From the formulas used by the 2004 Directive, rather than the "Who pollutes pays" principle, the setting of Community law seems to reflect the principle of precaution and preventive action.

The reflection arises: the maximum severity that can be given to the prevention and remedying of environmental damage, is represented by a qualitative change in sanctions, transposing, therefore, the source of protection in a criminal offense.

The development of this principle gave an implied solution that the subsequent drafting of Community law, then confirmed.

4. Community law in criminal matters. Directive 2008/99/EC

A famous law scholar (Stratenwerth, 1993) wrote: "Today is not about the attempt to preserve the past, but to prevent the destruction of the foundations of future life on this earth: I do not want to be the representative of a science that is exempt from this task".

The goal of a legislator is primarily to prevent pollution and to this means are directed various regulations and directives that impose a development based on sustainability. It is understandable, therefore, that the principle of precaution and of preventive action (Article 174 TCE) is a fundamental principle in the matter. It is the emblem of the constitutional and supranational value that the environment has now assumed, as it is recognized as a good in itself and as an inviolable right to which everyone is entitled, and for this specific reason it has to be constantly protected.

For the Italian constitutional court, provisions contained in the following acts, are the centre of community law and prevail on domestic law: rules contained in founding treaties, and in secondary legislation (see, e.g., for the directives. C. Const. n. 64, 1990 and C. Cost. no. 168 of 1991, decision regarding the non-application of criminal law in conflict with Community law) in the same Court of Justice (C. 113 of the Constitution of 1985, 389 of 1989) (Sotis, 2007).

In a situation of this kind, with a social conscience (material Constitution) which is increasingly sensitive in wanting to prevent the damage, rather than compensating it, the task of criminal law must be essential.

Directive 2008/99/EC of the European Parliament and of the Council on Criminal protection of the environment, has ruled on this matter, recalling art. 174 of Tce (paragraph 1), stating that "the existing sanction system is not sufficient to ensure full compliance with legislation on environmental protection. Such compliance can and should be strengthened by the availability of criminal penalties, which are indicative of a social disapproval of a qualitatively different nature compared to administrative sanctions or to a compensation mechanism under civil law "(Recital 3 Directive 2008/99/EC of the European Parliament and the Council).

In addition to the mentioned rules, another principle is introduced and must be taken into account by the interpreters and by Authorities of Member States during the legislation regarding environment.

It would be unthinkable, in fact, that all EU countries have the same rules, but overlapping principles are desirable, so as to make the differences merely formal having all

the same substance. In literature, there has been talk of "a Law without a code, a complex law, permeable and dynamic, this way the limits of the law depend entirely on the principles that have such a specific gravity in the system" (Sotis, 2007).

The law area that may come into play in this context is the one regarding advanced committing crimes. Although the threshold of constitutional principles (e.g. the principle of offensiveness) solutions are those related to an anticipation of the punishment of offenders, of those who despite not having yet brought damage to land, air, climate, or in a word, to the environment, with their conduct have put them in danger.

This type of penalties has existed both in the Italian Law and in the one of other States for several years, with the presence of certain crimes in the penal code (called risks) and it seems, that it is now also required by Community law.

Conclusions

The aim of this short contribution has been to dwell on a few standard Bibliography. Both because the discussion of other rules would have burdened this speech by enlarging it considerably, but mainly, to highlight how for the various pieces of legislation, national or EU, the only Bibliography that holds a common thread, consist of principles.

Only principles can clarify the law. In this way, the different rules that respect the legal experiences of individual countries can rise to the role of rules incorporated into the system. The background must be noted and must be the development starting from a principle. That is, uneven development but starting by the same principle.

So true that, as shown, from the elaboration of the principles of the EU Directive 2004/35/EC, the following content of Directive 2008/99/EC could already ne sensed and from there, you can get directions to a formulation of civil, criminal or administrative law, based rather than on compensation and punishment of offenders, on expectations of environmental protection in time of danger or risk of harm.

The application and elaboration of principles of precaution and prevention, of correction at the source, the “Who pollutes pays” principle, the principle of the possibility of enacting more severe rules regarding environmental protection, the principle of the establishment of penalties (to emphasize the social stigma of environmental damage), the principle of loyal cooperation between Member States and all the other principles are the only way to build a common *idem sentire* (view) in the various States.

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Tourism in the age of turbulence

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Abstract

First, based on tourism's contribution to GDP, the paper reminds the importance of this sector for the global economy in general and for small islands and developing countries in particular. Second, based on statistical data from countries in Middle East, North Africa, Southern and Mediterranean Europe, Asia and the Pacific affected by economic crisis, political turmoil and natural hazards in recent years, including Egypt, Greece and Japan, the paper brings further evidence that tourism is negatively affected by these factors and argues that prompt measures to counter their effects is a crucial element for tourism's recovery and growth.

Keywords: tourism, economic crisis, political turmoil, natural hazards.

1. Introduction

Tourism is an important activity with social, cultural and environmental implications, involving large numbers of small and medium-sized enterprises. Its contribution to growth and employment varies widely from one region of the EU to another. Tourism cuts across many activities. Services to tourists include hotels and other accommodation, gastronomy, transport operators and a wide range of cultural and recreational facilities. In many regions geared to tourism, retail and other services sectors also benefit considerably from the additional demand generated by tourism.[5]

Based on the information from countries with available data, tourism's contribution to worldwide gross domestic product (GDP) is estimated at some 5%. Tourism's contribution to employment tends to be slightly higher and is estimated in the order of 6-7% of the overall number of jobs worldwide (directly and indirectly). For advanced, diversified economies, the contribution of tourism to GDP ranges from approximately 2% for countries where tourism is a comparatively small sector, to over 10% for countries where tourism is an important pillar of the economy. For small islands and developing countries, the weight of tourism can be even larger, accounting for up to 25% in some destinations.[6]

Causes of tourism crises can be traced to developments in the economic, political, socio-cultural and environmental domains which affect demand and supply in generating and destination countries. Economic downturn and recession, fluctuating exchange rates, loss of market confidence and withdrawal of investment funds can all create a tourism crisis. It can undermine demand and possibly result in crises for tourism industries in origin and destination countries if the slump is sufficiently intense or prolonged. Tourism and politics are also inter-connected: on the one hand, domestic and international political developments,

[5] Eurostat regional yearbook 2012.
[6] UNWTO Tourism Highlights, 2012 Edition.

particularly social and political events capable of triggering a range of crises and political instability, shape tourism flows and the environment in which the industry operates; on the other, tourism impacts on political structures and processes and it is a policy making area of outmost importance to governments which seek to fully exploit economic opportunities[7].

This paper brings further evidence that tourism is negatively affected by such factors as economic crisis, political turmoil and natural hazards and argues that the prompt measures to counter their effects is key to tourism's recovery.

2. The impact of economic crisis and political turmoil on tourism

In 2011, world tourism continued to rebound from the setbacks of 2008-2009, in a year marked by persistent economic turbulence, major political changes in the Middle East and North Africa, and the natural disaster in Japan. Worldwide, international tourist arrivals (i.e. overnight visitors) grew by 4.6% in 2011 to 983 million, up from 940 million in 2010 when arrivals increased by 6.4%.

The majority of destinations around the world that had not exceeded pre-crisis levels in 2010 did so in 2011. Contrary to the long-term trend, advanced economies (+4.3%), due largely to the strong results in Europe, and the setbacks in the Middle East and North Africa, Europe grew above expectations, despite continuing economic uncertainty, while arrivals in Asia and the Pacific increased at a slower pace over 2010, partly due to the temporary decline in the Japanese outbound market.

Popular uprisings in a number of countries in Africa and the Middle East during 2011 took a toll on tourism in both regions. Africa (+1%) recorded only a slight increase, due to the loss of visitors in North Africa, while the Middle East saw an 8% decline in arrivals[8].

International tourist arrivals in Africa increased only slightly (1%) in 2011, as gain of two million arrivals for Sub-Saharan destinations (+7%) was almost fully offset by the losses in North Africa (-9%). On balance, arrivals in the region increased by half a million, maintaining the total at 50 million. In North Africa, results were negatively affected by the political transition in Tunisia, which suffered a 31% drop in arrivals.

Tourism in the Middle East suffered a major setback as a result of the popular uprisings that took place in many of their destinations during 2011. The region that has been the fastest growing in the world over the past decade, lost an estimated 5 million international tourist arrivals in 2011 (-8%), totalling 55 million.

Most destinations in the Middle East suffered, directly or indirectly, from the impact of the social and political developments and changes in the region. Syria (-41%), Egypt (-32%), Lebanon (-24%), Palestine (-15%) and Jordan (-13%) saw significant drops in tourist arrivals.

The robust growth of international tourist arrivals in Southern and Mediterranean Europe (19% share of world tourism) was mostly driven by the larger destinations: Greece (+10%), Turkey (+9%), Portugal (+9%), Croatia (+9%), Spain (+8%) and Italy (+6%). Other smaller destinations recorded double-digit growth such as Cyprus (+10%). Although part of the growth in Southern Mediterranean Europe resulted from a shift in traffic away from the Middle East and North Africa, destinations in the Mediterranean also profited from improved outbound flows from markets such as Scandinavian countries, Germany and the Russian Federation.

[7] Soultana (Tania) Kapiki, The Impact of Economic Crisis on Tourism and Hospitality: results from a Study in Greece, Central European review of Economic and Finance, vol.1.No 2 (2011).
[8] UNWTO Tourism Highlights 2012 Edition.

a. The Case of Egypt

Tourism in Egypt was dealt a near-deadly blow as a result of the political instability following the early 2011 uprising.

Egypt's tourism industry, one of the biggest sources of foreign currency, suffered after the violent uprising that led to the ouster of President Hosni Mubarak. According to statistics released by the Central Agency for Public Mobilization and Statistics, the number of tourists visiting Egypt in 2010 reached 14.5 million, with revenues near $13 billion. In 2011, the number of visitors dropped to 10.2 million, down 32 per cent from 2010, and tourism revenues fell to $9 billion[9].

The figures show that the popular uprising was a blow for Egypt – home to ancient sites and pristine beach resorts – where tourism is a key money earner and source of foreign currency. The Central Agency for Public Mobilization and Statistics attributed the decline to the recent political turmoil in Egypt, i.e. the January 25th revolution, which left most police stations torched and brought the military on the streets, and led to the ousting of Mubarak in February 2011.

The summer is traditionally the high season for Arab tourism in Egypt, but in August 2011 just 130,000 tourists visited Egypt. Figures for August and June 2012 show a significant improvement in tourism. Together they show a growth of 11% over the same period in 2011.

Since the revolt, Egypt has struggled to revive tourism. In 2012, after a year that many tourism experts and workers considered to be very difficult, official data show that Egypt's tourism industry may be heading for recovery. A report issued on June 27th, 2012 by Egypt's Central Agency for Public Mobilization and Statistics showed that the numbers of tourists coming to Egypt rose to around 1 million in April 2012 as compared to 800,000 tourists in April 2011, marking an almost 31% increase. The report also stated that tourists stayed a total of 12.1 million nights in April 2012, compared to 6.7 million nights in April 2011, with the majority of the tourists coming from Western Europe, followed by tourists from Eastern Europe and Middle East.

Many workers and investors in the tourism sector have high hopes that conditions in tourism will improve even more after the recent presidential elections, and that the new president, Mohamed Morsi, will put tourism at the top of his economic recovery agenda. Indeed, in August 2012, Egyptian President Mohamed Morsi visited the Egyptian city of Luxor and publicly promised to ensure domestic security in an effort to prevent any further decline in tourism.[10]

b. The Case of Greece

The economic and financial crisis of 2008 severely affected the Greek economy. Its impact on Greek tourism figures was quite evident during the next two years (2009-2010)[11]: drop in contribution to GDP 2007-2010: 2%; drop in international tourism receipts 2007-2010: 18,06%; drop in average per capita expenditure 2007-2010: 11,5%; and drop in market share world-receipts 2007-2010: 0,4%.

Apart from an economic crisis, Greece is also undergoing a serious political crisis, as a significant part of the population points to a democratic deficit in the management of the crisis and is confronted with a worrying image of its own future.[12]

The unfortunate combination of economic and political factors took a heavy toll on Greek tourism. In the first six months of 2012 Greek hoteliers reported a serious decline in

[9] http://www.upi.com/Top_News/World-News/2012/04/13/Number-of-Egyptian-tourists-down-in-2012/UPI-99871334347061.

[10] http://egyptourism.wordpress.com/tag/capmas/.

[11] Association of Greek Tourism Enterprises, 2011.

[12] Lyrintzis, C. (2011), Greek Politics in the Era of Economic Crisis: Reassessing Causes and Effects. GreeSe Paper No 45, March 2011.

revenue. According to a study, which used data by local chambers of hotels from all over Greece, stays fell 25% in the first quarter of the year. The decline in winter resorts, which traditionally attract a large number of visitors, was about 20%. The largest decline was reported for the islands in the northern Aegean Sea (-50%) and in the Peloponnese (-40%).

A series of inter-related factors led to these results: the bad image of the country, the political instability and the uncertainty about whether it would remain within the euro area and the complete collapse of domestic tourism. A decline in the flow of foreign tourists was reported for the same period, reaching 8.1% throughout the country. Interestingly, if Athens were excluded, the percentage of tourists in the rest of the country would be positive. In fact, May in Athens is what August is for the islands. Numbers prove it too: With a general decline of 4.8 % throughout the country, the drop in Athens was 14.5% and reached 20% in May. Athens has gradually lost its value as a tourist destination due to the violent demonstrations, the decline of the city centre and the high crime rates. According to hoteliers, the largest decrease was recorded in the number of tourists from Germany, Holland and Scandinavian countries. According to them, small hotels that had traditionally worked with Greek tourists and those that are not close to airports with charter flights and therefore have no contracts with large foreign tour operators are likely to incur the biggest losses[13].

3. The impact of natural hazards on tourism

Asia and the Pacific recorded an increase of 13 million tourist arrivals in 2011 (+6%), reaching a total of 217 million. Growth slowed down compared to 2010 (+13%), largely due to the impact of the Tohoku earthquake and tsunami in Japan affecting both inbound tourism to and outbound tourism from the country.

Between January and August 2012 the number of international tourist hit a record 705 million worldwide, a growth of 4% compared to the same period in 2011, or 28 million more tourists. A total of 143 countries have reported data on international arrivals for the first 6 to 9 months of 2012: 118 (83%) have seen arrivals increase, of which 49 (34%) with double-digit figures, while 25 (17%) have reported a decline. Over 90 countries have reported data at least up to August 2012. Based on this sample of reporting destinations, international arrivals are estimated to have increased by 4% from January to August 2012 compared to the same period in 2011.

All world regions recorded growth in international arrivals except the Middle East (-1%). However, the Middle East continues to show signs of recovery, with particularly promising results in Egypt.[14]

The damages caused by the Great East Japan earthquake are illustrative for the impact of natural hazards on tourism. On March 11, 2011 an earthquake with the magnitude of 9.0 occurred in Pacific Ocean in the Tohoku area. Various places in Japan, mainly the coastline of the Pacific Ocean in the Tohoku area, were hit by a series of huge tsunamis and it caused unprecedented damages more serious than those caused by the Great Hanshin – Awaji earthquake. The Fukushima Daiichi and Daini nuclear power plants owned by Tokyo Electric Power Company (TEPCO) were damaged by the tsunamis so that the 20 km radius has been designated as an evacuation zone.[15]

The number of foreign visitors to Japan showed year-to-year rises up to February 2011, but it dropped sharply in March of that year when the Great East Japan earthquake occurred, down 49.7% from the same month the previous year. The difference is particularly noticeable when considering that the year-to-year comparison before the earthquake occurred

[13] http://www.grreporter.info/en/2012 will be year losses greek tourism/7186.
[14] UNWTO World Tourism Barometer, Vol.10, November 2012.
[15] White Paper on Tourism in Japan, 2011

(March 1 to 11, 2011) was 104% but dropped sharply to a year-to-year comparison of 27% after the earthquake occurred (March 12 to 31, 2011). The number of foreign visitors to Japan in 2011 was 6.22 million, a mere 72.2% of the number for 2010, which recorded an all-time high of 8.61 million. Notably, the number of foreign visitors for April 2011 immediately after the earthquake was 37.5% of the number for the same month the previous year, which was the largest ever decline on a monthly basis.

Tourism and travel have strong ripple effects on the Japanese economy. In the three prefectures in Tohoku (Iwate, Miyagi and Fukushima) which have particularly been affected by the Great East Japan earthquake, tourism has a strong influence on the local economy – the same as major industries in each prefecture. The recovery of tourism seems to contribute to the recovery and revitalization of the economy in the affected areas.

However, since May 2011 the year-to-year declines have gradually been smaller, and the number of foreign visitors to Japan can be said to be heading for recovery.

Looking at the year-to-year comparison of the number of Japanese guests by region, while it is evident that demand related with recovery and reconstruction arose in the Tohoku region, it is clear that the number of guests markedly declined in the Kanto region, which is geographically close to the disaster-affected areas, and in Hokkaido and Okinawa, where tourism rather than business accounts for much of the demand for lodgings, compared with the national average immediately after the earthquake. In contrast, it is evident that the decline in the number of guests was relatively small in the Kinki, Shikoku and Kyushu regions compared with the national average, and it is discernible that the effect that the Great East Japan earthquake had on the number of Japanese guests in all regions tended to be relatively less strong in western Japan.

Reaction of authorities to the Great East Japan earthquake was prompt. Apart from the existing disaster and safety net guarantees, the emergency guarantee for the recovery from the Great East Japan earthquake was established for small and medium sized businesses that have been affected by the earthquake directly and indirectly as well as those affected by the nuclear power plant accident and harmful rumours. In addition, the special loan for the recovery from the Great East Japan earthquake (partially interest free) that has expanded the limit of loan and the reduction of the rate of interest was established in addition to the existing loan system provided by Japan Finance Corporation.

Japanese tourism sector's response to the Great East Japan earthquake was particularly prompt in terms of dealing with travellers, lodging facilities and foreign visitors to Japan, restoration of disaster-affected areas, and improving the relevant legislation.

Apart from the previously existing aims of Japan's basic law on tourism, i.e. "the development of the nation's economy", "the promotion of international mutual understanding", "the stabilization and improvement of citizens' daily lives", the "reconstruction from an earthquake disaster" has been added as a major focus following the great East Japan earthquake.[16]

In April 2011, the Japan Tourism Agency joined forces with the tourism-and transport – related industries to implement the joint public-private "domestic travel campaign". The aim of "destination Tohoku" campaign was to stimulate the demand for tourism to the Tohoku region which suffered a slump after the earthquake.

In addition to this, there were numerous instances where harmful rumours have caused torment to a disaster-stricken area. Although it is difficult to stop rumours from starting, it is necessary to make the effort to minimize the harm caused by rumours. For a tourist to be able to travel with an easy mind, an essential requirement is to provide security guarantees in case of a disaster.

[16] White Paper on Tourism in Japan, 2012

Tourism promotion is primarily the task of generating sufficient appeal for visiting a place. Even while valuing enduring attractions rooted in the local culture, tradition, and nature, it is important to constantly create new enticements and advertise them without relying on existing tourism resources or past successful experiences. If Japan can manage to overcome the crisis of the Great East Japan earthquake, rediscover its traditional allure and mould it into a new tourism resource, a new horizon will likely open up for tourism not only in the Tohoku region but in the whole of Japan.

4. The development of tourism sector in the age of turbulence

The relative strength of tourism in a period of continued economic uncertainty and turbulence is further confirmed by the positive data on tourism earnings and expenditure. Globally, international tourism results have so far not been seriously affected by the economic volatility, with growth continuing above the average of 3,8% a year projected for the decade 2010-2020 according to UNWTO's long-term forecast *Tourism Towards 2030*[17].

Among the 10 international markets by expenditure on travel abroad, growth was significant in China, Russian Federation, United States, Canada, Germany, Australia as and Japan, where a 7% increase confirms the recovery of this important market.

In 2012, Western Europe reported a 4% increase in arrivals with solid growth in Germany, Austria and the Netherlands. Southern and Mediterranean Europe recorded a modest 1% increase, but on top of a very strong 2011, and partly due to the recovery of destinations in North Africa and Middle East. Results across its larger destinations were mixed: Spain (+4%), Croatia (+3%), Portugal (+3%) and Turkey (+2%) saw growth in arrivals, while Greece (-6%) and Italy (-2%) recorded a decline.

Northern Asia also recorded high growth (+7%) due to excellent arrival figures in Japan (1.7 million more tourists, or +41%, which is recovering from the 2011 Tohoku earthquake and is well on track to returning to the 8 million tourists).

In Africa (+6%), the recovery of Tunisia (+30%) has contributed to the good results of North Africa (+10%) while available information from countries in Sub-Saharan Africa (+4%) reflects a consolidation of growth seen in previous years.

Despite some very mixed performances, the Middle East (-1%) is recording improved results compared to 2011. Egypt is experiencing a major rebound (+20%) after last year's 32% decline, while the United Arab Emirates, Oman and Jordan all recorded approximately 10% growth. Lebanon (-15%) is still suffering from the conflict in neighbouring Syria, while Saudi Arabia reported a 21% decline in tourist arrivals following last year's bumper increase[18].

The Middle East (-8%) and North Africa (-9%) were the only (sub)regions to record a decline in arrivals, due to the Arab Spring and political transitions in the region in 2011.[19]

Despite occasional shocks, international tourist arrivals have shown virtually uninterrupted growth – from 277 million in 1980 to 528 million in 1995, and 996 million in 2011.

International tourist arrivals grew by 4% in 2012 surpassing a record 1 billion tourists globally for the first time in history. With an additional 39 million tourists, international arrivals reached 1,035 million, up from 996 million in 2011.

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[17] According to Tourism Towards 2030, UNWTO's recently updated, long-term outlook and assessment of future tourism trends, the number of international tourist arrivals, worldwide is expected to increase by 3.3% a year on average from 2010 to 2030. This represents some 43 million more international tourist arrivals every year, reaching a total of 1.8 billion arrivals by 2030.

[18] UNWTO World Tourism Barometer, Vol.10, November 2012

[19] UNWTO Tourism Highlights 2012 Edition

Despite on-going economic challenges, growth of international arrivals worldwide is expected to continue in 2013 at a similar to slightly slower pace (+3% to +4%) and in line with UNWTO's long-term forecast *Tourism Towards 2030* which projects an average growth of 3.8% per year between 2010 and 2020.

For 2013 growth is expected to continue but at a more moderate rate in the range of 2% to 4%. This growth is a very positive result in view of the global economic situation. A number of other major destinations reported double-digit growth in receipts, such as Japan (+48%), the Republic of Korea (+26%), India (+23%), Poland (+19%), Egypt (+13%) the Czech Republic (+13%), Taiwan (pr. of China) (+11%), Singapore (+10%) and Croatia (+10%).

Conclusions

The hospitality and tourism sector is experiencing numerous challenges as a result of the global economic crisis and its political consequences. The crisis has particularly strong impact and negative consequences in Greece. Nevertheless, tourism can be the driving force behind Greece's economic recovery.

Tourism is among the leading sectors in the Egyptian economy; it is a chief contributor to GDP growth, a major job provider and principal generator of foreign exchange earnings and public revenues and is high on president Morsi's economic agenda[20].

The hospitality and tourism sector is experiencing downturns also due to natural hazards. Although it is unrealistic and impossible to eliminate them, it is important to take adequate measures. The Great East Japan earthquake has caused the decrease in the number of tourists around the country mainly in eastern Japan because of direct and indirect negative effects. But the multifarious prompt measures taken by Japanese government to diminish them have contributed to the gradual recovery of the tourism sector.

All these case studies reflect the importance of the sector of tourism for the economy of countries with a huge potential in the area and the value of the measures taken to diminish the effects of the factors that negatively affects its development.

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Possibilities to develop rural tourism in the plain area

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Abstract

Tourism development along the years has had as „engine" the diversity of motivations of the potential tourists, the favourable factors and the existent offer.

Life in a polluted, stressful and crowded environment makes more and more people to turn their attention towards more relaxing, simpler and closer to nature tourist destinations.

Rural tourism is the type of tourism that falls into this new trend of going back in time and searching for simplicity.

Generally speaking, this type of tourism develops best in the hilly and mountain areas, being supported by the natural tourist resources. Even so, the plain areas can also support the development of rural tourism.

The Banat Plain can be unattractive at a first sight from this point of view, but by analysing its resources, especially the anthropic ones, we can speak of the possibility to develop tourism in the rural environment.

Keywords: rural tourism, plain area, development.

1. Introduction

Tourism is one of the economic activities belonging to the tertiary sector, which was not hugely influenced by the economic crises. According to the statistics at global level, tourism has actually known an on-going increase.

An evolution of the number of international tourist arrivals confirms it (table 1).

Table 1. Number of international tourist arrivals

Year	Number of international tourist arrivals (millions)
1995	564
2000	673
2005	799
2008	913
2010	939
2011	996
2012	1,035 billion

Sources: WTO - International tourist arrivals by sub region - May 2012 and UNWTO World Tourism Barometer, International Tourism in 2012 PR NO 13006, Madrid 28.01.2013

The factors that influence tourism development are economic, social, technical, demographic, psychological, educational and civilization-bound, political and organizational. They can exert a permanent influence (people's purchasing power, population migration, free time increase, political stability) or a conjuncture one (economic crises, political unbalances, social convulsions, natural disasters, weather conditions). The results of the above mentioned factors can be positive or negative.

The motivations of the potential tourists are personal, subjective and determined by stimuli that take into consideration the psychological character of each person and the environment they live in.

The majority of tourists prefers the leisure tourism and that is because of the urban environment which has become more polluted, stressful and has negative effects on the human body.

2. Rural tourism

Rural tourism appears as a response to the daily hustle in the large urban agglomerations and to their inhabitants' wish to spend their free time in quiet areas and still benefit from tourist services.

The rural tourism is that form of tourism that occurs in the rural environment and offers tourists accommodation, food and leisure services.

The World Tourism Organization considers rural tourism „a form of tourism which includes all tourist activity organized and carried on in the rural space by the local population, valorising the local tourist resources (natural, cultural-historical, human), as well as the tourist structures including pensions and agro tourist farms."

The accommodation units in the rural areas are tourist pensions, villas, motels, camping sites, school camps, artistic creation, ecological and vacation camps.

The highlights of rural tourism are the environment and the local communities. The main elements of the rural tourism are the hospitality of the local population and the respect of the tourists for the rural environment.

By developing this form of tourism it is intended to maintain rurality through the valorisation of the rural space, the attraction and involvement of the inhabitants, the support of handicrafts, the activities and traditions of the place, the respect for the entire cultural and natural heritage.

The advantages of rural tourism are:

- the support for the development of the local community;
- it hinders the depopulation of villages;
- it is an additional activity for agriculture.
- Rural areas are defined by:
- a low density of population and the particularities of households;
- the use of land and the rate between agriculture and forestry;
- the social traditional and heritage organization pattern.

Villages are the territory units targeted by rural tourism, human settlements less urbanistically developed, whose population mainly cultivates the land.

Generally, the rural tourism presents the following forms:

- agro tourism – accommodation is provided by agro tourist pensions or additional rooms in the peasant household, traditional cooked food is provided from products obtained in the household, as well as participation to traditional celebrations, the involvement of tourists in agricultural practices, visiting the surroundings and presenting folk crafts;
- cultural – studying the artistic and cultural heritage;
- rest and leisure – landscape contemplation;
- curative – supported by favourable climate conditions, thermo-mineral waters and folk natural remedies;
- sportive – like: hunting and fishing, biking, equitation;
- wine – organization of visits in the wine areas and wine tasting;

- religious – visiting or organizing pilgrimages at religious places.

Their multitude highlights the fact that the rural environment offers a wide range of tourist resources.

Those who can practice rural tourism are children, young people, adults, elders, people with low income or high income, all having different motivations, like:

- knowing life in the rural environment, occupations, traditions, crafts, culture, art;
- getting closer to nature;
- reliving childhood;
- practising sports;
- the possibility to eat fresh fruit and vegetables.

The rural space in Romania occupies about 90% of the country's area, and the percentage of inhabitants in the rural area, according to the 2011 census, is 47,2% of the total population.

Today there are areas in the rural environment where the culture, customs, traditions, crafts and gastronomy are still preserved. This makes the development of rural tourism in Romania possible.

A classification of villages that fall under the category of tourist potential would be:

- ethno-folklore;
- pastoral;
- of craft and artistic creation;
- wine;
- fishing and hunting;
- climate and landscape;
- for practising sports.

We can talk about rural tourism, unorganized or monitored, ever since a part of the urban population used to spend their vacations in the natal villages and where they still had relatives.

Order 297 of the Tourism Ministry from 1972 represents the first regulation that acknowledged and supported the development of rural tourism in Romania.

The National Association for Rural, Economic and Cultural Tourism (ANTREC) was established in 1994 and has as purpose the organization, development and promotion of rural tourism and the tourist potential in the Romanian villages. Through its intense activity, this association is known nationally and internationally.

Other organizations that were involved in this field are the Romania Federation for Rural and Mountain Development (FRDMR) and the Village Tourist Association (ATS).

For the attraction of tourists in an area it is needed:

- natural tourist resources;
- anthropic tourist resources;
- organizational resources (festivals, celebrations, fairs);
- specific finances;
- general infrastructure.

People prefer the closeness to nature, relaxation, which is why the natural resources have an important role in rural tourism. Another argument regarding the importance of the natural resources is the desire to practice sports like golf, equitation, hunting and fishing, extreme sports, winter sports, biking.

The most appreciated natural resources are found in mountain and hilly areas. We see here incredible landscapes, caves, abysses, steep rocks, peaks, specific vegetation, rich fauna, a varied hydrographic network, a climate that allows the practice of sports.

The anthropic tourist resources that attract tourists in the rural environment are historic vestiges (castles, fortresses, and archaeological sites), religious settlements (churches, cloisters, and monasteries), cultural heritage (museums, memorial houses, exhibitions, crafts, customs, traditions, local gastronomy, folk costumes, folklore).

Some tourists are attracted to this environment by the annual celebrations or fairs.

The period when the rural tourism can be practiced varies according to area, either twice a season or continuous. Tourists can practice this form of tourism during the weekends or their vacations.

The rural tourism in the plain area is not considered as attractive as the one in the mountain area, but it can be a solution for the busy population in the cities close to the villages it develops around.

Here, where the natural resources are not the most attractive, the anthropic resources, organizational resources and leisure are the ones to attract tourists.

Only the wine tourism cannot be developed in the plain area, since the vine needs a higher, hilly relief.

2. Rural tourism in the plain area of the Timiş county, Romania

The Timiş County is one of Romania's counties situated at its western extremity (between the coordinates 20° 16' and 22° 33' latitude east and 45° 11' latitude north) and stretches over an area of 8.697 km^2. About one third of the length of its limits is state borders (Hungary and Serbia), while the rest sets the limit from Arad County in the north, Hunedoara County in the east and Caraş-Severin County in the south.

The relief of this county is varied, formed of plain (50% of the county's area), hills and mountains.

The plain of the county, known as the Banat Plain, is part of the West Plain and has an average altitude between 100 and 110 m.

The big area that the plain takes up in this county has determined a not very intense development of tourism.

Rural tourism in the Banat Plain area is at its beginning, thus we have:

- **for children, pupils – the camp in Chevereşu Mare;**
- **agritourism** in Şandra – Schwabenhaus, the agrotourist pension classified category 4 daisies, takes you to the universe of the Schwabs households in the county in terms of furniture and cuisine;
- **cultural** – in the plain area, in the rural environment there are: castles and mansions (Banloc, Carani, Clopodia – Jamu Mare), memorial houses (Nikolaus Lenau in Lenauheim), exhibitions (Nichita Stănescu in Teremia Mare);
- **rest and leisure** – the thermal pool in Sânmihaiu German, the beaches on the banks of the Timiş in Şag and Albina, Bazoşul Nou (dendrologic park), Satchinez (the Marshes in Satchinez);
- **sportive – equestrian** in Izvin, Pădureni; Herneacova; - **fishing** in Pişchia, Dumbrăviţa, Ianova, Sacoşu Turcesc; - **hunting** in Pişchia, Herneacova, Chevereşu Mare; - **other sports**: swimming, tennis, sand volleyball, fitness in Dudeştii Noi, paintball in the area between Remetea Mare and Bazoşul Nou;
- **religious** – the Romanian Orthodox Monasteries in Şag, Cebza, Cenad and the Serbian Orthodox Monastery in Birda.

All these locations are quite close to Timişoara, but unfortunately, not all of them offer accommodation and food services.

Table 2. Accommodation units

Village	Distance to Timişoara (km)	Accommodation units
Albina	13	
Banloc	52	
Bazoşul Nou	15	Hotel Stejarul, 4 stars
Birda	48	
Carani	13	
Cebza	33	
Cenad	73	Pension Anka, 4 stars
Chevereşu Mare	25	Camp for pupils
Clopodia – Jamu Mare	79	
Dudeştii Noi	17	Pension RaFa, 3 daisies
Herneacova	23	
Izvin	23	Hotel Roco, 4 stars
Lenauheim	47	
Pădureni	23	
Remetea Mare	13	Pension Zetas, 3 stars
Satchinez	33	
Sânmihaiu German	20	
Şag	14	Pension Bye Bye, 3 stars; Pension Monte Carlo, 2 stars; Motel Şag, 2 stele
Şandra	35	Agrotouristic boarding house Schwabenhaus, 4 daisies
Teremia Mare	71	

The village of Cenad offers tourists 18 accommodation places in the Anka boarding house. There is also a restaurant, a pool, a garden and a fish pond. The school camp in Chevereşu Mare has a capacity of 53 places.

In Dudeştii Noi there is RaFa pension which has 8 accommodation places, sports field, fitness room, swimming pool, sand volleyball field, pond for fishing.

Close to the stud farm in Izvin there is the hotel and restaurant Roco that can host tourists in its 10 rooms (22 places).

The hotel and restaurant Stejarul in Bazoşul Nou has 20 rooms for tourists (26 places). Jacuzzi, dry and wet sauna, the possibility to take walks in the park-reservation and game cuisine.

The pension Zetas is between Remetea Mare and Bazoşul Nou, offers 34 accommodation places and offers the possibility to relax (hydro-bicycling, paintball, fishing in the pond or in the waters of the Bega Canal).

In the Şag village, the motel is closed at present, and the boarding houses Bye Bye and Monte Carlo have 26 and 27 available accommodation places.

An agrotouristic boarding house, with 28 places is Schwabenhaus in Şandra, which has a restaurant, a wine cellar, a terrace and a garden, all designed with respect to the rustic Swabian style.

Conclusions

Rural tourism can meet the needs of the tourists attracted by the quiet life and the non-polluted environment.

Generally, this type of tourism is best for mountain areas, where technology and mechanization have not invaded the households, and the traditions and crafts are still preserved.

The plain areas must not be eliminated from the development policies of rural tourism, since there are also tourist resources capable of attracting tourists.

Steps towards the development of rural tourism have been taken in the Timiş County as well, even though there are drawbacks, but also many resources that could be exploited.

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Blogs – an instrument of the social media and its Google indexation in view of improving the quality of Romanian tourism services

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Abstract

A blog represents an updated and modernized form of the classical diary. It is an open space, a news bulletin that can be a means to express personal thoughts; it is a personal tribune to which the whole world can become a spectator.[21]

Ever since the first blogs, these have remodelled the present face of the Internet, they have had a major impact in the field of tourism. They have exchanged concepts and have offered a voice to the users' thoughts and the possibility to communicate with one another. It is by far the means of communication that can be least suspected of subjectivism, of the presence of mystifying influences. The attributes of a blog can be resumed to one word: communication.

Keywords: blog, social media, RSS (Really Simple Syndication), online aggregator, ecotourism, Romania

1. Introduction

A blog can be anything that is wanted of it. There are various types of blogs, and what makes them so captivating is precisely the freedom that they offer and the absence of rules.[22]

In a nutshell, a blog is a website where various thoughts of the possessor are posted regularly; news is shown at the top of the page. Visitors can leave comments, links, or they can send their views. The owner decides if (s)he grants the right to replies or not.

Some people use the blog as a means to organize their most intimate thoughts, while others approach topics of general interest that influence the lives of thousands of people. In short, a blog is the ideal promotion instrument for any product or service.

2. Distinctive characteristics of Blogs

Unlike a website, a blog allows the addition of articles, pictures, videos, even though the changes are made from a different computer. Comments, photographs and video images can be sent through the intermediary of a mobile phone, and they will appear on the blog

[21]Sion, B., Mihălcescu, C., Mărginean, A., (2011), *The Utility of Online Business Models from the Romanian Ecotourism in the Context of Present- Day Crisis*, Ovidius University Annals, Economic Sciences Series;
[22] Nardi, B., Schiano, D., Gumbrecht, M., Swartz, L., (2004), *Why We Blog*, Communications of the ACM, vol.47, no.12;

almost instantly. Similarly, messages can be sent via electronic post, just like a simple letter[23].

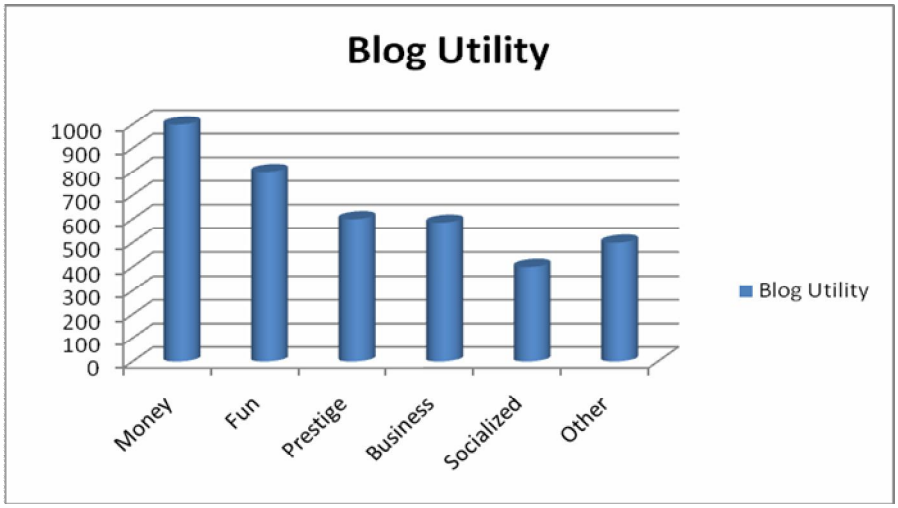

Figure 1. The utility of a blog

Source: original, based on the data supplied with the help of search engines

The utility of a blog[24]:

1. Making new friends or finding business associates from all over the world;
2. Maintaining contact with the family or business associates during travels or holidays;
3. Exchanging experience;
4. The promotion of private enterprises;
5. Making business partnerships;
6. Maintaining contact with customers;
7. Finding people with the same objectives and sharing experience.

Blogs can be private, the information being accessed only by friends, or they can be public blogs, where information can be visualized by anybody.

For a successful blog, it is necessary:

1. that every user should write what (s)he thinks without copying other people's opinions;
2. to build a platform blog, which is simple and easy to use;
3. to state from the beginning the purpose for which the respective blog has been created;
4. to permanently renew the information;
5. to allow comments to be placed on the blog, on condition that they do not become a "Spam";
6. to post the blog topic, and the conversations to be pleasant;
7. to be well-structured in order to be read easily;
8. to use FeedBurner to create RSS **(Really Simple Syndication)**;
9. to answer the readers' questions;
10. for the visitors to subscribe to news through RSS or e-mail;
11. for the visitors to add to Favorites the post that they find interesting;
12. to make blog statistics and to reach an adequate Conclusions;

[23] Scott, D., (2007), *The New Rules of Marketing: How to Use News Releases, Blogs, Podcasting, Viral Marketing, & Online Media to Reach Buyers Directly*, John Wiley & Sons, Inc. New York

[24] Kolari P., Finin T., Lyons K. and more, (2007), *On the Structure, Properties and Utility of Internal Corporate Blogs,* ICWSM

13. to approach modern topics, modifying them according to the visitors' requests;
14. contact data should be visible.

RSS (Really Simple Syndication) is a structured unit of electronic distribution of information online or inside Intranet networks. The RSS unit is used to provide more easily various news titles published online, guided by short descriptions and links to the right pages on the website. Most websites offer news and articles via the RSS unit.

In order to read the news supplied in RSS units, a special program called "RSS Reader" or "News Aggregator" is necessary, which has to be installed separately on the computer. There are multiple programs to read the RSS unit, a lot of which are offered for free and can be downloaded from the Internet.

The list of programs with the help of which the RSS units can be read are:

1. *Google Reader* is the most used program and the easiest one. The website interface resembles that of Gmail or Google e-mail services. Google Reader works like the e-mail, and the new feeds will appear under the form of messages that have not been read. Feeds are organized into categories, for instance "News", "Blogs", or "Photos". The possibilities are endless. It has the advantage of being used in any corner of the world, and access is granted based on the username and the password.

2. *Bloglines* is a little more complicated, but it remains, after Google Reader, the most usable from the aggregators available online. In order to use the program, a subscription is necessary, which can be easily made, using the feed address or just the website URL. Bloglines is available to the user in a few international languages, but not in Romanian.

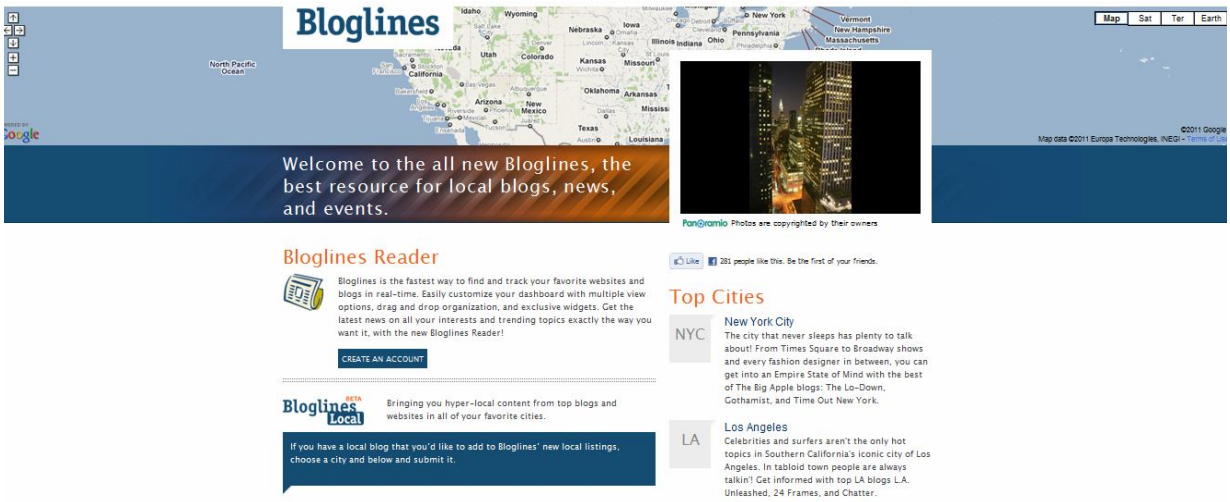

Figure 2. Bloglines - online aggregator

Source: www.bloglines.com

3. *Netvibes* is a website that can be personalized just like Google or Yahoo, so that the first page should contain only the desired information. It is quite difficult to use, and it is recommendable only to those who are patient enough to personalize the first page and less to inexperienced users who may prefer a more user-friendly program.

4. *Page flakes* resembles Netvibes a lot, although it is not a simple RSS aggregator; it is quite complicated to use, and for the people who want an RSS Page flakes feed it is enough to choose reading the news with the help of Google or Yahoo.

Romanian ecotourism blogs are few, in comparison with other countries or topics. The first result on Google Blog, in case the search is ecotourism, is a blog with 56 active users who post various information that they have from their own experience.

Other blogs have fewer active people who post various information or comments brought to what other users post.

Out of the number of users who own a computer that has a connection to the Internet, the ratio between those who are active on ecotourism blogs and those who are inactive is almost null. In Romania, the number of blog users is fairly small, as those who read this kind of blogs belong to the age average between 30 and 50 years old and have higher education.

To maximize efficiency in the contribution that a blog brings, there are value indicators for its actual value.

For each blog we can calculate its value with the help of performance indicators. Two values need to be calculated:[25]

- the indicator (it is a qualitative indicator of websites in Romania);
- the value (it is a composite market value for the actual website, before the business audit).

The indicator is calculated as a weighted mean between several variables:

a. the website results in the context of search engines (Google, Yahoo, etc.)
b. use of SEO-friendly tags (Meta, H1)
c. use of web measurement systems results (Trafic.ro, SATI, Analytics)
d. presence in well-known aggregators (Dmoz, Archive.org)
e. the existence of web tools that the website uses (RSS, Newsletter)
f. accessibility (W3C site&css, loading time)
g. a subjective grade given by the specialists of Indikator.ro

The indicator is a proportional value that will suffer modifications in time. Its value applies to all monitored websites. Updates are either monthly, or upon the user's request (in maximum 7 days). New features will be added to the calculated value, so that the indicator should take into consideration all the web tools available.

The principles of the Indicator are:

1. the value added by traffic must be maximum 50% of the indicator
2. the value added from the search engine indicator must be of maximum 50%
3. the Google value must be bigger than the Yahoo value, as Google is more important
4. the Yahoo value must be up to 2/3 as importance on Google
5. the aggregator value must be maximum 20% of the grade
6. the Annex listing must be maximum 20% from the indicator

The actual value of an online business (whose main component is its website, which serves this business) comprises[26]:

a. gross value
b. interactive or User-Added value
c. financial value
d. the opportunity costs for taking over the business (formed by the cost of speculation + the cost of waiver)
e. additional audit value (assets + other movements of capital)

Therefore, *the actual value of an online business*[27] = a+b+c+d+e

basic value = a+b+c

relative value =d+e

publicity potential value =a+b

We can determine:

[25] http://www.blogcalculator.com/
[26] http://www.climaxbusiness.com.au/free-business-valuation-calculator.htm
[27] http://www.calculatorweb.com/calculators/busvalcalc.shtml

a. *Gross value*: as an indicator based on traffic and optimization performances for search engines.

b. *Interactive or User-Added value*: as a performance indicator of the website users' existence and activity

c. *Financial value*: the business owner can fill in the fields through which (s)he can declare the financial value as well, as it is his/her choice to make the data public or not.

The last two values are negotiated and audited in a financial audit.

d. *The opportunity cost:* of taking over the business (formed by the cost of speculation + the cost of waiver)

e. *The additional audit value* (assets + other movements of capital)

In figures 3, 4 and 5 we have the methods to calculate the indicator and the website value. This website assessment is very important and can be made through a fairly simplistic calculation. As a result of such a calculation we can find out if a website is valuable or not. In case it is not, we can see the reasons why this is so, with the help of the calculated indicators; thus, some problems can be solved without wasting too much time and resources. In Romania there are a lot of websites that do not have value, meaning that they do not bring any useful information on our market. Hence, we may say that the population is misinformed, or that it comes in contact with information that is no longer updated because of the website owners' disinterestedness to update information or to post truly valuable information on forums and blogs. Therefore, reading certain forums or blogs is a waste of time. The choice of those that are valuable is left to the readers.

In figure 3, we may notice how the assessment of a website is performed. The first assessment criterion is given by the website result in the context of search engines (the position it occupies within a search engine – for instance, Google and Yahoo). Its ranking on the first pages is very important; the higher this position is, the greater the visitor traffic, which leads to a good functioning of the website and, implicitly, of the business promoted by the respective website.

Another criterion to measure traffic on a website is using the web measurements that specialized traffic measurement websites perform. Traffic can be analysed according to the number of unique visitors, the number of page views and the listing within an aggregation through which both the monitored value and the aggregate value can be seen.

4								
5	**Evaluare valoare site**	**valoare**	**pondere**	**indice**	**explicatii**	**Indikator Total**	0	pondere
6						**Valoarea Search Engines**	0	#DIV/0!
7	***a. Rezultatele sitului in cadrul motoarelor de cautare (Google, Yahoo)***					**Valoarea SEO**	0	#DIV/0!
8	Google Indexed		0.0001	0		**Valoarea MONITORIZARE**	0	#DIV/0!
9	Google Backlinks		0.01	0		**Valoarea AGREGARE**	0	#DIV/0!
10	Google PR		1	0		**Valoarea TOOLS+**	0	#DIV/0!
11	Yahoo Indexed		0.0005	0		**Valoarea Acces**	0	#DIV/0!
12	Yahoo Backlinks		0.0005	0		**Valoarea Indikata**	0	#DIV/0!
13	**Valoarea Search Engines**	0						#DIV/0!
14								
15	***b. Utilizarea instrumentelor de SEO (Meta, H1)***							
16	Pozitia "1" Google		1	0				
17	Pozitia "2-10" Google		0.2	0				
18	Pozitia "1" Yahoo		1	0				
19	Pozitia "2-10" Yahoo		0.2	0				
20	H1	0	0.1	0	1 inseamna ca "da, are"			
21	H2	0	0.1	0				
22	URL Rewrite	0	0.1	0				
23	Meta Description	0	0.1	0				
24	**Valoarea SEO**	0						
25								
26	***c. Folosirea si rezultatele sistemelor de masurare web (Alexa, Trafic.ro, SATI, Analytics)***							
27	Sisteme declarate oficial		1	0				
28	Alexa Rank		200000	0				
29	Trafic.ro (vizitatori unici)		0.0001	0				
30	Trafic.ro (afisari)		0.0001	0				
31	Trafic.ro (record vizitatori)		0.0001	0				
32	SATI (vizitatori unici)		0.0001	0				
33	SATI (afisari)		0.0001	0				
34	Analytics (vizitatori unici)		0.0001	0				
35	Analytics (afisari)		0.0001	0				
36	**Valoarea MONITORIZARE**	0						
37								
38	***d. Listarea in cadrul unor agregatori mari (Dmoz, Archive.org)***							
39	DMOZ	0	10	0	1 inseamna ca "da, are"			
40	Archive ORG		0.02	0				
41	**Valoarea AGREGARE**	0						
42								
43	***e. Existenta unor tool-uri web pe care situl le foloseste (RSS, Newsletter)***							
44	RSS	0	2	0	1 inseamna ca "da, are"			
45	Newsletter	0	2	0				

Figure 3: Website value assessment
Source: website.informer.com/indikator.ro

In figure 5 an example of a calculation of the website value according to the criteria mentioned in figure 4 is provided. Calculating the value of a website is not an easy task; the calculation is made according to various criteria that are presented explicitly in the following figure.

a. Rezultatele sitului in cadrul motoarelor de cautare (Google, Yahoo)				
Google Indexed	1550000	0.00005	77.5	
Google Backlinks	1400	0.001	1.4	
Google PR	6	1	6	
Yahoo Indexed	736795	0.00003	22.1	
Yahoo Backlinks	643	0.001	0.643	
Valoarea Search Engines	**111.65**			
b. Utilizarea instrumentelor de SEO (Meta, H1)				
Pozitia "1" Google		1	0	
Pozitia "2-10" Google	20	0.2	4	
Pozitia "1" Yahoo	0	1	0	
Pozitia "2-10" Yahoo	0	0.2	0	
H1	1	0.1	0.1	1 inseamna ca "da, are"
H2	1	0.1	0.1	
URL Rewrite	1	0.1	0.1	
Meta Description	1	0.1	0.1	
Valoarea SEO	**4.4**			
c. Folosirea si rezultatele sistemelor de masurare web (Alexa, Trafic.ro, SATI, Analytics)				
Sisteme declarate oficial	2	1	2	
Alexa Rank	7672	200000	26.07	
Trafic.ro (vizitatori unici)	2751619	0.00001	9.08	
Trafic.ro (afisari)	16777215	0.00001	55.36	
Trafic.ro (record vizitatori)	138139	0.00001	0.456	
SATI (vizitatori unici)	1011802	0.00001	3.339	
SATI (afisari)	16777215	0.00001	55.36	
Analytics (vizitatori unici)	0	0.00001	0	
Analytics (afisari)	0	0.00001	0	
Valoarea MONITORIZARE	**151.6736**			
d. Listarea in cadrul unor agregatori mari (Dmoz, Archive.org)				
DMOZ	5	5	25	1 inseamna ca "da, are"
Archive ORG	751	0.01	7.51	
Valoarea AGREGARE	**32.51**			
e. Existenta unor tool-uri web pe care situl le foloseste (RSS, Newsletter)				
RSS	1	2	2	1 inseamna ca "da, are"
Newsletter	1	2	2	
Blog	0	2	0	
Twitter	0	2	0	
Valoarea TOOL $+	**4**			
f. Accesibilitatea (W3C site&css, Timp incarcare,)				
Error W3C	0	-0.1	0	
Timp incarcare	0	1	0	se vor stabili valori pe palliere
Valoarea Acces	**0**			
g. O nota subiectiva acordata de specialistii Indikator.ro				
Aspect General	10	0.1	1	
Apreciere Generala	10	0.1	1	

Figure 4. Website value assessment

Source: website.informer.com/indikator.ro

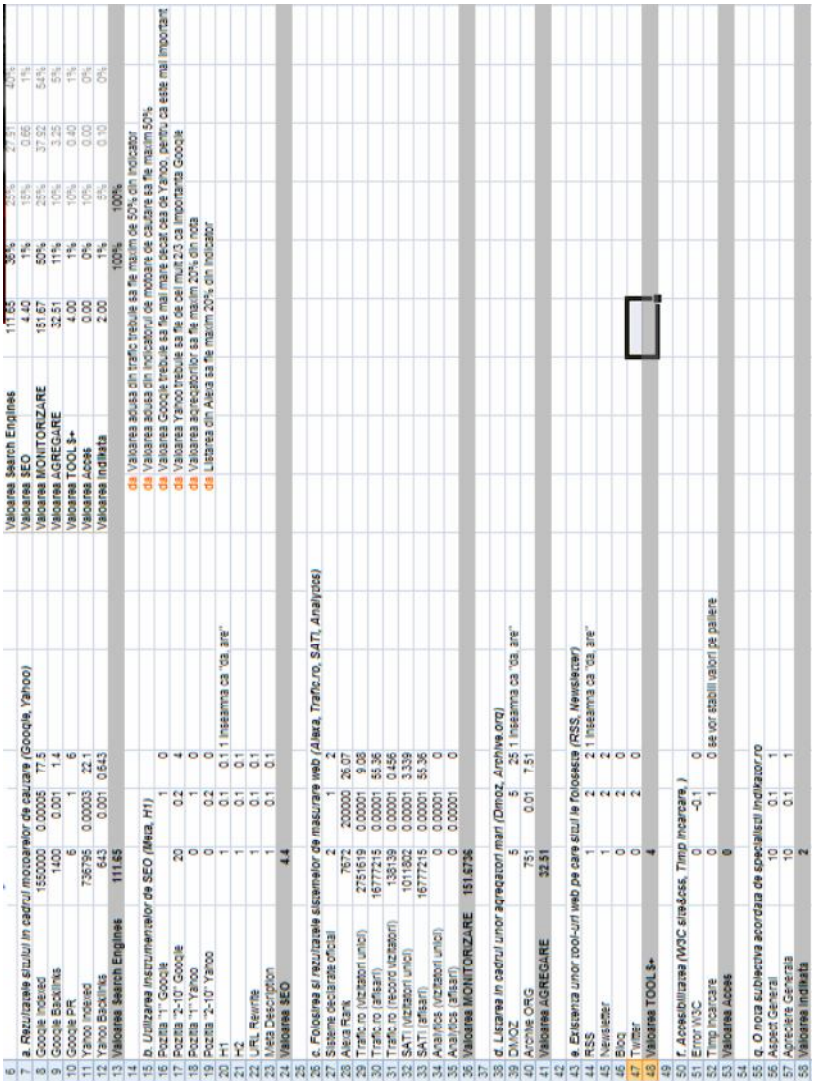

Figure 5. Website value assessment
Source: website.informer.com/indikator.ro

In figure 5 the result of a website analysis is given, along with the proposals for future tasks for the website owner in order to achieve a better ranking on the search engine pages, to the aim of greater traffic and, implicitly, of a business that brings higher profit than the one brought previous to solving weaknesses. In case the suggested steps are not taken, the assessment is made to no effect and the effort to calculate these performance indicators is not justified.

In figure 3.7, drawn based on annex 5, the value of some agrotourism and ecotourism websites is calculated according to the criteria mentioned in figures 3, 4 and 5.

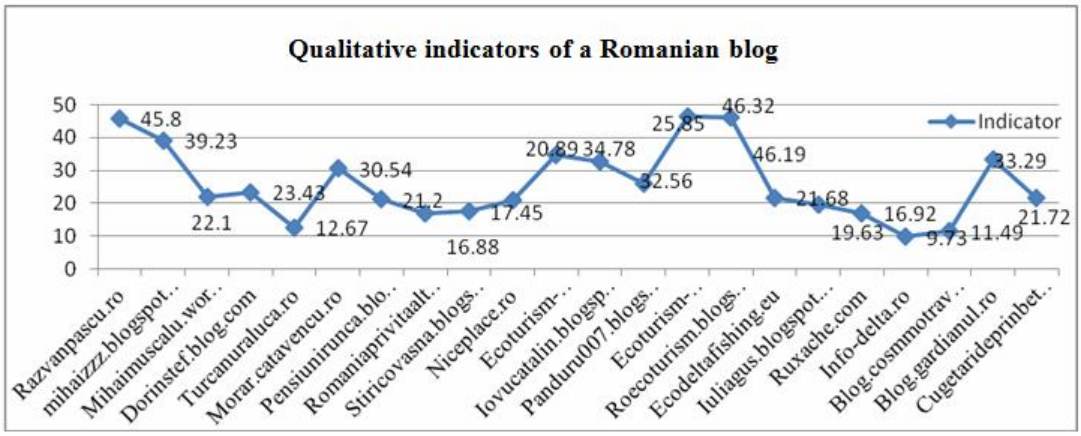

Figure 6. Qualitative indicators of a Romanian blog

Source: original, based on the data gathered with the help of search engines

From figure 6 we may infer a variation in the quality of specialized agro tourism and ecotourism blogs, but we cannot predict the trend in the next period of time. What is certain is that blogs have greater traffic and that they can be trusted more than specialized agro tourism and ecotourism blogs, which means that Internet users do not trust what is posted on specialized websites and want to get informed from those people who have had the respective experiences and are thus objective.

3. Blog optimization to the purpose of Google indexation

Every blog has to be set to stand more chances of being Google indexed and to stay that way. In order to be recognized and make an appearance in the Google list, a blog must have a number of characteristics:

1. Blog location: a blog should not be placed on the server of an unknown individual. If there is a blogger, it can be changed from the BlogSpot version for free, in order to have the blog files on one's own server.
2. Links from the blog template
3. Update frequency
4. Right key words for a blog
5. Key word placement on the blog

The ideal place for the main key words is in the title, description, links or blogs.

6. Post length in the blog: posts are paragraphs, sentences are spam e-mails. Posts have to be at least two paragraphs long. If they are short they do not count on the page, so there are no reasons to index the page, except for the case when it is the only page available for this term. The only time when posts shorter than two paragraphs are acceptable and will continue to remain useful is when links are created from them to something else.

7. Archive frequency

Figure 7 is a graphic in which calculations were made to estimate the value of ecotourism and agro tourism websites. Given the great number of assessed websites, to the purpose of greater relevance, two graphics were made, which can be interpreted more easily.

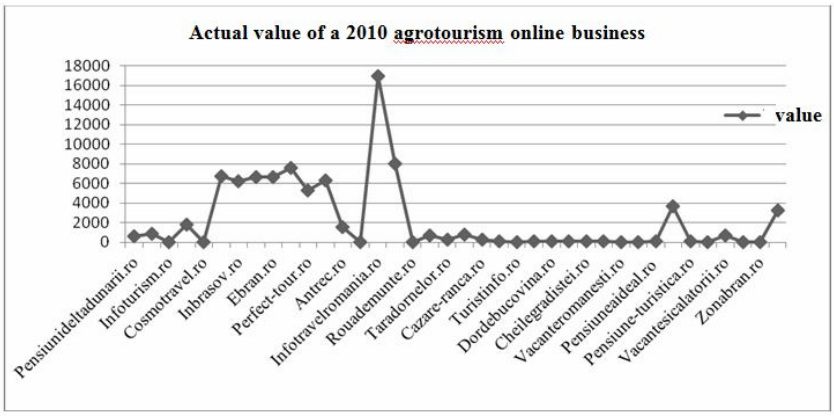

Figure 7. Actual value of a 2010 agro-tourism online business
Source: original, based on the data from Google collection data

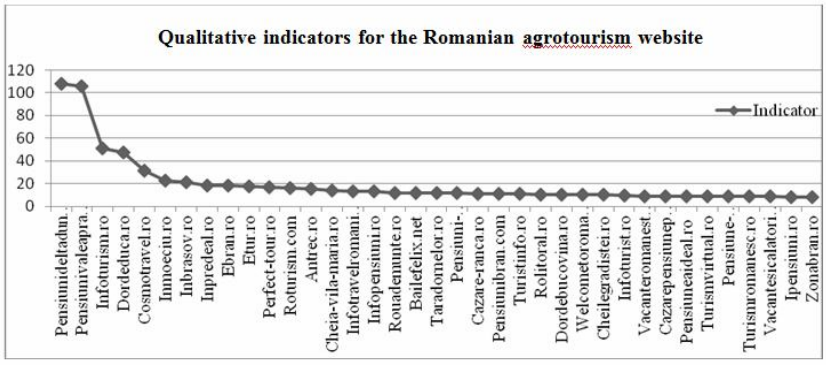

Figure 8. Qualitative indicators for the Romanian agro tourism website
Source: original, based on the data from Google collection data

As a result of the qualitative assessment of Romanian specialized agro tourism websites, from the perspective of the actual value of a business, we may draw the Conclusions that some websites are really performant and raise to European standards, while others resist on the online market with difficulty. Also, the most numerous are the websites that will have to adapt to market requirements; if they do not, they will be eliminated naturally from the online market.

Conclusions

As far as website comparison from the perspective of the performance indicator is concerned, we conclude that most websites in Romania are not performant. They are not well-structured, have neither adequate content nor value that would bring them on the first pages of search engines, are not advertised for on socialization websites.

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The prediction model of the human resources in a tourism organization

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Abstract

This article presents a methodological model of the human resources planning. The model was adapted from the management literature, to a tourism organization. We presented to the readers the conceptual framework and then imagine a scenario in a travel agency. This human resources planning process is considered in organizational practice, the development premise for the human resources management.

Keywords: planning, strategy, human resources, tourism.

1. Strategic planning of human resources, key process for the organizations

According to Căprărescu, the strategic planning of human resources is the assembly of processes that ensure the organization's need of staff by types of skills in accordance with the size, complexity and evolution of objectives (Căprărescu, 2008).

Importance:

- continuity of the organization's activities, in medium and long term;
- the number, quality and structure of the human capital available and / or that will be available for the organization;
- match between the skills required to achieve strategic objectives and those held by human resources;
- provide competent employees in key positions;
- the cost required for recruiting, training and stabilizing personnel;
- provide real information on current situation, but especially on the staff perspective;
- identifying and solving problems before they occur.

Stages of the strategic planning of human resources: the process of the strategic planning of human resources requires the completion of some steps that lead to the determination of the number and structure of the personnel necessary to achieve strategic objectives (Caprarescu, 2008). Also, we consider human resource planning as a part of risk management - process of drafting and adopting the necessary decisions to minimize the adverse effects of accidental losses in an organization (Ionescu, 2012).

2. Stages of the strategic planning of human resources

Human resources diagnosis:

- personnel registration by number and classification based on: age, sex, length of service on a certain position and in a certain company, nationality
- a staff stability index calculation: shows the tendency of senior staff to remain in the organization; percentage is calculated by dividing the number of employees with a length of at least one year at the time of analysis, by the number of employees working in the unit a year ago:

Isp = Number of employees with at least 1 year experience in unit / Number of existing employees a year ago x 100

- the indexes of delay and absentesim on staff categories, departments and the entire organization.

Iîp = Number of hours late in the period under review / (1848 hours / person x number of employees) x 100

Iab = Number of days absent during the entire period / Number of working days in the period x 100

Number of working days in the period = 231 days / year X number of employees

- the calculation of the index of staff fluctuation for a set period (1-3 years), both in the organization and departments

Ifp = Number of departures during the period / Average personnel for the period x100

The use of information resulting from the evaluation skills of different categories of employees, which allows the classification of employees by competency assessment criteria used in the evaluation interviews by managers

Development of the human resources forecast: aims to provide information on general trends in the industry in perspective for over 10 years

Forecasting human resources: focuses on policy development and partial human resources strategy

Human resources policy establishes guidelines and major criteria underlying the directions of the organization in providing and managing the personnel

The human resource strategy, as a functional strategy, takes over the global strategy that is used by the organization and transpose it into the optional objectives, resources and personal limits. In accordance with the type and content of the global strategy, is expected: The need for staff, Personnel structure based on occupational standards, by age and skill level, The ratio between performers and managers, Personnel offer, The gap between 'need of staff' and 'demand forecast', The financial resources that are necessary to attract, train and develop the staff

Development of annual human resources plans: determines the necessary staff based on skills and areas of activity:

• the number of personnel in technical categories - production, management, administration, operation, security and fire;

• operational staff - is determined by the type of activity with work norm: norm of time, personnel, serving.

Development of operational programs: in base of the annual plans, the human resources department develops the recruitment programs, trainings, staff development, establishing the methods that need to be used and the required resources

3. Case Study - Predicting human resource needs in a travel agency

This scenario is adapted from Manolescu, (2001) and Căprărescu, Stancu and Aron, (2009): the travel agency has, at the time of forecasting, a total of 800 employees. The agency has 50 branches, each branch having 14 employees on average. The travel agency plans to establish 38 new branches over the next three years. The agency has purchased online reservation software, specific for tourism activity. The software will be installed in the old branches and will be put into operation next year. Studies show that this type of software can do the work of a travel agent; therefore the company can give up to the services of an agent.

The personnel structure of the old branches includes 4 supervisors and 10 travel agents. Annual staff turnover rate is 30% for travel agents and 20% for supervisors. When installing the software for online booking there are no dismissals, but the number of departures due to fluctuating employment compensation will be reduced by 30 employments.

The new branches will have the same structure as the old ones. The investment program requires the establishment of 10 branches in the first year, 12 branches in the second year, and 16 branches in the -third year.

Staff fluctuation rate at headquarter level is 10%. In making the forecast it is assumed that the fluctuation rate for the new branches is equal to the fluctuation rate of the old branches, and will remain at the same level for the next three years.

The beginning time of the forecast is the end of the current year (December 31). The term "old branches" refers to the branches existing at the time of performing the forecast. The staff from the headquarters is considered as a separate category, not included in the calculations of the forecasting.

4. Results of the case study

For representing the results of the scenario we prefer the table mode. In this estimated calculation we considered the staff fluctuation rate. This represents the number of employees who leave the company during the year, compared to total staff from the beginning of the year. To estimate the necessary of human resources in the new branches, we considered in our calculation, only half of them. We have no information about the time of the year when they established the new branches.

Table 1. Result of the case study

Year	Branches	H R incomings		H R outgoings		H R – total -	
		travel agents	supervisors	travel agents	supervisors	travel agents	supervisors
I	Old	120	40	150	40		
	New	100	4	15	4	570	240
II	Old	141	40	141	40		
	New	168	13	48	13	690	288
III	Old	141	40	141	40		
	New	250	88	90	24	**850**	**352**

Conclusions

The article presents a hypothetical model for achieving human resources forecasts by a company at a time.

The model can be easily assimilated by the management of a company in general and especially by a travel company.

The human resources prediction model requirements aimed, especially, budgeting human resources department, to determine the financial resources for recruitment, selection and the staff training process.

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Analysis of public investments implemented in tourism for sustainable development in Constanta County

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Abstract

Public investments are the driving force of the positive development of the economy and the foundation of increasing of the productive potential of its. The fundamentation note of the any public investment claim immediate, medium and long term benefits, significant in the socio-economic structure of the area. Public investment undertaken in Constanta County had mainly objective to increasing social and economic welfare of the community from this area. The main means of achieving this goal was to seize all financial and material resources available. Tourism is a vital economic sector for our county community because it creates, especially during the summer season, a large number of jobs.

As such, the study in the Constanta County includes investment analysis implemented by local authorities in tourism, especially their impact on the welfare of residents.

Keywords: public investment, grants, competitiveness.

The 2009 was a turning point in the Romanian economy, according to the world economical evolution. Thus, the Romanian economy, in line with the rest of the world, began the decline. Were dismissed individuals from both, private and government sector, decreased wages, especially decrease the profit of firms and the volume of the investments. From this reason, consider that the state by central and local authorities should take the initiative to stop economic decline and restore an upward trend. This could materialize by carrying out investments to stimulate the local economy both directly, in the short term, and indirectly, in the medium and long term. Placing on the market of works in a time when cash is limited, are true oxygen bubbles for private companies, which would continue the activity and it would create new jobs.

Public investments are the driving force behind the positive development of the economy and the foundation for increasing a productive potential. The basement note of any public investment claim immediate, in the medium and the long term benefits, significant in the socio-economic structure of the area. Public investments undertaken in Constanta had mainly objective to increasing social and economic welfare of the community in this area. The principal means of achieving this goal was to capitalizing all financial and material available resources.

Constanta County, as part of Dobrogea region, has many natural beauties and cultural-historical values and may be able to provide to the community and to the potential visitors, travel complete and complex packages of its attractions. My research stopped on tourism because it is a vital economic sector for community of our county, generating especially in the summer season, a large number of jobs. As a resident of Constanta County found, that a significant proportion of the population, and especially the young migrate to other cities, seeking better conditions of living. This think make me to insist in my research on the impact of investments in tourism on welfare of population. Therefore, in this paper I set the objective to study the ability of Constanta county government to attract cash and use them to ensure the maintenance an adequate living standard of the community. Study regarding Constanta County includes an analysis of the impact of these investments in tourism on the welfare of

residents and realization of expected effects by the authorities in sustainable development of the county.

The role of investment in the company is known by worldwide, likely the permanence of investment activity in all socio-economic structures, including local government. At the community level, the investments are based on social needs and concerns those needs felt by citizens and can't be satisfied by individual action, but only through the efforts of all its members. Local authorities become more involved in local development investments to improve the quality of life of that community. It is based on the decentralization trend registered in many countries, which involves giving greater responsibilities to local and regional authorities. They know best as interest in the areas they manage and will do everything possible to achieve objectives in the local development.

The role of local authorities involved in local development is important particularly in infrastructure projects, tourism, attracting investors (Romanian / foreign) by providing various facilities etc. Stoian (2010) show that the main benefits appears in the community through the local development are: potential for new jobs, a positive promotion of the city, raising living standards for residents, strengthening cooperation between local governments and the private sector. Porojan (2008) show that each actors involved in local development (be it the local government, SME, community, European framework) plays an important role in improving living conditions for the entire population in the area, but this need to understand and practice the concept of sustainable development while mutations involved in all areas (economic, social and political).

Economy of the past centuries was dominated by the classical type of developments. Nowadays we must think of a new kind of economic growth, that is ***sustainable development,*** which is required to use Earth's natural resources, conventional energy forms and / or unconventional, while protecting and preserving our environment, to ensure an adequate level of well-being, not only in the short or medium term, but in the long term. Therefore, in the opinion taken by Mr. Stoica (2005), the development will be sustainable if it will respond to the current needs, identified by society, and made with properly and timely investment.

Manifestation of concern for sustainable development, covering most of today's professionals, took place in the early 1970s after the shock of the energy crisis. Specialized literature offer the meaning of sustainable development: current needs of society must be made without compromising the ability of future generations to meet their needs. Our country at present is facing many problems which must be solved, many of them taking the socio-economic sphere, but without affecting the needs of future generations, opinion found and to Mr. Camarda (2008).

Summarizing and reaching many approaches to early emergence of sustainable development, we can say that natural resource belongs to a generation within cause and effect, that any social unit must not be greater than the debt may incur during its life. In other words, sustainability is a property set to operate in a perpetuum mobile, forever, without exhausting resources to major. Solving this problem requires the involvement of all actors, because it is a multisectorial burden and with multiple stakes. At the same time, they should be addressing in a holistic ways of cooperation.

Sustainable development is actually at this moment emergency doctrine that economic development should not be seen only on a short-term but have a time constant taken to infinity. Green jelly should be well respected by all communities; their actions should not be above the biosphere, the laws of physics and chemistry that have made our life on earth. Lately were discussed and adopted international conventions that apply on a large scale on biological environmental restoration, so basically the sustainable future development. Principal negative effects caused by previous economic activity that must be addressed by

future developments are biodiversity conservation, forest protection and limiting the use of certain chemicals. This sustainable development reiterates that man and his actions are a subsystem of the ecosphere, are part of the development and living standards, the complex land, its ability and self-stabilization.

Although they seem antagonistic concepts, economic development and environmental protection must be correlated and seen together so adversely affected the environment in a certain time and space is always followed by an adjustment to match. Another element that has a negative role on sustainable development is given the explosive growth of population. Experts are very concerned because although developments of food production and population are both progressive, one is arithmetic progression while other geometric progression. In this context the overall amount of food will always be less than the demand for world population. Finally, sustainable development must satisfy two conflicting goals: ensuring the standard of living of the population without affecting the standard of living of the biosystem. Butler (1991) indicates that the popularity created the concept of sustainable development and tourism led to the belief that philosophy can develop sustainable compliance.

In this context and timeliness inferred role of public investment in solving problems such as environmental protection. Restoration of ecological balance where it was broken, and so on natural consequence is that in almost all areas of life will make drastic changes and for managers of administrative units will require managerial skills of excellence to be able to translate the legal and trajectories of this goal into practice and achieve the desired results of the company. Achieving the ultimate goal of sustainable development of the area can be achieved by proper exploitation official use and development policies. Like any political action, it is an attribute of the authorities of the local time.

The place of sustainable tourism is given by the role of this economic activity, to "sell" physical and human environment as a product. In recent years, tourism has grown stronger because of consumer-oriented lifestyle characteristic of industrialized countries. I think it is essential that tourism to be active in sustainable development issues and to cooperate with other industries in the ensuring of quality and longevity of resources. Sustainable tourism is a necessity, and the link between tourism and the environment is stronger than in other industries. Tourism is also because of the environmental damage and a victim of them. Tourist offer is founded on natural and socio-cultural factors that define a tourist area, but is always threatened by environmental problems. For example, in Constanta County, ultraviolet rays that can cause skin cancer due to prolonged exposure to sunlight may threaten tourism supply.

Kreisel (1992) argues that tourism activity should be addressed in the context of sustainable development in terms of tracking performance on three distinct levels: economic, social and environmental. Maintaining the ecological functions of a tourist destination can be reached if one takes into account the three sides of the pyramid sustainable tourism development, namely: regional planning, maintenance and maintenance of tourism attractiveness welfare and socio-cultural identity population a long time. A responsible tourism development in our country and our county is implicitly possible sector specific vision conditions, and the performance of services in tourism.

Tourism is one of the industries that need to be involved in sustainable development as an industry resource, dependent on the natural and human potential, cultural heritage of society. The geographical position of Constanta County offers unique natural resources in the country by the Romanian Black Sea coast, with all its cliffs, deltas, lagoons, headlands, etc.. Along the coast there are a host of 13 states that have as main objective to attract as large an influx of Romanian and foreign tourists in a very short time. This is because summer on the Black Sea are of interest only in summer season (from June until August). To illustrate the

economic value of this industry will present in Figure 1 a comparison tourist capacities counties in the south-east in the year 2010.

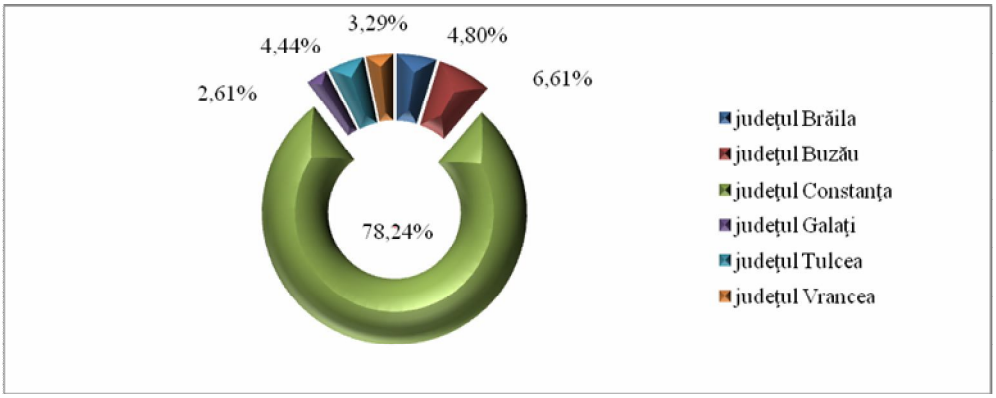

Figure 1. Comparison tourist capacity between the South-Eastern Region counties
Source: Data provided by the Regional Department of Statistics, Braila

Constanta County has spas that serve as treatment centers providing recreational services. You can mention: North Eforie (offering treatment with salt water and sludge treatment indicated for rheumatic diseases and gynecological), Costinesti (recommended resort thalasoterapie and heliotherapy) Mangalia (which has mineral springs – sulphurous, mesothermal and radioactive), Neptun - Olimp (offers treatment for electrotherapy, hydrotherapy and mud treatment), Techirghiol (permanent spa). With all these advantages I mentioned, we are always outstripped our neighbors in this chapter that has better offers and quicker guided by the requirements. In addition to this, it should be noted the fact that between the years 2005 - 2007 Black was damaged by floods, many villages in the county with some damage. In this regard, measures have been taken in the future to prevent such unwanted effects while were conducted restoration projects coastline. County residents and specialists in the field who are closely following the situation of coastal erosion each year finds that shoreline retreats more visible to land. This problem is known as local and central level, there are many statements of what should be done to stop this phenomenon and yet the community does not see much public investment in this area. Worry grows as it becomes increasingly difficult economic situation, tourism being a major provider of jobs.

Cristureanu (2006) considers reducing the negative impact of tourism on the natural environment, socially and culturally sustainable tourism development was necessary in every county of our country. In order to achieve sustainable development, tourism strategy will be adapted to each region, depending on the data that individual and the main objectives of the tourism sector. Regional sustainable tourism development must be a current factors driving preoccupied Romanian tourism. At the same time, applying the concept of sustainable tourism development based on the understanding of sustainability as a strategy to be followed in order to achieve well defined. I think the regional tourism management objectives to be achieved as: establishing a tourism strategy leading to sustainable tourism development, establishing appropriate forms of tourism and the identification of the service area to promote the offer citizens, entrepreneurs, authorities and tourists.

Considered appropriate categories of public investment analysis conducted in tourism in Constanta County in 2008-2010, the situation shown in Figure 2. Summarized the situation of these investments can be found in:

1. Public investment made with founding of the County Council budget. Public investment for promoting tourism activities and conducting activities that involve greater attracting of tourists for the future (sustaining Association for the Promotion and Development of Tourism Seaside - Danube Delta: 895,000 € and 3,492,500 RON for

specific events and support on-going CS Power Marine Constanta: 800,000 € to ensure the smooth running of the "Class 1 Romanian Grand Prix".

2. Public investment financed from European funds made to promote successful existing targets and the development of other novel targets that can provide an influx of tourists in the future:

a) public investment worth € 560.720 to establish international information network of the border region between Bulgaria and Romania (EU budget funds to cover the European Union's Phare CBC 2005 Romania-Bulgaria)

b) public investments targeting the same three-dimensional reconstruction and consistent with ancient cities, and even making a documentary worth € 673,000 (under the Community budget of the European Union Phare CBC 2006 Romania-Bulgaria)

c) public investments that aim to draw up a travel site Constanta County and print marketing products, worth 1,032,920 € (under the Regional OP 2007-2013, Axis 5)
d) public investment worth 913,223 € for realization of thematic brochures and videos that will include key landmarks (under the Regional OP 2007-2013, Axis 5)

3. Public investment whose financial resource comes from the National Cultural Fund Administration, worth 43,679 € and aim to achieve a virtual through digitization of heritage objectives, framing everything in a completely virtual tour.

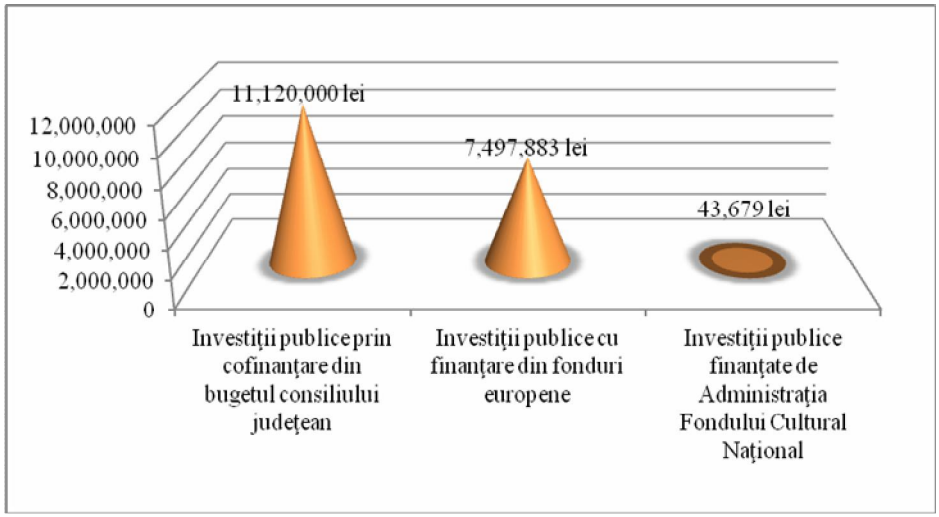

Figure 2. The situation of public investment in tourism made in Constanta County from different funds

Source: County Department of Statistics Constanta and Data Processing PID Constanta

From this figure we clearly see that the vast majority of investment initiated to improve the tourism sector has the origin of the funds of the county council budget resource to the detriment of large amounts could be obtained as grant. The answer is known only team carrying out investment projects chosen for funding why not offer this resource and great coming from the European Union.

When we look at the reality of public investment required to make our county as Integrated Development Plan for Growth Pole Constanta see that there are many projects that aim to further develop tourism attractiveness of different financial sources.

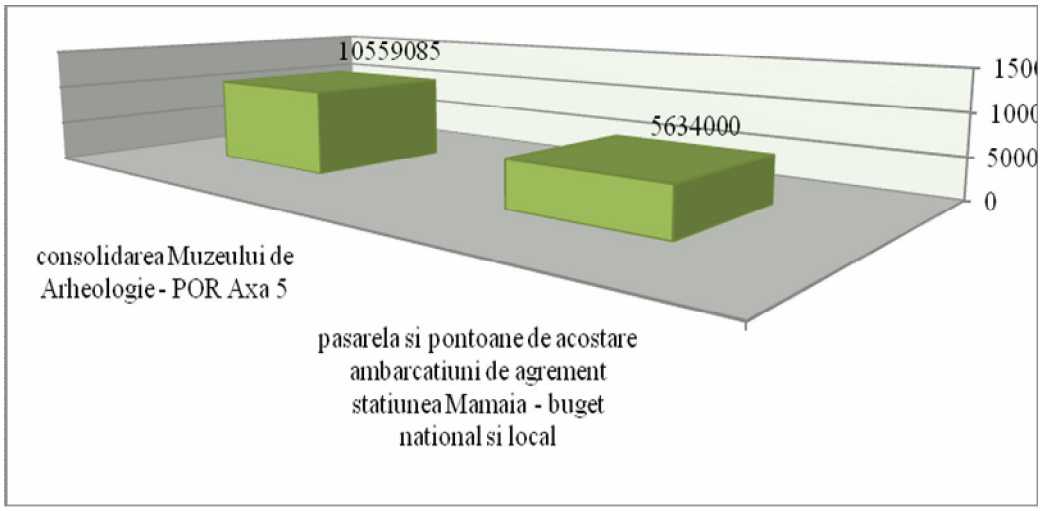

Figure 3. The situation of public investment in tourism in the implementation stage at objectives and funding sources (2010-2013)

Source: www.County Council of Constanta and data processing Constanta PID

Studying this figure we see that in the implementation of investments in tourism has attracted a slightly larger amount ROP Axis 5 in order to strengthen the Museum of Archaeology, in front of the central budget and local, which was made bridge. If we consider the significance level amounts attracted to what I think should be done, I hope the situation will improve considerably as European money should not be wasted while you may be attracted. In the following figure will discuss the situation of public investment in tourism in terms of different sources are expected to be raised in the immediate future, as these investment projects in various stages (SPF produced or evaluation stage) for the period 2011-2015.

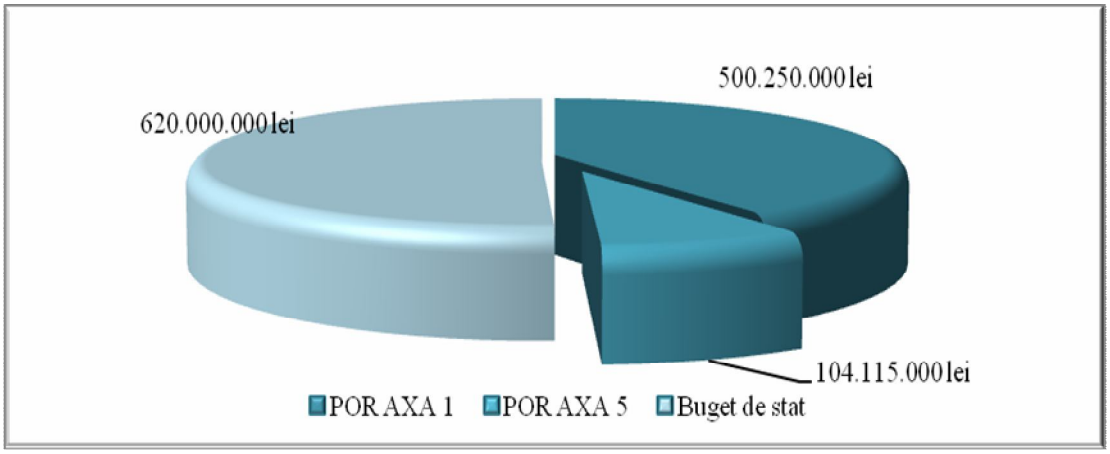

Figure 4. Comparison of public investment in tourism expected to be made in the Constanta County from various funds

Source: www.County Council of Constanta and data processing Constanta PID

As of this figure is the same continuity in thinking by attracting state budget sources in one project (worth 620 million RON), to obtain European funds depositing is a multitude of projects to ROP Axis 1 and 5 (500,250,000 RON and 104,115,000 €). It remains to be seen how much of these amounts will result in sights by the end of 2015. European funds projects aimed at upgrading and tuning aimed at tourist attractions to increase the contribution of tourism proceeds.

If until now, we have analysed the public investment made in tourism and we need to get over those made by private firms for a true picture of the situation.

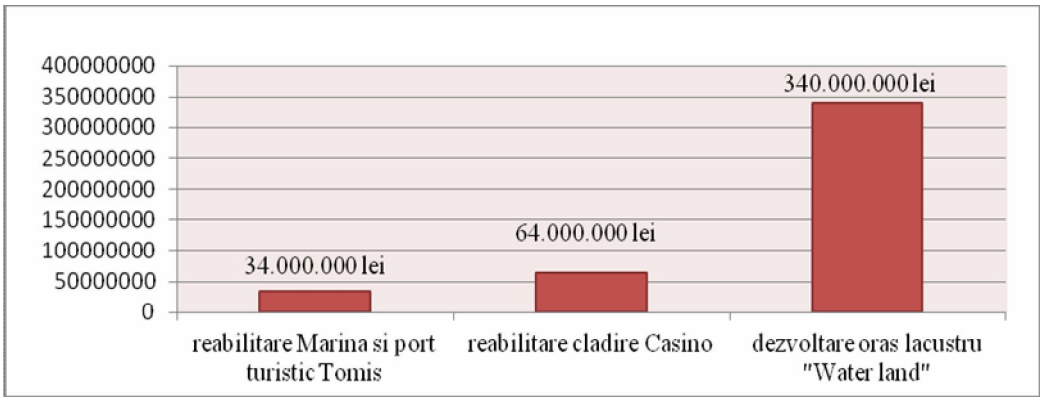

Figure 5. Private investment in tourism in Constanta
Source: data from PID Constanta

I must say that the first two private investment occurring in the figure (the sum of 34 million RON and 64 million RON) is in the implementation stage, the people from Constanta enjoying some of their effects, and what has the third (the amount of 340 million lei) has developed SPF. Although our county has a unique tourism potential compared with other parts of our country, tourist facilities have a lot of work in terms of modern standard offered to loyal customer satisfaction and can attract foreign tourists (whose number is decreasing from year to year). Raising the standard is necessary because of competition from neighbouring states data in this area (Bulgaria and Turkey). Although attracting tourists is the attribute private economic operators, public authorities are required to support market competitiveness of the private sector through the development of transport infrastructure and leisure. I sincerely hope that with leading local authorities (Bihor, Dambovita and Mehedinti) to join our County for the benefit of residents.

Sustainable economic growth in all parts of Constanta economic, socio-cultural and environment based on the actual development of human capital. To this end created fair to raise professional skills in order to provide competitive tourist activities. All investments undertaken in Constanta in tourism were the main objective of raising living standards and creating a favourable perceptions of local authority representatives. In Figure 6 will examine the evolution of the active population in Constanta county tour during 2000-2010. This period does not cover the impact on residents of public investment given between 2010-2012 years.

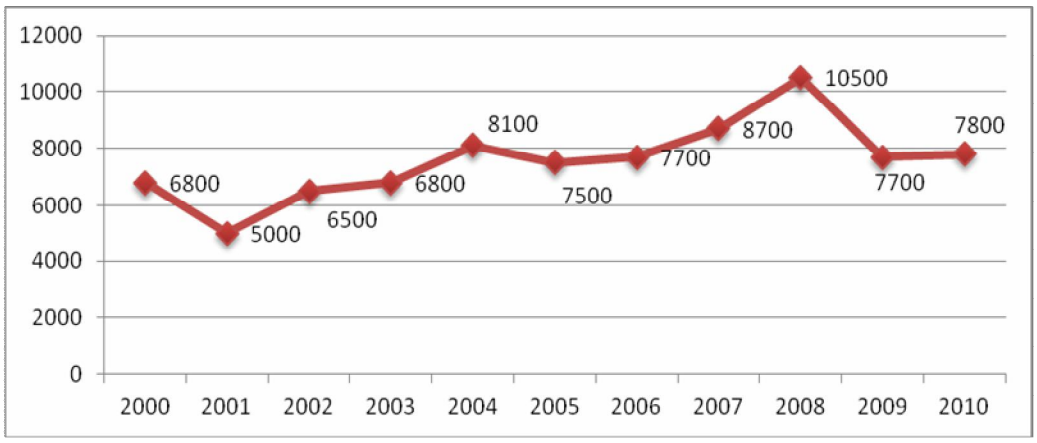

Figure 6. Evolution of employment in tourism in Constanta
Source: Statistical Yearbook of Constanta County 2011

Research conducted in this paper sought to highlight ways in which local investments contribute to economic diversification and overall progress of the micro-region represented by Constanta. Wishing presentation importance of implementing effective local public investment have presented theoretical concepts related to the sustainable development of tourism interconnected. Studies undertaken work on quantitative and qualitative value of public investments made in Constanta County tourism and its impact on the local community. Although the benefits of public investment cannot be measured usually as a result of an effort, though economic society agrees that in some areas they provide a positive economic impact far superior. Public investment undertaken in Constanta was aimed mainly at increasing social and economic welfare of the community in this area. The principal means of achieving this goal was to seize all financial and material resources available. In terms of funding, in Constanta are used mainly County Council budget funds at the expense of resources available through the operational programs of the EU. This makes me wonder if the problem is to provide these rehabilitation works to firms 'desired' or failure to submit project management team to be able to obtain financing from the Structural Funds.

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Online religious television – a new dimension of mass-media

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Abstract

Online televisions are a new presence in the media space and that is why there is no information about this domain. In Romania, information about online televisions is almost nonexistent, and Internet is generally a recent concern on the researchers' agenda.
This paper aims to examine this dynamic area of the media and to pursue an unexplored field: online religious televisions. The study is aimed exclusively religious situation in the Romanian space and examines activity of online televisions which broadcast in Romanian.

Keywords: marketing, religious marketing, communication, media, religion, online TV,

1. Introduction

The fall of communism has led that most political constraints imposed to religion to disappear, and gradually, the religion to not be any more sidelined. Thus, all forms existing cult in Romania were able to assert their own beliefs, to recover their confiscated property, to build churches and buy radio and television stations. To understand the complexity of the religious market in Romania we should talk first about market structure, the number of existing religions, the ethnicity of believers and their spread throughout the territory. These statistics are absolutely necessary when dealing with presence on the media market of certain stations and certain consumer trends.

The number of officially recognized religions in Romania is considered low by international organizations although there is no legislation to prevent this. However recognition system of religious groups is considered highly complex and bureaucratic. Thus, we distinguish between three types of organizations: religious groups, religious associations and religious organization. Religious groups are groups of individuals who have the same faith, but are not tax exempt and do not receive state aid. Religious associations are legal entities and do not receive government funding, but only limited tax exemptions. In Romania are 18 recognized religions: Romanian Orthodox Church, Serbian Orthodox Diocese of Timişoara, Roman Catholic, Greek Catholic, Russian Old Rite Christian, Church Protestant Reformed Church, Evangelical Christian Church, Romanian Evangelical Church, Evangelical Church Augustinian, Evangelical Lutheran Church - Synod Presbyterian, Unitarian Church in Romania, the Baptist Church, Pentecostal Church, Seventh Day Adventist Church, Armenian Church, Community Hebrew, Islam, Jehovah's Witnesses.

Recognized religions are eligible for government support in accordance with the percentage of the population they represent. They have the right to establish schools, to teach religion classes in public schools where they have followers and to receive funds for the erection of places of worship. Also, the State can pay clergy salaries and their accommodation expenses. The law allows them to seek broadcast licenses and can broadcast religious programming on radio and television (IFR, 2009).

2. Religious dynamic in post-communist Romania

With a population of 21.7 million, according to the census in 2002, declared themselves as belonging to the Romanian Orthodox Church and Serbian Orthodox Diocese in Timişoara a rate of 86.8% of the population, i.e. a total of 18,817,975. Roman Catholic Church represents 4.7% which is 1,026,429 and Greek Catholic believers are less than 1% representing 191,556. Greek Catholic Church believes that this percentage does not reflect reality claiming its fair share is 3.6%. Other religion are represented as follows: Russian Old Rite Christian Church - 38147, Protestant Reformed Church - 701 077, Evangelical Christian Church - 44476, Romanian Evangelical Church - 18178, Evangelical Church of Augustan - 8716, Evangelical Lutheran Church - Presbyterian Synod - 27,112, Unitarian Church in Romania -66.944, Baptist Church - 126 639, Pentecostal Church - 324 462, Seventh-day Adventist Church -126,639, Armenian Church - 383, Community Hebrew - 6057, Islam - 67,257 (RG,2002).

Percentage of those religions and ethnic groups found in different parts of the country offers some clues about how the media handles frequencies and coverage areas, because in some areas there is a media concentration while in other areas is less space represented by certain religions (GR, 2002).

Following statistical research shows that there are representatives of religions throughout the country, but in some regions there is a higher concentration. Most Catholics, Greek Catholics and Protestants are centered in Transylvania, but there are centers of Greek Catholics in Bucharest, Banat and Crişana, and also a concentration of Catholics and Protestants in Bacău County. In the 2002 census, the geographical distribution of the Roman Catholic population was as follows: in Harghita - 212,937 believers, Bacău - 19,618, Covasna - 80,432, Timiş - 72,094, Satu-Mare - 66,247, Neamț - 60,483 (RG, 2002).

Members of the Reformed Churches, Protestant, Roman Catholic, Lutheran and Unitarian churches in Transylvania are the majority of Hungarian ethnic group. Orthodox Old Rite Church members are Lipovans and they live in Moldova and Dobrogea. Majority of Muslims live in Dobrogea. Ethnic Ukrainian Orthodox and Greek Catholics are located in north-west, Orthodox ethnic Serbs in the Banat area, and Armenians are concentrated in Moldova and the South of the country (RG, 2002).

Following the surveys was found that most of respondents 85% stated that they believe in God. However only 1% of the Romanian said that go to church every day, 3% several times during the week, 19% once a week, 17% several times during a month, 5% once a month, 34% said that they only go on holidays: Christmas or Easter, 9% go less than once a year, 11% never go and yet 83% of Romanian believes that the church is the institution in what they trust most (IFR, 2009)

These statistical figures are reflected in the media and consequently in the presence of online television. These stations are accessed in those areas with specific religious concentration, but an important fact, having to other spreading systems the on-line TV stations do not need any more expensive transceivers. Therefore the coverage of online TV is here synonymous with cyberspace and with low maintenance costs.

3. On-line religious television stations in Romanian

Religious television stations have a presence online different depending on the religion. We notice that specific religions are more present in cyberspace compared to others that are even more rigid in using in the new forms of communication media. The offer of online TV is quite low for the Orthodox Christian believers in Romania. There is Romanian Patriarchy which broadcast live, has a stiff site and does not provide more information. In

addition to this are the CreştinOrtodox and TV OrtodoxTV station, two Orthodox television sites, but they do not have live shows, but have a number of recorded shows, lectures, sermons and religious music.

Trinitas TV 'Television Romanian Patriarchy " station, was established in the October 2007, at initiative and with direct involvement of His Beatitude Daniel, Patriarch of the Romanian Orthodox Church. TrinitasTV is the only Orthodox Christian television station in Romania. It is received by cable and satellite throughout Romania and in the diasporas television networks. Thus, TrinitasTV can be received, currently by 75% of public television in Romania and can be also received via cable and satellite throughout Europe.

TV stations online interconfessional in Romanian (Evangelical, Pentecostal, Baptist, Adventist):

Alfa OmegaTV LIVE is interreligious and interethnic channel whose purpose is to promote Christian values among the diasporas, of any denomination or religion.

Alfa OmegaTV Christian TV is a channel for growth and creation of the body of Christ, comprising seminars, sermons and educational materials for grew up of believers.

Alfa OmegaTV MOVIES is channel with firm Christian documentaries which are subtitled in Romanian.

Alfa OmegaTV YouthTV is a channel for youth and children, containing music, entertainment, movies and cartoons for children.

Christ4roTV "christian Romanian media" is a comprehensive site that in addition that has live and on demand TV, has also a live radio station, social networking and books that can be purchased or some of them can be read online. Also, the site offers links to live churches, music, sermons, videos, testimonials, anniversaries and conventions.

CredoTV Bucharest (VCT) is an online TV channel which broadcasts programs of Romanian Pentecostal Convention from the United States and Canada Live on the Internet. The television channel TV CREDO can be also received in Europe, USA and Canada.

IntercerTV "closer to heaven" is an online TV channel that belongs to the Seventh-day Adventist Church. It provides Christian news of general interest, national and international conferences, TV shows, interviews, sermons. The television station site has its own radio which broadcast live, and the site has a discussion forum.

Light Channel TV.ro "eye is the light body" Television is headquartered in Buzau and broadcast via satellite and can be received also online. It is a Protestant TV station that produces television programs for all ages with religious nature.

RomanianTV (Televizion Romanian Network of Chicago) is an interreligious Christian television channel for Romanian speakers in North America.

RoCLips-TV "Christian television" is an online TV offering Christian music, video, Christian movies, upload and download of videos with Christian message which can be shared to the world, and TV website has also a Christian radio with religious music live or on demand.

SensTv belongs to the Sens Media Foundation and is a television which broadcasts online live and has its own radio.

Hope TV belongs to the Seventh-day Adventist Church and is an live online TV which starting 18 August 2011 began to be distributed through National cable operator RCS-RDS.

TBN EUROPE is a television that can be received also online and: information, education, culture and Christian morality. In Romanian it broadcasts daily two hours between 16-17 and in replay 5.30-6.30. Broadcasting program segment in Romanian is provided by AlfaOmegaTV. Same television subtitle programs transmitted in Romanian for Romanians all over Europe.

Trinity TV a "new beginning" is a live online TV belonging to nonprofit organization Trinity Foundation in Bistrița Năsăud. TrinityTV television station is a interreligious television that produces Christian programs.

As a result of the online media space research it was establish the existence of 14 TV stations online belonging to Protestant communities, and only three television stations belonging to the Orthodox Christian religion. In contrast is the Catholic Church that has no such television, but this cult is poorly represented in all Romanian-speaking media.

Conclusions

The media is a constant presence in the XXI century human life and the new technical possibilities make that the information be easily accessed at any time and from anywhere in the world. Online TV stations due to their easy access are a profitable alternative for producers of mass media and for users. Because this type of inform is less expensive many organizations broadcast their messages through cyberspace environment. Many organizations that would otherwise not have access to public because of the limited number of media licenses, communicates with their audience through cyberspace. A public with such a structure and identity is the one that seeks religious programs. Christian religious public is extremely diverse and with different expectations because at his turn it is also fragmented in different religions. In cyberspace these cults broadcast the divine message to their religious congregations and can address to their specific public inexpensively. Therefore there is a proliferation of religious stations with few followers who do not have the financial ability to support a classic TV station. In Romania, the Romanian Patriarchy TV, Trinitas TV, was purchased by difficulty and is subsidized by the BOR and private donations, and although it is the majority religion, Trinity Trust has financial problems because they do not enter program schedule ads. In the Protestant Christian religious case online televisions are fully sponsored by cult members and use different techniques for promoting and marketing. Therefore Protestant online television addresses to niche audiences and attempt to capture those specific elements to user profiles. Effervescence of these televisions exceed dynamic of online television for classic cults, Orthodox and Catholic, who have little or no presence because they believe that the Gospel message is sent in the church and through traditional media.

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User's role in public service rendering and the measurement of his satisfaction

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Abstract

The modalities of informing the citizens with respect to the local problems are performed by means of the local level press, of informative materials displayed at the town hall or in other public spaces, informative materials distributed in the locality through the mail boxes, but also via the Internet or public meetings.

A public utility service, we can say, is of quality only when its characteristics and provision are able to satisfy the beneficiary's expectations and requests. But, the supplier and the beneficiary do not see service quality in the same way. While the supplier/operator of the public utility service takes into account the specifications in the service documentation, such as standards, provisions in the tasks document, the user appreciated the quality of the service depending on his/her requests.

The information offered to the citizens about the public utility services represent a modality for increasing governance transparency and citizen's rights to public services (information on the service content and quantity, access to the services, provider's location, work schedule, eligibility documentation). On the other hand, information must be offered regarding the service standards, punctuality, volume, accessibility, availability, accuracy, safety and opportunity. In most European states there are declarations regarding the standards of the public services, known as the Citizen's Charter or the Public Service Charter. The standards of the public services are connected to the technical aspects regarding performance measurement and management within the organizations in the public sector, but also to the relationship between the citizens and the state. The information about the services can be defined as any type of information about the characteristics of a certain service addressed to citizens.

Correctness, equality, neutrality and confidentiality are basic principles that ensure the quality of public services.

The case study performed aims to emphasize to what extent the public transportation service in Bucharest provided by the RATB is answering the beneficiaries' requests. Thus, there were analyzed several aspects related to the service availability (network, hours), its accessibility, the ticketing system, the modalities of offering travelers the necessary information, the number of traveler complaints in different periods, trip duration, the degree of comfort and security, as well as the environment (the pollution degree).

As research methods were applied the SWOT analysis and the questionnaire.

Keywords: transport public service, quality, utility service, SWOT analysis, satisfaction users.

1. Introduction

Knowing people and their problems leads to the creation of a strong bond between the community and the local public authority because the public servants start identifying with the people they serve. Thus is created the bond between citizens and authorities, on the basis of an extended dialogue and a high degree of trust.

The closeness of the local public services to the population's requests represents a fundamental need and the authorities of the local public administration play an essential role in their provision. This presupposes, in general, an important degree of decentralization and local autonomy, but also the active participation of the local collectivities in making decisions regarding the provision of these services. The supply of public utility community services must be grounded on the collectivity's needs and expectations and, therefore, the authorities of the local public administration must first take into consideration those who are going to use the service, when establishing the best way to supply them. This fact is also underlined by a principle that is at the basis of the organizing and functioning of the public services and of public utility services, namely the *principle of quantification,* which is *complementary to the principle of efficiency*. The quantification principle sustains the *development of a culture of public services oriented towards the user/beneficiary.*

This aspect is also established in art. 3, para. (2) of Law no. 51/2006 regarding the public utility community services, with its subsequent modifications and completions[1], which mentions that „in the organization, functioning and development of public utility services, the general interest of the local communities is a priority and targets the satisfaction, as full as possible, of the user's requests, the protection of their interests the strengthening of the economic-social cohesion at the level of the local communities, as well as the sustainable development of the administrative-territorial units." At the same time, in art. 7, para. (2), letters a and h of the same law it is stipulated that „the organization, exploitation and management of the public utility services must ensure the satisfying of the quantitative and qualitative requests of the users", as well as the „information and consultation of the local communities beneficiaries of these services".

2. Quality of public transport in Bucharest. Measurement of citizen satisfaction

The questionnaire analysis of the following aspects: the card-based charging system; the degree of environmental pollution produced by the RATB vehicles; the offer of transport titles of the RATB; the trip safety degree; the behavior of the RATB personnel towards the travelers; the traveler information system; the transport network; the functioning hours; the trip comfort and its duration.

The SWOT analysis of the public transportation service provided by the RATB:

Strong points

a) diverse means of transport (trams, trolleybuses, buses);
b) well-established network;
c) low rates at the European level;
d) modernization of the means of transport and the purchase of new ones;
e) introduction of the traveler information system;
f) electronic displays;
g) video recording systems installed in buses, trams and trolleybuses;
h) buses equipped with air conditioning;
i) automated taxation system,
j) modification of the working hours of the sale units;
k) varied payment modalities for the travel passes, through 60 ATMs, e-commerce (portal online.ratb.ro);
l) implementation of the surcharge card in the activity of ticket monitors;
m) implementation of the rate integration system RATB – Metrorex;

[1]Published in the Official Gazette of Romania, Part I, no. 254 /2006;

n) expansion of the public transportation networks to the large shopping centers;
o) projects for the promotion of public transportation;
p) application of the traffic management system (Urban Transport Control – Public Transport Management);
q) creation of the Bucharest Metropolitan Transport Authority (in original, AMTB);

Weak points

a) weak intermodality;
b) absence of own lanes for buses and trolleybuses;
c) uncontrolled car parking which prevents fluent traffic;
d) traffic jams lead to increased travel time and reduction of service reliability;
e) weak enforcement of the obligation to purchase a travel pass;
f) slow travel speed;
g) exceeding of the waiting time.

Opportunities

a) improved income flow (which to allow investment continuation) with a better enforcement of ticket-purchasing obligations;
b) network and functioning review for the decrease of the operational costs;
c) creation of an integrated network;
d) access restrictions in the city center;
e) creation of Public Transportation Police in Bucharest;
f) increase of the number of pass monitors in the means of transport.

Threats

a) increase of the number of private vehicles;
b) unpleasant travel conditions in the public transportation during rush hours;
c) absence of space on certain streets without the possibility of increasing the number of lanes, in view of implementing special lanes for public transportation.

In order to offer quality public transportation service the needs and wishes of the citizens must be known. Therefore, questionnaires are applied and surveys are performed among the travelers, in view of taking the necessary measures, derived from their results. The satisfaction indicators seem to be partially relevant because each beneficiary has his/her own wishes, while the services offered are the same for all citizens. Therefore, it is impossible to fully satisfy their expectations. That is why the provider of the public transportation service must take into account the users' requests and must adopt a vision on its activities from the customer's point of view and within the limits of the own resources. The company performance can be measures by determining the difference between the desired and the achieved quality.

An analysis was performed in the period 2007-2008 (November-January) and in 2009 (February-October). The sample was representative, being structured as follows: 491 men – 45.0%, 600 women – 55.0%, total 1,091 persons. Age group: until 29 years old – 474 (43.4%), 30-59 years old 481 (44.1%), over 60 years old 136 (12.5%), total 1,091.

The survey analyzes the following aspects:

a) the card-based charging system;
b) the degree of environmental pollution produced by the RATB vehicles;
c) the offer of transport titles of the RATB;
d) the trip safety degree;
e) the behavior of the RATB personnel towards the travelers;
f) the traveler information system;
g) the transport network;
h) the functioning hours;
i) the trip comfort;

j) the trip duration.
k) From the analysis of the survey the following were derived:

Table no. 1. The card-based charging system

Appreciation	2007-2008 (November-January) 333 answers	2009 (February-October) 2.682 answers
Good	38%	63%
Satisfactory	33%	24%
Unsatisfactory	29%	13%

From the diagram above it is derived that in year 2009, the beneficiaries are satisfied with the new charging system. In 2006, the implementation of the *Automated Taxation System* started, system which has as basis the contactless card technology, which targets the gradual replacement of the cardboard passes and paper ticket.

The system allows the loading on the card of both RATB passes and the pass combinations from the RATB + METROREX offer. In addition, in parallel with the passes, RATB made available to the traveling public a modern and flexible trip payment option by means of the Electronic wallet. By implementing the Automated Taxation System, RATB made available for the users of urban public transportation the first travel electronic card, by means of which is adopted a modern manner of purchasing travel passes, of payment and validation thereof.

The card has as basis a contactless technology (contactless cards), its dimensions being similar to those of a bank card. It is not transmissible, on its surface being written, upon purchasing, the personal data of the owner, confirmed by the ID. Practically, this card represents the support on which, depending on the travelers' travel needs, the desires travel pass can be uploaded. All the uploading operations are performed by means of specialized electronic devices, secured against frauds. Through this system was targeted the integration of public transportation services in Bucharest, thus aiming to ensure a flexible rate offer which corresponds to the current exigencies of the traveling public

Table no. 2. The offer of transport passes of RATB

	2007-2008 (November-January) 235 answers	2009 (February-October) 2.591 answers
Good	29%	32%
Satisfactory	19%	51%
Unsatisfactory	52%	17%

If in the period 2007-2008, the citizens inquired about the offer of transport passes answered in a proportion of more than 50% that it is unsatisfactory, this changed in the period February-October 2009, when the persons interviewed, in a percentage of 32% and, respectively, 51% answered good and, respectively, satisfactory. They said the offer was diversified and it currently answers the requests (Table no. 2). The offer of transport passes is varied. As a consequence of finalizing the implementation stages of the RATB – Metrorex rate integration system, starting with the date of November 3rd, 2012, the travel is possible with single tickets, valid in both transport networks. The tickets can be found in the 229

centers in the RATB network and in 97 centers in the Metrorex network. The new travel passes and their afferent rates are the following: single 60-minute ticket (valid for RATB and Metrorex) - 5 lei, single ticket with 10 trips of 60 minutes for each trip (valid for RATB and Metrorex) - 30 lei, day pass (valid for RATB and Metrorex) - 16 lei. The new travel passes are not valid on the Express lines or on the special rate lines in the RATB network. The day pass is valid for 24 hours, starting with the validation time.

Table no.3. Environmental pollution degree caused by RATB

	2007-2008 (November-January) 309 answers	**2009 (February-October) 2.371 answers**
Low	13%	27%
Medium	39%	55%
High	48%	18%

If in the first questionnaire applied in the period November 2007 – January 2008, many of the persons interviewed were dissatisfied with the pollution degree of the RATB vehicles (48% answered that the pollution degree is high), during year 2009, the situation changed and those questioned, in proportion of 55%, answered it is average (medium) (Table no. 3), due to the purchases made. More precisely, 66% of the vehicle park is equipped with Euro 3 and Euro 4. At present there should be purchased new means of transport because this has not happened since 2010, and those purchased in 2008 and 2009 are torn and worn.

The strategy for reducing the environmental pollution is achieved by means of the following plans: the Regional plan for environmental protection for region 8 Bucharest – Ilfov, the Air quality in Bucharest management plan and the Action plan regarding the reduction of urban noise in Bucharest. The financing for these plans is ensured by Bucharest City Hall, as coordinating authority, from structural funds and other programs

Table no. 4. Trip safety degree

	2007-2008 (November-January) 422 answers	**2009 (February-October) 2.339 answers**
High	14%	26%
Medium	30%	54%
Low	56%	20%

In the period 2007 -2008, 56% of the number of persons interviewed considered that the safety degree of the trip is low, but this opinion changed during year 2009 when the citizens (54% of those interviewed) considered it as being medium. In order to increase this degree, a series of measures were taken, such as: the establishment of a Police Brigade for Urban Transportation in view of decreasing the number of crimes occurring inside vehicles, the reassessment of the RATB drivers, in view of reducing the number of accidents, because we must mention the fact that in year 2011 the number of accidents increased by 24%, due to lack of discipline in traffic, lack of attention while driving the vehicle and due to improper speed with respect to the traffic conditions. Also, in view of developing security means which have as purpose the increase of safety within public transportation, RATB is running the SECUR-ED project.

Table no. 5 RATB staff behavior towards the travellers

	2007-2008 (November-January) 370 answers	2009 (February-October) 2.479 answers
Good	23%	27%
Satisfactory	20%	42%
Unsatisfactory	57%	31%

RATB staff behavior towards the travelers was unsatisfactory according to the data collected in the period 2007-2008, (more than 50% of those interviewed). Throughout year 2009, their image improved a little, only 42% of the users of the public transportation service considering their behavior satisfactory, while 31% gave negative answers (Table no.5).

Table no. 6. Traveler information system

	2007-2008 (November-January) 231 answers	2009 (February-October) 2.507 answers
Good	17%	26%
Satisfactory	19%	42%
Unsatisfactory	64%	32%

With respect to the information means, we must notice a great change, from a percentage of 64% in the period 2007-2008 who considered these means as unsatisfactory, to a percentage of 42% (satisfactory), respectively 26% (good), in 2009 (Table no.6).

The means through which information is available are: panels with different messages, information boards, speakers inside vehicles; existence of a consumer's phone with a free number; informative flyers regarding the routes, the travel schedule of the touristic lines, of the night lines; by means of mobile phones (sms-s) and of the R.A.T.B. website www.ratb.ro, whose number of visitors is increasing. By means of the „notifications" info-type is ensured a better interaction with the users, thus being taken and processed the travelers' requests, their notifications and complaints, in view of improving the service provision.

The information system inside the vehicle. The vehicles are equipped with LCD monitors for commercial ads display and the information is presented in real time through text messages, being displayed on a separate LED display. The system on board these vehicles also allows making audio and video announcement for the following stop and the transfer possibilities to other transport networks, as well as other audio announcements.

The video monitoring system (CCTV) is installed at present on 500 buses and 100 trolleybuses. Information storage is performed on a HDD (capacity min. 72 hours). The information is taken continuously and made available to the Police, Prosecutor's office or the Gendarmerie, if requested within the 72-hour mentioned interval. The last lot of 500 Mercedes buses was delivered equipped also with the „black box" function (on film is also recorded the vehicle's position on route).

Travelers' counting system is installed on 100 trolleybuses (2D sensor) and 100 buses, the latter being equipped with a 3D sensor, having the possibility to identify the movement direction and to distinguish volume.

Table no. 7. The transport network

	2007-2008 (November-January) 426 answers	2009 (February-October) 3.479 answers
Good	12%	17%
Satisfactory	23%	50%
Unsatisfactory	65%	33%

In year 2011, the average traveling park on a working day was of 1,387 vehicles (322 trams, 197 trolleybuses and 868 buses), with preset travel schedules, elaborated according to the transport need. The traveler transport was provided on 26 tram routes, 19 trolleybus routes, 109 bus routes: 86 day lines (out of which 7 pre-town) and 23 night lines, starting with July. In the period 2007-2008, 65% of those interviewed were dissatisfied with the transport network, but throughout year 2009 the opinion changed, those interviewed considering it is satisfactory.

Table no.8 Working time

	2007-2008 (November-January) 326 answers	2009 (February-October) 3.340 answers
Good	11%	18%
Satisfactory	20%	41%
Unsatisfactory	69%	41%

With respect to the ***working time***, if during the period 2007-2008 the travelers were dissatisfied in a proportion of 69% by the fact that the schedule is not respected and that there were no night routes, during year 2009, according to the data collected, the percentage of those who answered satisfactory, respectively, unsatisfactory was equal (41%). Only 18% were satisfied by the working time. Because of the numerous petitions addressed to RATB, the night lines were introduced, also to facilitate citizens' access to special events (Table no.8).

Table no 9 Trip comfort

	2007-2008 (November-January) 434 answers	2009 (February-October) 2.437 answers
Good	12%	18%
Satisfactory	15%	44%
Unsatisfactory	73%	38%

If in the period November 2007 – January 2008, most users considered that public transportation means are not providing the desired comfort, throughout year 2009 the users changed their opinion and reached the conclusion that it is satisfactory 44% and good 18% (Table no 9).

Table no. 10. Trip duration

	2007-2008 (November-January) 398 answers	2009 (February-October) 2.544 answers
Good	10%	13%
Satisfactory	17%	41%
Unsatisfactory	73%	46%

With respect to the duration of the trip, the percentage of people considering it satisfactory, respectively, of those considering it unsatisfactory is close, the difference between them being of only 5% at the level of year 2009, but a great improvement in noticed in their perception compared to year 2007-2008, when the percentage of the unsatisfied persons was of 73% (Table no.10).

The trip duration is longer also because of the traffic jams, but, at the same time, due to the absence of the special lanes, which would offer the possibility of having a more efficient public transportation and would bring new users.

3. Modalities for informing the citizens in view of facilitating access to public transportation

Travelers must have access to concrete and real time information, before and during the trip, in order to be able to plan from starting point to destination, using the most adequate route.

The information that travelers need are the following:

a) Time of departure and arrival specific to the means of transport, schedule and route changes, as well as alternative routes;
b) Information provided inside the vehicles, regarding the destination, stops on route, correspondence with other lines and means of public transportation (electronic displays and voice announcements),
c) Information regarding the walking distances when changing the means of transport or until the following public transportation stop.

For example: the information of the citizens on the new charging system and the use manner was performed by means of flyers with detailed instructions regarding the validation manner, information on the Activ and Multiplu cards, the elaboration and broadcasting by means of the LCD-s on buses of a publicity ad.

The increase of the quality and attractiveness of the public transportation is achieved through improving the transport condition, the exploitation safety, by reducing the trip duration and by improving the frequency of the means of transport.

In this sense the following were achieved:

a) Remodeling of the transport network (analysis of existing routes and establishing them in view of a better satisfaction of the transport need),

b) Trams with partially lowered floor, in the middle area, and those with low floor, buses and trolleybuses with completely lowered floor, thus facilitating the access of persons with movement disabilities, respecting the principle of equality and the provisions of European Council Directive 2001/85/CE,

c) Modernization of the rolling infrastructure;

d) Execution of own paths for trams[2] in certain areas;

e) A project implemented is the Automated Taxation System (in original, SAT) co-financed in proportion of 50% by the General Council of the City of Bucharest and the European Investment Bank. It integrates, from the commercial viewpoint, the surface urban transport (RATB) with the underground one (METROREX). The system allows the collection of information regarding the vehicles' loading degree and, on the basis of this information, it is possible to optimize the transport network. At present, the uploading of the cards can also be made via the Internet, and now also through bank ATM-s. also, there will be installed the first automated machines for issuing tickets and passes;

f) Installation on buses and trolleybuses of the information system by means of which are made audio and video announcements regarding the following stops, as well as on the transfer possibilities into other transport networks;

g) in view of increasing travelers' safety and comfort, the video monitoring system was introduced, the information being taken continuously and, if the case, made available to the Police, Prosecutor's office or Gendarmerie, if requested within the 72-hour interval;

h) for combating aggression and fraud measures were taken related to the value of the fine, which increased from 100 lei to 150 lei. Another means used to diminish fraud consists in educating travelers by promoting a general culture in the means of transport by means of the audio and video systems;

i) introduction of night-time public transportation (23 lines);

j) introduction of a phone line for the information on public transportation services;

k) supplementing the number of vehicles on route during the rush hours,

l) establishment of the tourist line.

Conclusions

The research identifies a set of improvements that need to be brought to the Romanian public transportation service, without which the quality of this service would be significantly affected in the immediately following time horizon and which would bring forth major reconfigurations of the manner of organizing and functioning of this service and a descending trend on its life cycle:

a. placement of new ticket counters in areas where there is a request for transport passes;
b. increase of travelers' safety in stations;
c. reduction of the travel time by means of a higher travel speed of vehicles and higher frequency;
d. determining and development of transport corridors for trolleybuses and buses, which to ensure a rapid and efficient travel to the work place;
e. collection and statistical processing of the data supplied by the payment system based on the smart card;
f. statistical processing of the data obtained from the traveler counting systems and the optimization of the offer by corroborating with the structure of the other statistical data regarding the transport need;
g. accompanying the messages transmitted by their translation into the English language, considering that the public transportation is also used by foreigners;

[2]The transport by tram is safer than with the car, the rolling path separated from the general traffic and priority in traffic constituting additional factors in reducing the risk of accidents. Due to the increase of safety, small intervals of succession can be scheduled during the rush hours, resulting a better service for the travelers. When the tram's rolling path is incorporated in the road used in common by all vehicles, on the grounds of general indiscipline of traffic, tram traveling is disturbed by the road traffic.

h. establishment of integrated information centers for the traveling public;
i. creation of a special budget for the periodical printing of the RATB maps and of the different flyers with information meant to contribute to the education of the users and to the change of behavior in relation to the choice of the travel manner, of the payment for the service supplied;
j. increase of the number of vehicles with low floor and access ramp for wheelchairs;
k. maintenance of an attractive rate policy;
l. development of specialized systems for the real time information of persons with mobility problems;
m. use in common of the stops both by trams and buses, where the infrastructure allows it. This would contribute to the fluidization of the general traffic, to the improvement of the inter-modal transfer conditions and to the increased attractiveness of public transportation;
n. establishment of Public Transportation Police;
o. creation of mobility centers for the promotion of public transportation which to provide information on the alternative means of transport and to stimulate persons' mobility;
p. creation of bicycle panes;
q. analysis of collections on time intervals, in order to adapt the schedule depending on the supply and demand.

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Brands internationalization

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Abstract:
In this paper we realized an analysis of factors that influence the brand internationalization. Brands are stories that go beyond the borders of the nation-state. Globalization and trade liberalization leaded to a proliferation of global brands. We showed that brands that want to go abroad must carefully plan their internationalization and choose the foreign markets in accordance with their resources and strategy. Successful brands acknowledge the fact that consumers' tastes are universal therefore internationalization strategy is the way to pursue.

Keywords: international marketing, brand internationalization, branding;

1. Introduction

Entrepreneurs are those who undertake things in order to reorganize a sector of social world, but what makes them entrepreneurs and not simple participants is that they accept responsibility for their results.

Marketing lies in an evolving process. Marketing represents one of the most attractive subjects of business world during the last six decades. This because it targeted three disciplines: *product management, customer management* and *brand management*. In order to create the demand, it hasn't been enough to focus on the rational mind of consumers, with the classical model of positioning, but also their emotional or affective part. So, marketing concepts adopted in 1990 and 2000 reflected the discipline *brand management*. The question that arises now is that, after 2012, consumers will spend with more caution than before the crisis. The lifestyle, "*buy now, pay later*" is less certain to occur, because governments regulates credits more strictly, and banks and consumers have a risk aversion. Vertical lack of trust is valid in both directions. If the level of expenses remains low, then also the economic aperture will be a slow one, and as a consequence, marketers will strive more than ever to make consumers spend their money.

Present critics to marketing are due more to the poor reaction of some companies, rather than to a failure of the theory itself or to the lack of capacity to implement it in real life. As a consequence, it is possible for traditional marketing departments to be minimized, as this activity will leave the official limits, penetrating and infiltrating all organizational levels of companies. In terms of life cycle sequencing, some states that marketing is somewhere between childhood and adolescence (McDonald 1998, p. 31, 122-124, 139).

2. Potential strength of brand

The way we evaluate a brand, a service or a product depends on how we perceive it. And that depends on the reference we report to. The reference framework largely derives

from our own experience. As there is a mental agenda of brands we associate with a certain category of products, there is also an agenda of features that we associate with a certain brand. In usual conditions, the area of our attention is so extended that it only focuses on a limited number of possible characteristics of a certain brand or product (Sutherland and Sylvester, 2008, p. 53-54). Strong brands raise the employees' morale, and managers of human resources departments have to be ardent supporters branding efforts. Also, brands are an important aspect of the organizational culture and can be used to help companies during the crisis. Definition of brand value is based on the perception of brand as a valuable asset, in the same way you appreciate a house or a factory. So, *the brand value* can be defined as ,,The net value of monetary flows generated by a product or a service with a well known brand positioning, from which we subtract the monetary flows generated by a similar product or service without a known brand positioning" (Sexton, 2012, pp. 296-297).

If company's decisions referring the product, placement and price are focused on *creating performance,* the promotion policy has the task of *representing company's performances* against its target groups. *Communication policy* of a company includes all the internal and external measures acting on knowledge, perceptions and attitudes of market participants, to business performance (Bruhn 1999, 213).

Brands seek notoriety and commercial results on international level. Entrance on external markets has to be placed in the context of the internationalization strategy of the company. Each company that wants to be present on the international market has to develop a strategy for achieving the expected advantages. Such a strategy represents a complex process that begins with analyzing data about external markets and those about company's potential, continues with determination of international objectives, followed by the establishment of internationalization alternatives.

The American consultant Don Jackson agrees that people will buy from you due to four reasons: (1*) price* and/or (2) *service* and/or (3) *quality* and/or (4) *exclusive feature*. If you cannot offer at least two of the four buying reasons, you actually do not have any business. Think that all money you spend on programmes you manage is like your own money (Hatch and Jackson, 2007, p. 21-22). If we are looking into a supermarket, we will identify thousands of brands that struggle to make them observed and be"picked" by consumers. No wonder that so many brands don't succeed to survive and, in time, they become just memory. According to estimations, over the last decades, about 80% of the new offers of supermarkets didn't succeed to maintain not even a season; so, there is a failure rate for new products even up to 94%. And still, these were created by expert teams, were tested for long periods of time and proposed on the basis of data about target segments of consumers, with attractive names, packages and specific logos, benefited from advertising campaigns and were highlighted on stores' shelves, though many specialists criticize this granted privilege! (McEwen 2008),

Generally, marketing domain establishes *a non-personalized communication* with buyers. To conquer a large number of customers, consumers are oriented to a distributor, with the help of a non-personalized media (television advertising, radio, banners, papers or cinema). Customer loyalty is an important profit source for the company: 20% of customers generate 80% of company's turnover. Losing the best customers is catastrophic for the firm, from where the idea of diversifying the use of the proposed products (cross or complementary sales), as well as development of a personalized relation, or "*one to one"* with customers. Efficiency of visual communication results from the consistency between messages, images and their supports, a coherence that optimizes sensitivity, understanding and memorizing messages by recipients. Images' language is subject to cultural codes that should be adjusted to communication constraints.

World is a great negotiation table at which we all are participants. It is important to make a distinction between negotiation and confrontation. Gabrielle Le Blanc defines

psychology of sale as the scientific study of interpersonal relation (the behavior, perceptions and mutual expectations of customer and seller) created between buyer and seller. In a fundamental sense, every negotiation is for satisfying needs. For example, we often enter into conflicts with others: family members, commercial agents, competitors or entities with impressive names, such as"institution" or,"structure of power". The way we approach these situations can be decisive for our prosperity and for enjoying a satisfactory and fulfilling life. Information, time that presses and perception of power often determine the difference between satisfaction and frustration (Cohen, 1995, pp. 9-16).

Internationalization of brands is made from *reactive and proactive* reasons. Reactive reasons come from the desire of firms to keep up with the competition. Proactive reasons appear when a company takes the initiative of internationalization (Deresky 2006, pp. 222-224). In category of reactive reasons, we can include: trade barriers, globalization of competitors, existence of some regulations and restrictions as well as requirements from customers.

Restrictive trade barriers are a reactive reason for which companies shift from export to productions internationalization of brands. Barriers, such as tariffs, quotas, preference for local products, and other restrictive trade barriers, can make exports to foreign markets too expensive and non-profitable. A lot of companies, for example, want to achieve a platform in Europe, in order to be considered local, so counteracting the restrictions and trade barriers applicable for companies outside the European Union.

Globalization of competitors is one of the most frequent reactive actions that determine a company to internationalize its brands. Competitors that already have abroad operations or investments can create powerful operations on foreign markets, becoming more difficult for other companies to enter the market after that. Besides, lower costs and market power of competitors at a global level can offer them an advantage also internally.

In a similar way, *regulations and restrictions* imposed by a government can become so expensive, that companies will seek less restrictive external markets. The American pharmaceutical company SmithKline and the British company Beecham merged in order to avoid these regulations. So, the both of them avoided licensing on their greatest markets: Western Europe and United States of America. The company resulted after the merger is considered local both in Europe and America.

Operations on foreign markets often start as a response to *customers' demands* or as a solution to logistical problems. Certain foreign customers, for example, can demand the supplier company to operate in the same region, to have a better control on the purchasing process, forcing the supplier to comply. McDonald's is one of the companies that demands to its internal suppliers to follow it on foreign markets. Customers' globalization determines companies to follow them on the external markets.

The proactive reasons include growth opportunities, economies of scale, access to resources and reduction of costs, various incentives offered by national governments.

Long term strategic planning encourages internationalization of brands, from proactive reasons. A pressing reason for abroad expansion of large firms is represented by *economies of scale,* reaching an important volume at global level, to use modern intensive production technologies and redeem research and development costs, when they face short life cycles of products. Production economies of scale are gained when a raised production leads to a distribution of fixed costs on more production units, so reducing the unit cost.

Access to resources and cost reduction attract many companies to operate abroad. Availability of raw materials and other resources offers, at the same time, a higher control over inputs and reduced transportation costs. Low cost of labor force (for production, services and technical personnel), another important factor, leads to lower unit costs and it has been proved to be a vital ingredient of competitiveness for many companies. Sometimes, only the

perspective of relocating production abroad improves competitiveness of the local production. Xerox Corporation started to relocate its production in Mexico, fact that led to changes in the working style and productivity of Americans, in order to save their jobs. Low operational costs from other regions, for energy, transports and financing, are often attractive.

Governments from certain countries that seek for capital infusion, technology and know-how offer *incentives* such as tax exemptions, tax deductions, grants, loans and also rights of use. These incentives are attractive for foreign companies because they diminish risks and increase profits. Governments from Central and Eastern Europe offer incentives to multinational companies to open production branches and research centers on their territory (Deresky 2006, p. 222-224).

3. Strategic planning of brand expansion on new markets

Companies approaching external markets are obliged to use strategic planning in marketing activity because only in this way coordination with corporate strategy, with the other functions of the company and with the efforts on other markets or by other subsidiaries is possible, on a long term perspective. At the same time, planning allows coordination of marketing activities, to create premises for obtaining valuable data in order to facilitate brand decisions. In this way, the company can develop and maintain its competitive advantages.

Advantages offered by strategic planning in brand expansion are (Jugănaru 2007, pp. 294-295): the increase in motivation level of managers; facilitate managers' orientation toward the general and competitive external environment. Customers, competitors and all the changes that influence the market are the elements that strategic alternatives are dependent on; provide the possibility of practical application of company's strategies and achieving objectives; implies all the persons in the process of reaching objectives because each of them knows his/her own tasks; provide a better allocation of resources; create the adequate framework for controlling and supervising strategy appliance.

Planning of brand internationalization represents the process composed of developing mission, organizational strategy and strategy of various divisions (corresponding to different domains of strategic activity with various decisions and strategic marketing actions, regarding: study and analysis of marketing situation, markets and customers; defining, orientation, establishment of objectives, strategies and marketing programs related to target customers; determination of the way that customer service and internal marketing will be able to support marketing strategies; practical application, evaluation and control of marketing programs in order to achieve the established objectives. Applying this process, the company can reach its objectives; identify potential opportunities and threats that will compromise performances.

Planning brand internationalization is a sequential process comprising several stages.

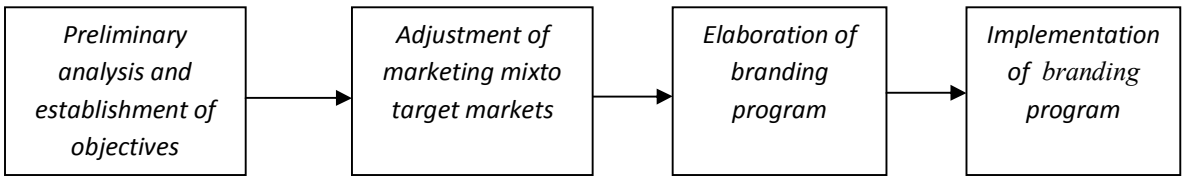

Fig. 1. Sequential planning in brand internationalization
Source: Adaptation after Sasu 2005, p. 294

In the *preliminary analysis stage*, company's objectives must be correlated with its resources and potential. With this purpose, SWOT analysis must be realized in order to select possible strategies. The target market is subject to an intense analysis, in terms of

consumption habits, usability of product, price levels, the existing sales and marketing infrastructure. In this stage, we identify also the potential of target market and its development perspectives, if we consider a developing country. Brand objectives are established in this stage. We can identify several categories of objectives: growth and diversification objectives, efficiency and performance objectives, positioning objectives, competitive objectives, volume objectives, qualitative objectives (Jugănaru 2007, p. 301).

In the *stage of marketing mix adjustment to target markets,* you have to make the necessary adjustments regarding production, price, placement and promotion policies that will support brand potential. Marketing mix will be adjusted for every country or will be standardized for a group of countries according to their similarities. Adjustment can be realized for just an element of the mix or for all of them. Adaptation will be done also in accordance with the existent infrastructure marketing of a country: the number and structure of distribution channels, the development level of media and the sophistication level of after-sale service.

In *the elaboration stage of branding program,* you have to establish action programs for achieving marketing objectives. These detail marketing tactics that will be implemented and the necessary resources. It shall prepare a cost for each expected marketing action. Determination of budgets considers all types of expenses necessary for achieving marketing strategies, evaluation of the effort for each activity but also for the entire plan.

Evaluation of branding program is performed using several criteria including managers' attitude, the risk involved in each action of the plan, knowledge of strengths and weaknesses, consistent marketing plan (Jugănaru 2007, p. 303). The control of plan execution falls in ensuring the balance between capabilities and company's objectives with environmental opportunities and threats. Control system is made by three main elements: establishment of standards; performance measurement in relation to standards; analysis and correction of deviations from standards.

In planning brand internationalization, there are obstacles that strategic planners must take into account. It is about the linguistic difference between the internal and target market. Linguistic difference is the result of a cultural model that hides more subtle differences. In international planning, markets are highly fragmented; the role of political factors is important, governments influence business decisions. Economic environment is different from that in the origin country, in terms of the competitive environment and business practices. Highlighting the nature of barriers to international marketing planning is facilitated if there is a comparison with marketing planning for the company's home market (table 1).

Table 1. Differences between branding planning for internal market and that for international market

Branding program for internal market	Branding program for international market
A single language /culture	Multi linguistic/multicultural factors
Relative homogenous market	Diverse and heterogeneous markets
Easy to collect data	Difficult collection of data in terms of time and cost. Incomplete and difficult to compare data
Political factors have a reduced influence	Influence of politics is considerable
Business environment relatively uniform and homogenous	Multiple business environments in terms of stability
A single currency	Operations are carried out in different currencies and with different evolutions
A known competitive climate	Numerous competitive distortions generated by multiplication of operators

Source: Adaptation after Sasu 2005, p. 287

Planning of brand internationalization is not an easy task. Managers dealing with implementation of branding strategies, notice, in many cases, that practical reality and achieved results do not correspond with the initial objectives. When planning is too rigid or letter of the law in some organizations, those responsible for plan implementation are not allowed to make adjustments function to a precise situation. Making the branding plan is not a result in itself; but it often pays attention to achieving a voluminous document, full of irrelevant data, just to impress decision makers and superiors. Relevant is the implementation of the plan and not its framing.

4. Selecting the external markets

The companies operating abroad want to engage on the markets that ensure the highest profits. This is true for the developing markets, for which the future growth rates will be higher than the average. The markets are different so that the offer must be adapted to specific conditions.

Selecting the markets for brand internationalization is the process that allows establishing some priority markets for the enterprise. Operating on these markets requires decisions regarding the optimal allocation of the limited resources of the company. By continuous optimizations, the enterprise with international activities is capable to choose the optimal mix of markets, allowing reaching the strategic branding objectives.

Selecting the external markets must be based on clear criteria, in conformity with the branding strategy of the enterprise. The difficulty is that the markets can be described and delimited after various criteria. These selection variables are independent, are differently detailed and are valuable only in a certain context. It is not wisely to realize an arbitrary selection, based only on geographic or cultural proximity. It is necessary to quantify all the elements that can negatively influence or to enhance the success on the market of that respective company (Barbu 2010, p. 89).

The work implied in selecting the market requires a cost, as any other marketing activity. Its costs will depend on the objective followed, the number of markets the need to be analysed, the position of the enterprise on each market, adding the necessity of a careful and precise research. But, objectively, a company must take into consideration its financial situation and to limit the expenses to its possibilities. Each company must evaluate correctly the sums required for the search of the perfect market and to proceed accordingly. The activity of investigation in order to select the external markets must be considered an investment, and therefore to be evaluated accordingly (Danciu 2009, p. 164).

The selection of the international markets can be realized by the specialists of the specialized organizations. The marketing departments is called to offer systematic reports concerning the potential of the evaluated markets and to offer scenarios of the income evolutions following the entry on the foreign market. The marketing department can offer these analyses independently or in collaboration with the specialized research companies. The advantages of using an external agency is that the people working there have more experience are specialized in what they are doing, and they can use various models available to develop scenarios, which the existing companies cannot perform so well.

The process of selecting the external markets is sequential and comprises five steps (de Burca, Fletcher şi Brown 2004, p. 231):

a) analysing the reglementations of the target market;
b) preliminary evaluation;
c) analysing the competition environment;
d) analysing the responses from the market;
e) analysing the internal strengths of the company.

The degree of competition among the existence competitions has a direct effect on the rentability of the sector. A strong fight in the sector (through price, advertising, new products) is often accompanied by a reduction of the profitability on the entire sector.

In the same time, a potential new-comer will nod make a step toward a foreign market if he expects a strong reactions from the existing competition or if the revenues generated by the entrance are not enough to cover the costs engaged to enter the market.

Regarding the competition pressure, the enterprise must adopt a strategy that usually takes into account two objectives (Nistorescu 2002, p. 87-88): increasing the competitional pressure on the market, by using a growth strategy to aquire market share; reducing the perceived competition pressure, for example by differentiated products from the competition. We appreciate that the pressure exercited by the competition does not depend only on the number and size of the competitors, but also on the characteristics of the products, markets and costs.

The variables considered for realizing the economic profile of an international market are: the size of the market, the growth rate of the market, the phase of the life-cycle, the existence of the scale economies in the production process, the analysis of the profitability of the market. Other variables that are taken into account are: the price elasticity, the variety of the products lines, the existence of distribution channels, the competition degree from the distribution channels. The accent falls on flexibility and adapting the market infrastructure, so that the company is able to implement the marketing plan.

The entry alternatives are analysed in order to observe which of them is capable of yielding the highest revenue. There are realized alternatives scenarios and it is selected the best solutions. In this phase there are analyzed the costs of access to the selected markets. The logistics aspects play an essential role: the merchandise must reach the final client at a low cost, in good qualitative conditions and in a resonable time.

Evaluating the potential of the enterprise requires the establishing of the competence and the capabilities of the company to operate on the foreign markets. The company will decide if it will collaborate with an external partner or will beneficiate from the help of its own employees. Based on its market experience, the company will decide the judicious use of its physical, human and organizational resources. The company develop progressive its international strategic capabilities, while the exercise of allocating and the conversion of the resources is perfection in time to high level of efficiency.

The company that performs international activities must have a balanced portfolio of markets, so that these markets will ensure sinergetic advantages. For example, the company can launch a product on the developed markets, then on a short interval on the developing markets. More than that, the different markets experience different growth rates which make possible compensations concerning the balancing of revenues (Danciu 2008, p. 177).

Conclusions

When nothing that can be done in the area of trade leads to desirable outcomes, we introspect ourselves regarding the structure of the marketing-mix, in other words how can we make the consumer to choose our company. The economic recession emphasizes one of the most sensible issues: the price. Faced with a slumped of purchasing power, the week differential among the existing companies, the solution chosen by many companies is to reduce the price in ratio with the quality.

Today the companies are facing a global economy, the world is becoming more cosmopolite. The courageous companies on the global market freed themselves from old practices, approaching each market in a particular way. The first task of the marketers that want to enter a foreign market is to gather information about the way of thinking of the

people from that respective market. The business world today is not faced with the deficit of products and services but with the deficit of consumers. Companies are hoping to enlarge the clients' base by engaging in operations at the international level.

A company that is making transactions exclusively on its home market can no longer resist the pressure because the foreign competition will erode its supremacy. Business today is borderless. The product is a satisfaction for the consumer. The companies that maintain the traditional perspective are in a weaker condition.

Today, consumers believe more on each other than they believe in companies. The marketing promises emerging from the companies beneficiate from little trust of the consumers. The companies must understand that development means transforming the life of the people, not just economic growth. The economic growth continues to be important from a moral point of view, if the companies pursue to generate an increase in the economic standard of the people. The commerce activity requires to respect the values and moral norms.

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A Laplace type problem for regular lattices with circular section and rhombus obstacles

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Abstract

In this paper, we compute the probability that a segment of random position and of constant length intersects a side of a regular lattice with circular sections and rhombus obstacles. In particular, we obtain the Laplace probability. The results can be used for possible applications in economy and engineering, in particular for transportation problems.

Keywords: geometric probability, stochastic geometry, random sets, random convex sets and integral geometry;

1. Introduction

In connection with some recent work ([1], [2]), we consider a regular lattice with the fundamental cell represented in figure 1, and we compute the probability that a segment of random position and of constant length intersects a side of the lattice, i.e. the probability that the segment intersects a side of the fundamental cell. As a particular case of our study, we obtain the Laplace probability.

2. Cells with circular section and rhombus obstacles

Let $\Re(a,b,m;\alpha)$ be the regular lattice with the fundamental cell C_0 represented in figure 1, where $\alpha \le \frac{\pi}{2}$ is an angle and $m < \min(a,b)$. The four obstacles are two rhombuses and two circular sections.

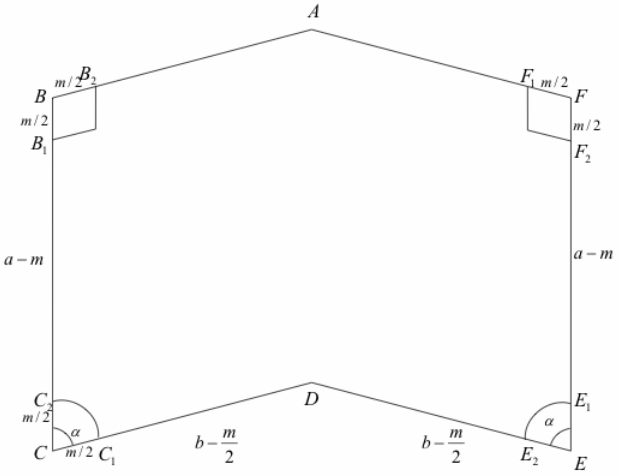

Fig. 1.

We have:

$$area\, C_0 = 2ab\sin\alpha - \frac{m^2\sin\alpha}{2} - \frac{\pi m^2}{8}. \tag{1}$$

We consider a segment s of random position and of constant length l, with $l < \min\left(a-m, b-\frac{m}{2}\right)$, and we compute the probability P_{int} that this segment intersects a side of the lattice, therefore the probability that the segment s intersects the side of the fundamental cell C_0.

The position of the segment s is determined by his middle point O and by the angle φ that the segment forms with the side CD of the fundamental cell C_0.

To compute the probability P_{int}, we consider the limit positions of the segment s for a fixed value of φ. Let $\hat{C}_0(\varphi)$ be the polygon obtained from these positions, as in figure 2:

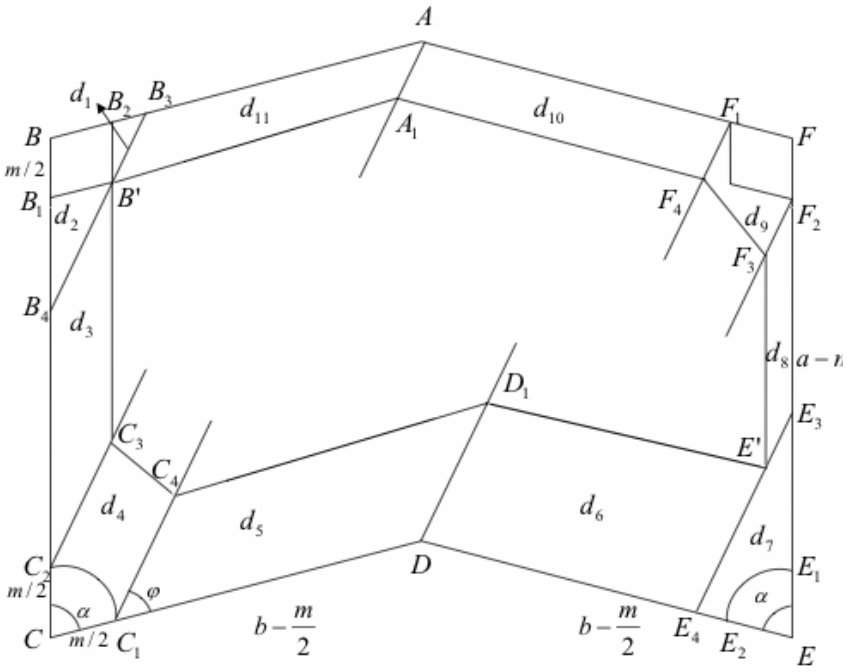

Fig. 2.

We can write:

$$area\,\hat{C}_0(\varphi) = area\, C_0 -$$

$$\left[area\, d_1(\varphi) + area\, d_2(\varphi) + \ldots + area\, d_{11}(\varphi)\right]. \tag{2}$$

We have:

$$area\ d_1(\varphi) + area\ d_2(\varphi) = area\ b_1(\varphi) + area\ b_2(\varphi) = \frac{l^2\sin\varphi\sin(\alpha-\varphi)}{2\sin\alpha} - \frac{m^2\sin\alpha}{4}, \tag{3}$$

$$area\, d_3(\varphi) = area\, b_3(\varphi) = \left(a - \frac{m}{2} - \frac{l\sin\varphi}{\sin\alpha}\right)\frac{l}{2}\sin(\alpha-\varphi), \tag{4}$$

$$area\, d_5(\varphi) = area\, b_5(\varphi) = \left(b - \frac{m}{2}\right)\frac{l}{2}\sin\varphi, \tag{5}$$

$$area\, d_6(\varphi) = area\, b_6(\varphi) = \left[b - \frac{l \sin(\alpha - \varphi)}{\sin \alpha} \right] \frac{l}{2} \sin(2\alpha - \varphi), \tag{6}$$

$$area\, d_9(\varphi) = area\, b_9(\varphi) = \frac{ml}{2} \cos\frac{\alpha}{2} \sin\left(\frac{\alpha}{2} + \varphi \right) - \frac{m^2}{8} \sin \alpha, \tag{7}$$

$$area\, d_{10}(\varphi) = area\, b_{10}(\varphi) = \left(b - \frac{m}{2} \right) \frac{l}{2} \sin(2\alpha - \varphi), \tag{8}$$

$$area\, d_{11}(\varphi) = area\, b_{11}(\varphi) = \left[b - \frac{l \sin(\alpha - \varphi)}{\sin \alpha} \right] \frac{l}{2} \sin \varphi, \tag{9}$$

$$area\, d_4(\varphi) = area\, c_4(\varphi) = \frac{ml}{2} \sin\frac{\alpha}{2} \cos\left(\frac{\alpha}{2} - \varphi \right) - \frac{m^2(\alpha - \sin \alpha)}{8}, \tag{10}$$

$$area\, d_7(\varphi) = area\, c_7(\varphi) = \frac{l^2 \sin(2\alpha - \varphi) \sin(\alpha - \varphi)}{2 \sin \alpha} - \frac{\alpha m^2}{8}, \tag{11}$$

$$area\, d_8(\varphi) = area\, b_8(\varphi) = area\, c_8(\varphi) = \left[a - \frac{m}{2} - \frac{l \sin(2\alpha - \varphi)}{\sin \alpha} \right] \cdot \frac{l}{2} \sin(\alpha - \varphi). \tag{12}$$

Replacing in (2) the expressions (3) – (12) , we obtain:

$$area\, \hat{C}_0(\varphi) = area\, C_0 - \left\{ \frac{l^2 \sin \varphi \sin(\alpha - \varphi)}{2 \sin \alpha} - \frac{m^2 \sin \alpha}{4} + \right.$$
$$+ \left(a - \frac{m}{2} - \frac{l \sin \varphi}{\sin \alpha} \right) \frac{l}{2} \sin(\alpha - \varphi) + \left(b - \frac{m}{2} \right) \frac{l}{2} \sin \varphi +$$
$$+ \left[b - \frac{l \sin(\alpha - \varphi)}{\sin \alpha} \right] \cdot \frac{l}{2} \sin(2\alpha - \varphi) + \frac{ml}{2} \cos\frac{\alpha}{2} \sin\left(\frac{\alpha}{2} + \varphi \right) +$$
$$- \frac{m^2 \sin \alpha}{8} + \left(b - \frac{m}{2} \right) \frac{l}{2} \sin(2\alpha - \varphi) + \left[b - \frac{l \sin(\alpha - \varphi)}{\sin \alpha} \right] \frac{l}{2} \sin \varphi +$$
$$\frac{ml}{2} \sin\frac{\alpha}{2} \cos\left(\frac{\alpha}{2} - \varphi \right) - \frac{m^2(\alpha - \sin \alpha)}{8} + + \frac{l^2 \sin(2\alpha - \varphi) \sin(\alpha - \varphi)}{2 \sin \alpha} - \frac{\alpha m^2}{8} +$$
$$\left. + \left[a - \frac{m}{2} - \frac{l \sin(2\alpha - \varphi)}{\sin \alpha} \right] \cdot \frac{l}{2} \sin(\alpha - \varphi) \right\} = area C_0 - \left\{ \left[2a \sin \alpha + \left(2b - \frac{m}{2} \right) \sin 2\alpha \right] \frac{l}{2} \cos \varphi + \right.$$
$$+ \left[2b + \frac{m}{2} - (2a - m) \cos \alpha - \left(2b - \frac{m}{2} \right) \cos 2\alpha \right] \frac{l}{2} \sin \varphi +$$
$$\left. - l^2 \cdot \frac{\sin \varphi \sin(\alpha - \varphi)}{\sin \alpha} - \frac{m^2}{8} (\alpha + 2 \sin \alpha) \right\}. \tag{13}$$

Denoting by M the set of segments s that have the middle point in the fundamental cell C_0 and by N the set of segments s completely contained in the fundamental cell C_0, we may write (see [4]):

$$P_{int} = 1 - \frac{\mu(N)}{\mu(M)}, \tag{14}$$

where μ is the Lebesgue measure in the Euclidean plane. The measures $\mu(M)$ and $\mu(N)$ are computed using the kinematic measure of Poincaré (see [3]), where x and y are the

coordinates of the middle point of the segment s and φ is the angle defined above. We have

$$\mu(M)=\int_0^{\alpha} d\varphi \iint_{\{(x,y)\in C_0\}} dxdy=\int_0^{\alpha}[area\, C_0]d\varphi=\alpha\cdot area\, C_0 \tag{15}$$

and, using (13),

$$\mu(N)=\int_0^{\alpha} d\varphi \iint_{\{(x,y)\in \hat{C}_0(\varphi)\}} dxdy=\int_0^{\alpha}\left[area\, \hat{C}_0(\varphi)\right]d\varphi=$$

$$\alpha\cdot area\, C_0-\left\{\left[2a\sin\alpha+\left(2b-\frac{m}{2}\right)\sin 2\alpha\right]\frac{l}{2}\sin\varphi-\right.$$

$$-\left[2b+\frac{m}{2}-(2a-m)\cos\alpha-\left(2b-\frac{m}{2}\right)\cos 2\alpha\right]\frac{l}{2}\sin\varphi+$$

$$\left.+\frac{l^2}{2\sin\alpha}\left[\frac{\sin(\alpha-2\varphi)}{2}+\varphi\cos\alpha\right]-\frac{m^2\varphi}{2}(\pi-\sin\alpha)\right\}\Bigg|_0^{\alpha}=$$

$$\alpha\cdot area\, C_0-\left\{\left[2a\sin\alpha+\left(2b-\frac{m}{2}\right)\sin 2\alpha\right]\frac{l}{2}\sin\alpha+\right.$$

$$\left[2b+\frac{m}{2}-(2a-m)\cos\alpha-\left(2b-\frac{m}{2}\right)\cos 2\alpha\right]\frac{l}{2}(1-\cos\alpha)$$

$$\left.-\frac{l^2}{2}(1-\alpha\,\mathrm{ctg}\,\alpha)-\frac{m^2\alpha}{2}(\pi-\sin\alpha)\right\}. \tag{16}$$

From the relations (1), (14), (15) and (16), we obtain:

$$P_{int}=\frac{1}{\alpha\left(2ab\sin\alpha-\frac{m^2\sin\alpha}{2}-\frac{\pi m^2}{8}\right)}\cdot$$

$$\left\{\left[2a\sin\alpha+\left(2b-\frac{m}{2}\right)\sin 2\alpha\right]\frac{l}{2}\sin\alpha+\right.$$

$$\left[2b+\frac{m}{2}-(2a-m)\cos\alpha-\left(2b-\frac{m}{2}\right)\cos 2\alpha\right]\frac{l}{2}(1-\cos\alpha)$$

$$\left.-\frac{l^2}{2}(1-\alpha\,\mathrm{ctg}\,\alpha)-\frac{m^2\alpha}{2}(\pi-\sin\alpha)\right\}. \tag{17}$$

For $\alpha=\frac{\pi}{2}$ and $m=0$, the fundamental cell becomes a rectangle with sides a and $2b$ and the probability (17) becomes the Laplace probability:

$$P=\frac{2(a+2b)l-l^2}{2\pi ab}.$$

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Methods and techniques of the statistical survey data analysis

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Abstract

The selective direct research work is a method to gather primary data from a representative sample of respondents by means of a questionnaire, straightly administered.[1]

In time, the statistical survey has met a great diversification from the communication with the respondents point of view, a fact leading to extremely large ways to data gathering and data processing. Such a work will start with centralizing and grouping data, a preliminary stage viewing the use of specific statistical methods and techniques, leading to statistical indicators.

Key words: market research, statistical survey, statistical survey, statistical coefficient.

Knowing realities in every field of activities requires gathering individual data for the characteristics of interest, their systematization and processing providing the necessary information to meet the research aim.

The statistical research work regards such realities in the form of a whole entitity or individual collectivities called populations.[2]

The selective research work in the form of a survey is meant to describe the buying and consumption behaviour, to identify opinions, attitudes and reasons of the marketing actions, to find out the values shared by the buyers or consumers.[3]

The statistical survey is a partial and selective record applied when the total observation is not possible and it is not economically proved. That kind of marketing research relies on collecting data from only one part of the general collectivity (the sample), chosen to represent the whole collectivity characteristics. The method, though involving admitted errors, is frequently met in practice.

1. The survey peculiarities

The survey type selective survey is one of the most frequently applied method in the field of marketing research. The survey is a method to gather primary data from a representative sample of respondents by means of a questionnaire, straightly administered. Its main characteristics are[4]:

- **communicating with the respondents** – the communication may be verbal, written or computer based;

[1] Cătoiu,I. (coord.), Cercetări de marketing, Ed. Uranus, București, 2002, pg.261
[2] Bărbat, Al., Teoria statisticii sociale, Universitatea „Al.I. Cuza", Iași, 1971, pg.27
[3] Drăguț, B., Cercetări de marketing. Note de curs, Ed. Pro Universitaria, Bucureşti, 2012, pg. 82
[4] Cătoiu, I.,(coord.) op.cit. pg.261-162.

- **sample representativness** – the survey is a selective research work, as it involves a limited sample from the envisaged population, a sample which must be representative for the target collectivity designed;
- **the preponderant descriptive character** – in most of the cases, the surveys are part of the descriptive research works, as they are focused on describing the characteristics of a certain marketing phenomenon;
- **the preponderant quantitative character** – most of a survey goals regard the quantification of various data, with a view to their later projection, at the level of the target population. There also are goals which have in view gathering qualitative information.

In time, the statistical survey met a great diversification from the point of view of the communication with the respondents, that fact leading to extremely large ways of data collecting. Thus, at present, one could consider the following:

- personal surveys (face to face surveys);
- by mail surveys;
- by phone surveys;
- PC based surveys.

When during the selective direct research work the questionnaire is read and filled in by the respondents, one may say it is a self administered survey.

2. Data analysis methods and techniques

In such a data processing the research work starts with data centralizing and clustering, a preliminary stage with a view to applying specific statistical methods and techniques. Statistical indicators will be obtained as the processing result.

The indicators that can be used in data analysis obtained from the survey type research can be grouped as following[5]:

- frequency indicators: absolute, relative and cumulated;
- relative measures;
- central trend indicators; simple arithmetical mean/weighted and modal value;
- indicators of total variation: variation amplitude, individual deviation, average linear deviation, quadratic average deviation (the type deviation or the standard deviation), dispersion and variation coefficient.
- ***Relative measures***

A relative measure is the result of a two indicators ratio which are in the statistical comparability condition. That can be rendered in coefficients and percentages. The ***structure relative measures*** can be obtained as a ratio between one part and the whole.

Relative frequencies (n_i^*)[6]:

$$n_i^* = \frac{n_i}{\sum_{i=1}^{k} n_i} \quad \text{sau} \quad n_{i(\%)}^* = \frac{n_i}{\sum_{i=1}^{k} n_i} \cdot 100 \qquad (1)$$

$$\sum_{i=1}^{k} n_i^* = 1 \quad \text{respective} \quad \sum_{i=1}^{k} n_i^* = 100\,\%. \qquad (2)$$

[5] Biji M., Statistică teoretică, Editura didactică şi pedagogică, Bucureşti, 1979, p.77-193

[6] Ionescu, R., Asigurările de persoane în România în cotextul integrării în Uniunea Europeană, Ed. Universitară, Bucureşti, 2010, pg. 178

the weight or **the specific weight** (g_i) of a value (x_i) in the total value of the collectivity ($\sum_{i=1}^{n} x_i$): $g_{i(\%)} = \frac{x_i}{\sum_{i=1}^{n} x_i} \cdot 100$ (3)

↳ ***Central trend indicators***

The arithmetical mean is the result of synthetising in one numerical expression of all individual levels observed and it is obtained by means of reporting the total value of the characteristic to the total number of units.

The arithmetical mean for a simple serious is[7] :

$$\bar{x} = \frac{\sum_{i=1}^{n} x_i}{n} \quad (4)$$

The arithmetical mean for a serious with absolute frequences, (the weighted arithmetical mean) is :

$$\bar{x} = \frac{\sum_{i=1}^{k} x_i n_i}{\sum_{i=1}^{k} n_i} \quad (5)$$

where: x_i - represents the individual levels of the variable;

$\sum_{i=1}^{n} x_i$ - represents the centralised volume of the variable;

n – represents the number of the observed units.

The module – is the value whichc is repeated most of the times, for which reason it is known as the dominant of the series in the literature of the field. In the case of a simple series, accidentaly, the same value is repeated several times and for the respective series the modal value can be also identified.

In tha case of interval clusters, the module place is the interval with the maximum frequency, and the value is calculated as follows:

$$Mo = x_0 + h\frac{\Delta_1}{\Delta_1 + \Delta_2} \quad (6)$$

in which:

x_0 –represents the inferior limit of the modal interval;

h - the size of the modal interval;

Δ_1 - the difference between the frequency of the modal interval and the other one before it;

Δ_2 - the difference between the frequency of the modal interval and the next one.

↳ ***Variation indicators***

➢ ***The absolute amplitude*** (A_a) is calculayed as a difference between the maximum level(x_{max}) and the minimum (x_{min}) of the characteristics[8]:

$A_a = x_{max} - x_{min}$ (7)

➢ ***The square mean deviation*** or ***the standard deviation*** (σ) is calculated as a square mean deviation from the deviations of all the variants of the series from their aritmetical mean. The calculus of the square mean deviation for a simple series[9]:

[7] Ivan, I., Vişoiu, A., - Baza de modele economice. Ed. ASE, Bucureşti, 2005, pg..277

[8] Goschin Z., Statistică, Editura Expert, Bucureşti, 1999

$$\sigma_x = \sqrt{\frac{\sum_{i=1}^{n}(x_i - \bar{x})^2}{n}} \quad (8)$$

The calculus of the square mean deviation for a series with absolute frequencies:

$$\sigma_x = \sqrt{\frac{\sum_{i=1}^{k}(x_i - \bar{x})^2 n_i}{\sum_{i=1}^{k} n_i}} \quad (9)$$

It is expressed in the same measure units like the variables for which it is calculated.Se exprimă în aceleaşi unităţi de măsurare ca şi variabile pentru care se calculează.

- ***The dispertion*** of a characteristic (σ^2) is calculated like the simple or weighted arithmetical mean of the deviation squares of the terms compared to their mean. It is a non dimensional indicator being calculated on the squares basis.

The calculus of the dispertion for a simple series is:

$$\sigma_x^2 = \frac{\sum_{i=1}^{n}(x_i - \bar{x})^2}{n} \quad (10)$$

The calculus for the dispersion for a series with absolute frequencies:

$$\sigma^2 = \frac{\sum_{i=1}^{k}(x_i - \bar{x})^2 n_i}{\sum_{i=1}^{k} n_i} \quad (11)$$

- ***The variation coefficient*** (v) is calculated like the ratio between the square mean deviation and the medium level of the series:

$$v = \frac{\sigma_x}{\bar{x}} \cdot 100 \quad (12)$$

This coefficient allows to settle the homogenous degree of a repartition series and the representativeness of the medium level. I tis considered that the square mean deviation should not be over 1/3 of the mean.

Conclusions

The marketing research based on survey type is one of the mostly frequent and largely spread works applied in practice in terms of the ways of data collecting, generally due to the characteristics of this method. Here are some of these characteristics: low relative costs, relatively simple and easy to understand by respondents, and easy to apply instruments of data collecting, the possibility to extrapolate the research results at the general collectivity level from where the sample was calculated, the use of statistical methods of analysis, facts that allowed the use of the PC in the data analysis etc.

The survey method met a real development parallel to the development of statistics, as the possibilities for the statistical and mathematical analysis contributed to the development of this marketing research method, especially from the moment in which the PCs took over a great part of the data anlysis.

[9] Drăguţ, B., op.cit. pg. 132

From what one could see, statistics puts a series of methods at the marketing research works disposal to data processing, the choice for the best processing and usage methods, according to the specific field peculiarities which allow the calculation of those indicators that reflect the essential of the investigated phenomenon, and the correctness of the research final conclusions based on the data authenticity and processing precision.

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What is behind the lovemark concept?

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Abstract

This article is a theoretical framework that gives an overview of lovemark concept invented by Saatchi and Saatchi CEO Worldwide, Kevin Roberts. His aim is to provide a better explanation and a better understanding of lovemark concept. The paper is structured around the four sections. The first section explores the way how appeared the lovemark concept. The second section, offers an explanation about what is a lovemark in Roberts' vision and gives some examples of lovemarks provided by Roberts in his book. The third section, literature on lovemark philosophy forming a theoretical framework for the present study is reviewed. Also, this section explores logical linkages between the three components that are directly related with the lovemark concept: mystery, sensuality and intimacy. The fourth section explains how it works the lovemarker, a tool that measures the level of respect and love. Finally, the conclusions were drawn.

Keywords: lovemark, "the love-respect axis", mystery, sensuality, intimacy, lovemarker;

1. From brands to lovemarks

Brands have been studied in myriad contexts. Many academics and practitioners focused their research on understanding and explaining the type of relationships between consumers and branded products. They studied different constructs such as "brand attachment", „brand trust", „brand loyalty", „brand sensitivity", "brand personality" or „brand commitment" in order to distinguish among various consumer–brand relationship concepts and segment consumers into groups on the basis of the intensity of those relationships.

In 2004, Kevin Roberts, Worldwide CEO of Saatchi & Saatchi, began talking about love and launched in the worldwide communication industry a challenge that revolutionized the entire thinking of marketing and branding, respective the concept of "lovemarks".

From his point of view, the concept of lovemarks takes the notion of branding beyond the traditional way of conceiving and marketing a good and/or service. He posits that brands and the traditional way of marketing brands is becoming less effective in our overly saturated, overly stimulated modern marketplace, and that something else is needed to make one product stand out and succeed beyond all others.

During creation of a powerful brand process, companies trying to create unique brands. In order to protect their product, companies register their signs from imitators and unauthorized use. In such way, products evolved into trademarks and trademarks – when they became trusted and respected over time – became brands.

But in a new era, because “the whole industry becoming rapidly commodified, with discounts, store label brands”, Roberts started to ask himself “What would come after the brands?” He presupposed that traditional brands have “lost their juice,” and must develop a relationship marked by delivering products and services that outpace existing expectations of “great performance” while fostering an intimate and committed relationship.

He believes we have now reached a stage beyond brands, where the highest products do more than evoke feelings of trust or respect: they arouse feelings of love. According to this approach, liking a brand and enjoying a brand is just not enough. The consumers must love the brands, not just to "desire" or to "prefer". They must to "love" the brands unconditionally.

In accordance with Kevin Roberts’s vision, the good brands must have something which determines the people to fall in love with, to remain loyal to "beyond reason" and to become major priorities in their life, largely because of their heritage, their authenticity.

His answer to this problem is to inspire a feeling of real love for that product and/or brand owner in the hearts of consumers. This is the reason why, Kevin Roberts (2004) has spread around the world the idea that emotions will transform brands into “lovemarks” which means brands with emotions and a heart, able to set up intimate and emotional positive relationships with consumers, that makes them an essential part of their identity.

2. Defining the lovemark concept

According to Roberts lovemarks are brands with charisma without which people cannot live. He explains that if a customer is deprived of the opportunity to use a specific brand, he will simply find a replacement. If a customer can no longer access a lovemark he will complain. In his vision that for a brand, aspiring to the level of ‘Lovemark’ is an ideal situation and that it should be a goal that producers of all well-known and popular brands should aspire to.

A lovemark can be an object, a product, a service, an experience, a person, a company, even a country – just about anything that can generate emotional heat. Speaking about country, Roberts considers that only three countries in the world can be considered "lovemarks": Italy, France and Ireland, because they have mystery, sensuality and feeling. Other examples of lovemarks provided by Roberts include Cambridge University, Nike, Starbucks, Lego or McDonalds, and he explains that any product or service can be assessed by its location on a love/respect axis.

To bring the concept alive, Roberts created a website around his newfound idea. Lovemarks.com is dedicated to engaging consumers by allowing them to share their Lovemarks with the rest of the world and encourages them to nominate and advocate for other Lovemarks that have already been featured.

A look at the Lovemarks website, www.lovemarks.com, reveals a long list of marks that fit into Robert’s idea of a lovemark from a wide range of industries, including fashion, cosmetics, food, music, technology, people, places, etc. A few have already been mentioned in this article, but among the list, a lovemark you may not think of in these terms that is listed on the site is Elizabeth Taylor. Her brand stood for not only her movies and stardom, but also her perfume, her charity work and certainly all her possessions that just fetched a lot of money at auction. And her passing inspired the same sort of outpouring of love as the

aforementioned Steve Jobs. For the people that were loyal to her and her brand, they saw in her mystery, sensuality and intimacy, i.e., they were in love with her and may have even felt that in some way they owned her.

3. Lovemarks philosophy

Today, the object of some companies, or better said, their responsibility as a competitive market system is not only the enterprising profit and the maintaining of a certain market position, but also the satisfaction of the consumers` social needs in better conditions (Pivoda, 2010). In this context, these super-evolved brands deeply interact with consumers on emotional level, inspire love and influencing their choices. The love that Roberts is talking about is not just a hyperbolic, ephemeral reaction. He is referring to that love that one feels during a great romance, the irrational need to be with someone in spite of, or perhaps because of, all his/her idiosyncrasies. It seems ridiculous at first to conceive of a non-human product in terms of romantic love, but in fact it makes complete sense and is really just another way of conceptualizing brand loyalty, a “loyalty beyond reason”.

How can reach this level of loyalty? How can love be evoked?

From Roberts’ point of thinking, the core component of the lovemark is ‘respect’, without which there is no chance of a love relationship. But, today it is not enough to be respected, Roberts says. Respect is only a condition for admission into the competition. The challenge is to be loved. Emotions are the inexhaustible resource. The appeal to emotions, says Roberts, is the way to escape from the fate of the multitude of undifferentiated brands that become commodities.

In order to help brands to measuring themselves that are or not lovemarks, Roberts created a new tool, which he called "the love-respect axis". These are two intersecting axes, which mean that they are independent. In other words, Roberts claims that respect does not influence love and love does not influence respect.

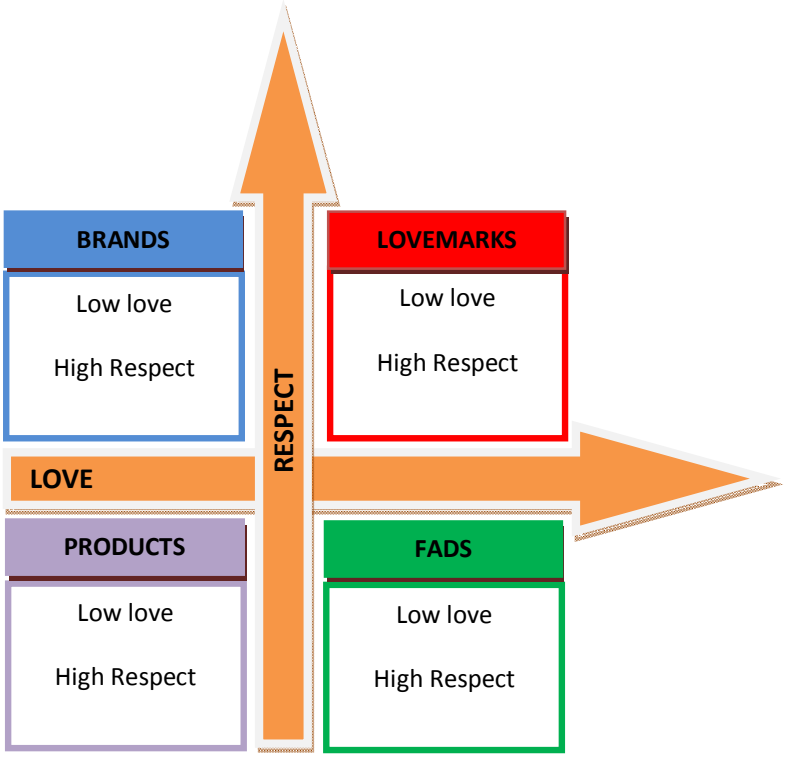

Fig. 1 – Love-repect axis

Source: Adapted from Roberts (2004)

On the love-respect axis, according to their love and respect rate, all products can be assigned into one of these classifications: commodities, fads, brands or lovemarks.

By definition, *commodities* are products and services that are interchangeable with other products or services. They are widely available and differentiated only by price. Because they are undifferentiated in features, meaning there are many substitutes, customers perceive them to be exactly the same. Examples of commodities are wheat, corn and sugar or salt which are typically sold in commodity markets. On the love-respect axis, commodities are positioned in the lower-left quadrant. They have a low love rate and a low respect rate because people need them but not desire them. These are products that doesn‘t create any emotion, but they have the opportunity to became lovemarks if they are well managed.

In the lower-right quadrant are fads. They are products that have a very short life-cycle with a high adoption speed. Fads can be described as products that became very popular quickly, remain popular for only a short period of time and experience a steep decline in interest and attention, leaving little trace. (Miller et all, 2004). Fads have a high love rate but a low respect rate. Owning fads can be profitable for a company for a short while, if the company can keep the love on the high level and besides innovating to keeping the trust and value alive.

In the upper-left quadrant can be found most well-known brands. They have a high level of respect due to high performance and a good image but are missing the emotional connection to the customer and because of that brands have a low level of love. They all try to be the superlative of their competitors by being newer, bigger, brighter, stronger, cheaper, or bolder, as their advertisements tell us but fail in the relationship to their consumers: the

love is missing, the emotional link does not exist because the focus is too much on the rational products arguments. Customers could live without these brands and easily find substitutes. Some of these brands have a good chance to move to the winner quadrant of lovemarks.

Finally, in the upper-right quadrant take place lovemarks. These are premium brands that combine high levels of both love and respect.

These types of brands inspire love and differentiate themselves from mere brands by embodying three key characteristics that must be present in order to lay the groundwork for creating a lovemark: mystery, sensuality and intimacy.

a. Mystery

Every great lovemark must have mystery entwined within its essence. Mystery adds to the complexity of relationships and experiences because people are drawn to what they don't know. As subcomponents the mystery will include the remarkable stories, metaphors and symbols, which taps into a culture's myths, iconic characters and dreams; invoking inspiration for those who consume; and combines past, present and future. Herskovitz and Crystal (2010) explain that stories strengths the consumer-brand relationship as well by stating ―what a brand means to a consumer is based . . . on the narratives he or she has constructed that incorporate the brand. Remarkable stories may entail favourable myths and iconic characteristics that stimulate positive feelings and perceptions within consumers. Positive associations with the brand may result from the personal dreams, aspirations, or inspirational spirit expressed by the story. Consumers'past brand experiences may influence their present and future perception towards a brand or organization.

But most companies remove the mystery because they provide too much information. Most brand managers are obsessed to explain their product in the minutest detail. In a world pervaded by information, people are attracted to what they do not know, what is shrouded in mystery. If they knew everything, there would be nothing left to learn or to wonder at. Mystery forces people to find their own meanings, their own sense of what is important in their lives. And it often does it through a revelation, a thunderbolt.

b. Sensuality

Another ingredient of lovemark is the sensuality. The modern consumer faces a marketplace jammed with hundreds of thousands of products. Companies bombard the buyer from every angle in an effort to stand out, capture market share, and establish brand loyalty. But what do people even remember? What do they respond to? The Roberts's answer is the sensory aspect, that is academic world is known as sensory marketing. Appealing to the consumer's multiple senses, including sight, hearing, smell, touch and taste can help establish a deep sense of brand loyalty that resonates long after the marketing message has been sent. All consumer's physical senses are portals to human emotions. When they are stimulated at the same time, the results are unforgettable.

Senses can affect the marketing of products in many ways. In fact, sensory aspects of products affect us in ways we had never imagined.

The most important variable used by brands to generate recognition and develop an identity in the market is the sense of sight. Customers can appreciate logos, corporate colours, characters and other graphical tools with which one can identify a specific product. The importance of colours in marketing is well known. There is even a company, Pantone, Inc.,

that is the world-renowned authority on colour. This company defines yearly the „Colour of the Year", and according to these data, many companies shape their production line.

Other powerful forces in creating deep emotional connections with people are hearing and speaking. In branding world these two concepts are known as sound and audio Branding. The main idea is that, as the sounds and music are easily recognizable and memorable, in the same way lovemarks must use sounds to contribute to a consumption experience and therefore an enhanced recall and consumer association.

Other senses that contribute to our enjoyment of life through stimulating desires and emotions and enhance our social activities are smell and taste. They are used especially for food and cosmetic sectors. Roberts states that they entail specific moods or feelings.

Few iconic brands have appealed to touch in order to engage more customers. For example, Apple, one of the lovemarks mentioned by Roberts, named one of his products iPod Touch. In all their advertising, they keep emphasizing the touch element. Apple has managed to attract attention to that element of the product in such a way that it creates an emotional connection with the consumer. The product is so sensorial engaging that it is no longer just an MP3 player, he became an indispensable product. With iPod Touch, the name itself clearly emphasizes touch, but Apple also has very cleverly utilized the good feelings that go with touch in their product descriptions. For instance, in describing their design they say, "iPod Touch feels even better in your hand"; when describing the mobile games they state, "iPod Touch puts an amazing gaming experience in the palm of your hand." The ads imply that the touch of the user's finger is very powerful – with a single touch the user can access the Internet, look at a map, order dinner, and do a plethora of other things. Apple has used touch, beyond the physical property of touch, to create stronger emotional attachments, build a closer relationship with the consumer, and generally make the product more exciting.

The music in the store, all visual elements of a product, new flavours and textures, and olfactory stimulation reflect that all the five senses foster consumers' emotional connections and create unforgettable memories.

c. Intimacy

The third component in a successful lovemark is intimacy. Lovemark can have the capacity to bring intimacy to its relationship with the consumer only when organisation demonstrates commitment, empathy and passion that shall touch directly the personal aspirations and inspirations of consumers. Without the close connections that win intense loyalty, people cannot feel they own a brand, and without that conviction a brand can never become a Lovemark.

Mystery, sensuality and intimacy are linked very closely and all work together to create the magic, that intangible feeling, that peoples develop toward a "brand". They are conceptualized as antecedents of a lovemark and can be viewed as three dimensions of brand image, because both lovemark antecedents and the brand image concept tap into consumers'rational and emotional perceptions of and associations with a particular brand.

4. Lovemarker

Because the "Love-Respect Axis" underline only the most important features of a Lovemark compared to other products, Saatchi & Saatchi commissioned the QIQ

International Research Institute to develop a technique for measuring whether a brand is a "Lovemark" or not.

This new tool that evaluates the brands' status was called "lovemarker". This is a creative insight generator that measures the level of respect and love that consumers feel towards the brand in comparison to those of competitors. Respect relates to quality, performance, and trust while emotional aspect is measured by mystery, sensuality and intimacy.

Fig. 2. The Lovemarker
Source: Saatchi & Saatchi (2011)

In fact, the lovemark status is evaluated according to certain attributes of respect and love, from hot to warm and cold, where hot means 2 points, 1 point for warm and 0 points for cold. Only brands that get at least 25 respect points can qualify for getting the status of lovemarks because no meaningful relationship can get started if mutual respect does not exist. Finally, products which get 36 points or less are considered commodities, products which obtained between 37 and 40 points are considered brands and over 41 points obtained the Lovemark status.

Conclusions

The lovemark is a marketing concept that has aim to make people feel emotional and loyal about a brand. Lovemarks cannot be considered as a theory, because a scientific theory should have three key criteria: systematic connections, interrelated law-like generalizations, and empirical testing (Hunt, 2002). Roberts's lovemark theory meets two of three criteria (i.e., systematic connections and interrelated law-like generalizations), but it does not meet the empirical testing criterion. For this reason, we consider lovemarks a superficial theory,

which seems to not have a lot of support from academicians and practitioners. More than that, "how does a brand become a Lovemark?" is a question that is never addressed in the book; Roberts does not provide any detailed knowledge of how to create a Lovemark. It seems clear that the simple rules of branding, corporate conduct and good business ethic would easily and without mental stretching create a "Lovemark".

Another question that arises is "what happens to brands that may possess both *lovemark* status and its opposite *loathemark* status among the same demographic group?" They can be considered Lovemarks? Roberts did not give us any answer to this question.

Without answers to these questions, there is a risk that following Roberts's lovemark theory, brand teams will try to go straight to a Lovemark without working on a real product first. In this case, the selection of Lovemarks can become a pure "beauty contest" based on subjective views of what is cool and loveable, not on what has proven to build respect and love.

On the other hand, Roberts' theory about "what would come after the brands" is not entirely new, because he developed just another way to describe the need for added value and differentiation. New is only the name of lovemark concept. Roberts describe relationship between the consumer and a product as 'Love'. Because that the type of love taken under consideration here is the love for objects, we consider that love concept is a bit exaggerated. We suppose that by the use of love concept he just probably wanted to enhance the attention.

We can conclude that Roberts created not a scientific theory, he created rather a framework that tries to explain why some brands stand out from the rest.

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Sales force salary – right or motivation?

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Abstract

Entrepreneurs are those who carry on actions in order to restructure a social world sector, but what makes them entrepreneurs and not mere participants, is that they are able to undertake responsibility for outcomes. Performance of an organization is given by the human resources selected for this purpose. Thus, efficiency of organization shall depend on the competence, skills and abilities of the human resources employed. An efficient company in terms of effectiveness will be the one applying the paternalistic welfare model of David Guest. Thus, concern for the employees' welfare will bring their natural motivation and most importantly, customers' loyalty.

Keywords: compensation, payroll system, human resource, satisfaction, motivation, customer, social responsibility.

1. Introduction

Unfortunately, not everyone understands that *all of us work in sales area*, regardless of our profession - lawyer, doctor, accountant, engineer, teacher, taxi driver, receptionist, company director, actor, escort lady or cook. On the other hand, the worst and the best paid job in the world is that in sales, while the easiest and most poorly paid labor in the world is in sales, as well!

Managers spend more time coordinating people and making decisions related to them, than making anything else and so should happen. On the other hand, no other decision produces such long-lasting consequences or is so hard to cancel. And yet, in a great measure, managers make unsatisfactory decisions on employment ad promotion of staff. According to popular belief, the average of achievements is at most 0.333, one- third of the decisions prove to be accurate, one-third are somewhat effective, and another third are total failures. We could not accept such a poor result in any other management area[1].

[1] Drucker, P., (2007), *Despre profesia de manager*, Editura Meteor Press, Bucharest, p. 43;

Recruitment of some good traders is a productivity, profitability and development for the company. However, efficient traders are rare. Selling is more than a profession, it is a living way. The first concern of the sales professional at the beginning of the millennium is to have a solid foundation - how to get into computer sales era, how to cope with the rigors and temptations of journeys, starting from our departure from our family and returning to it after long absences, until spending time when we do not sell productively, how to cope with the requirements of this wonderful profession (fast food and lack of time for physical exercises lead to stress), how we co-operate with the finance department of the company, so that we may complete our endeavours and not to double them?[2]

Business Department establishes the guiding schedule of salesforce work, which defining objectives should strive to implement. A good trade objective is accurate, accessible, stimulating, reasonable and adapted to each vendor. Sales targets can be expressed as: turnover, quantity, points, margin and productivity. For achieving or exceeding goals, sellers must be fully involved. To motivate them, head of sales will make full use of the opportunities offered by the implementation of an adapted remuneration system, organizing stimulation and training actions.[3]

Thus, in the literature published so far, focus is on recruitment, selection, employment, training and stimulation throughout employment (including salary) and ending with work completion. Thus, Human Resources Management may be defined as a set of measures interdisciplinary designed, regarding staff recruitment, selection and employment through ergonomic organization of labor, material and moral stimulation until termination of employment. Within Human Resources Management, rewarding employees is a very important tool, influencing the efficiency of a company. All managers should outrun their managing duties, becoming leaders and time allocated for setting budgets, organisational chart and cost analysis should not be higher than the time spent with employees, with travels and buyers, studying and reflecting on opportunities, developing a vision and setting targets. Their main task is to manage a team of experts, compatible with each other and with the objectives arising from the mission and philosophy of the company.

Developing a reward policy is a complex activity that requires consideration of all essential issues related to wages, its basic tasks and functions, of correlations with the most various social and economic variables, as well as their implications upon all interests, mostly divergences of business operators. People are very different in terms of charm, integrity, appearance, strength and creativity. Progressive companies recruit sales people taking into account the features necessary for tendering products and services. For example, selling insurance and financial services requires integrity, resistance to stress and communication skills; sales of cosmetics involve youth, freshness, charm and vivacity. A real estate agent

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[2] Salesmen are a big problem for their superiors, for their customers and wives, for banks, hotels and even for other salesmen. Individually and collectively, they are insulted and defamed in sales meetings, in bars or behind closed doors. They make more noise and more mistakes, create more joy, correct more errors, explain more discrepancies, listen to some more complaints and spend more time under stressful circumstances, all these without losing their temper, than any other class we know. With all their faults, they make the trade wheels spin and currents of human feelings be conveyed. Being moral is not only the right way of living, it is also the most practical way to live. True sales professionals do not just talk about morality, they live morally. The most valuable quality of a salesperson is *reputation.* Zig Ziglar - *„Arta vânzării*", ("The Art of sale"), Editura Amaltea, Bucharest, 2002, pages 14, 17, 25, 31, 34, 113.

[3] Meghișan, F., (2002), *Managementul vânzărilor,* Editura Universitaria, Craiova, pp. 12, 15, 18, 25-28, 38, 157;

must have space-oriented abilities, sociability, acceptable physical condition, as well as a body of knowledge related to aesthetics, architecture and law.[4]

Identifying potential customers, along with their transformation into (current) active customers is a challenge of marketing. When cues are no longer available, sales representatives are starving and company profits and cash flow drop dramatically.[5]

For the capital owner, *for the entrepreneurship*, salary is often the most important element of production costs and its reduction is an essential requirement of maintaining and even increase of competitiveness, of competitive strength and viability of the enterprise on the market. Therefore, it is often said that economic policies of rewards practiced by the business operators are especially cost control policies. For the labor owner, *for employee,* wages represent income, being the main livelihood of his and his family and his/her reaction will be to try maximizing salary, not only to get a minimum of subsistence, but to get a higher pay as possible.

2. Some references related to business ethics and responsibility

A very important requirement that must be taken into account in the reward policy is represented by ensuring the necessary framework in order that a fair share of the newly created value might be due to employees.

The eminent Nobel Laureate in Economics, Tjalling Charles Koopmans argues the following: "According to a frequently cited definition, *economics* is the science that studies "the best use of rare resources". Definition is incomplete. Use of resource under optimal second-class conditions (*second best*) or even wasting worth as much attention. Expression "the best use of rare resources" is satisfactory. Each of the two nouns and two adjectives of expression also require definition. In their turn, such definitions must be diversified and adapted to suit specific situations in which it is to adopt various types of economic optimization"[6]. American political scientist Mary Parker Follett (1868-1933) declared that people are essential to any economic activity, in fact for any type of activity. "I do not think that we face psychological, ethical and economic problems. We have *human* problems, with their psychological, ethical and economic issues or what more other issues you want. Konosuke Matsushita pleaded for business ethics. During a recession produced at its career debut, his company has not made any dismissal, which enhanced employee loyalty. Matsushita identified larger spiritual goals which he thought a business must have: "An industrialist mission should be poverty eradication, removing the society hardships and bringing welfare"[7].

We live in a society where changes are succeeding with great rapidity and where, for business world, the challenges and indispensability of changes are related to the normality. In

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[4] Meghișan, F., (2007), *Strategii concurențiale de marketing,* Editura Universitaria Craiova, pp. 177-214

[5] Hatch, D., Jackson, D., (2007), *2239 de secrete testate pentru un marketing direct de success,* Editura Brandbuilders, Bucharest, pp. 281, 283-284;

[6] The Romanian Academy and the Romanian Center for Comparative Economy and Consensus (2006), Laureații Nobel în Economie. Discursuri de receptive, volume II, Editura Expert, Bucharest, Tjalling Charles Koopmans - „*Concepte de optimalitate și aplicațiile lor (Concepts* of *optimality* and *their* uses)", page 26.

[7] Des Dearlove, Crainer, S., (2008), *Guru în business. Cei mai importanți 54 de gânditori în management,* Editura Meteor Business, Bucharest, pp. 85, 158-159;

this context, people are a vital resource for today and tomorrow to all organizations that ensure their survival, development and success. Few forces dominate us more than the desire to find a place of ours in this world. We need respect, gratitude and esteem of others. We want to matter. People need people and feel loyal to the people: we want products and services from people, not from machines. Loyalty does not come from marketing, but from our self and personal sacrifices. Values govern our actions and personality. They cover and direct important decisions we make. Similarly, knowledge and understanding of business values gives the company the ability to control and manage its future in a sustainable manner. We, human beings, have autonomous powers through which we add value to the world and also extract value out of this world. In this context, our moral, individual and collective mission is to cultivate understanding, to perform a work by which, taking into account the limits of our creativity and ability, we shall be able to make our world better than when we found when we got into it. There are many ways we can accomplish this mission - building and maintaining sustainability of our world, namely by: exaltation and glorification of family, concerns and endeavours in art, science and government and certainly not least, by means in which business transactions are carried out. Hence we believe that the business ethics initiative requires a balance between practical and moral considerations[8]. Companies that adopt a code of honour are rewarded. For example, *Reputation Institute and Harris Interactive Organization*[9] are probing public opinion on companies that are worthy admiration of others. According to this institute, the six dimensions of a company reputation management force are:

- sales growth
- ***security of talented employees***
- attracting investor (s) confiance
- providing premises for business development
- gaining the position of a market leader
- building reliable partnerships / relationships with investors

All these six dimensions refer to emotional relations, production and related services, financial performance, social responsibility and workplace environment, as well as to the vision of market leader.

In less developed countries, many have suffered from globalization without receiving support in terms of social security and many others have been marginalized by global markets. Markets are able to create wealth, but they are not intended to satisfy other social needs. Markets are *amoral:* they allow individuals to act in accordance with their own interests and impose some rules on how to express them without issuing a moral judgment about interests themselves. Society can not move without distinguishing between good and evil."[10] The markets themselves have nothing in them to ensure a human attitude: on the competitive markets, wages are determined by supply and demand junction, with no guarantee that the "equilibrium wages" will be the minimum required for a decent living. Workers desperate for a job will eventually accept to work in a company that does not meet health and safety standards. Although Henry Ford believed that people needed to be

[8] Ionescu, Gh., Gh., (2006), Misiunea şi responsabilitatea socială, Management and Marketing, no.2, pp. 53, 61, 69;
[9] http://www.harrisinteractive.com/
[10] Soros, G., (2002), *Despre globalizare,* Polirom Publishing House, Iaşi, pp. 25-26;

concerned with their work and not look beyond functional parapets, introduced the pay of $ 5 for his workers, which represented about twice the industry average at that time[11].In Romania, hundreds of workers die on construction sites (seasonal work), working "under the counter". About 80% of the world population live in developing countries. People's vulnerability to hazards depends largely on the goods they have on hand. About 70% of people who live with less than one dollar a day are women. Women, especially those living in rural areas are account for half the world's food production, achieving 60-80% of food in most developing countries.[12] Income inequality widened in over three-quarters of OECD countries between 1985 and 2005 and for the last five years we have been witnessing the increase of poverty and inequality in two-thirds of OECD countries. According to Stiglitz's predictions, globalization will contribute to increase of inequality in advanced industrial countries, with diminishing of wages, especially among unskilled workers. Unemployment is not considered only a waste of resources, because it reduces the individual's sense of self esteem and generates undesirable social consequences, including violence, suicide, prostitution or giving up to drinking[13]. Globalization will not be accepted telling workers to look for other jobs, in compensation, as salaries will decrease at the basic job. A decent job is an important aspect for an individual's self-esteem" and the loss to society is much larger than ," the lack of production carried out".

A study conducted by the consulting company McKinsey & Company in 2011 indicates that, historically, in terms of a crisis, when there is a decline in demand, companies are restructured. Thus, companies retain 60-70% of employees to maintain the core of the most competent. Later, when an economy recovers, it re-employs a part of the fired workers, but not all, because, in the meantime, they have restructured their operations in order to operate with fewer workers. In September 2010, Lawrence Katz from Harvard and David Autor from MIT, specialists in labor economics, in their work, "*Grand Challenges in the Study of Employment* ", support the idea that the great transformation generated by merging globalization with IT revolution was the creation of a "labor market" that significantly reward higher education workers, but which disadvantage especially less educated men". Although the United States enjoys the best university system in the world, its students (tomorrow's workers) are weaker than the average of most industrialized countries, in math and science. James Canton warns: "*Young Americans will lack training for the future, needed to be competitive in the global economy.*"[14] Andy Kessler says that there are two types of workers

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[11] Stuart, C., Des Dearlove, (2008), *Guru în business. Cei mai importanţi 54 de gânditori în management,* Meteor Business Publishing House, Bucharest, pp. 88-90;

[12] The Worldwatch Institute (2009), *Starea Lumii despre încălzirea globală 2009,* Tehnica Publishing House, Bucharest, pp. 74-75;

[13] We estimate that *official unemployment rate* does not show exactly the reality: many of those who would like to work full time have only a part-time job, because it is only one offered to them and they are not among the records of unemployed, no records of disabled people, who would gladly work if they could find a job; not even those who are completely discouraged that they have not found work, give up looking for a job, nor those who are able to work and have not worked "legally" any single day in their life, then to be fired and be able to benefit from unemployment allowances (part of "social assisted" in Romania). Bureau of Labor Statistics recommend us the following: "*Seasonally adjusted rate of total unemployment, plus all marginally attached workers, plus total of part time employees of economic reasons, as a percentage of total civilian labor force plus all marginally attached workers* ". Source: www.bls.gov/news.release/empsit.t12.htm.

[14] Canton, J., (2010), *Provocările viitorului. Principalele tendinţe care vor reconfigura lumea în următorii 5, 10, 20 de ani*, Polirom Publishing House, Iaşi, p. 20 ;

in the economy*: creators* and *servants*. Creators are those who stimulate productivity, writing code lines, designing chips, creating drugs or running search engines. Servants are serving those creators and other servants, building houses, providing food, offering geographical consultancy and working for issuing driving licenses and car registration. Many servants will be replaced by machines, computers. This trend is known as "*labor polarization*" or competence-oriented technological change[15].

Many managers would have to confess, if they were to tell the truth, that, in their hearts, foremost in their list of priorities are never customers or employees. *Professor Peter Drucker said that companies with good results do not start planning with financial return, but with the implementation of their mission.* Financial gains will come as a result. While the mission has its roots firmly anchored in the past (when the company was founded), vision refers to invention of the future[16]. Development means transforming people's lives, not just savings.

The matter of social responsibility is inherent in the society of organizations[17]. Modern company has (and should have) very large social power, in order to make decisions concerning people: whom to employ, whom to fire and whom to promote. It needs power to establish rules and discipline necessary to achieve results. Non-profit organizations have much greater power than that of the companies. Business ethics is made of rules of conduct that guide actions on the market - the rules by which most people belonging to the same culture tells us what is right, wrong, good or harmful.

These universal values bring together honesty, loyalty, fairness, respect, justice and integrity, thus considering responsibility in business. Lack of ethics and turpitude are repaid! But what is ultimately an ethical behaviour? We can not always answer quickly to this issue[18]. Many companies reject or not what is not strictly honest. Each culture, having its own values, beliefs, habits and behaviours define their ethical behaviour differently, depending on different host areas of the world. For example, it may seem moral for some company managers to jubilate over their profitability, exploiting child labor or trading eggs that have nothing to do with chicken. There is an estimated number of 246 million children working. Almost three-quarters of them work under dangerous circumstances – inside mines, with chemicals and pesticides in agriculture or handle dangerous machinery[19].

3. Human resources and their rewarding in Romania

Romanian economy performance and ability to compete with the EU labor market forces are influenced by the quality of the human factor. Among the measures prefigured by

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[15] Friedman, Th., L., Mandelbaum, M., (2012), *Ce am fost. Cum au pierdut Statele Unite supremația în lumea pe care au inventat-o şi cum o pot redobândi,* Polirom Publishing House, Iaşi, pp. 90, 92 ;

[16] Kotler, Ph., Kartajaya, H., Setiawan, I., (2010), *Marketing 3.0. De la produs la consumator şi la spiritul uman,* Publica Bucharest Publishing House, pp. 52-53, 65;

[17] Meghişan, F., Crăciun, L., Barbu, C., M., (2010), Corporate Social Responsability and Marketing, *RTE – The Young Economists Journal*, Year VIII, No. 15, Nov., Craiova, pp. 78 – 84.

[18] Solomon, M., Tissier – Desbordes, E., Heilbrunn, B., (2005), *Comportement du consommateur*", 6e édition, Pearson Education Inc./Prentice Hall, pp. 19-20;

[19] http://www.unicef.org/french/; http://think.hotnews.ro/ouale-chinezesti-facute-de-mana-omului-au-ajuns-si-in-romania.html and http://www.feminis.ro/divertisment/filozofie-de-viata/chinezii-falsifica-ouale-6828

the government program, actions intended for an increase in the level of labor skills, in order to meet labor market demand, occupies a very important place.

Business environment is changing rapidly and the need for new skills also changes, identifying the following *characteristics* at the business operators[20]: most enterprises rely on passive strategies of adjustment (downsizing, solving skill needs through existing internal resources), instead of developing existing staff and recruitment of new employees; layoffs among less skilled workers, high skilled specialists in trade and services easily change their work place; shortage of specialists in the production and maintenance field, corresponding to the current level of technology development, but this is a temporary situation; training on the job done by large companies in the growing sectors (financial sector, hotels and catering), favouring highly educated staff.

Regarding unemployment, "*Joint analysis of priorities on employment in Romania*", signed by the European Commission and the Romanian Government shows higher levels in urban areas. Youth unemployment rate is higher than among adults and the difference between the unemployment rate of those with higher education and those with lower levels remain high. The main objective of the Government on labor market is the growth of employment rate for active population.

On a functional labor market, everything is related to people actual value. Any company seeking profits will seek to attract the most valuable people and keep them as long as possible. If finding the best individual was a difficult task, maintaining it on long-term will be an even more difficult goal for the organization to carry out.

We can agree with the fact that, generally, employees are our company itself, due to the fact that market activity ultimately depends on them, because companies are not just economic terms, but also human and social organizational structure. Companies make great efforts in this regard, since it is not about shortage of people (despite the senescence of world population), but a shortage of skills and zeal. Salespeople have the advantage that they are much more effective than any advertisement or offer sent electronically or by post, as they meet the customer, invite him to dinner, listen to him carefully, have the ability to answer questions and solve shortcomings on the spot. It results that companies are competing to recruit the best sales people, paying them accordingly. Note that it is not literally important how much a salesperson is paid by the company, but how much he worth as compared to the revenues brought by him to the company.

Motivation and retention policies are part of the broader area of *reward management*, one of the most important, but also most complex elements of general HR policies. Just how large telecommunication companies develop customer loyalty programs, an organization, however small, must take into account the matter of preserving and valuing its people, as they are the first investment: there is no organization without people, although there may be an organization without headquarters. Maintaining and motivating people involves implementing an active policy of investigating employees' needs and continuous adaptation of the organization to them, by maintaining a reward system. Organization must constantly adapt to the needs of people, and not vice versa. Currently, very many employees complain about the indifference and negligence of employers as regards their future and current needs, for which reason they want to change their jobs. Unfortunately, in Romania, employee

[20] Roşca, D., Pandelică, A., (2005), *Revista Tribuna Casim*, fourth year, No. 3, , p. 282;

motivation policies are possessed only by the large organizations or those that are managed by people who understood the basic principles of economic efficiency.

Essentially, it is about the disseminating in the organization of the message according to which there is a direct connection between achievement of some higher economic performances and employees' benefits. The more they work better (not necessarily longer), their bonuses and premiums will be higher[21]. The bonus is not the only motivation system, but it has the advantage that is universal, all employees responding positively to this reward. An efficient motivation system seeks individual needs of employees, because people are different and have different needs.

Maintaining a positive and respect emotional climate towards the work performed is the means by which any manager can motivate its employees. If they understand that there are no financial resources, at least they should be provided with a quality work environment. Rewards may be symbolic, but they show concern for the employee. If people perceive managers' concern for their problems, over time, things will evolve to the point where organizations will be able to afford more.

Many people feed their own disappointment on the organizational world where they live. This is because people prefer to believe that the world is an honest and correct place and everyone gets what they deserve. And, since people tend to consider themselves deserving, they will believe that, if they do their work adequately and behave properly, things will arrange themselves. It seems that the old saying "*Power corrupts* "is largely true. Social psychologist Dacher Keltner and his colleagues at Berkeley University say that power leads to an "approach" behaviour-by the fact that people are more actively trying to get what they want - and that they diminish their "inhibition" or the tendency to comply with the social rules and constraints that might limit what people do to achieve their goals. The obedient and less powerful flatter the powerful in order to get in with them. People possessing power are being fulfilled all wishes and requests. Studies on the effects of power as regards the one holding it frequently concludes that power generates an excessive self-confidence and some risk taking, insensitivity to others, stereotypes and the tendency to consider the others means of satisfying their own desires[22].

In Romania, there are about 2,000 companies with over 250 employees. This represents only 0.4% of the total number of companies in Romania, but they generate almost 50% of the aggregate revenues of the companies registered in Romania. More than half of these 2,000 companies have a software solution for managing human resources. And of those 8-900 companies that have an HR software solution, most of it is especially used for legal or operational matters.

On the other hand, time management, efficiency calculation, training needs, career development and other fundamental elements for employee retention and profitability increase are completely ignored by HR departments[23]. In Romania, it is still dominant the management focusing primarily on internal processes, next is the customer and then the human resources. Contact with employee must be customized and the company must adapt to each created situation.

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[21] www.adevarul.ro

[22] Pfeffer, J., (2011), *Puterea. De ce unii reușesc să o obțină, iar alții nu,* Editura Polirom, Iași, pp. 16, 176;

[23] www.marketwatch.ro

4. Wage policy within the company

Increasing interest for an efficient wage policy derives from a more evident conviction of economists and other HR specialists, that the remuneration is not only a consequence, but also a prerequisite for an effective social and economic activity[24]. In order that a policy be effective in the wage field, it must be part of the overall organization policy and meet the general requirements, objectives of increase in work efficiency and to persuade employees not only obtain individual performance, but also medium and long term performance.

For the enterpriser, salary is the most important element of production costs, its main expense position and its minimization may, in troubled times, be prerequisite of maintaining and even increase competitiveness, competition and viability of market business.

For the labor owner, i.e. employee, salary is the main livelihood of his and his family and his/her reaction will be to try maximizing salary, not only to get a minimum of subsistence, but to get a higher pay as possible. Therefore, wage policies must not neglect people's basic needs and goals, salary being a means of satisfying not only the basic physical and biological needs of employees, but also a means to meet their social and personal needs. This is all the more so as individuals enter organizations hoping to meet their personal needs.

Organizations have their own goals, but the key for achieving them is, as suggested by specialists, i.e. De Cenzo, A. David, P. Robbins, in knowing how to win employee services, to motivate for high levels of performance, ensuring that they will continue to fulfil their obligations towards organization. Organizations really need to reduce production costs, but they particularly aim to motivate people.

If, at macroeconomic level, wage appears as a component of overall economic strategy along with that related to employment, tax, monetary, credit policy, at micro-economic level, wage policy is an intrinsic part of organization strategy, which involves a internal and an external side, because it aims at the following: (1) modelling and support through wage, of employment relations within the organization, as well as relationship between the content of work carried out and payment methods (internal equity); (2) a certain "alignment" made through market mechanisms between the level and structure of salaries paid and those practised by other organizations at least for basic jobs, professions or occupations (external equity). Pareto analysis is one of the fastest quantitative management techniques and they may apply to any area where human efforts are made: 20% of manufactured products determine 80% of profit. Approximately 80% of road accidents are caused by 20% of drivers. Approximately 80% of deliveries are generated by 20% of the sales force employed and about 20% of a company's customers are responsible for 80% of outstanding receivables. Because managers do not always have time for detailed calculations, Pareto analysis provides them with rapid information on areas where they should focus their efforts[25].

In our country, payroll systems haven't yet noticeably changed and companies have not yet created their own policy on labor remuneration, salary still does not operate properly on the labor market and faultily fulfils its functions of labor reward, economic and social balance. Wage is an exclusively legal concept and its components evolve according to the

[24] Manolescu, A., (2003), *Managementul resurselor umane,* Economica Publishing House Fourth edition, Bucharest, p. 461;

[25]Ward, M., (1997), *50 de tehnici esențiale de management,* Codecs Publishing House, Bucharest, pp. 94-96;

legal standards. Focus is on earnings stability and on equal distribution of compensation, according to some strict rules[26].

According to the Labor Code salary includes: *base salary, allowances, bonuses and other benefits,* as follows[27]: *Base salary; Wage additions, Piecework wage, Premiums, Premiums granted from the wage fund, Premiums granted from annual profit, Salary bonuses.* Bonuses may be expressed either in fixed amount, or in percentages and categories of personnel whom bonuses are granted and conditions for granting them are established by collective labor agreements. In case of jobs where there are complex situations, the organization's Board of Directors shall grants a payment of cumulative bonuses for heavy duty, hazardous and harmful work. Base salary bonuses are granted based on results obtained and the conditions under which the work is performed. In recent years, collective labor agreements in certain branches also provide other bonuses such as: special production bonus, specific objectives bonus, isolation premium, immersion allowances (for divers), home registration premium, delegate premium, bonus for the security staff.

Conclusions

Entrepreneurs have the task of exploring new market frontiers, assuming the related risks. Having their own company is equivalent of working 80 hours a week, not having to work 40 hours per week for others. Their goal is not to earn money, but to create something new. Their success and courage can be easily observed: new jobs are created, community income increase and good words about the company are spread rapidly.[28]

Managers should sacrifice their own needs in favour of their own employees' needs and the latter ones should give up their own ambitions and needs, in order to eliminate customer sacrifice. Starting from, the "essence of human nature", human qualities should be promoted, thus encouraging the maximum fulfilment of individual potential. Any technique that dehumanizes, which makes an individual less human is immoral. Regardless of the political, economic, religious or cultural context, we can assume that everyone has unique human attributes, worthy of being promoted through communication. A free society stimulates people's energy and skills, so that they may pursue their own goals. Before 1989, everyone would have possess the same standard of living and income and all should have "finish our race" at the same time. In this context, equality of results is in a clear conflict with freedom. This is because *each individual is valuable in itself*, has inalienable rights which no one may violate. It is entitled to pursue its own purposes and not be used as a means of promoting the goals of others. Otherwise, we may slip into the situation described by George Orwell in "*Animal Farm*": "All animals are equal, but some are more equal than others? ". *Fairness* is a rather vague concept, difficult to define precisely. "*A fair share for each*" is the

[26] Manolescu, A., (2003), *Managementul resurselor umane,* Economica Publishing House Fourth edition, Bucharest, p. 461;
[27] Şchiopoiu, Burlea, A., (2009), *Managemetul resurselor umane,* Universitaria Publishing House, Craiova, pp. 203 – 211;
[28] Meghişan, F., (2010), *Consumatorul. De la teorie la practică,* Universitaria Publishing House, Craiova, pp. 301-351.

modern slogan, replacing that released by Karl Marx – "*From each according to his ability, to each according to his need*". [29]

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[29] Friedman, M., Friedman, R., (2009), *Libertatea de a alege. O declarație personală,* Publica Publishing House, Bucharest, , pages 185-187; 193, 209-210.

Methodology for evaluation quality in higher education

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Abstract

The quality represents the different characteristics of an entity that gives fitness to meet the needs expressed or implied.

Quality management in higher education is a basic requirement of orientation towards performance and increase competitiveness of universities, considering that, as an institution of education and research, assumes the responsibility to form competent specialists, to answer the needs of the labour market, to develop the scientific fundamental and applicative research in accordance with national and international standards and to integrate into the university system of the European Union.

The need to optimise the activity of the universities, the implementation of efficient management, quality assurance and education systems committed on roadmap has led to numerous researches in this field by adopting the theoretical framework of reference, organizational patterns of explanation of the functionality of universities and the definition of a system of performance assessment.

Keywords: academic prestige, selectivity, performance, competitiveness.

1. Introduction

Romanian universities are currently in a deep transformation process, adjusting in line with trends in higher education internationally. They tend to respond to an ever-growing measure of superior training needs and to shape the activity in accordance with the economic and social realities.

International and European performances in a row, characterized by increasing acentului put on the relevance of the University educational institutions have Romanian formulated a clear position regarding their long-term mission and relevance that they want to achieve relevance, regional, national, European or international in terms of keeping or renouncing to their progressive (Dincă, Korka, 2001).

As such we can talk about redefining the Mission of the University in accordance with the regulations:

- the status of institution „multi-purpose" and „multi-product";
- the role they want to play at the national level;
- the level of relevance and desired recognition at the international level;
- preservation of specificity, identity and autonomy;
- increased need for standardization at the international level.

In terms of the significance of the University to society, it should be noted that in addition to its role as a major cultural, intellectual exercise through creative, this is also a service provider organization.

The products offered are knowledge and competency provided the world in various forms: training of specialists in specific areas, research, consultancy, expertise, academic community members involvement in the life of society (Korka, 2002).

The University's main client is the society, represented by central government institutions and local administration, companies, institutions and organizations specializing in the management of the labor market. Students have a double quality: of active participants in the process of education and University clients. Other partners (interested parties) are: outside educational institutions, the academic community and national and international scientific and inside staff and University Administration (Stanciu., 2003).

Rating system described below is based on five groups of indicators, according to the data in table 1, was centered on the assessment of the extent to which the universities have implemented the reform (Panaite, 2000).

Table 1. *Groups of indicators used in the evaluation of activity of universities*

Indicator (contributor)	**Share**
Academic prestige	25%
Selectivity of University students and the attractiveness	15%
Human resource management	25%
Scientific research, graduate, master and PhD	20%
The performance of students and graduates	15%
TOTAL	100%

To determine the values of qualitative indicators on the universities, were analysed by three universities in Romania, namely:

- Polytechnic University Timişoara (UPT);
- University of Medicine and Pharmacy Craiova (UMF);
- „Babes Bolyai" University (UBB).

2. Introducing and applying a methodology of Romanian universities ranking the value of qualitative indicators dashboard on universities

2.1 Academic prestige

IC1 – The share of teacher's leaders in total posts filled with holders

$IC_1 = \frac{NCD}{TP} * 100$, where NCD = number of Heads

TP = total titular teaching staff

$\Rightarrow IC_{1\ UPT} = \frac{179}{166} * 100 = 20{,}67\%$; $IC_{1\ UMF} = \frac{44}{381} * 100 = 11{,}55\ \%$; $IC_{1\ UBB} = \frac{196}{1227} * 100 = 15{,}97\ \%$

IC_2 - The intensity of international collaborations, the calculated average values on the Faculty

$IC_{2.1}$ – The intensity of it's staff to visit universities in collaboration

$IC_{2.1}=\frac{[(VPp * k) / NPD]}{NF}$, where VPp = number of visits of staff at universities in collaboration

NPD = total number of teaching posts legally constituted

NF = number of faculty

k=1 for visits up to 7 days

k=2 for visits between 7-30 days

k=3 for visits more than 30 days

$IC_{2.1\ UPT} = \frac{[(4652*1+3561*2+266*3)/866]}{9} = \frac{12306/866}{9} = \frac{14,21}{9} = 1,58$ → minimum score

$IC_{2.1\ UMF} = \frac{[(2381*1+1843*2+17*3)/381]}{4} = \frac{6118/381}{4} = 4,01 \rightarrow$ maximum score

$IC_{2.1\ UBB} = \frac{[(4553*1+5252*2+2198*3)/1627]}{18} = \frac{21651/1627}{18} = 0,74 \rightarrow$ minimum score

$IC_{2..2}$ – The intensity of foreign partners in the visits private University

$IC_{2..2} = \frac{VPs * k}{NF}$, where VPs = number of visits of foreign partners in private University

$IC_{2..2\ UPT} = \frac{(7*1+9*2+3*3)}{9} = \frac{34}{9} = 3,78$ → maximum score

$IC_{2..2\ UMF} = \frac{(7*1+1*2+1*3)}{4} = \frac{12}{4} = 3 \rightarrow$ average score

$IC_{2..2\ UBB} = \frac{12*1+9*2+3*3}{18} = \frac{39}{18} = 2,17 \rightarrow$ average score

IC_3 – The share of foreign students and PhD students in total students and doctoral students of the University's own

$IC_3 = \frac{SDs}{TSDzi} * 100,$

SDs = the number of foreign students and PhD students in total students and doctoral students of the University

TSDzi = total students and doctoral students at day universities.

$\Rightarrow IC_{3\ UPT} = \frac{162}{13538} \times 100 = 1,2\ \%$; $IC_{3\ UMF} = \frac{369}{2833} * 100 = 13,02\ \%$;

$IC_{3\ UBB} = \frac{424}{33420} * 100 = 1,27\ \%$

IC_4 – The share of students and PhD students admitted to universities abroad in total students and doctoral students at day universities

$IC_4 = \frac{SDas}{TSDzi} * 100,$ where SDas = the number of students and PhD students admitted to

universities abroad

TSDzi = total students and doctoral students at day universities. $IC_{4\ UPT} = \frac{689}{13538} * 100 =$ 5,09%; $IC_{4\ UMF} = \frac{113}{2833} * 100 = 3,99\ \%$; $IC_{4\ UBB} = \frac{1259}{33420} * 100 = 3,77\ \%$

2.2 Selectivity of students

IC_5 – The ratio between the number of candidates registered for the first session of the exam for admission into the current academic year and the number of candidates admitted as students

$IC_5 = \frac{NCI}{NCA}$ where NCI = the number of candidates registered for the first session of the exam for admission into the current academic year;

NCA = the number of candidates admitted as students.

$\Rightarrow \quad IC_{5\ UPT} = \frac{3034}{1785} = 1,7$; $IC_{5\ UMF} = \frac{576}{432} = 1,33$; $IC_{5\ UBB} = \frac{4563}{1985} = 2,98$

IC_6 – Media notes to the BAC exam for candidates admitted.

$IC_6 = \frac{\sum medii}{NCA}$

$\Rightarrow \quad IC_{6\ UPT} = \frac{14797,65}{1785} = 8,29$; $IC_{6\ UMF} = \frac{3382,56}{432} = 7,83$; $IC_{6\ UBB} = \frac{16475,5}{1985} = 8,3$

IC_7 – The share of students with fee in total students

$IC_7 = \frac{S_{Taxa}}{TS} * 100$, unde

S_{Taxa} = the number of students with fee;

TS = total number students;

$IC_{7\ UPT} = \frac{2998}{13603} * 100 = 22,03\ \%$; $IC_{7\ UMF} = \frac{1045}{2878} * 100 = 36,3\%$; $IC_{7\ UBB} = \frac{19900}{31615} * 100 = 63\ \%$

2.3 Human resource management

IC_8 – The share of teaching posts filled with holders in total legally established posts

$IC_8 = \frac{TP}{NPD} * 100$, where

TP = Total number of teaching staff, with book holder and base rule in the University;

NPD = total number of teaching posts, legally constituted.

$IC_{8\ UPT} = \frac{866}{1154} * 100 = 75,04\%$; $IC_{8\ UMF} = \frac{381}{485} * 100 = 78,56\ \%$; $IC_{8\ UBB} = \frac{1227}{1627} * 100 = 75,41\ \%$

IC_9 – Professors and associate professors share holders in all teaching staff with the basic

rule in the University

$IC_9 = \frac{P + C}{TP} * 100,$

where P = number of associate professors; C = number of professors;

$IC_{9\ UPT} = \frac{339}{866} * 100 = 39{,}15\%$; $IC_{9\ UMF} = \frac{121}{381} * 100 = 31{,}76\ \%$; $IC_{9\ UBB} = \frac{362}{1227} * 100 = 29{,}5\ \%$

IC_{10} – The share of regular teachers under 35 years in total teaching staff with the basic rule in the University

$IC_{10} = \frac{PD < 35}{TP} * 100 \Rightarrow IC_{10\ UPT} = \frac{287}{866} * 100 = 33{,}14\%$

$IC_{10\ UMF} = \frac{150}{381} * 100 = 39{,}37\ \%$; $IC_{10\ UBB} = \frac{339}{1227} * 100 = 27{,}62\ \%$

IC_{11} – The share of staff with the scientific title of doctor in total regular staff with the basic rule in the University

$IC_{11} = \frac{PDd}{TP} * 100$, where PD<35 = tenured teaching staff number under 35 years;

$IC_{11\ UPT} = \frac{412}{866} * 100 = 47{,}58\%$; $IC_{11\ UMF} = \frac{44}{381} * 100 = 11{,}55\ \%$; $IC_{11\ UBB} = \frac{717}{1227} * 100 = 58{,}4\ \%$

IC_{12} – Using the efficiency of the administrative and teaching staff through the curriculum and structure design on specializations and working groups

$IC_{12.1}$ – The number of students interchangeable at a teaching post

$IC_{12.1} = \frac{N_i^e}{TP}$

$N_i^e = \sum_{k=1}^{n} N_{ik} * e_k$,

where N_i^e = the number of students interchangeable in the field D_i; N_{ik} = the number of students physical in the field *Di*, educational form Fk on 1 January of the current year; e_k = the appropriate form of educational equivalence Fk.

$N_{i\ UPT}^e$ = 10154*1 + 1213*1 + 597*3 + 433*6 1003*1,25 + 138*4 + 851*1 + 112*0,4 + 1400*0,12 + 203*1,25 +153*6

= 10154 + 1213 + 1791 + 2598 + 1253,75 + 552 + 851 + 44,8 + 168 + 253,75 +918 = 19797,3

$IC_{12.1\ UPT} = \frac{N_i^e}{TP} = \frac{19797{,}3}{866} = 22{,}86$

$N_{i\ UMF}^e$ = 2728*1 + 64*3 + 41*4 + 564*1 + 86*1,25 + 2642*3 + 641*2,1 =

= 2728 + 192 + 164 + 564 + 107,5 + 7926 + 1346,1 = 13027,6

$IC_{12.1\ UMF} = \frac{N_i^e}{TP} = \frac{13027{,}6}{381} = 34{,}19$

N_i^e UBB = 19439*1 + 4109*1 + 6413*3 + 1654*2 + 256*4 + 1549*1 + 1036*0,12 + 452*6 =

= 19439 + 4109 + 19239 + 3308 + 1024 + 1549 + 124,32 + 2712 = 51504,32

$IC_{12.1\ UBB} = \frac{N_i^e}{TP} = \frac{51504,32}{1227} = 41,98$

$IC_{12.2}$ – The number of interchangeable students at a teaching post auxiliary and TESA

$IC_{12.2} = \frac{N_i^e}{PD_a}$, where PD_a = number of auxiliary teaching staff and TESA;

$IC_{12.2\ UPT} = \frac{19797,3}{305+328} = \frac{19797,3}{633} = 31,28$

$IC_{12.2\ UMF} = \frac{13027,6}{97+75} = \frac{13027,6}{172} = 75,74$

$IC_{12.2\ UBB} = \frac{51504,32}{308+335} = \frac{51504,32}{643} = 80,1$

IC_{13} – The share of managerial staff (academic and administrative) contained in specific training programs

$IC_{13} = \frac{PC_{pi}}{TP_c} * 100$, where PC_{pi} = senior staff in specific training programmes.

$IC_{13\ UPT} = \frac{68}{104} * 100 = 65,38\ \%$; $IC_{13\ UMF} = \frac{19}{28} * 100 = 67,86\ \%$; $IC_{13\ UBB} = \frac{134}{185} * 100 = 72,43\ \%$

IC_{14} – Expenditures for training, specialisation, qualification of employees at a busy teacher

$IC_{14} = \frac{CH_{cp}}{TP}$, where CH_{cp} = expenses for training, specialisation, qualification of employees at a busy teacher.

$IC_{14\ UPT} = \frac{1050000}{866} = 1212,47$ RON; $IC_{14\ UMF} = \frac{1508000}{381} = 3958$ RON ;

$IC_{14\ UBB} = \frac{509730}{1227} = 415,45$ RON

2.4. Scientific research

IC_{15} – The share of students from the post-graduate education studies, master's and doctorate aprodundate in total physical education students of the day

$IC_{15} = \frac{SP_{bug} + SP_{taxa}}{TS_{bug} + TS_{taxa}} * 100$, where SP_{bug} = the number of students from the postgraduate education, aprof/master degree and PhD in finance budget;

SP_{taxa} = the number of students at postgraduate of Advanced Studies/masters and PhD programs, the students with the charge;

TS_{bug} = the total number of students in University physical education, finance from the budget;

TS_{taxa} = the total number of physical students in University education, with fee.

$IC_{15\ UPT} = \frac{(424+348)+(173+641)}{(9180+1001)+(2277+548)} * 100 = \frac{772+814}{10181+2825} * 100 = \frac{1586}{13006} * 100 =$ 12,19%

$IC_{15\ UMF} = \frac{(18+368)+(46+237)}{1729+999} * 100 = \frac{386+283}{2728} * 100 = \frac{669}{2728} * 100 = 24,52\ \%$

$IC_{15\ UBB} = \frac{(1095+543)+(3014+1262)}{19805+11810} = \frac{1638+4276}{31615} = \frac{5914}{31615} * 100 = 18,71\ \%$

IC_{16} – Unit annual revenue derived from scientific research on teaching

$IC_{16} = \frac{VCS}{TP}$, where VCS - Income from scientific research, consultancy, expertise, in million lei;

$IC_{16\ UPT} = \frac{30000000}{866} = 34\ 642$ lei / tenured teacher

$IC_{16\ UMF} = \frac{3000000}{381} = 7\ 874$ lei / tenured teacher

$IC_{16\ UBB} = \frac{155699850}{1627} = 95697,5$ lei / tenured teacher

IC_{17} – Annual revenue derived from scientific research, in million on the Faculty

$IC_{17} = \frac{VCS}{NF}$

$IC_{17\ UPT} = \frac{30000000}{9} = 3\ 333\ 333,33$ lei/faculty

$IC_{17\ UMF} = \frac{3000000}{4} = 750\ 000$ lei/ faculty

$IC_{17\ UBB} = \frac{155699850}{18} = 8649991,667$ lei/ faculty

IC_{18} - The ratio between the number of PhD students and number of physical students from the university education with frequency in the year in question

$IC_{18} = \frac{Nrdrd}{TSzi}$,

where Nrdrd = the number of PhD students;

Tszi = the number of physical students in University education with requency in the current year.

$IC_{18\ UPT} = \frac{989}{11367} = 0,087$; $IC_{18\ UMF} = \frac{605}{2728} = 0,22$; $IC_{18\ UBB} = \frac{1805}{19439} = 0,093$

2.5. The performance of students and graduates

IC_{19} – The proportion of graduates with graduation examination of the number of registered students in the first year, in the promotion

$IC_{19} = \frac{TNA}{NI} * 100$,

where TNA = the number of graduates with Bachelor exam; NI = the number of registered students in the first year, in the promotion;

$IC_{19\ UPT} = \frac{1438}{1785} * 100 =$ 80%; $IC_{19\ UMF} = \frac{284}{343} * 100 = 82,8$ %; $IC_{19\ UBB} = \frac{2160}{2332} * 100 =$ 92,62 %

IC_{20} - The share of graduates accepted to continue studies in postgraduate and doctoral education in University or in other universities

$IC_{20} = \frac{NAP}{TNA} * 100$,

where NAP = number of graduates accepted to continue studies in postgraduate and doctoral education in University or other universities; TNA = total number of graduates.

$IC_{20\ UPT} = \frac{623}{1438} * 100 = 43,32\%$; $IC_{20\ UMF} = \frac{197}{284} * 100 = 69,37$ % ;

$IC_{20\ UBB} = \frac{752}{2160} * 100 = 32,81$ %

IC_{21} – The share of graduates in the last two promotions, employees in a post under the scope graduated

$IC_{21} = \frac{NA_{ad}}{NA_N + NA_{N-1}} * 100$, where NA_{ad} = the number of graduates employed in a post under the scope graduated;NA_N = number of graduates in the current academic year; NA_{N-1} = number of graduates from the previous academic year.

$IC_{21\ UPT} = \frac{1526}{1046+1438} * 100 = \frac{1526}{2484} * 100 = 61,43$ %

$IC_{21\ UMF} = \frac{383}{261+284} * 100 = \frac{383}{545} * 100 = 81,28$ %

$IC_{21\ UBB} = \frac{3706}{2160+1890} * 100 = \frac{3706}{4050} * 100 = 91,51$ %

IC_{22} – The share of graduates in the last two promotions, employees in a post irrespective of the field completed

$IC_{22} = \frac{NA_{id}}{NA_N + NA_{N-1}} * 100$, where NA_{id} = number of graduates employees on a post irrespective of the field completed.

$IC_{22\ UPT} = \frac{2126}{1046+1438} * 100 = \frac{2126}{2484} * 100 = 85,59$ %

$IC_{22\ UMF} = \frac{536}{261+284} * 100 = \frac{536}{545} * 100 = 98,35$ %

$IC_{22\ UBB} = \frac{3326}{4050} * 100 = 82,12$ %

3. Ranking of universities that have made the subject of a case study by groups of indicators

After calculating all indicators of quality values, proceed to determine the related score to each group of indicators, based on existing information in annex.

Table no. 3. The related score group of indicators Academic Prestige

No crt. of universities	*The name General indicators*	**1. Academic Prestige**					
	The share of General indicators	20%					
	The analytical evaluation indicators	IC_1	IC_2		IC_3	IC_4	TOTAL SCORE 1
			$IC_{2.1}$	$IC_{2.2}$			
	Analytical indicators share in Group	40%	15%	15%	15%	15%	
	The share of the total analytical indicators	8,00	3,00	3,00	3,00	3,00	
1.	Univ. Politehnica Timişoara	4	0	4	2	3	59
2.	UMF Craiova	2	4	3	4	2	55
3.	Univ. „Babeş Bolyai" Cluj	3	0	2	2	2	42

Total score UPT = 8*4 + 3*0 + 3*4 + 3*2 + 3*3 = 32 + 12 +6 + 9 = 59
Total score UMF = 8*2 + 3*4 + 3*3 + 3*4 + 2*3 = 16 + 12 + 9 + 12 + 6 = 55
Total score UBB = 8*3 + 3*0 + 3*2 + 3*2 + 3*2 = 42

Table no. 4 - The related score group of indicators selectivity of students and the attractiveness of the university

No crt. of universities	*The name General indicators*	**2. Selectivity of students and the attractiveness of the university**			
	The share of General indicators	10%			
	The analytical evaluation indicators	IC_5	IC_6	IC_7	TOTAL SCORE 2
	Analytical indicators share in Group	35%	30%	35%	
	The share of the total analytical indicators	3,5	3	3,5	
1.	Univ. Politehnica Timişoara	1	2	4	23,5
2.	UMF Craiova	0	2	4	20
3.	Univ. „Babeş Bolyai" Cluj	2	2	4	27

Total score UPT = 3,5*1 + 3*2 + 3,5*4 = 3,5 + 6 + 14 = 23,5
Total score UMF = 3,5*0 + 3*2 + 3,5*4 = 6 + 14 = 20
Total score UBB = 3,5*2 + 3*2 + 3,5*4 = 7 + 6 + 14 = 27

Table no. 5 - The related score group of indicators Human resource management

No crt. of universities	*The name General indicators*	**3. Human resource management**								
	The share of General indicators	20%								
	The analytical evaluation indicators	IC_8	IC_9	IC_{10}	IC_{11}	IC_{12}		IC_{13}	IC_{14}	TOTAL SCORE 3
						$IC_{12.1}$	$IC_{12.2}$			
	Analytical indicators share in Group	20%	20%	10%	10%	20%	5%	5%	10%	
	The share of the total analytical indicators	4,00	4,00	2,00	2,00	4,00	1,00	1,00	2,00	
1.	Univ. Politehnica Timişoara	4	4	3	4	2	2	3	1	61
2.	UMF Craiova	4	4	3	1	0	2	3	2	49
3.	Univ. „Babeş Bolyai" Cluj	4	4	2	4	0	0	4	3	54

Total UPT = 4*4 + 4*4 + 2*3 + 2*4 + 4*2 + 1*2 + 1*3 + 2*1 = 16 + 16 + 6 + 8 +8 + 2 + 3 + 2 = 61
Total UMF = 4*4 + 4*4 + 2*3 + 2*1 + 4*0 + 1*2 + 1*3 + 2*2 = 16+ 16 + 6 + 2 + 2 + 3 + 4 = 49
Total UBB = 4*4 + 4*4 + 2*2 + 2*4 + 4*0 + 1*0 + 1*4 + 2*3 = 16 + 16 + 4 + 8 + 4 + 6 = 54

Table no. 6 - The related score group of indicators scientific research

No crt. of universities	*The name General indicators*	**4. Scientific research**				
	The share of General indicators	15%				
	The analytical evaluation indicators	IC_{15}	IC_{16}	IC_{17}	IC_{18}	TOTAL SCORE 4
	Analytical indicators share in Group	25%	20%	20%	35%	
	The share of the total analytical indicators	3,75	3	3	5,25	
1.	Univ. Politehnica Timişoara	1	3	3	0	21,75
2.	UMF Craiova	3	1	0	1	19,5
3.	Univ. „Babeş Bolyai" Cluj	2	1	0	0	10,5

Total score UPT = 3,75*1 + 3*3 + 3*3 + 5.25*0 = 3,75 + 9 + 9 = 21,75
Total score UMF = 3,75*3 + 3*1 + 3*0 + 5,25*1 = 11,25 + 3 + 5,25 = 19,5
Total score UBB = 3,75*2 + 3*1 + 3*0 + 3*0 = 7,5 + 3 = 10,5

Table no. 7 – The related score group of indicators The performance of students and graduates

No crt. of	*The name General indicators*	**5. The performance of students and graduates**
	The share of General indicators	10%

	The analytical evaluation indicators	IC_{19}	IC_{20}	IC_{21}	IC_{22}	TOTAL SCORE
	Analytical indicators share in Group	25%	25%	25%	25%	
	The share of the total analytical indicators	2,5	2,5	2,5	2,5	
1.	Univ. Politehnică Timişoara	3	4	2	3	30
2.	UMF Craiova	3	4	3	4	35
3.	Univ. „Babeş Bolyai" Cluj	4	3	4	3	34

Total score UPT = 2,5*3 + 2,5*4 + 2,5*2 +2,5 * 3 = 7,5 + 10 + 5 + 7,5 = 30
Total score UMF = 2,5*3 + 2,5*4 + 2,5*3 + 2,5*4 = 7,5 + 10 + 7,5 + 10 = 35
Total score UBB = 2,5*4 + 2,5*3 + 2,5*4 + 2,5*3 = 10 + 7 + 10 + 7 = 34

Further, on the basis of the scale for evaluation of institutional performance can be achieved the ranking of universities which have been the subject of case study groups of indicators and the types of universities.

With the difference that the ranking is partial, given the purely didactic character of the study, are repeated below the score obtained by universities, based on the information available, for each of the five groups of indicators.

Table no. 8 – The score obtained by universities for each of the five groups of indicators

Group of indicators	**Scores for each of the universities**		
	UPT	**UMF**	**UBB**
Academic prestige	59	55	42
Selectivity of students and the attractiveness of the university	23,5	20	27
Human resource management	61	47	54
Scientific research	21,75	19,5	10,5
The performance of students and graduates	30	35	34

In the table no. 9, universities will be presented in descending order of scores obtained from quality indicators used for ranking (col 3).In column 4 is shown for each universities score weighting towards the maximum score possible for the quality indicators consider (Pmax = 380). Results so that there is no University that differentiate or net terms of performance indicators at all take into consideration.The maximum score received by one of the universities analysed is 195,25, which represents only the max score 51,38% possible. Getting the maximum score (100%) would imply that the University is the best performance in all indicators of quality. For the four universities, total scores obtained is rendered in the table. 9.

Table no. 9 – The total score obtained by summing up the main universities for quality indicators

Ranking	The name of the University	TOTAL SCORE	The share of the maximum score possible for the considered indicators (PMAX = 380)
1.	Universitatea Politehnică Timişoara	195,25	51,38 %
2.	UMF Craiova	176,5	46,45 %
3.	Univ. „Babeş Bolyai" Cluj	167,5	44,08 %

TOTAL SCORE = TP1 + TP2 + TP3 + TP4 + TP5
Total score UPT = 59 + 23,5 + 61 + 21,75 + 30 = 195,25
Total score UMF = 55 + 20 + 47 + 19,5 + 35 = 176,5
Total score UBB = 42 + 27 + 54 + 10,5 + 34 = 167,5
The total score of the universities surveyed, general quality indices are presented in the graph in Figure 1.

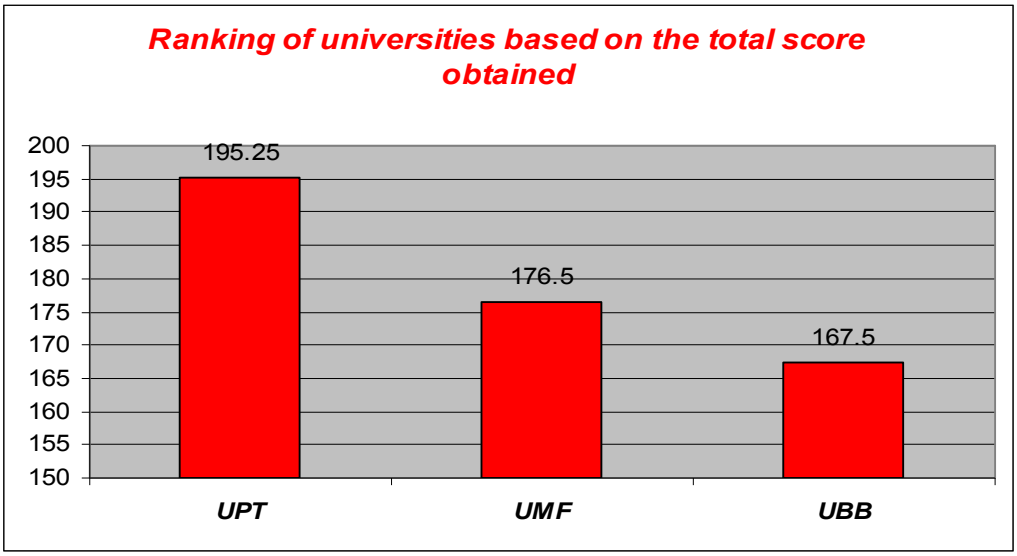

Figure 1. Ranking of universities based on the total score obtained

Conclusions

Through the system of ranking presented and applied in this work, it was found that, although the three universities that have made the subject of a case study is academic prestige, none of which has not reached the maximum score possible for the quality indicators considered. From here, the result is that there is no universal to distinguish net in terms of performance indicators at all take into consideration. The maximum score received by one of the universities analysed is 195,25, which represents only 51,38% of the maximum score possible.

In this regard, the main strategic directions of educational policy would be halting the decline of quality and ensuring quality education.Quality assurance is a necessary response to the negative trends which have been registered in the national educational system. Without serious interventions in this area, some degree programs or even some universities may no longer meet minimum quality standards and even less international standards.At the same time, universities are directly responsible for providing the necessary human resources, economic development, cultural and social rehabilitation of the country.

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Globalization and restructuring in the information society

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Abstract

The accelerated globalization of information and communication technologies specific to information society results in a thorough overhaul not only of the economy and of the market, but also of the entire society who will face new types of problems and challenges. Global digitalization requires a new approach on the role of knowledge in the development of economy and increase of competitiveness.

Keywords: globalization, information society, information and communication technology

Globalization is not rooted in information society and, in the absence of a unanimously accepted definition, we can say that this concept generically designates integrative international processes.

However, it is possible that information and communication technologies specific to an information society have an international and, occasionally, instantaneous impact on a wide range of phenomena (economic, political, social, cultural, etc.). From all inventions of the last three decades, one stands out from the point of view of its impact on society in its entirety. The creation of the *World Wide Web* technology in 1990 by Tim Berns- Lee in the famous CERN Physics Laboratory in Geneva is not only a revolution in the field of communication systems. The internet is an information communication network which has extended with an explosive dynamics at a planetary scale.

According to the data published on http://www.internetworldstats.com/stats.htm, in 2012, 34.3% of the world population and 63,2% of Europeans are internet users.

Table 1. World internet usage and population statistics
June 30, 2012

World Regions	Population (2012 Est.)	Internet Users Dec. 31, 2000	Internet Users Latest Data	Penetration (% population)	Growth 2000-2012	Users % of Table
Africa	1,073,380,925	4,514,400	**167,335,676**	15.6 %	3,606.7 %	7.0 %
Asia	3,922,066,987	114,304,000	**1,076,681,059**	27.5 %	841.9 %	44.8 %
Europe	820,918,446	105,096,093	**518,512,109**	63.2 %	393.4 %	21.5 %

Middle East	223,608,203	3,284,800	**90,000,455**	40.2 %	2,639.9 %	3.7 %
North America	348,280,154	108,096,800	**273,785,413**	78.6 %	153.3 %	11.4 %
Latin America / Caribbean	593,688,638	18,068,919	**254,915,745**	42.9 %	1,310.8 %	10.6 %
Oceania / Australia	35,903,569	7,620,480	**24,287,919**	67.6 %	218.7 %	1.0 %
World total	**7,017,846,922**	**360,985,492**	**2,405,518,376**	**34.3 %**	**566.4 %**	**100.0 %**

Notes: (1) Internet Usage and World Population Statistics are for June 30, 2012. (2) CLICK on each world region name for detailed regional usage information. (3) Demographic (Population) numbers are based on data from the US Census Bureau and local census agencies. (4) Internet usage information comes from data published by Nielsen Online, by the International Telecommunications Union, by GfK, local ICT Regulators and other reliable sources. (5) For definitions, disclaimers, navigation help and methodology, please refer to the Site Surfing Guide. (6) Information in this site may be cited, giving the due credit to www.internetworldstats.com. Copyright © 2001 - 2013, Miniwatts Marketing Group. All rights reserved worldwide.

Internet is becoming not only a moving force but also a symbol of globalization (in the field of information, technologies, goods, services and financial markets, cultural phenomena, etc.).

The reduction of transportation costs, the diversification of means of transport and the increase of the speed of vehicles, all contribute to the acceleration of globalization phenomena. Even the melting of North Pole glaciers generates a high profit to carriers who have access to new and much shorter maritime routes.

The Fall of the Berlin Wall in 1989 marked the symbolic moment of the end of the Cold War which obstructed communication and the free exchange between the two parts of the planet. In 1990, "the Eastern Block" began to open itself towards the international market, and this opening increased the scope of the globalization process (first of all, of market economy and democracy).

The global scope of the problems which humanity faces is a pressure factor in identifying world-scale functional solutions and in creating global institutions of decision. The impact of the disturbance of the balance of an ecosystem is not only local. Likewise, the effects of pollution and climate degradation are not only local. The protection of nature, fighting and preventing the effects of natural disasters, the observance of human rights, migration control, all these are concerns that call for global solutions.

Another factor which contributes to the acceleration of globalization phenomena is the liberalization (at the level of GATT and the World Trade Organization) of international trade, after the Second World War. The escalation of economic trade in the second half of the 20th century has set the context for the integration of resource, product and financial markets.

Two fundamental characteristics of the globalization process are its multidimensionality and the fact that its themes are overlapping.

Economic globalization seems to be the most visible and the most important. The economic integration of the world states required an integrated production at a transnational scale, the integration of investments and of financial markets, as well as the extension of transnational corporations.

The globalization of problems generated by the degradation of the environment has engendered a true shift of paradigm in its international approach. This brings to light the need to rethink the concept of inter-state solidarity in order to prevent or intervene in disasters caused by pollution or climate factors. However, we are far from promoting effective global solutions to prevent natural disasters generated by human activity (the greenhouse effects, global warming, the rise of the level of the Planet Oceans, water and soil pollution, ozone depletion, etc.).

The new remote communication networks and their level of coverage, the inventory of new faster means of transport, have given a new dimension to inter-human communication, by transforming the planet into a "global village". The social dimension of communication was therefore globally extended.

The cultural dimension of globalization is more and more visible. Even the most traditionalistic societies feel threatened by the cultural clichés of the Western world. As a matter of fact, Hollywood movies have exported the American cultural model in all corners of the world, with a huge success.

The political dimension of globalization is extremely problematic because it brings into question the limitation of the prerogatives of national states and the transfer of their prerogatives to international institutions. From this point of view, the creation of the European Union can be interpreted as a historical experiment which may precede the creation of global federal state and of an international government. "Global Governance is not a romantic project for a small world, it is a realistic response to the challenges of globalization".[1] The creation of a global information system and the accelerated globalization of information and communication technologies specific for the information society, and the fact that we are facing problems affecting humanity at a global level, will lead to the creation of institutional poles with global power of decision.

Furthermore, the democratic system could be at risk, if elective systems and NGOs do not stand for the citizens' will. Moreover, the information bombardment using digital means of communication does not guarantee the pertinence and correct selection of the information reaching citizens.

All dimensions of globalization reinforce each other, but their moving force is economic globalization, primarily technological. The internet has brought about not only the acceleration of the process of globalization but also the coalescence of its components. In information society, information and communication technologies can be implemented at a global scale and, at their turn, function as factors of acceleration of globalization across all fields of human activity.

Information is becoming more and more an established fundamental resource of the new economy, and those who possess this information control not only the distribution of wealth and the exertion of power but also humanity's directions of evolution. What is more, with the globalization of technologies which monitor human activity the holders of these technologies can know and control, to a larger extent, the existence of individuals. The access to the population database, the health insurance, bank operations and communication of mobile telephones and digital systems can create an information system in which any individual can be rigorously monitored (where he/she lives, where he/she travels, how much

[1] *See* http://www.dadalos.org/globalisierung_rom/grundkurs_5.htm.

he/she gains and what are his/her preferences, depending on the products and services purchased, what diseases does he/she have, with whom it communicates, how much it communicates, etc.). The only thing missing is an intelligent house that can monitor the individual in its intimacy.

In societies preceding information societies, resources and goods had a physical form. In the current information society, these have been replaced with information resources and assets. Michael Dertouzos[2] points out that rich nations can become richer because they invest their resources in new technologies and have the knowledge to capitalize their benefits (first of all the competitive advance of labour productivity growth). "The painful conclusion is that, *left to its own devices, the Information Marketplace will increase the gap between rich and poor countries and between rich and poor people.* [...] The poor nations and poor people, on their own, will not find the necessary money to start to finance/financially boost the Information MarketPlace."[2]

International bodies must promote a moral vision of information and knowledge management and allow the access to these resources in a fair system.

"A balance must be found between the financial use and the moral use of knowledge. This requires the definition of the scope of moral management of scientific knowledge in a globalized society.

The global management of knowledge must pursue one of the fundamental aims of knowledge society, namely the wider dissemination of scientific information-knowledge, for free and at a very low price"[3].

The privatization of knowledge can be a reason for the concentration of wealth and power in the hands of its legal holder. Since multinational companies allocate huge amounts to research, it is clear why they will function more and more as centres of power that transcend the decisional force of some national states.

Information society creates technological instruments that allow holders of advanced information and technological systems to have an unprecedented control in the history of humanity over the planet's resources and the destiny of its inhabitants, in the context in which more than three billion people live with less than 2.5$ /day, and 95% of the world's population lives with less than 10 $ /day.[4]

The overhaul of the education system is fundamental in the increase of competitiveness in a knowledge-based economy.. « The education and training take place under the conditions when the international large-scale mobility of pupils, students and employees increases, when the impact of new technology is obvious, when it changes radically with the emergence of labour markets in European employment and business of the multinationals, when the training cannot be limited to certain periods in the individual life,

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[2] Dertouzos, M., (2000), *Ce va fi. Cum vom trai in Lumea Noua a informatiei*, Tehnica Publishing House, Bucharest, p. 221;

[3]M., Drăgănescu, *2003, De la societatea informationala la societatea cunoasterii*, Tehnica Publishing House, .p. 63.

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but must be carried throughout life, while the education cannot be achieved without the participation of local communities."[5]. New specialists emerge to respond to the requirements of a global labour market specific to an economy in which information plays a central role.

The globalization of new technologies specific to international society leads to a thorough overhaul of the economy. "Process triggered a few decades ago, the globalization of consumption and production increased considerable in the last few years due to substantial mutations recorded in world economy and especially, in certain areas of the world, as a consequence of the cold war ending. Multinational companies have extended themselves and today there's no amazement for nobody that, for example, a USA company produces certain goods in Sweden, which then sells them on the markets of Central and Eastern European countries". [6]

Information and communication technology plays a crucial role in the dissemination of the access to the economic benefits of information society, as well as in the reduction of differences between nations and citizens. Furthermore, information and communication technology specific to information society also provides the required instruments for monitoring all the parameters that reflect the degree of development of nations and individuals.

In conclusion, it can be said that globalization in information society has a few defining characteristics:

- the digitalization of world economy, of the most important mass communication channels, of governing systems, of education and of some cultural phenomena;
- the liberalization of goods, services and financial-banking markets;
- the increase of interdependencies between national economies and national political systems;
- global competition;
- the structuring of global civil societies;
- space and time compression;
- the appearance of new forms of global terrorism, inclusive virtual terrorism;
- the growth of the economic and political power of multinational corporations;
- the negative effect on personal rights and freedoms at a global scale of technologies monitoring human activity;

In the information society, information and communication technologies can be implemented at a global level and, at their turn, function as factors of acceleration of globalization processes in all fields of human activity.

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Particulars of management sale forces in the current economic context

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Abstract

Trade and tourism services differ from other economic sectors due to the direct connection between consumer and service provider. The economic crisis that affected the entire Romanian economy and trade and tourism services, have been influenced both in terms of income levels but also in employment terms. The organizations in area are more demanding in the process of staff selection and recruitment, are oriented towards the use of collaborators and more efficiently labor organize. Organizations pay attention to employees, encouraging their concern for specialization and continuous improvement, as a factor to increase staff sales ability and motivation levels.

Keywords: Services, sales force, quality, professional training

1. Introduction

In trade and tourism have been major changes in the last decade. The supply of products and services grew, their quality level has increased due to the standardization process and due to concerns regarding products and services safety. Consumers are more experienced and educated in terms of consumption, the use and security issues. Some managers in the commerce and tourism but still consider that their products and services are so competitive and have an image so good that they sell themselves, neglecting the human factor, respectively the sales forces and their training level. The global economic crisis led to a number of economic constraints within each organization level and in relations between their clients and suppliers. They have negatively affected the specific labor market. Therefore in most cases enterprises intend to employ trained staff in order to invest the least in the their professional training, they being put directly to specific activities, immediately after recruitment. This is possible in the best case scenario when engaging a manager or an experienced specialist, whose work has been evaluated previously. Most of the times it happens that the employees do not fully meet the requirements.

2. Current economic context

Labor market in the commerce and tourism is influenced by several economic, social and cultural factors. Among the economic factors with the strongest influence we mention: economic crisis, inflation, unemployment. From the social point of view a strong impact on employment in commerce and tourism is exercised by: Romania's demographic context, relationships and social climate. National cultural elements, attitudes and prejudices play an significant role in business relationships between business partners and between them and clients.

To better understand the current environment of the commerce and tourism organizations we subjected to analysis a set of indicators.

"The volume of turnover of retail trade, except sales of motor vehicles and motorcycles decreased last year compared to 2010, both as gross series and as series adjusted depending on working days and seasonally, by 2, 5% and 3.3%. Evolution of the indicator gross series was influenced by the sales decreasing of food, beverages and tobacco (-6.2%) and in retail trade of automotive fuel in specialized stores (-1.7%). Sales of manufactured goods increased by 0.2%, according Mediafax. Adjusted according to working day and seasonally the decrease sales of food, beverages and tobacco was 7.1% and for retail trade of automotive fuel in specialized stores by 1.8%. Sales of manufactured goods increased by 0.2%, it said in a statement of the National Institute of Statistics. In December, the volume of turnover in retail trade (except trade of motor vehicles and motorcycles), gross series, compared to November has increased by 10.3% overall, due to the increases in sales of food, beverages and tobacco (26.6%) and sales of manufactured goods (+10.1%). Retail trade of automotive fuel in specialized stores decreased by 10.9%.

The volume of turnover in retail trade (except trade of motor vehicles and motorcycles), adjusted series according to number of working days and seasonally, in the December 2011, compared with the previous month, has increased overall by 0.3% due to growth recorded in sales of food products (+1.2%) and retail trade of automotive fuel in specialized stores (+0.7%). Sales of food, beverages and tobacco decreased by 0.7%.

Compared to December 2010 turnover of retail trade, gross series rose by 6%, due to the retail of automotive fuel in specialized stores (12%), sales of food products (+8.1%) and food products, beverages and tobacco (+0.7%). As adjusted series the indicator was higher by 3.9% due to the retail of automotive fuel in specialized stores (16.4%) and sales of manufactured goods (10.4%). Sales of food, beverages and tobacco decreased by 2.2% [9].

Decreased turnover of trade at national level in 2011 compared to 2010 may have the effect regarding reformulation of human resources policy in the field.

In tourism, the services offer increased quantitatively by increasing the number of places-days from 50197142 in the 2000 to 63,808,286 in 2010. Has increased substantially also the comfort level, at a greater pace the number of places in the facilities with 3, 4 and 5 star (see Table 1.)

The growth of accommodation capacity at national level in the period analyzed should directly lead to proportional increase of number of employed staff and increase of the level of professional training as a result of opening a large number of superior category units. In reality, both internationally and nationally was reduced the number of employees in the last decade, reflected by the indicator number personal / room, e.g from 2.5 to 1.5 to 5 star hotels, and 1, 5-1 to 3-star hotels [2]. This reduction in the number of employees of the hospitality industry was made as a result of computerization of the management systems and reduction of the food service staff, aimed at decreasing the labor costs.

Table 1. Tourist accommodation capacity by type of touristic accommodation structures on categories of comfort (places – days)

Year	Total	5 stars	4 stars	3 stars	2 stars	1 star	Unclassified by stars

2000	50197142	472683	1434931	5756172	22211478	11804304	8517574
2001	51182465	651598	1484448	6132559	2271862	11232953	8556562
2002	50752061	700686	1691612	7025151	22410192	10620638	7033277
2003	51632254	741717	1765962	8155643	23225850	9837251	6291334
2004	53988640	778832	2791289	9555875	24450266	8321448	5958922
2005	54978838	893400	3664570	11635926	23972806	7460087	4827935
2006	56499904	964502	4608943	13414392	23539935	6722753	4061029
2007	57137649	1232493	5215760	5215760	23311850	6153188	3318718
2008	59187968	1345781	7128809	15091644	22714687	5871136	2997024
2009	61104435	1964539	8345546	15936076	22248286	5112405	2762115
2010	63808286	2019915	9326415	18463928	21646936	4909349	2549881

Source: Calculations by: Romanian Tourism Establishments, Issue 2002 - 2011, INS. Bucharest.

Globally commerce and tourism employers face and other influencing factors such as eg labor costs. "Hourly labor had in the last three months of last year, as adjusted by the number of working days, a growth rate of 0.74% over the previous quarter and 9.76% compared with October-December 2010, announced the National Statistics Institute (INS). Unwrought (unadjusted), compared to the same period, changes in hourly labor cost has been slightly different compared to adjusted shape (0.99% and 10.05%), according Mediafax.

Compared to third quarter 2011, the hourly cost of labor (in the working-day adjusted form) increased in most activities in the economic sector, the most significant increases occurring in construction activities (9.83%), real estate (5.52%) and commerce (5.05%).

In the fourth quarter 2011, Increases from the previous quarter (for the main indexes in the form of number of working days adjusted) of the component of direct costs (wage) with labor force was 0.76%, and for one regarding expenditure (non-salary) of 0.65%. Growth registered by the two components - for the main indexes unwrought (unadjusted) - were 1.02% and 0.9%.

Compared with fourth quarter 2010, the largest increases in hourly labor cost, as adjusted, were found in real estate (15.89%), other services activity (14.96%) and professional activity, scientific and technical (11.45%).

Increases compared to the same quarter of last year salary regarding component with labor force wages was 9.76%, and for indices in their unwrought form (unadjusted) of 10.05%. Component regarding indirect expenditure (non-salary) registered increases of 9.75% and respective 10.04% [8].

On context of turnover decreasing for commerce activities and increasing of the hourly labor cost in all areas of commerce and tourism, organizations have one single solution, increasing sales force effectiveness.

3. Characteristics of management system and implications regarding sales force management of the trade and tourism

Management of commerce and tourism organizations operate differently in human resources management and sales force management. Still exists patterns, organizational cultures that are not focused on employees without a concrete plan of management and professional career.

Among the most common preconceptions that occur as errors of assessment and perception of people who come to be employed or already working in commerce and tourism are:

- accepted as valid of the first impression as being the representative;
- consideration that a selling agent "is born" with specific qualities and that they are not the result of training;
- consideration the fact that if an employee really wants to succeed in sales or services, he will do everything it can to achieve this ideal even with minimal knowledge;
- appreciation of extrovert behavior as " to have a flippant tongue " of employees direct related with customers as a key element of sales success;
- consideration that a salesperson can sell anything and anyone.

To these preconceptions, most of the times are added those regarding the age by which young people are preferred over those older and those of a sexual nature, whereby either, just prefer women for certain activities or that are accepted only men [1].

”Many companies have developed a pyramid sales staff on these issues very categorical and is based on "*natural selection*" principle of sales agents according to the principle "*who would enter, remain who can*", wins who acquires the ability and experience to succeed any cost. These organizations do not conduct recruitment and selection, do not prepare sales agents, the only factor stimulating being organization of conferences, where are promoted personal examples of those who were successful in sales. Janusz Szajna, responsible regional of a network Network Marketing said that "many sellers get here huge amounts of information delivered in an atmosphere of complete success" [4]. Sales boost by giving commission is based on accumulation of points and create opportunities to climb hierarchical levels. Such an approach to human resource management can’t ensure long-term success of the organization.

Professional training is a full-continuously activity held by each organization working in the area of personal sales or in tourism. This continuity nature is determined by the fact that in these organizations there is a permanent turn-over of staff, which require compulsory training of those who are new employees and the need for continuous training, as a factor to increase the sale and the level of motivation of employees.

When speaking of the training of employees we refers to all forms of training, aimed at creating specific skills, their improvement, leading to gains for both staff and the organization. Competence is strongly related with levels of education (training) which suggests that proper training is in fact a guaranteed gain. Training is a must even when results are not shown immediately, since they are evaluated over time.

The organization will develop a training plan and improvement through which are included all categories of employees. There may be some restrictive internal rules regarding the age groups can be included in training programs, they are based either on preconceptions, either on interests of efficiency and reversibility calculation results.

Highly suggestive in this case is the earning function, which includes the functional relationship between earnings and their determinations.

”An earning function type can be formulated as:

$$\mathbf{l_n\, y_i = f\,(S_i,\, t_i,\, t^2_i,\, z_i)}$$

where: $\mathbf{l_n\, y_i}$ = Natural logarithm of individual earnings

$\mathbf{S_i}$ = Person education standardized in years

t_i = Time period in years of work experience
t^2_i = Square of the number of years of work experience
z_i = Vector meaning other variables

The gain is a function of (+) of education and work experience and a function (-) the square of the number of years of work (mainly because investment in human capital decreases with age). Has been demonstrated that these gross variables regarding human capital explain more than 2/3 of the variation observed of actual earning " [5].

The content and structure of plan preparation, specialization and professional training will be tailored to career development stages of the sales forces, aiming to stimulate the concerns of sales agents in order to improve themselves and to get fast access to professional hierarchy, according to specific needs of organization on medium and long term. A seller or service provider in commerce and tourism are formed over time, and results its performance can be at high level only when he has reached a mature phase of his career cycle.

"Although most companies prefer to hire young people for the position of salesmen, experience has shown that for the organization is more efficient to hire people over 50 years. These people have more patience, more experience and they are more stable emotionally and mentally, the company has the great advantage to not have to spend large sums of money for training new young recruits " [6].

When training the young people that have been hired recently a few problems are put: the number of them must be large enough to justify the preparation costs, as is always a risk that after these costs were made some of them to leave the organization.

Training is work activity to improve the knowledge, attitudes and skills of an employee, so that he will exercise its tasks at the highest level of quality. The impact of technology, emergence of new services, restructuring and many other factors are causes that require training activities and continuous professional development.

When developing the training plan are put several questions whose answer depends on the final results. The most common questions are about structure, content and duration of the course, venue, status, experience and source of trainers.

Continuous training objectives aimed at: improving sales techniques, learning new methods, implementation of new products, acquiring new information about market and customers, knowledge of sales policy and other company-specific procedures, efficient management of sales, promotion and sales forces increasing motivation, improving relationships with customers.

We should not forget that in the training preparation, both new recruits and experienced staff must know domain specific legislation, consumer protection legislation.

"More and more organizations in direct sales and tourism chooses to employ labor force with the status of external collaborator. Thus a very important activity in human resource management is the setting of the legal status of sale forces. In practice the following types of staff are distinguished: permanent staff, also known under the names of own sales force or internal staff, with contract of employment, sales force of exclusivity status, which have the same status as the first category, sales forces staff that can represent several organizations and that have the status of collaborators.

The organization must decide for what types of sales force will opt and which will be its status starting from specific tasks and competencies of each category of staff, related to current and future objectives of management and marketing "[3].

Conclusions

Trade and tourism organizations must adapt their human resources policy to the current context of specific market trends. That involves an increased attention to improving and specialization of managerial personnel and also those who are in direct relationship with customers. The economic crisis deepens the competitive gaps and highlights that success is side with those investing in continuous training individual or institutional level.

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Access application for recording of invoices and beneficiaries in debt

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Abstract

In the context of present society characterised by an unprecedented information explosion in the history of mankind, the information systems represent one of the fundamental elements, which generate and control the information flows at micro and macroeconomic level. This paper contains the methodology and sequential algorithm to achieve a computer application through which any economic agent can track the outstanding invoices. The conclusions triggered from the paper text highlight the importance of the proper use of the designed application in the activity of tracking and collecting outstanding invoices, thus generating improvements of financial flows and the increase of the turnover.

The importance and topicality of the theme are given by the complexity growth of the action developed by economic agents in the context of developing and diversifying the information instruments to track the collection frequency and calculate the work productivity, used to manage the economic, sociable and institutional variables in order to accomplish the organisational objectives. All these evolutions determine the rethinking of the strategic role of computer software at the organisation level. Together with human resource, these are being considered the main competitive advantage of modern organisations.

Keywords: databases, management, decision, outstanding invoices, computer system

1. Introduction

The theoretical substantiation and the practical examples necessary for the development and use of some database applications, which integrate a lot of new information technologies, impose that the developer or the user of some evolved database systems already know the fundamental aspects of this field: databases, database management systems, relational systems, programming languages, programming techniques. If the expert systems were developed at the beginning in the technical and medical field, we recently witness their extension in the economic field and especially in the financial-banking field (Velicanu et al., 2009).

All applications of management information system use the structured information one way or another. Microsoft Visual Basic integrated in Microsoft Access provides us all the necessary instruments for the creation and use of the structured database systems for the management of our own data applications. The logical procedure or the functional unit is the correspondent of the subtask within an application from the computer field.

Only at this level the direct transfer from the logical structure of the application to programs can be easily done, which means that a functional unit can be associated with one or more processing units or automatic procedures from the application software. The last

situation is necessary especially when also within a processing unit there are more elements of organisational structure involved.

In agreement with the opinion of a specialised literature author, I consider that the data represent a crucial organisational resource and have to be managed similar to the management of the important assets of an enterprise (Gherasim, Z, 2007). Without data on the internal functioning and on the external environment, the enterprises could not survive or succeed in business. Their volume is unceasingly growing. Their organising and memorising on addressable technical supports (HD, FD, CD-ROM, removable disc) are a lot facilitated by the fact that, we operate mostly with *data structures.*

Another solution, dominant at present, consists in organising data in **databases**, defined as a structured set of data registered on supports accessible to the computer in order to simultaneously satisfy more users in a selective manner and in time (Tudoroiu, Grigore, 2004). Furthermore, this structured set of data contains data structures functionally linked. Databases are unitarily managed through dedicated programs, called database management systems (DBMS).

The database is described independently from the programs that use the data. The description aims at the same time the data structures, the links between them and the rules that assure the data coherence.

The information system objectives at macro level are (Baron, Ianos, 2008):

- Supporting the information process, respectively assuring the support for collecting, filtering and conveying the data that characterise the company's activity;
- Supporting the decision-making process, which refers to providing the necessary information for taking decisions in semi-structured or unstructured problems;
- Supporting the communication process, through which the information is spread between different categories of users or through which the simultaneous use of information by more users is assured.

A definition closer to the study of information systems considers the system as a set of interrelated components that track a common objective in the process organised to transform the resources into outputs (Chiru et al., 2003). The study and the research of processes and of economic-social phenomena, characterised through complexity and dynamism, impose the use of system theory, whose object is represented by the research of the surrounding world seen as a set made of subassemblies that strongly interact with each other. The purpose of this research is to identify causal links between economic phenomena and processes in order to substantiate decisions (Neacsu, G. 2009).

2. Application design methodology

Within the current evolution of the economy and society the necessity of the existence of a computer system designed for data organising, for extracting information useful in decision making is needed (Lungu I., Bara A., 2007). Taking into consideration the specialists' position and taking into account the specifics of the activity currently performed, in this chapter we built an excellent computer system, where the data are presented directly, quickly, synthetically and which allows the executive manager to see and analyse the situation of the outstanding invoices of the enterprise.

3. Computer application design

Outstanding invoices tracking application was created using Microsoft Office Access environment. Application tables are: *Beneficiary, Invoices, Invoice details, Delegate, Materials, Categories.*

Conceptual data modeling for achieving application is shown in Figure 1.

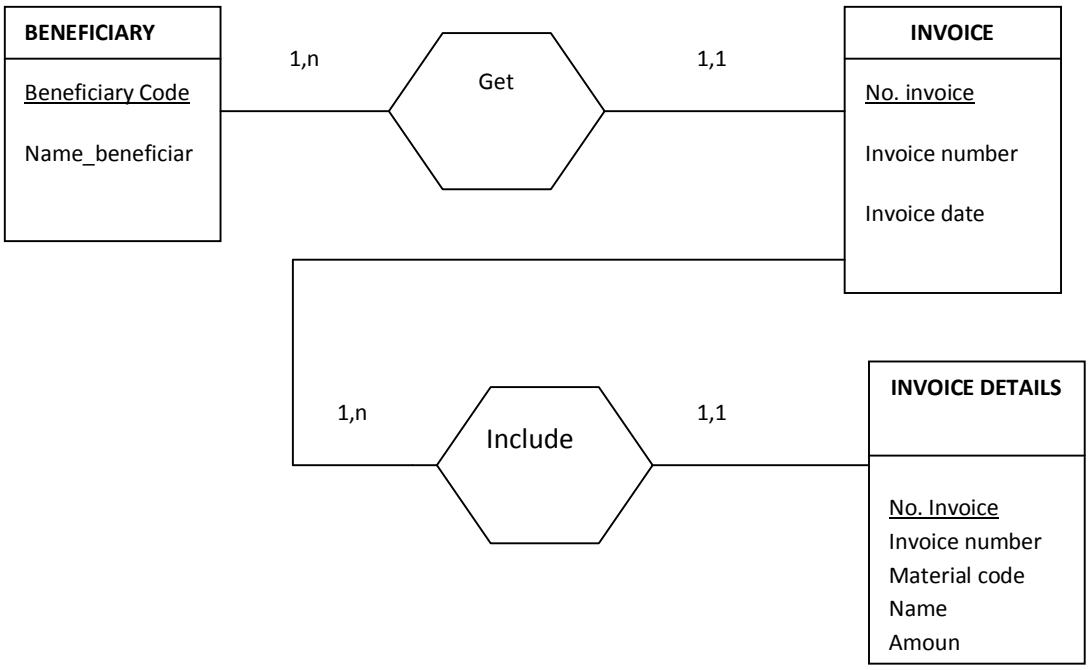

Figure 1.Conceptual data modeling

The relational model of data is as follows:

BENEFICIARY(Beneficiary_code,Name_beneficary,Fiscale_code,Bank, Bank_account).

INVOICE (Number, Serie1, Serie2, Invoice_date, Payment_term, Cashing_date, Payment_mode, Number wo accompanying the goods, vat, Beneficiary_code, Name_beneficary, address, city, state, Bank_account, bank, Fiscale_code, Delegates from company, delegate Out, Delegate_code, Delegate_name, ID, Transport_ Number, Date_shipping, Time_shipping, State document, total payment, comments, date, delegat_semn_checked, ex2_orig_checked, ex2_semn_checked, stamp_checked, record_store_checked.

INVOICE DETAILS (Invoice_number, Material_code, Name, Amount, Unit, Quantity, Product_price).

CATEGORIES (Category_code, Category, Coefficient_added).

MATERIALS (Material_code, Name, Details, Measurement_units, Category, Price, Warehouse_role, last inputs, currency, currency warehouse unit price, unit price recombinant currency).

DELEGATE (Delegate_code, name_surname, id_number, no_id, issued, transport means, no_transport_means).

Corresponding tables relational model are shown in Figure 2.

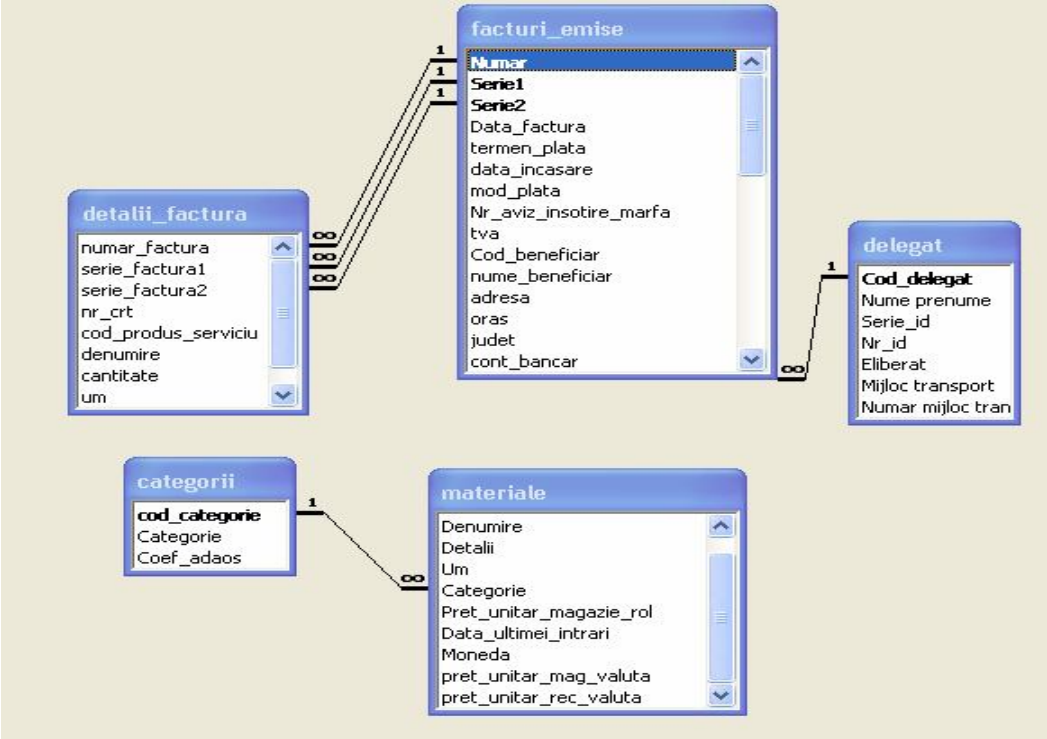

Figure 2. Relationships between database tables created

Main interface shown in Figure 3, allows access to important database options namely: Add invoices, bills Change, Introduction exchange rate (option Dollar / Euro) output statements (statements), Letters to debtors beneficiaries (recipients addresses).

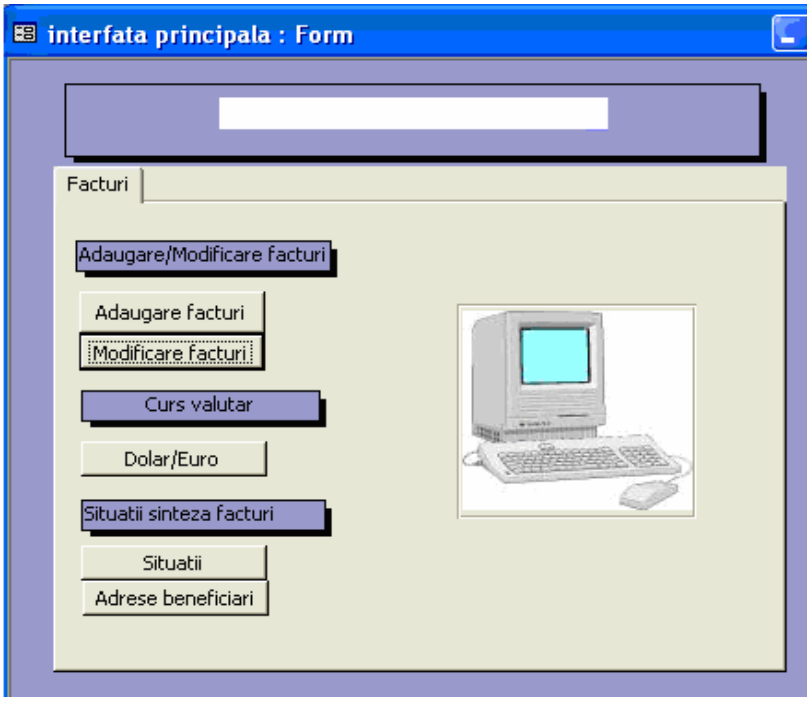

Figure 3.The main interface

Box form designed to introduce foreign exchange necessary in pursuing outstanding bills, is shown in Figure 4.

Figure 4. Screen form for entering the exchange rate

4. Invoices form creation

Invoice form is a form that contains a subform complex, combobox box, text boxes, buttons action. We describe all items invoice form. In Figure 5 is shown the section relating to beneficiary selection. Recipient is selected using a combobox type application. After selecting the beneficiary will complete all the fields that are located under selection box buyer.

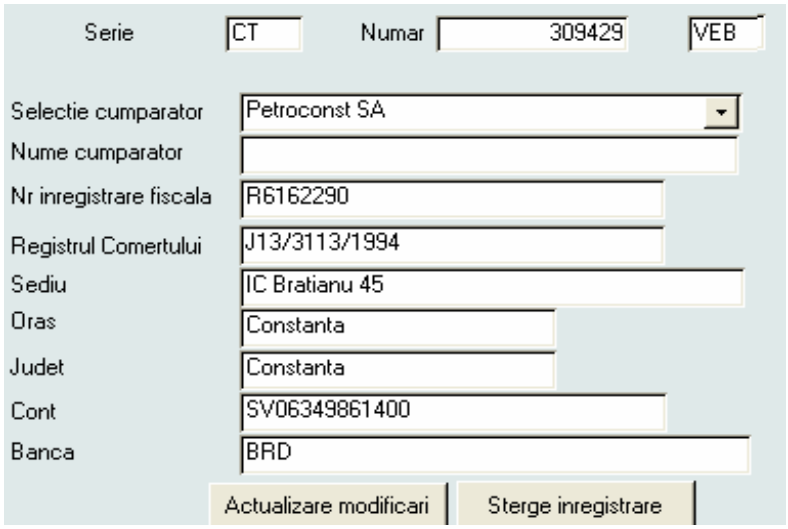

Figure 5. Selection box on purchase

Event combo box is attached tape after-update and reads:

```
Private Sub Cod_beneficiar_AfterUpdate()
Dim rc As Recordset
Dim baza As Database
Set baza = CurrentDb()
Set rc = baza.OpenRecordset("query1", dbOpenDynaset)
If IsNull(Me!Cod_beneficiar) Then
GoTo sfarsit
End If
rc.FindFirst "cod_beneficiar=" & Me!Cod_beneficiar
If rc.NoMatch = True Then
 MsgBox "Eroare de cautare. Beneficiar negasit"
 GoTo sfarsit
End If
Me!NUME_BENEFICIAR = rc!NUME_BENEFICIAR
Me!adresa = rc!adresa
Me!oras = rc!oras
Me!judet = rc!judet
Me!cont_bancar = rc!cont_bancar
Me!banca = rc!banca
Me!registrul_comertului = rc!registrul_comertului
Me!cod_fiscal = rc!cod_fiscal
sfarsit:
rc.Close
End Sub
```

Another important element of the form is subform invoice containing materials, the effect of the action, as shown in Table 1.

Table 1. Subform record a bill of materials remaining

	Nr_crt	Cod_produs_servi	Denumire	UM	Cantitat	Pret_prod	Valoarea	Valoare
	1	005E91360	Imprimanta HP 1010	BUC	2	475.00	950.00	228.00
▶	0				0	0.00	0.00	0.00

Subform has fields calculated as follows:

Value = Price * Quantity (1)

Value product VAT = 24% * Value (2)

Product code is selected from a list of all available codes. Once the code is complete and the product name and price. Product code field is a combo box and is attached to an event trigger after update after that will use the following code:

```
Set rc = baza.OpenRecordset("materiale", dbOpenDynaset)
rc.FindFirst "cod='" & Me!Cod_produs_serviciu & "'"
If rc.NoMatch = True Then
 MsgBox "Eroare de cautare. Produs negasit"
 GoTo sfarsit
End If
valuta = rc!MONEDA
data_calcul_pret = rc!Data_ultimei_intrari
categorie = rc!categorie
pret_magazie = rc!Pret_unitar_magazie_rol
Me!Denumire = rc!Denumire
Me!UM = rc!UM
rc.Close
```

4. Module for situations with outstanding invoices

Circumstances module consists of several forms, namely: List_invoices, summary_statements, invoices_search. We describe the List_invoices form, shown in Figure 6.

Upper half of the form contains selected invoices by a certain criterion that can be billed on the date of invoice receipt, the invoice recipient. In the bottom half of the form are search options and obtaining totals. For invoices selection criteria can be used options customer name, invoice number, invoice date, invoice and charged options. Once this option is actuated Search button.

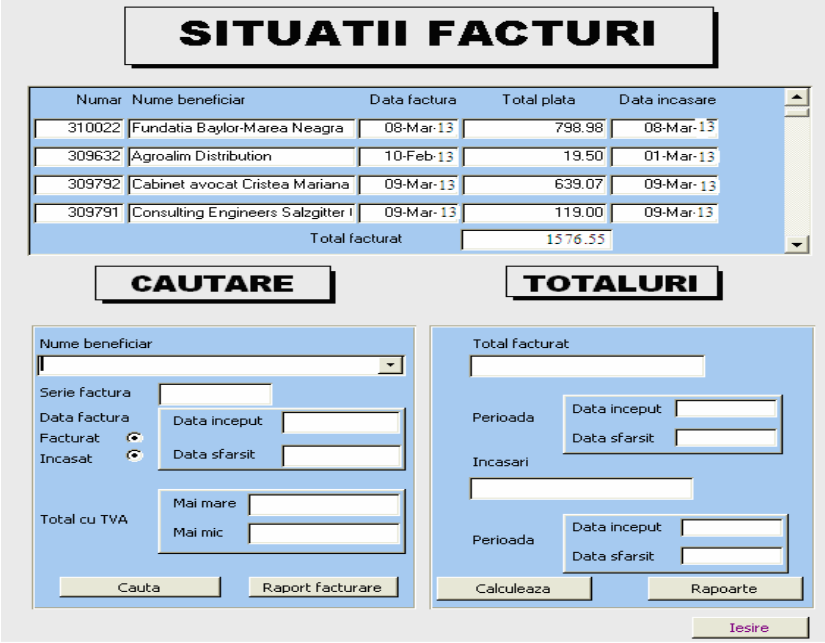

Figure 6. Form List invoices.

Search button is attached code:

```
sir_sql = "SELECT [facturi_emise].[Numar], [Beneficiar].[NUME_BENEFICIAR], [beneficiar].[cod_beneficiar], [facturi_emise].[Data_factura], [facturi_emise].[total_plata], [facturi_emise].[data_incasare] FROM Beneficiar INNER JOIN facturi_emise ON [Beneficiar].[COD_BENEFICIAR]=[facturi_emise].[Cod_beneficiar]"
If Me!numar_factura <> "" Then
 sir_sql = sir_sql & "where [facturi_emise].[numar]=" & Me!numar_factura.Value & ";"
 Me!facturi_emise_cautare.Form.RecordSource = sir_sql
 Me!facturi_emise_cautare.Form.Requery
 GoTo sfarsit
End If
```

When filling following situations may occur:

- If completed Invoice_number then do not search other criteria;
- If completed dates and name of the beneficiary then will get a list of beneficiaries that were billed some products;
- If not complete beneficiary name only dates between which you want a summary of invoices then get a list of invoices issued or received between two dates.

On the right side of the bottom half of the total fields are billed and collected. These values are obtained after completion dates and Calculates pushbutton. Using this form you can get reports out on bills received or issued. To obtain such a report does billing report button whose action is shown in Figure 7.

Nume beneficiar	Data factura	Numar factura	Total facturat	Total incasat
27 AMD Progres	01-Feb-13	309541	1,983,122	0
Andromeda Serv	02-Feb-13	309548	2,156,563	0
Centrul de diagnoza si tratame	04-Feb-13	309587	996,268	0
Electrica SA-AISEE	04-Feb-13	309589	3,334,380	0
Parafa Star	03-Feb-13	309576	6,664,832	0
Scantel	03-Feb-13	309573	2,640,188	0
SCIM SA	01-Feb-13	309526	1,076,650	0
Sindicatul Spicul	03-Feb-13	309578	663,017	0
SRP Neptun	02-Feb-13	3009551	17,313,143	0
Universitatea Ovidius	03-Feb-13	309428	12,584,214	0
	Total		49,412,377	0

Figure 7. Report filing invoices

On pressing the button in the main interface addresses beneficiaries generates a query that will result in a table with all debtors payment of bills. After that, it will generate one Word document for each recipient individually, with the content shown in Figure 8:

By : xxx International
Ref : Outstanding invoices

Dear customer,
According to our accounting records, your company is registered with debts to pay invoices issued by us. You still remember what it was about:

Invoices Number	Invoices date	value (ron)
3333333	3/23/2013	13290
Total		13290

Yours sincerely,
Director SC Yyyyyy Ltd

Figure 8. Content letter to each debtors

Being defined by the values of status variables that characterise the system, its state at a certain moment, becomes a predictable result of the system evolution. The more the probability that the system evolves according to the trajectory for which it was designed is higher, the more the information we have about its state and subsequently, about that system is larger. In order to control the system well, it has to be well known and well organised.

In order to achieve its main goal – assistance for its decision makers in solving the management and organisational problems – a computer system can appeal to one or more information technologies. In this context, more approaches are possible:

- Utilising certain technologies independently in order to solve different aspects of a complex problem;
- Utilising some technologies that communicate with each other for transferring data and information in order to solve some problems;

- Utilising more technologies integrated in a sole system (a **hybrid** system).

The company considered as a dynamic system has a structure that includes the adjustment activities (feedback), leadership, production, circulation, technique and information activities. The connection of all these components can be achieved based on the information flow within the hierarchical levels of leadership. Within each subsystem, part of the dynamic system of the enterprise, the achievement of an organisation (order) strategy, which leads to obtaining an uncertainty degree of phenomena production as smaller as possible, that is to the existence of minimal entropy, is imposed.

Conclusions

In order to improve the global performance, any company has to react to the evolution of all aspects related to computerising its own activities and be aware of their importance. The research from this paper stays within this logic and contributes to the enrichment of the information concerning the use of computer applications in the management of the outstanding invoices. The actuality and the utility of the research also result from the current concern for the analysis of the computer systems within the management activities generated by the importance that each trader has to give to this strategic resource. I consider that the proper management of the collections by tracking outstanding invoices and their impact on the organisation performances requires a transversal interdisciplinary approach, being necessary to be equally taken into account the economic, financial and information aspects.

Along with the basic software development orientated to optimising the economic activities, such applications started to be used, globally, in simulating the decisional processes, thus assuring the exertion, accompanied by computer, of the **prediction attribute** characteristic for the decision process.

The most significant aspect of these simulations resides in the fact that it warns the decision factor about the possible negative manifestations in the functioning of the leaded subsystem, with an acceptable time horizon before their manifestation. Thus, there is the possibility of predicting these negatives phenomena by taking the right measures in order to totally or partially eliminate them.

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The role and the importance of enterprise risk management

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Abstract

Several companies have adopted enterprise risk management (ERM) practices, but far fewer have been able to embed those practices into their organisations to create a structured and sustainable business management process. Any company has to know the importance of a risk management programe. By identifying and proactively addressing risks and opportunities, business enterprises protect and create value for their stakeholders, including owners, employees, customers, regulators, and society overall.

Keywords: risk, risk management, enterprise, business.

It is said that enterprise risk management (ERM) is an enigma. Many executives say they practice it, but if ten of them are gathered in a room they can't agree on what it means. The reality is companies think they are implementing ERM, but they really aren't. What we see in practice often demonstrates a very limiting view of ERM, from maintaining a list of risks - "*enterprise list management*" to summarizing risk responses, leaving many corporate leaders underwhelmed with its value contributed in view of the speed of business and ever-changing economic environment.

So, the question is what represents ERM? The Committee of Sponsoring Organizations[1] (COSO) points out that ERM, among other things:

- is an ongoing process;
- is applied in strategy framework and across the company;
- is designed to identify potential events that, if they occur, will affect the entity and to manage risk within its risk appetite;
- provides reasonable assurance regarding the achievement of business objectives.

In this way, ERM can be defined as: *the discipline, culture and control structure an organization has in place to continuously improve its risk management capabilities in a changing business environment.*

Also, enterprise risk management is a risk management approach meant to encompass all risks and opportunities across the entire enterprise — including the governance, risk and compliance (GRC) aspects. One of the Enterprise Risk Management best practices is to embed the process into strategic planning. Enterprise Risk Management should support the core strategy for growing the business. The key to the success of today's industries, especially insurance companies, is a fit-for-purpose Enterprise Risk Management framework

[1] COSO is a joint initiative of the five private sector organizations listed on the left and is dedicated to providing thought leadership through the development of frameworks and guidance on enterprise risk management, internal control and fraud deterrence.

that meets the overall risk management, compliance and decision support requirements of the organ

Figure 1. Enterprise risk management
Source: lacunae.org

Managing risk is imperative for successful leadership in today's business world. Leaders must develop processes like enterprise risk management (ERM) to improve their ability to manage risks effectively. ERM cuts across an organization's silos to identify and manage a spectrum of risks. Consider these ERM action items:

- **proactively manage risks resolving** – implementing ERM takes total commitment by management, as well as recognition by the board of its responsibility.
- **organization's risk philosophy clarifying** –organizations need to know their risk capacity in terms of people capability and capital. The board and management must come to an understanding, factoring in the risk appetite of all significant stakeholders.
- **strategy development** – since risk relates to the events or actions that jeopardize achieving the organization's objectives, effective risk management depends on an understanding of the organization's strategy and goals.
- **broadly thinking and carefully examining events that may affect the organization's objectives** – draw over a strategy, its key components and related objectives, a variety of identification techniques such as brainstorming, interviews, self-assessment,

facilitated workshops, questionnaires and scenario analyses must be used, the analyze of how both external and internal events can change the organization's risk landscape.

- **risks assessment** –a consensus on the impact and likelihood of each risk must be reached and as the risk assessment process matures, must apply more sophisticated risk measurement tools and techniques.
- **action plans development and responsibilities assignment** – every risk must have an owner somewhere in the organization.
- **maintaining the flexibility to respond to new or unanticipated risks** – a business continuity and crisis management plan must be put into place.
- **the identified risks seen as critical communication** –risk information circulation throughout the company.
- **ERM embedment into the culture** – the knowledge of risks integration in your internal audit planning, balanced scorecards, budgets and performance management system.

In the globalised business environment with competition at par most companies are trying to outperform each other for market supremacy and with the rise of risk management as a distinct discipline in banking and finance, studying its importance during market turmoil has recently become an area of study.

Proponents argue that ERM benefits firms by decreasing earnings and stock-price volatility, reducing external capital costs, increasing capital efficiency, and creating synergies between different risk management activities (Meulbroek, 2002).

Many authors say that ERM is beneficial to most firms because it allows them to manage risks in a manner that avoids costly left tale outcomes then present arguments under which risk management activities could be value increasing for shareholders when agency costs and market imperfections interfere with the operation of perfect capital markets.

To a business unit the scope of risk covers all activities, be that any internal or external, that may prevent itself from achieving its objectives. Adding the word management to integrated, business, or enterprise-wide risk implies a "*structured and disciplined approach*" that "*aligns strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the uncertainties the enterprise faces as it creates value*" (DeLoach, Temple, 2000).

Hence, the goal of an enterprise-wide risk management initiative is to create, protect, and enhance shareholder value by managing the uncertainties that either could negatively or positively influence achievement of the organization's objectives.

The borderless world had undoubtedly facilitated the innovative process of international networking and business ventures. But, such a breakthrough does come at a price. Risks are becoming more sophisticated than ever before and this calls for new approaches and methodologies including Risk Management tools and technologies in managing a global business world which is full of surprises.

In the wake of a new regulatory era and recent market strains in financial services, senior risk officers are under pressure to demonstrate how they are realizing the risk oversight potential of their function.

Enterprise risk management can offer the following benefits:

- risk culture impregnation in the people and build risk management best practices across the organization;
- value creation through effective decision making;

- customer risks reduction and business resilience improvement;
- cost of complying reduction with multiple compliances separately;
- existing systems creation, and people to achieve efficiency processement, and the utility of existing IT infrastructure maximization;
- auditability, governance and traceability achievement;
- risk management for competitive advantage using.

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The influence of graduates professional experience over general business perception

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Abstract

This paper aims to analyze the perception of the students regarding the internships and level of employability of graduates as part of a strategy for sustainable development both universities and the business environment. The goal of this study is to analyze companies on the Romanian market perception of internships and level of employability of graduates. For that purpose a exploratory quantitative research was made, questionnaires distributed to 40 legal entities. Among the results of the research we found out that perception of utility organizations identify internships and degree of employability of graduates is part of a strategy for sustainable development both universities and the business environment. For companies and universities to achieve their objectives is necessary the dialogue between them take place continuously

Keywords: educational marketing, social responsibility, internship, universities, business environment

1. Introduction

1.1. Marketing application in the field of education

"70s were marked by the adoption of marketing and services, accelerated by the competitive process, which is currently the most dynamic marketing [1]. Relevance of educational marketing is based on the interest of educational institutions for the use of specific methods and tools, designed to solve problems and increase their performance. Educational marketing name was used for marketing activities in the field of education and it is a component of social marketing, defined designed, implementation and control of programs calculated to influence the acceptability of social ideeas and involving considerations of product planning, pricing, communications, distributions and marketing research. [2].

Maketing shaping the field of science should independently associated with increasing development of private alternative to the education and training of the population, mainly young [3]. The author believe that for any organization including educational institutions, introduction of marketing is to create a mutual value exchange process, both value and customer satisfaction.

A complete definition of this concept include educational marketing process as one of analysis, planning, implementation and control of programs designed, capable of making voluntary changes values in accordance with target market so as to meet the objectives institutional [4]. In their vision, educational marketing involves designing for institutions to meeting the needs and wants identified effectively market and use price, communication and distribution to inform, motivate and serve the market. In other words, educational marketing

involves human activity or system activities by educational institutions or state or private, through teachers, focused on meeting the needs of consumers (students) actual and potential. Educational marketing aims to continuously explore the environment in which it operates education system to predict the future actions of the socio-economic environment facilitating the connection of this work to present and future requirements of society. Thus, in order to survive and develop, schools must have their own marketers, their marketing plans [5]. Need to address educational activity in a marketing perspective is determined by the similarities it has with the economic activities of the service benefits

The relationship between social responsibility of companies and marketing education has been addressed in the literature [6]. Thus, education academic programs must be developed according to two major directions:

- its role in developing ethical society (own CSR);
- to minimize destructive effects on the environment and conservation of the resources (own sustainable management)

A relationship between CSR, corporate identity of the organization and development of ethics education has been demonstrated. In the climate where firmly CSR and ethics is placed in the social and political environment, the concept of cultural identity can be seen largely as a manifestation of CSR and ethics at this point in time [7] .

1.2. Research methodology

This paper aims to analyze the perception organizations identify the usefulness of internships and level of employability of graduates as part of a strategy for sustainable development both universities and the business environment.

The goal of this study is to analyze companies on the Romanian market perception of internships and level of employability of graduates. For that purpose a exploratory quantitative research was made, questionnaires distributed to 40 legal entities (the company that made or done currently internships or internship sites in partnership with the Academy of Economic Studies). [8]. Most companies surveyed are in Bucharest. Of the 40 companies, only 24 wished to participate in this survey. In this paper we analyzed the data obtained through the questionnaire, and we finished whith the conclusions and recommendations for the future.

2. Objectives

Analysis internship importance for companies;
Determination the way in which companies are interested in internships;
Analysis of the relationship between companies and universities;
Studying companies perception regarding internship period, the progress and evaluation;
Determine the most important reason companies involved in organizing internships for students;
Identification interest to companies employing graduates in economics who applied for an internship;
Determination of the main difficulties in implementing internship;
Determination of the main reasons why companies are involved in organizing internships for students;

Analysis existence of a person with direct responsibilities regarding coordination of the internship students;
Analysis of corporate perception of graduates activities in their positions after hiring;

3. Research results

Firms are interested in organizing student internships required in various forms, of which the most common is accepting applications from students coming directly. 33% of companies surveyed say that organizes regular internship sites or have developed their own forms of selection of students, while an average of less than 29% is represented by companies that have signed cooperation agreements with partner university. Most companies surveyed (66.7%) consider internship students as important or very important for business while 29.2% of the companies consider students' practical training rather important.

Although all companies surveyed have held internships or received internship students for making the results regarding the relationship business – education environment are not entirely positive. Only half of the companies surveyed appreciated the relationship with faculties who worked as a good / very good (66.7%), while 33.4% of companies consider that relationship is not very good .

There is a real difference of opinion with the organization of business practice in universities. Most companies surveyed (58.3%) believe that the allocation of 90 hours of practice are not sufficient to prepare a future employee, while only 37.5% of companies agree on the number of hours spent in internship universities

However, the majority of companies surveyed (67%) agree with the manner of conducting practical activities at the end of the semester. A smaller percentage but quite significant is represent by the companies that expressed disapproval of the conduct of business practice. Also, 71% of companies who responded to this survey agree with completion practices by a colloquium held at the end of the semester while only 21% disagreed and the rest of communicating that do not know (8%)

To properly analyze the perception of corporate internships for students, we tried to identify their motivation regarding organizing internships. 75% of companies who responded to this survey say that is involved in organizing internships for students' future selection of competent employees9% of companies say that the reason for this involvement is the participation of students from various seasonal activities, while 8% were the main motivation to improve company image through social responsibility programs. Company participation in research contracts and facilitate students' access to information necessary for license in a controlled manner represent the motivation to 8% of companies surveyed.

Regarding the capacity of these companies to organize internships, it appears that most companies (20 of 24) were a person (tutor) that deals directly from coordinating student during the internship.

It is important to know which is the main difficulty in implementing internship. Most of the respondents (41.7%) believe that the main difficulty is the low skill level of students. 25% believe that universities do not offer specializations required by the company and 25% consider that insufficiently the number of the employees working with students. Regarding the difference of 8.3%, it is the companies who believe that problems in implementing internship may have the following causes: bureaucracy, low interest student for internships..

In order to analyze the impact on business internship, check the companies hiring the students were conducted undergraduate education in economics, in the last five years: 91.7% of companies surveyed responded affirmatively, while only 8.3% gave a negative answer.

Regarding the main selection criterion for hiring graduates who have applied, 50% of the companies who participated in this study was the argue that previous experience is requested, 16.7% believe that the knowledge gained was an underlying factor, 16.7% say that making internships played a key role, while only 8.3% consider diploma in applied field that is the main factor in the hiring decision. Two of the companies surveyed argue that the hiring decision was mainly influenced by the student's ability to adapt to the work environment and professional skills and personality of students. Given the high percentage of companies that supported employment that were made in the company, as a result of the internship, is important to know how students work is appreciated by company after employment. Most firms consider that the activities of the students in their positions is good or very good while only 12.5% have a bad opinion about the student results activities.

Conclusions

We conclude that educational marketing becomes every day more and more a necessity. The existence of a marketing department in every school may be evident with other factors cause institutions to facilitate modernization and most importantly improve the quality of services.

The first hypothesis that the majority of companies consider important the internship, is valid, 41.7% choosing this option and another 25% considering it very important. Another conclusion to be drawn and which is also in accordance with the assumptions set is given by the fact that companies show their interest in organizing internships accepting requests coming directly from the students and their overall academic relationship is good .

One of the research assumptions that was not validated is related to the internship period. Thus, although performing companies agree internship at the end of the semester and the form of examination, they disagree with the period of stage, considered too short for the real needs of companies and students..

Another hypothesis that has been confirmed is that most companies have a person with direct responsibilities in coordinating internship students. These companies are involved in these internships for several reasons but the main reason is to select the most competent students for the near or distant future, they will be part of company personnel.

Another important conclusion was that firms have difficulty performing internships for students because of low level of experience and skill of the students.

Referring to the employment of the previous years, namely the last 5 years we can mention that the research results of 91.7% responded in the affirmative to this question. The main selection criterion for hiring graduates who applied and in accordance with established hypothesis is previous experience.

The last hypothesis was also confirmed refers to how companies appreciate the work of students in the position held by employment. From this point of view, companies appreciate that graduates have a good business and successfully performed their tasks.

For companies and universities to achieve their objectives is necessary the dialogue between them take place continuously. Both universities and companies need to understand better idea of partner relationship management materialized through better design of curricula and through an open attitude towards the organization of internships [9].

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An investigation of the experience theory in the context of tourism research

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Abstract

The tourism sector is undoubtedly subject to the fundamental changes in the experience economy. Innovative experience design is becoming an increasingly important component of tourism firm's core capabilities. Satisfaction and quality are no longer adequate descriptors of tourism consumption. Competitive businesses in tourism rather create conditions that facilitate the realization of positive memorable tourism experiences. Experiences are the new standard to deliver to customers.
However, the concept of experience design is a rather new and somewhat undiscovered concept, both in theory and practice, within tourism as well as in other disciplines. Experience design is a broader concept than experience production. It captures the idea that experiences are more than a product to be produced that they involve the strategic development of a context.
In this paper, based on the experience theory developments in the field of tourism research, we will seek to broaden our comprehension of what constitutes a commercial experience in tourism, of how and by whom it can be profitably designed and to investigate measurement measures identified by empirical studies. The main objective of the present study is to offer a detailed critical review of two frameworks we have considered relevant in explaining and operationalizing the experience construct in tourism industry contexts.

Keywords: conceptual models of tourist experience, measurement of memorable tourist experiences

1. Introduction

The commercial experience concept is closely related to tourism both in its origins and its implications. Pine and Gilmore (1999) introduced the concept[1] in economic research with the assertion that the developed world was moving from a service- to an experience-based economy. They have made their observation partly based on an analysis of the growth of US leisure and tourism attractions, such as theme parks, concerts, cinema and sports

[1] Although the concept has been employed for the first time in marketing research by Holbrook and Hirschman in the 1980ies for the interpretation of experiential consumption, Pine and Gilmore were the ones who, a decade later, brought it to the fore of academic research and presented experiences as the new economic offering.

events, which they found to outperform other sectors in terms of price, employment and nominal gross domestic product. Their explanation was that these businesses all offered experiences which were valued because they were unique, memorable and engaged the individual in a personal way. Services, in contrast, were becoming commodities in the sense that consumers regarded them as homogeneous and purchased them solely on price and availability.

The continuous development of the experience construct (Prahalad and Venkatram, 2004; Boswijk et al., 2007) is essential particularly in the tourism arena, where the role of the customer (tourist) is central. The importance acknowledged by academics in tourism research to the tourist experience concept is reflected by a wide range of studies published in journals, books and working papers (Aho, 2001; Larsen et al., 2008; Kjær Mansfeldt et al., 2008; Edwards et al., 2009; Hosany and Gilbert, 2009; Murray et al., 2010; Sheng and Chen, 2013). Based on the critical literature review, the main purposes of our present study are, on the one hand, to clarify the nature and main characteristics of memorable experiences in tourism and, on the other hand, to analyze an existing measurement scale of the experience construct.

2. The emergence of the commercial experience construct

The construct of commercial experience has been widely adopted in economical research since the seminal work of Pine and Gilmore (1999) which created a model delineating four realms of consumer experience: educational, escapist, esthetic, and entertainment experiences, which they coined the *4Es*[2]. These dimensions vary based on the customer`s active or passive participation and on his/her absorption or immersion in the experience (Figure 1).

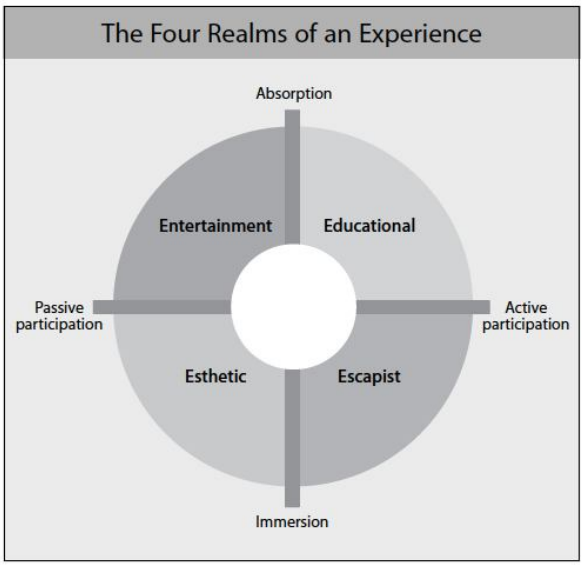

Figure 1. The four realms of an experience
Source: Pine and Gilmore, 1999:30

[2] The authors asserted that the four realms of experiences are valid in assessing tourist experiences as well.

Pine and Gilmore`s conceptualization is however the reflection of the economic realities at the time of publication of their work (1999). Their approach to experience production (or *staging*) reflects a logic that takes the company as starting point, where stories are told, attention sought and experiences directed from the business and supplier side, leaving the consumer passive. Thus companies still hold the power of consumption and dictate commercial values, what the customers can buy and will experience and – to a great extent – customers are seen as one homogenous market.

The recent development of the experience economy since then (Prahalad and Venkatram, 2004; Boswijk et al., 2007; Larsen et al., 2008; Murray et al., 2010; Kjær Mansfeldt et al., 2008) can be considered a manifestation of the evolving role of the consumer – from a passive, isolated and unaware partaker to an active, connected and informed participant in the relationship with companies.

3. Construct development in tourism research

Larsen et al.`s model of tourist experience design

Building upon Pine and Gilmore`s seminal work (1999) and their concept of experience economy, Larsen et al (2008) propose a four-dimensional conceptual model of tourist experience design (Figure 1).

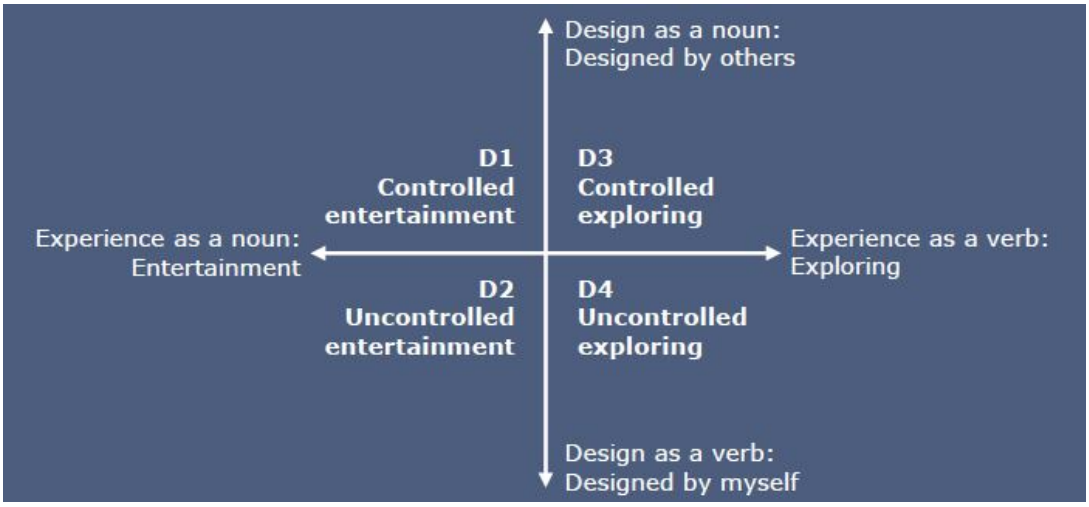

Figure 2. The experience design model of Larsen et al.
Source: Kjær Mansfeldt et al. (2008:16) apud Larsen et al.

Using the meanings of experience and design, both as nouns and verbs, they conceptualized four definitions of experience design. The four definitions do not just unravel different aspects of the tourist's experiences, but also point towards different notions on the nature of relation between consumers and producers of experiences.

As a noun, Larsen et al. (2008) define experience as the observation and spatial participation in an event. In their opinion, in this context, experience equals entertainment. Experience design as the physical arrangement of an event is designed for the tourist and

defined in space and time (D1 – *Controlled entertainment*): e.g. traditional visit in an art museum.

As a verb, the authors define experience as going through an emotional sensation. The experience as a verb includes here the anticipations of the event (before the event), the emotional sensations that results from living through the event (during the event) and the memories and the recollection once the event is completed (after the event). In this context, Larsen et al. (2008) equals experience with exploring. When experience design is to live through the physically formed event, including before and after the *intensive* part of the experience, the experience is designed by the tourists but defined in space and time (D2 – *Uncontrolled entertainment*): e.g. an interactive museum with lots of activities.

As a noun design is defined as the static form of something shaped out of some other thing. In Larsen`s et al. vision (2008) design as such is producer-driven, something designed by others than consumers themselves. When experience design is the constant reshaping of the experience regarded as delimited in space and time, the experience is still designed for the tourist but undefined in space and time (*D3 – Controlled exploring*): e.g. guide books or tourist information centers.

As a verb, design means the constant delimitation or shaping in form. This definition connects to the verb experience, and implies that the subject constantly changes his or her experience of the event, before, during and after the *intensive phase* of the process, the experience itself. D4 represents the purely individual experience; it depicts a framework for how the tourist shapes his or hers emotional sensations and physical performances through the unfolding of the experience as a process stretching over time and space. The experience design of D4 is purely phenomenological and individual – and is as such out of reach for the production side of the experience. The *uncontrolled exploring* segment represents consumers with a more futuristic mindset about tourism, who want to explore and co-design their experiences and to stay off the beaten path (e.g. to go to a local neighbourhood).

Kjær Mansfeldt et al. (2008) used Larsen et al.`s model (2008) and the experience design perspective incorporated in it to segment tourists visiting 14 Nordic and Baltic cities[3]. The researchers asked the 5040 quested visitors of the 14 cities about what types of experiences they prefer[4] – along a set of other questions connected to age, gender, length of stay, their reasons to go, where their inspiration to go came from, what they want to do while they are in the city, what image they have of the city.

The ambition of the study was to show that the psychographic and/or experience design segments give an understanding of the data in a different way than the demographic segments – and perhaps inspire to different actions and recommendations when it comes to marketing, branding and behavioral analysis within tourism.

Thus, the study presents in its final part different cases of innovative tourist products (concrete products identified by the tourist organizations investigated in all participating

[3] Instead of answering who the tourists are (demographic approach) or what they want to do (psychographic approach), the experience design approach explores how different groups of tourists want to experience and design their experiences.

[4] The tourists were asked to mark how they want to experience a city when travelling. Four different sets of statements were presented (two of which were used for segmentation: *to be entertained* vs. *to explore on your own*; *experiences designed by others* vs. *experiences designed by yourself*), and the respondents were invited to place a mark using a flexible scale from 1 to 100.

cities). They represent a broad spectre of experiential tourism products, from museums combining visual arts with culinary art (ARoS museum in Aarhus) to restaurants serving food in settings that resemble the theatre (Madaleine`s Foodtheatre in Copenhagen), from amusement parks to theme trams, from guided walking tours to making one`s own jewellery.

4. Kim et al.`s model of memorable tourism experiences

A rich body of research has emerged in recent years examining the dimensions of tourist experiences (Edwards et al., 2009; Hosany and Gilbert, 2009; Murray et al., 2010; Park et al., 2010; Sheng and Chen, 2013), but we haven't identified many empirical studies validating the measurement scales. Among the few we mention Kim et al.`s (2012) study, in which the authors have developed and tested a measurement scale for memorable tourism experiences (MTE) (Table 1). The seven constructs identified are important components of the tourism experiences that are likely to affect a person's memory.

In order to successfully capture the components of tourism experiences that strongly affect individuals, Kim et al. (2012) started by reviewing the subjective nature[5] of tourist experiences and previous research on the underlying dimensions of the tourism experience. Their next step in identifying the components of tourism experiences consisted of cross-referencing the literature on memory and memorable experiences.

Table 1
Memorable tourism experience scale

Hedonism	**Local culture**
Thrilled about having a new experience	Good impressions about the local people
Indulged in the activities	Closely experienced the local culture
Really enjoyed this tourism experience	Local people in a destination were friendly
Exciting	
Novelty	**Refreshment**
Once-in-a-lifetime experience	Liberating
Unique	Enjoyed sense of freedom
Different from previous experiences	Refreshing
Experienced something new	Revitalized
Meaningfulness	**Involvement**
I did something meaningful.	I visited a place where I really wanted to go
I did something important	I enjoyed activities which I really wanted to do
Learned about myself	I was interested in the main activities of this tourism experience

[5] Despite different interpretations and conceptualizations, the commercial experience construct reveals some common dimensions across most of the studies, among which the most recurrent is the personal dimension. This dimension is determined by the fact that an experience involves the consumer at different levels (rational, emotional, sensorial, etc.).

Knowledge
Exploratory Knowledge
New culture

Source: Kim et al. (2012)

The third step in constructing the measurement instrument from MTE was a multi-staged development study. Combining items generated from two sources (an open-ended survey and the literature review), a total of 84 items were developed as a basis for measuring MTE. A jury of three experts reviewed the above set of 84 items to ensure content validity. As a result of this process, it was concluded that a total of 85 items best measured MTE.

The developed instrument was empirically evaluated using data obtained from U.S. college students at a large Midwestern university. The participants were first asked to recall MTE and to evaluate all 85 items on a 7-point Likert-type scale, on which 1 represented *I have not experienced at all* and 7 represented *I have experienced very much*.

To purify the scale, items that were poorly correlated ($r < .4$) with the total score were eliminated. This procedure resulted in 25 items, out of the original 78, being retained. The reliability of the 25-item scale is .91 – and thus accepted as high. EFA was then conducted on the retained 25 items using both orthogonal (VARIMAX) and oblique (OBLIMIN) rotation methods to identify the dimensionality of MTE. Hence, a final seven-factor model emerged, with the remaining 24 items accounting for 75.89% of the total variance (Table 1).

Possible limitations of this model consist in the fact that it hasn`t considered enough situational and individual difference factors and none connected to the material base – that is to the physical space strategically planned and designed, as highlighted by the first model discussed in the present study.

Conclusions and future research directions

The provision of an attractive value proposition for tourism enterprises is dependent on the tourist experience. Consequently, businesses need to engage with the reality of the tourist experience as perceived by the consumer.

In the present study we have offered a detailed analysis of two research models explaining and measuring the factors characterizing and determining valuable experiences. Both models extend Pine and Gilmore`s vision (1999) with user-centered perspectives. According to these perspectives, to meet the expectations of active and informed consumers seeking memorable experiences, hospitality and tourism industries must actively involve these in designing and positioning their offerings.

The conceptualization efforts described in our literature review are certainly worthwhile and have advanced our understanding of the nature and characteristics of commercial experiences. Nevertheless, more in-depth research is required into understanding the nature of the experience construct and how it can be articulated. The conceptual configuration of tourism experiences remains particularly challenging. Moreover, the development of experience scales is essential for tourism managers in evaluating their performance in meeting and exceeding customer expectations.

As a future research direction we propose the implementation of a field research for assessing urban tourist experiences in Timisoara, using the first model reviewed in this study for an experiential segmentation of tourists visiting Timisoara and the second model

discussed for assessing the memorability of experiences lived by the distinct experiential consumer segments previously identified. Furthermore, we suggest the evaluation of these experiences in their anticipation phase, as well as in their *intensive* (as Larsen et al., 2008 call it) and in their recollection stage (the post-experience phase).

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Modeling of production systems with petri nets

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Abstract

Production systems which do not have continuous or transition states can be described as being systems with discrete events; one option is represented by Petri nets. The correctness of workflow can be stated using verification on structure, temporal and resource.The paper gives the main formal conditions for treatment of faults based on Petri nets.

Keywords: Petri Nets, Workflow, Soundness, Fault.

1. Introduction

The design of modern production systems must ensure integrated modelling and high-performance evaluation methods. In order to ensure that modelling is appropriate for the requirements of complex systems, discrete measures were conceived. A large part of such discrete measures are based on Petri nets. Special classes of Petri nets, adapted to production systems, were introduced (Frank, 1992).

During the design and analysis of such systems, stochastic Petri nets represent an extension of Petri nets which allow a wide usage in production applications.

The correctness of the state of the modelled system can be examined by means of techniques offered both by qualitative analysis, and by quantitative analysis. Quantitative properties are derived from numerical simulation and analysis and reveal the performance and dependencies of the studied system. The security of the process design is improved by analysis and evaluation of the system properties. Optimisation is possible by evaluating and comparing the evolution with specific instruments for different variations of the model (Vittorini, 2004).

The production system is described in (Spur, 1989) in terms of functional behaviour specifications, of table plans and, optionally, of schematic descriptions. Functional specifications model the material flow and the production steps. Structural restrictions associated with different production steps cannot be graphically modelled. This situation occurs when a machine uses more than one work plan.

Separate models of the production line and of the production system structure are offered in (Villaroel, 1989). The system structure is specified with predefined construction blocks.

Production systems can be considered distributed systems formed out of several subsystems, which can be organised following a multi-level hierarchical structure. This concept is acknowledged in the specialised literature (Zeng. Q, et al 2008) as follows:

- *The production level* containing production lines and fabrication cells;
- *The fabrication cell level* containing machines and equipments*;*

- *The equipment level* containing special devices for assembling the machines in the workshop.

The correctness and rationality of a workflow model are critical when implementing a successful workflow management, while a workflow containing abnormalities and errors may lead to the failed execution of business processes (Mateia, 2009).

2. Preliminaries

A Petri net is a particular kind of bipartite directed graph, populated by three types of objects: places, transitions and directed arcs connecting to places and transitions or/and transitions and places (Mateia, 2009).

Definition 1: A Petri net is a tuple $N = \left\langle P, T, F^+, F^- \right\rangle$, where:

- P and T are two disjoint non-empty finite sets of places and transitions respectively;
- F^+ and F^- are mappings of $(P \times T) \to N$ that are flow functions from transitions to places and from places to transitions respectively.

$F = F^+ - F^-$ is the incidence matrix of net *N*.

Definition 2: A Petri net *N*, is live if, for every reachable state M' and every transitions *t* there is a state M'' reachable from M' which enables *t*.

Definition 3: A Petri net *N*, is bounded if, there is a natural number *n* proving that for every reachable state and every place *p* the number of tokens in *p* is less than *n*.

Formally, the notion of soundness is that for any possible behaviour, there is always a possibility to complete the execution and reach the final state, or to report an exception.

Definition 4: (van Hee., et al., 2005) A Petri net N is a Workflow net (WF-net) if:

1. N has two special places (or transitions): an initial place $i(^\bullet i = \emptyset)$ and final place f ($f^\bullet = \emptyset$).
2. for any node $n \in (P \cup T)$ there exists a path from *i* to *n* and from *n* to *f*.

Theorem 1: (van der Aalst, et al.,2000) A WF net *N,* is sound if and only if $\left(\overline{N}, i\right)$ is live and bounded.

Traditional WF nets are EWF (Extended Workflow) nets with the empty set of exception transitions.

EWF nets provide a number of advantages from the modelling point of view. First and foremost, they make a clear distinction between ***normal termination*** and ***termination caused by an exception***. Unlike traditional WF nets, where special care should be taken to remove all tokens present in the system when an exception situation is encountered, no similar overhead is incurred by EWF nets(van Hee., et al., 2005, 2006).

An important correctness property of EWF nets is *soundness.* Classical WF nets are called sound if one can reach the final marking from any marking reachable from the initial marking (van Hee., et al., 2005). The intuition behind this notion is that no matter what happens, there is always a way to complete the execution and reach the final state (***proper termination***).

Note that the net may be unsound if it contains a deadlock (a nonterminal marking where there are not enough resources to proceed any further even with one single step) or a

livelock (there are always enough resources to make a following step, but all possible steps are not "progress"-steps, i.e. we cannot leave the cycle in order to terminate properly).

Two nets can be combined to produce a new net by means of sequential ($\bullet$) and parallel (||) composition and choice (+).

Let *N* be a Petri nets. Then *N* is a state machine (SM) if $\forall t \in T : \left|{}^{\bullet}t\right| = 1 \wedge \left|t^{\bullet}\right| = 1$.

Definition 5: (van Hee., et al., 2005) A WF net $N = \left\langle P_p \cup P_r, T, F_p^+ \cup F_r^+, F_p^- \cup F_r^- \right\rangle$ with initial and final places $i, f \in P_p$ is a RCWF (Resource-Constrained Workflow) net with the set P_p of production places and the set P_r of resource places, if:

- $P_p \cap P_r = \emptyset$;
- F_p^+, F_p^- are mappings $(P_p \times T) \to N$;
- F_r^-, F_r^- are mappings $(P_r \times T) \to N$;
- $N_p = \left\langle P_p, T, F_p^+, F_r^- \right\rangle$ is a WF net, which call production net of *N*.

Definition 6: (van Hee., et al., 2005, 2006)An RCWF net *N* is called a state machine workflow net with one resource type (SM1WF) if $P_r = \{r\}$ and the production net N_p of *N* is a state machine.

With every path we associate three numbers: resource production, consumption and effect.

The notion of effect allows us to distinguish three kinds of paths. A path σ is called a *C-path (consumption path)* if $\varepsilon(\sigma) < 0$, an *E-path (equality path)* if $\varepsilon(\sigma) = 0$, and a *P-path (production path)* if $\varepsilon(\sigma) > 0$.

3. Modeling of production systems with petri nets

For axample, the cutting operation (Autoliv Lugoj) has the following stages (Mateia, 2009):

1. The metal rod used for fastening is inserted in the material roll; taking into account the reeling direction of the roll which is to be installed, the roll is lifted with a forklift truck and is fastened in the machine.
2. The material is aligned so that the edge of the material is perpendicular to the sensor; the sensor is meant to automatically align the edge of the material.
3. When the material is fed into the machine, it must be inserted at least up to the middle of the machine; the datum point for the first parts is set only after the material is fed.
4. The cushion with the indicated reference point using a marker is cut.
5. Visual verification is used to identify flaws; products with any flaws of the woven material or of the silicon coating, compared to the accepted standards catalogue, are to be placed in the reject box.
6. The cut element is opened.
7. The rod is inserted to check that the element is not glued together.
8. The pillow is placed is the waiting area for the next operation from the nearby work station.

Verifying the workflow plays a very important role in the workflow analysis. The verification of a workflow usually includes three main aspects (Zeng,Q., et al., 2007):

Structure verification- Structure verification aims at verifying the structure consistency of a workflow, including deadlock, livelock, lack of synchronization, misuse of modelling objects and constructors, active end, dead activity.

Temporal verification – In reality, activities are executed along the time dimension. Therefore, temporal constraint is an important attribute of workflow specifications. The analysis of temporal constraint is intended to verify the temporal consistency of a workflow specification.

Resource verification – in a workflow, activities need to access resources during their execution. Resource verification aims at verifying whether there are any resource conflicts between different activities in a workflow.

A fault is defined as an interruption to the ability of an item to perform a specific function, hence we adopt a mode generic definition, i.e. the term fault is synonymous with failure, errors, mistake, or disturbance that leads to undesirable or intolerable behaviour of equipment (Frank, 1992).

The fault treatment should be appropriate for each level of the manufacturing system. The fault recovery process can be executed in two ways (Riascos et al., 2004):

- adjusting operational parameters without changing or reorganizing the logical structure of the machine;
- utilization of redundant resources, which can result in low-performance, high cost, weight, and complexity.

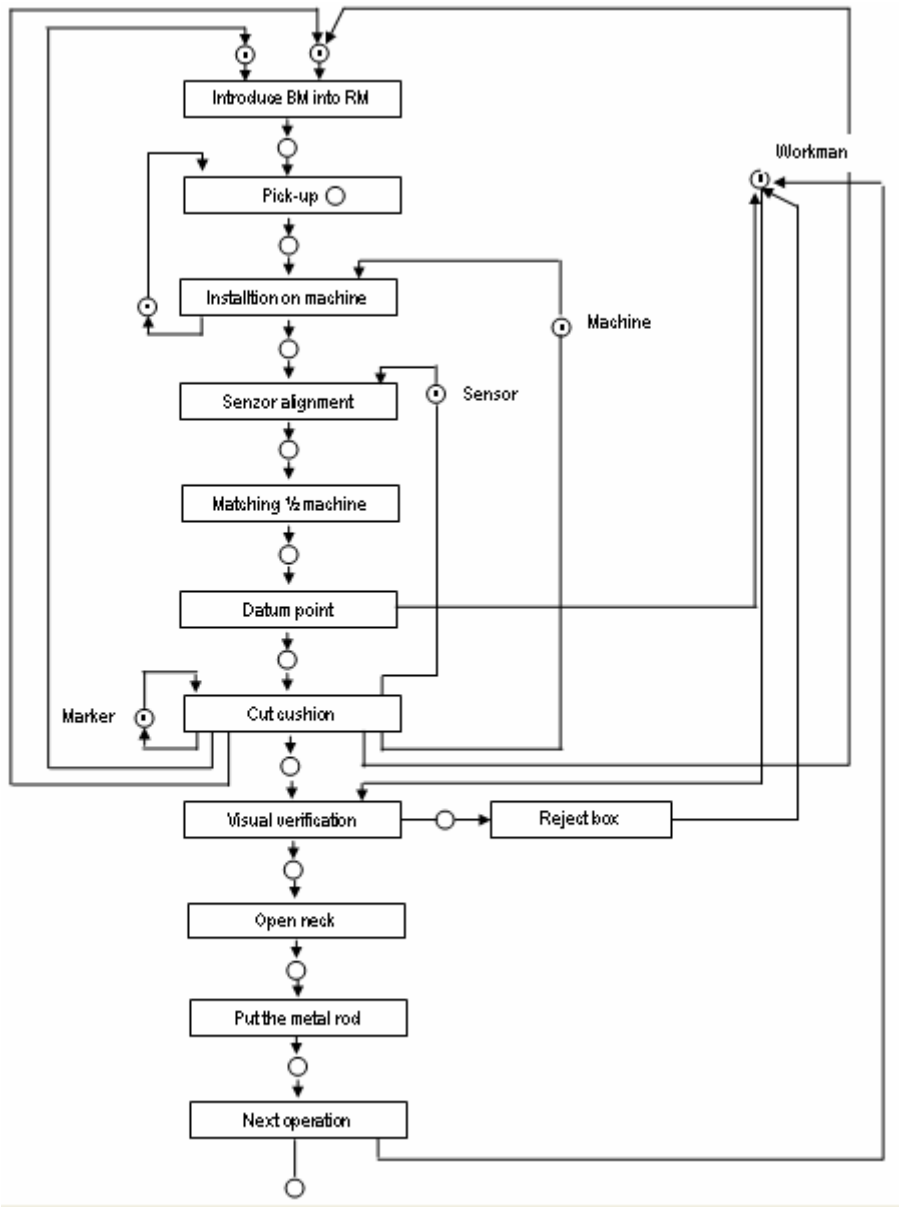

Fig. 1. Petri net for cutting operation
Source: Mateia (2009)

Based on the analysis of cutting operation, can be detected the folowing faults:

1. The operator has not received information about Datum point and critical position.
2. The operator has not checked the standard terms of the curtain
3. Software error ocurred during the cutting operation

During the process of production a state of fault/exception may occur. At that very moment a token having a certain attribute (colour) is introduced in a slot, and that slot represents the way of access to a subnet that fixes the respective fault (Mateia, 2009).

The transition that triggers the exception only acts if the mentioned attribute has a certain colour. The transition checks the colour with the help of the labeling function.

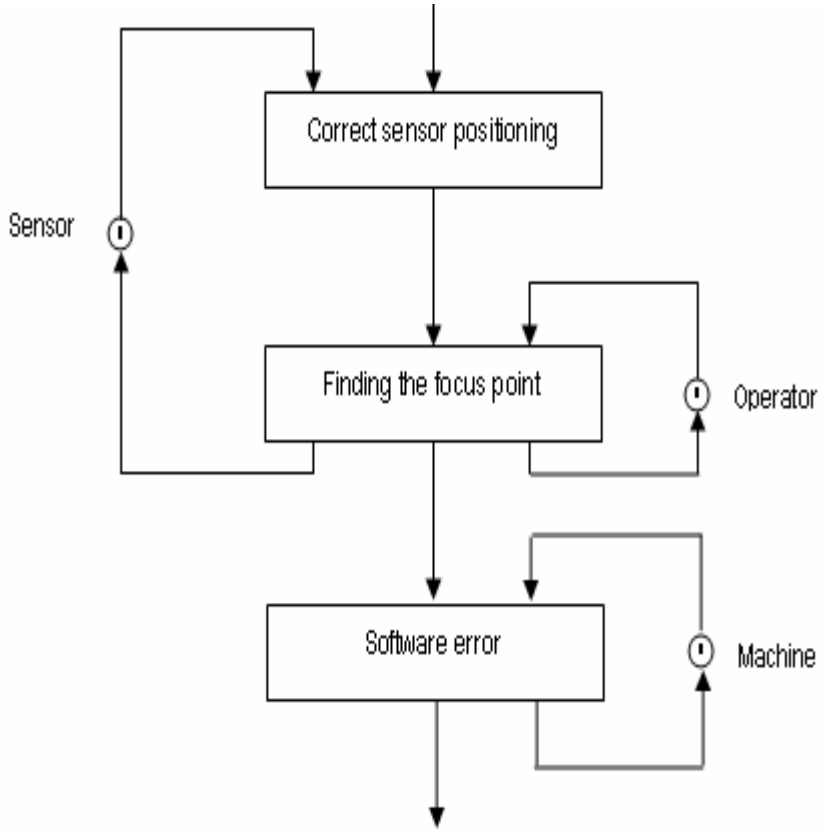

Fig. 2. Petri subnet for treatment of faults.

Conclusions *(Further works)*

Network shares resources issues in manufacturing systems has been modeled with Petri nets, using a tool that allows to avoid deadlock and use resources in an efficient manner.

The key conditions of a system's correct functioning are, basically, regular ongoing, stability and, where possible, correction/treatment of faults.

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Characteristics of the European and the American economic systems and their influence on the marketing activity

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Abstract

The evolution of global economy and the changes it has gone through over the years, led, presently to situations that seemed impossible a few decades ago. We are witnessing today to the global decline - or, more accurately, the diminishing role - of economic, political or financial powers, that prevailed for centuries in all its developments, such as the United States, and the rise of others, as the European Union or economies which were not considered to have a chance to reach the development level that they have now - like India or China.
Throughout history, however, all the major differences - social, cultural or political - that existed between different geographical areas of the world led to the creation of economic models and specific consumption patterns. They have made their mark on way of action of companies and have dictated the development directions that they chose to follow, in order to survive on the marketplace and maximize profits.

Keywords: economic system, global marketplace, Single European Market, global marketing

The impact of the global economic crisis aligned the world countries against similar problems, even if negative impact is not as strong everywhere.

Globally, companies, multinational or local - regardless of the market in which they operate, American or European, were forced to adapt their entire marketing activity on reassessed bases, such as:

- consumer segmentation is done according to the importance they attach, nowadays, to different categories of products (according to their level of involvement in that category, based on values, interests and beliefs) (Pascu, 2010)
- positioning / repositioning of brands is recommended to be made according to the new needs, the individual motivations so that the brand could earn or regain relevance towards it;
- the marketing mix needs to be adapted to the new needs of the individual, meaning: products with clear functional benefits that respond to real, basic needs, a realistic price reflecting the usefulness of the product rather than the brand, the distribution channels to provide a smaller added cost, a communicational mix based on honest messages containing real and immediate benefits for the consumer.

However, it is clear that the two markets - European and American -operate on different _ systems or business models. Knowing the characteristics of each system is

imperative for companies underpinning the strategic marketing planning they do when they operate on a market, other than the national one.

Thus, both systems are based on economic growth and political freedom, while the European model also puts emphasis on social cohesion. For a better comparison of the two economies, Professor Marin Dinu (2004) provides, in this regard, an analysis of the performance of the two models. So:

↳ **the European model**:

- is characterized by bivalence (is an economic and social model) and pluridirectionality;
- has a strategic component and an efficiency one;
- is a transition model[1];
- European economy:
    - is based on a stable relationship between earnings and productivity;
    - is, in fact, a product economy;
    - is based on a mixed system of companies, especially medium and large sizes;
    - is based on competitive market mechanisms.
- has a social purpose (emphasis on social cohesion);
- from a political point of view is based on individual judgment;
- is semi- open -regarding the relationship with other world economies[2];
- is structured on cheap labor and expensive capital;
- it generates multiple perspective integration processes in which regional decisions are intertwined with the national ones.

↳ **the American model:**

- uses expensive labor and cheap capital;
- neoliberal model, which focuses on the virtues of the market;
- model _ completely based on efficiency;
- like the European one, is based on individual judgment;
- open system ;
- the economy:
    - based on large companies;
    - economy of risk;

On the American model and how it is seen in the current market economy, also speaks D. Chiritescu (2011), noting that it has as characteristics:

- negligible public sector which tends to decrease;
- most exchanges unrolls after the market principle, which has a key role in the movement of goods from producer to consumer;
- economic policy is based on stimulating the supply, and the decisions adopted matter in individual success and individual profit maximization;
- commodity prices depend on the vicissitudes of the market;
- taxation is reduced and state involvement in the economy is negligible;

[1] In this case the transition process implies the existence of convergence, integration, and supranational processes.

[2] Market exits are free, while entries are conditioned.

- enterprise is considered a commercial product like any other;
- financial and especially stock market have decisive role as barometer of economic activity relative to other forms of market economy;
- elitist education system;
- economic policies and a system of values that encourage consumption;
- low economic security from risks (unemployment, sickness, poverty).

The founders of the European Union have expressed their desire to create a federal structure based upon the American model, a kind of " United States of Europe". This could not be done, however, until now, the main reasons being - as already mentioned - different levels of economic development of the Member States, large cultural differences, different tax systems, the lack of a European constitution and generally, an "European" brand. However, the European structure is unique in the world and even though it still has a long way to go, proved resistant, despite challenges.

A comparison between the two economic areas, shown in **Table 1**, provides a clearer picture of the differences between the Single European Market and the U.S. market, as well as the common points between them.

Table 1 Comparison between the Single European Market and the U.S. market

Criteria	Single European Market	Implications for companies	U.S. market	Implications for companies
Legal environment	Free movement of goods and services, with limitations for the capital and people	Some markets are not completely opened; Certain restrictions for the labor force.	Free movement of goods and services, capital and people	There are no limitations from this point of view
	Member State aid control by the Commission	State aid granted to some companies may be subject to controls by the Commission, which may decide to decrease or stop them.	State aid can be used without federal government involvement	Aid control is carried out only if they have a federal component.
Taxation	Personal purchases are subject to taxation in the place of acquisition (eg.: VAT)	Encouragement of purchases abroad, in countries with lower VAT than in the country of origin.	Both personal purchases and those made by intermediaries are subject to taxation at the place of the purchase	Distortion of inter-state trade flows caused by differences between different levels of taxes.
Economic and Social Policy	The Member States are required minimum standards in certain areas through the existing EU legislation	The legal framework for employment and working conditions (minimum level) are established at community level	Policies set at the state level, however, there are certain measures at federal level to assist the poorer regions or certain social groups.	Regarding to the working conditions and employment force, federal involvement is minimal. There is, however, a minimum wage

				imposed at federal level and a series of measures to guarantee equal opportunities for population.
	There are, also, many funds available to help poorer regions and identifying social groups.	Companies can access these funds if they conduct activities in one of the specified categories.	Federal policies that emphasize on equality in opportunities, health certain issues related to environment or the education sector	Companies are encouraged to identify social problems and get help in solving them; there is a coordinated federal healthcare system
Macroeconomic Policies	Common monetary policy and a single currency for the Euro zone countries	For companies in the Eurozone, the economic environment is highly influenced by the common monetary policy.	Common monetary policy and a single currency for all States	All American companies share equal conditions from an economic and monetary point of view.
	Some control over fiscal policy is exercised as a result of the Economic Growth and Stability Pact	EU companies, which are not in the Euro area, are more affected by the exchange rates for euro and dollar	Fiscal policies are established within each state.	All companies face the same fiscal problems, taking into account the state of origin. The federal government only intervenes to solve unusual situations that may occur.
Political Envinronment	Implementation and monitoring of EU law is highly dependent on national governments.	Companies are often put in a position to cope with varying degrees of implementation in different time horizons of the same European directive, depending on the Member State	Implementation and monitoring of federal laws is made by the federal government agencies. Laws at State level are implemented by national agencies.	Well defined and uniform procedures for implementation, monitoring and control, both at federal and national levels.

Source: Harris & McDonald, (2004)

Regardless of the degree of similarity or difference between these two economic models, the reality is that both the U.S. and the EU will have to face accelerated globalization, and especially the raise of new global economic powers like China and India.

Economic models that these countries build their ascent on, are totally different from the classical ones (have common points only on certain aspects), adapt more quickly to changes occurring in the world and, paradoxically, does not agree with the democratic

vision of the Union or of the United States - something considered until recently as mandatory for ensuring a free competitive environment.

As soon as the U.S. and the EU will understand that in order to survive and, and especially, to impose their own rules in a global market expansion, it is necessary to constantly adapt and innovate (Canton 2010), the sooner they will be able to cope with the new realities faced by the whole world.

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Tendencies on the Romanian media market

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Abstract

Since the beginning of post-communist transformation in 1989, the media landscape in Romania has faced substantial changes. A completely renewed media system has emerged, characterized by a diversity of channels, formats, and contents. Not only the media themselves, but also the patterns of media use among audiences, their habits and expectations, have gone through a process of radical change. Based on information collected via articles in print media, radio and TV news, blogs and online publications, or official reports and reports issued by independent organizations, the present paper intends to provide a comprehensive overview of the changes affecting the media industry in Romania, identify how the media business model is evolving, and with what consequences. Finally conclusions were outlined.

Keywords: media, globalization, concentration, digitalization;

1. Introduction

The term "mass media" in the literature on mass communication theory covers a wide spectrum. By definition, mass media is any medium used to transmit mass communication i.e. a message created by a person or a group of people sent through a transmitting device to a large audience or market at the same time. From this definition we can immediately outline the main types of mass media: newspapers, television, radio and cinema. For example, television, when it broadcasts, it goes elsewhere and the people of different places can watch it. In another way, mass media can be called as the function in communication that is apparent through a carrier of signals to multi point destination: such as, language, design, facial expression, print, radio, television, mobile phone, billboards and musical instruments etc. (Berger, 2002). From other points of view, mass media was defined as comprising of eight industries: books, newspapers, magazines, recordings, radio, movies, television and the internet.

In the electronic age, some new tools of communication become prominent because can lead to new types of media. It is called 'new media' and includes smartphones, e-readers, tablets and others. The ability to use it is related to the ability to use technology.

2. Mass media developments in Romania

The collapse of the totalitarian regime in the country brought about significant changes throughout its whole social system. For more than four decades the Communist Party dominated the functions of the State, curtailing the rights and liberties of the people. An

atmosphere encouraging social obedience in line with propaganda requirements reigned in the country. Normal political life was practically non-existent in Romania. Freedom of expression was limited. The public swam in an informational fog.

After 45 years of communism, Romania held its first democratic elections in May 20th, 1990 following an inter-party coup that had ended the totalitarian rule in December 1989. A new Romanian Constitution was adopted in November 1991.

Since then, important changes were taking place in the mass media system. The transition of the Romanian media from a planned economy to a free market system has been similar to the process in other post-Communist countries; the style and content of the press and the broadcasts departed very much from former patterns.

Prior to the democratic changes in 1989, the Romanian mass media system was centralized, state-owned and subordinated to the priorities of the Party-State system. Thus, for a good forty years, journalism was monotonous, instructive and politically controlled. Radio and television were under more strict control of the Communist Party and therefore more clearly reflected the positions of the state. The censoring institution prompted the development of self-censorship, the lack of information entailed misinformation, and the absence of pluralistic press and broadcasting resulted in newspapers, magazines, radio and television programmes of marginalized profile. The media in Romania were entirely and obviously a mechanism controlled by the Communist leaders who owned the country, regardless of the false claim of "popular" ownership.

After December 1989, the mass media was one of the quickest and most flexible institutions that react to the transformation of democracy. The liberalization and deregulation of the whole mass media system led to its decentralization and to the rapid expansion and gradual stabilization of the press market. The privatization of the media led to the establishment of local radio station and to the emergence of pluralistic print and electronic media. Different patterns of media consumption and new advertising strategies were introduced. The establishment of a mass media market stimulated the development of new formats and styles of expression, thus fostering the higher selectivity standards of the audiences. The emergence of private radio and television stations led to the market concentration and growing competition among media firms. Today, the latter has become one of the most important factor governing market developments as well as media performance.

The democratization processes in society strongly influenced mass media developments in Romania. Article 30 (1) of the new Romanian Constitution guaranteed „freedom of expression of thoughts, opinions, or beliefs, and freedom of any creation, by words, in writing, in pictures, by sounds or other means of communication" and specifically defended freedom of press: (2) "Any censorship shall be prohibited"; (3) "Freedom of the press also involves the free setting up of publications" (Constitution of Romania, 1991). But beyond this constitutional arrangement this freedom is not valued consistently by the society, or by the political parties. Verbal and sometimes physical abuse against journalists do not trigger public outcry. The Romanian politicians have generally a hostile attitude towards the media, almost all of them being convinced that journalists are either the puppets of their adversaries or serve the interest of their owners.

In 2003, Romania occupied the 60th place (among 166 countries in the world) in the freedom of expression index, freedom of speech and independent journalism provided convertible phraseology for many a nongovernmental organization disbursing the funds of

European and transatlantic institutions (Press Freedom Index 2003). In 2006, our country has dropped one place from 2003. In 2010, Romania ranked 52 in the world ranking of press freedom that means media freedom has been in decline for the third consecutive year (2007 - 42nd, 2008 - 47th, 2009 - 50th place, 2010 – 52nd) (Ganea, Popa, Ursulean, 2011). In 2013, Romania occupies the 42nd places (among 179 countries in the world) in the Press Freedom Index.

So, it can be said that twenty three years after overthrowing the Communist regime, freedom of expression – and its corollary, media freedom is considered to be one of the main gains of the democracy in Romania.

However, in a message related to Press Day, ActiveWatch, the Media Monitoring Agency, says that press freedom in Romania continues to be in danger because of "state abuses, sacrificing the public mission of journalism on the altar of patronage interests and losing the professional models inside of the professional guild" (Andronache, 2013).

3. Phenomena that shape the Romanian media industry

During the last decade, the Romanian media industry was characterized by the following phenomena: commercialization, globalization, convergence, concentration, trivialization, digitalisation and sensationalism. The most influential of them are globalization, concentration and digitalization, concepts that will be discussed in the following sections.

3.1. Media globalization

The phenomenon of globalization is more present than ever and only few contemporary phenomena caused such academic and political controversy as globalisation. There is neither a universal accepted definition of this concept, nor for its effects. Its main core is the fact that it is a continuous process that created greater and greater interdependence among countries and their citizens. People are allowed "to consume the products of another country; to invest in another country; to earn income from other countries; to talk on the telephone to people in other countries; to visit other countries; to know that they are being affected by economic developments in other countries; and to know about developments in other countries" (Fischer, 2003).

In Romania, the concept of globalization is one of the most debated issues since the collapse of communism. The rapid acceleration of globalization has for long been associated with technological advancement and the international market. The globalisation of the world is stimulating massive amounts of investment by the transnational corporations which are "acting like a dynamo to produce more jobs and higher profits world-wide". Terms such as *Disneyfication* (Bryman, 2004), *Coca-colonization* (Flusty, 2004), and *McDonaldization* (Ritzer, 2008) are used in everyday life in order to capture the ways the dominant culture industries of the Western nations that colonizing indigenous cultures. It is about spreading of American culture around the world that is manifested through movies, music, television shows, newspapers, satellite broadcasts, fast food and clothing, among other entertainment and consumer goods. The major strength point of American culture and the reason it is so powerful in spreading around the world is media. Movies, the Internet, television and radio have been always crucial in representing a country's culture, ideas and goals. People around the world love to watch movies and spend a lot of time on the Internet. By spending a huge

amount of time on entertainment, people start to get used to what they see and actually tend to act and behave like celebrities and adjust their lifestyle toward these particular people, who are just representing American popular culture.

Many scholars have studied the link between globalisation and media and "most theorists agree that there is practically no globalisation without media and communications" (Rantanen, 2005).

In the field of media, both as industries and as products, globalization comes in different shapes. One of them tends to get the most attention, and to strike people on a visceral level. It is about television that decreases in original drama and film production, and increases the Hollywood production that supplies cinemas, DVDs, VHSs and TV screens all around the globe. Because of financial deficit and because it is more economical than commissioning own productions, the television market lacks Romanian titles and often broadcast predominantly cheap American films, and the production of easy entertainment shows is given preference at the expense of the more sophisticated drama, film or journalistic genres. The consequence of this imbalance is decrease of all Romanian society's values that does not have the option of choice the media content.

However, there is also another aspect of film production which is of interest: international co-production. Smaller countries join forces and co-production and create diverse contents for local markets, that in comparison with Hollywood, they are low-cost productions. The result of globalisation in Romania reflects an overall lowering of the moral, aesthetic and ethical standard of television production.

2011 was the year that made history for the TV market, as main stations invested in imported show formats so the Romanian viewers had the opportunity to see international broadcasts like "Romanians Got Talent" on Pro TV &" X Factor" on Antena 1, both Fremantle Media formats and "The Voice of România "on Pro TV, a Talpa Media format. In 2013, Antena 1 imported "Romania dancing" show that is based on "Got to dance" format, a program launched in Great Britain in 2009.

3.2. Concentration of media ownership

Others phenomena accompanying the globalisation of the media today are the concentration of media ownership, where few people control large numbers of media around the world and the convergence of media and the use of media content through different technological platforms (TV on mobile phones, or listening to the radio while reading a newspaper online).

Competition is the fuel of any market economy and Romania does not constitute an exception. The Romanian media are owned by multinational companies which expanding their geographical presence across borders. One of the most important media company on Romanian market is MediaPro Group, which was founded by Adrian Sârbu. Under "MediaPro" umbrella there are four entities: ProTv SA, MediaPro Entertainment, Mediafax Group and Alerria.

ProTv SA operates the following television stations, each targeting niche audiences: Pro TV, Pro TV Internațional, Acasă TV, Pro Cinema, Acasă Gold, Sport.ro, MTV România, Pro TV Chişinău and Acasă Moldova. Also, ProTv SA includes two national radio stations and the Internet Business Unit (IBU).

MediaPro Entertainment is organized into two businesses: production and distribution and includes MediaPro Studios (major television and film production facility in Central and Eastern Europe), MediaPro Pictures (the largest producer of local fiction in Central and Eastern Europe and supplier of TV fiction for CME), Media Pro Music (the music production company), Media Vision, MediaPro Distribution (distributor and exhibitor of television and cinema in Romania and the region), Pro Video, Cinema Pro and Hollywood Multiplex.

ProTv SA and MediaPro Entertainment are owned by the multinational company Central European Media Enterprises (CME), a media and entertainment company that operating broadcast, content and new media businesses in Romania, Bulgaria, Croatia, Slovakia, Slovenia and The Czech Republic, with an aggregate population of approximately 97 million people. By 2007, it ended up having a majority of 95% from the total amount share, the rest being in the property of Adrian Sârbu, the manager of the MediaPro Group. It currently operates 37 commercial and subscription television channels and over 70 Websites across its markets. As of December 31, 2012, CME had launched its video-on-demand service, Voyo. In 2009, CME announced that Adrian Sârbu, the founder of ProTv SA and MediaPro Entertainment and the CME's President and Chief Operating Officer, was appointed as Chief Executive Officer of CME.

With this acquisition, CME intended to integrate its existing fiction, reality and entertainment television production units with MediaPro Entertainment to create a dedicated content division consisting of production, services and distribution operations across all of CME's territories. Through this consolidation CME expected to deliver significant synergies over the medium-term, including in cost, quality and availability of local production for the CME stations. As a vertically integrated company CME aims to leverage the MediaPro Entertainment distribution network for the creation of new content related revenue streams.

Mediafax Group, is a company that brings together all media businesses owned by Adrian Sârbu, apart from television. It includes several national papers and magazines, the most influential news agency in Romania and an online division. The founders of MediaFax Group are Publimedia International, the publishing company of Ziarul Financiar, Gândul, ProSport and Business Magazin publications; online division Apropo Media which brings together and sells advertising space on site such as zf.ro and gandul.info; the news agency Mediafax and Alerria Management Company. Each of these four companies has 25 percent of the Mediafax Group capital.

Alerria Management Company is a company owned 95 percent by Adrian Sârbu. In the same time, Alerria Management Company controls 95 percent of the Apropo Media, and the rest of 5 percent are owned by Adrian Sârbu. So, indirectly, Adrian Sârbu is the majority stakeholder of Mediafax Group.

All these four entities are related through Adrian Sârbu, which is Chief Executive Officer of Central European Media Enterprises, the company that owns 100 percent of ProTv SA and MediaPro Entertainment and is the majority shareholder of Mediafax Group and Alerria.

In 2010 - 2011, the cable companies have also turned into players on the television market. The cable market in Romania is dominated by two companies – RCS & RDS and UPC – which together have 90% of the households. RCS & RDS is one of the biggest telecommunication operators in South-Eastern Europe. It provides services in Romania,

Serbia, Spain, Hungary, Slovakia, Italy, Czech Republic and Croatia, and is the largest satellite and cable television company in Romania.

In 2011, RCS & RDS announced its intention to create its own TV stations. A generalist television station, 10TV was launched by RCS & RDS in 2011 but it proved to be a flop due to misunderstandings between ownership and the editorial board. Nevertheless, RCS & RDS launched Digi Sport, a sports TV station that is transmitting the football matches of the National league. Until now, RCS & RDS also launched TV Digi 24 (a news channel), UTV (a music channel), Digi Film and Digi World, Digi Life and Digi Animal World, last three being in competition with Discovery channels. But, all these channels are available only for those holding a RCS subscription.

Another example of media ownership concentration, is Ringier Romania which was establish in 1992 as part of a Swiss multinational media network owned by Ringier's family, with branches in eight European and two Asian countries. Ringier Romania is the leading foreign publishing house in Romania. The Ringier has a massive print business with operations in 10 countries, and a portfolio of about 100 titles. In 2012, in Romania, its portfolio includes: newspapers such as the former market-leader of the newspaper market and now second most important, Libertatea (is the daily newspaper issued in tabloid format), Libertatea de Duminică, (issued in tabloid format), and Libertatea Weekend; 18 magazine such as Libertatea Pentru Femei **(**weekly magazine for women), Unica (monthly glossy magazine), Joy (one trend magazine for women), two TV guide, (TV Mania, and TV Satelit), Auto Bild (a bimonthly magazine dedicated to the automotive industry), two magazines dedicated to teenagers (Bravo and Bravo Girl), a publishing house and two websites (Libertatea.ro and Unica.ro).

The concentration of media property has been increasing in the past five years around five big media trusts. According to Ghinea and Avădani (2011), "four of the five big owners are controversial persons. Three of them are prosecuted for criminal behaviour (and the accusations are credible), one of them is a certified collaborator of the former communist political police, all of them made their fortune in close collaboration with the state institutions, benefiting from preferential treatment, especially through controversial privatisation in the 1990s and all of them have openly political stances and ambitions to play some roles as politicians". These powerful businessmen control approximately 90 per cent of the media market and it is known that they do not have good personal relations among themselves. These major media owners were called "moguls", term that usually defines a person with great financial power, gained from businesses other than the media, who sometimes is also a politician or who supports political organizations, through his products.

The Association of Commercial Television in Europe (ACT, 1997), consider that *"strict media ownership rules based on the share ownership participation in a company should be abolished"*. On the other side, the respectful billionaire financier, George Soros (1998), has a different opinion: "*The goal of competitors is to prevail, not to preserve competition in the market. The natural tendency for monopolies and oligopolies to arise needs to be constrained by regulations"*.

The consequences of media concentration and foreign media ownership might turn out to be a structural obstacle to free and pluralistic media. Horizontal concentration of many titles in the hand of one company might turn out to limit the variety of opinions. Vertical concentration of media outlets, printing houses and distribution channels might hinder

competitors from accessing the market. Cross-ownership of non-media related companies in media houses might hamper the watchdog function of the press towards the private sector.

3.3. Digitalization of media

The process of digitalisation is one of the main challenges and one of the fastest moving trends of the current media. The fundamental vehicle for this process is the internet that was for a long period of time a very promising medium because is providing an endless list of options in the development of media.

Digitization is the process by which analogue content is converted into a sequence of 1s and 0s and put into a binary code to be readable by a computer. Digital information also has common characteristics and qualities, regardless of whether the content is stored on DVD, CD-ROM or other digital storage media: it can be linked to other materials to create multimedia; it is not dependent upon spatial or temporal barriers, or hierarchies; it can be stored and delivered in a variety of ways; and can be copied limitless times without degradation of the original.

Digitalization actually is the basic technology for almost all technical devices in every field of our daily life, not only for computers or all kinds of new media but for industrial robot machines in every field of production, as well as for planes, cars, dish washers, flat irons, refrigerators, toasters, even postcards and every chip using tool (Rückriem, Ang-Stein, Erdmann, 2011).

In the field of media, digitalisation comes in different shapes. One of them is digital media production. The definition of digital media production is constantly changing as the boundaries of technology expand each day. Digital media production is the process, in which digital files are created, enhanced, encoded, and distributed using numerous methods of processing via computer hardware and software applications. These files represent assorted media types, including audio, video, graphic, and written content as seen on the Internet. These media types are most often specifically coded to function in a pre-determined environment or platform. Digital media production exists as the primary discipline for the creation of digital music, streaming video, digitally enhanced animation, multimedia authoring, the creation of computer games, new media creation, including website creation and other content made available to a mass audience. In other words, the types and possibilities of creation of media of numerous genres and styles are endless as technology progresses.

New technologies have significant influence on traditional electronic media, print publishing and the work of journalists in all the media. Digitalization of media companies started as a slow process in Romania. The advent of the Internet found the Romanian traditional media rather unprepared and caught in their own fight over readership and audience shares. For a while, they even refused to see the online media as a threat, therefore they started rather late to provide content specially designed for Internet or mobile consumption. Most of the owners of the major traditional media groups started investing in online operations, after 2005.

Publications such as “Gazeta Sporturilor”, in their trying to reach a widest audience, were experimenting with computer applications and created gsp.ro website but other extensions such as sgptv.ro, tv.gsp.ro, pariori.ro, travel.gsp.ro, blogsport.gsp.ro and communities of supporters as Stelisti.ro, Dinamovisti.ro or Violamania.ro. Also, Gazeta Sporturilor has a radio station and a television program. A glossy extension of the newspaper,

the “Champions” magazine was launched in 2006 and has national coverage. All these Internet services together with old media, allow journalists to update the news feed in real time, oppose to the daily or weekly delivery of newspapers. This means that separate divisions such as television, the Internet, print and radio have merged together. This is just an example how the dominant actors in media industry are trying to repositioning themselves in order to control the whole media process from content inception to delivering to individual audience segments.

At the beginning of 2010, publications such as Gardianul, Ziua and Cotidianul have suspended their print editions, the first two gave up their online versions and Cotidianul.ro website was purchased by Cornel Nistorescu of Realitatea-Cațavencu (Ganea, L., Popa, M., A., Ursulean V., 2011). In February 2010, the Gândul daily newspaper re-launched its website with a new layout, together with its video section, titled Gândul TV (Tănase, 2010) and in 2011, Gândul became an exclusive online product with an iPad integrated application for a new distribution of content. In 2012 was launched video platform GândulLive. In September, the Evenimentul Zilei daily newspaper turned its online department into a newsroom of its own (Obae, 2010). Since then, more publications developed their multimedia content on their websites, conducted online interviews and online interactive programs. Others publications re-launched their website, together with their video section.

A different type of media that has caught attention is the digital television. Digitization is transforming not only the way we watch television and the way we use television, but also the way television is made. In 2010, the Government decided to postpone the transition from analogue terrestrial to digital television for 2015, while the original deadline had been set for 2012 (a deadline which was agreed upon by the whole European Union, including Romania, with the exception of Poland). Nevertheless, several TV stations continued the digitization process that began in 2006 with ProTV, which was the first Romanian television that began transmitting in High Definition format. Thus, B1 TV, Vox News, Acasă TV, Digi World, Digi Sport, Digi Life, Digi Film, Digi 24, Sport.ro and TVR began to broadcast HD programs that have a quality of the image, clearly superior to that of analogue television.

In 2012, according to Toader (2012), Romania ranked among the last in Europe for the digitization of TV services, with only 42 per cent of Romanians receiving digital television services. The main reason is the Romanian Government’s decision in 2010 to delay the TV digitization program until 2015.

The digital migration will become the common technology that facilitating the access of citizens to free television. At the same time, television via Internet (IPTV) is also poised to become a technology of the future. The “Dolce” service provided by Romtelecom is the most successful example. Another successful example is Voyo, video on demand service owned by Central European Media Enterprises that had 39.100 subscribers in Romania at the end of March 2013, according to a report published on CME’s website.

Books are another form of media that is buzzing right now about digitalization. Amazon’s Kindle electronic book reader was the first to finally be accepted as almost equal to a real book. The reading and browsing experience is not as good as with a regular book, but the possibility of online purchases and having 1500 books with you makes it very appealing.

Another important player on digital books market is Google that has a huge project called Google books library to scan the books of the world aiming in making them searchable. This project has an enormous impact because make it easier for people to find relevant books – specifically, books they wouldn't find any other way such as those that are out of print – while carefully respecting authors' and publishers' copyrights. Their ultimate goal is to work with publishers and libraries to create a comprehensive, searchable, virtual card catalogue of all books in all languages that helps users discover new books and publishers discover new readers.

As was shown, the whole media production is dependent on new technologies: music, books, newspapers, broadcasting etc., all of them being accessible not only in the original form, but on a personal computer, a notebook or a cellular phone as well.

Digitalization is an irreversible process that affecting every country and society without exception or difference between high developed and developing countries. This process has an enormous impact on our personal, social and cultural existence.

Digitalization allows new communicative, journalistic and content consumption which will force us to reformulate the existing paradigm. The audience is becoming fragmented into the atoms represented by each individual while, in turn, the pace of information is accelerating. In this context, the mobile gadgets –in their multiple forms and sizes– may play a prominent role as peripherals, as they can supply information in any place in an immediate form to the citizens. These possibilities for new communicative practices, together with the fragmentation of the contents, will significantly affect audio visual production and journalistic practices over the next few years.

Conclusions

In Romania the media landscape has changed dramatically after the collapse of communism. After being forced to consume only censored media during the communist regime, Romanians now live in a society where they can choose their media freely. Newspapers and broadcasters, which had been at the service of the old regimes, started their new life with hardly any credibility with their customers. Among the major challenges of the transition period were the general insufficiency of financial and technological resources and the lack of professional standards. At the same time, because the national media market has no longer been insulated from the outside world, new media companies appeared. This competition stimulated the first dynamic open market in the country, which established well-developed media consumption patterns.

The analysis of the the Romanian media industry shows that over the last decade, one of the factors that strongly influenced the media sector was the globalization that has not spared Romanian market. As results, the television market predominantly broadcasts cheap American films, easy entertainment and formats of imported shows such as "Romanians Got Talent" or "The Voice of Romania.

Strongly related to the globalization is media concentration, as well as cross sector ownership and cross-border ownership, that are part of today's economic realities. Romanian media market could best be described as an "oligopoly", in which the market is mostly shared by a few large companies. Due to the creation of this oligopoly the diversity of media content disseminated through Romanian media flows has been diminished. Also, because of reduced

competition, the quality of production and the products themselves could decrease. In the next years, because of vertical concentration that result in entry barriers for new competitors, this phenomenon will become harder to control. Also horizontal concentration may cause dangers to media pluralism and diversity.

Another tendency of the Romanian media market is digitalization. Printed paper was for 500 years the only medium to reproduce information on a large scale. Since then, appeared many more techniques to record and multiply pictures, sound, film and video. Up to digitalization, these media were entirely independent from each other. Now, through digitalization, we have the technology to bring these media together. Old media have been digitalised and fused with the Internet and mobile networks. Examples include the digitalisation of television, the increasing number of web-papers and magazines, and the pilots of mobile-TV demonstrate. Leaving the Gutenberg Galaxy for the Digital universe, media is able to store all its content in a single medium, and show this content at almost any time the users want.

All of the above mentioned trends are found in our everyday life. They have an important role in the shaping of the journalistic work, in freedom of speech of media in general, in experiments to establish global broadcasting services in the past and in the present. Also, they are expressing in the entertainment industry, broadcasting, over the Internet and most noticeably as an end product on TV screens in our living rooms.

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The need to develop online marketing

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Abstract

In recent years, user demand for omnipresent Internet availability, is becoming increasingly large, well-proven by statistics. Large and growing number of Internet users of all citizens of the EU member countries increasingly open more this channel of business communication between companies and the market.

Regardless of company size, function or business model, the best online marketing services will help the growth of traffic on the website and convert visitors into customers to increase the income of the company.More, the present work shows how Romania could increase regarding online trading and how much can benefit companies knowing these realities.

Keywords: online marketing, internet, internet users, online shopping.

1. Introduction

This generation of hyper-mobile, hyper-connected user has materialized across age groups, and across mature and emerging markets. Equipped with unprecedented computing power as a result of a world brimming with smarter smartphones, tablets, notebooks and other affordable Web-enabled mobile devices, and powered by better network coverage, faster broadband connections, Wi-Fi networks and the explosive growth of mobile apps, user demand for ubiquitous availability of Internet is only getting stronger.

Adaptation rule (flexibility) to social needs is determined by the fact that social needs are constantly diversifying[1] and the service must comply promptly and effectively to the evolution of collective needs.

Prior to the Internet, everyday tasks such as banking, paying bills, and shopping took time outside the home.

With the Internet, online banking allows people to keep their personal finances on track twenty-four hours a day. While this is nothing new, banks did offer phone services to do the same functions, the fact that online banking can now be combined with online bill paying, late payments are quickly becoming a thing of the past.

As said Philp Kotler to shop from home is "funny", "comfortable" and "hassle free"[2], so the influence of the Internet has caused a big change in the way we shop, communicate, and learn.

[1] Florea Vlad, (2008), *Managementul serviciilor*, Eurostampa Publishing House, Timişoara, p.89;
[2] Kotler, Ph., (2000), *Managementul Marketingului*, Ediția a II a, Teora Publishing House, Bucharest, p.913;

On-line shopping can save time and energy. Online shopping gives more options and real-time inventory of items. A mall store may have limited space to display all the trends, but an online store is only limited by the size of their imagination.

2. How much do we use the internet

A large majority of households and individuals uses the internet today. Acording to Eurostat nearly 60 % of individuals in the EU used the internet daily. Seven in ten individuals used the internet at least once a week. The shares for individuals who used the internet regularly were above 80 % in six Member States: Denmark, Luxembourg, the Netherlands, Finland, Sweden and the United Kingdom. The shares were below 60 % in seven Member States: Bulgaria, Greece, Italy, Cyprus, Poland, Portugal and Romania (http://epp.eurostat.ec.europa.eu/).

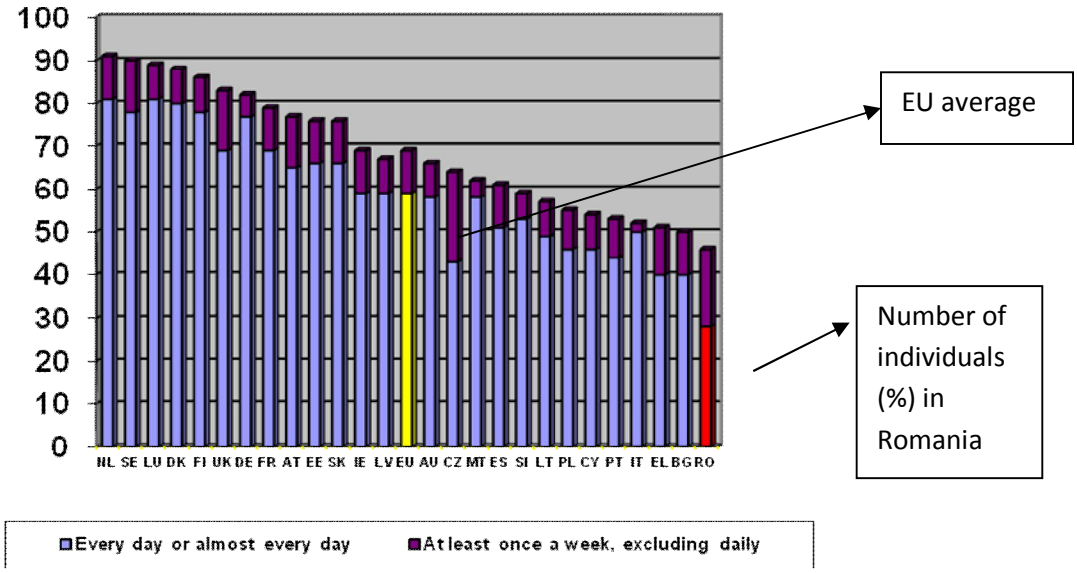

Fig. 1. Statistics concerning individuals who used the internet at least once a week (2012 – European states)

Source: Eurostat online data

Romania ranks last, among EU countries in terms of individuals who used the internet at least once a week.

The proportion of households in the EU with access to the internet was 76 % in 2012, an increase of 6 percentage points compared with 2010. Broadband access enables higher speed when browsing and performing activities. It has now reached a level close to saturation among households with internet access. In the EU27, 72 % of households have access to broadband at home, an increase of 11 percentage points compared with 2010.

The share of internet access varied among Member States, ranging from more than 90 % of households in Denmark, the Netherlands, Luxembourg and Sweden to below 55 % in Bulgaria, Romania and Greece. Significant disparities in broadband take-up by households

remain in 2012, with a rate of only around 50 % of households in Bulgaria, Greece and Romania. However, Bulgaria and Romania showed impressive recent growth. The proportion of households with broadband connections in these countries doubled between 2010 and 2012. Between 2008 and 2012, the highest growth, more than 30 percentage points, was recorded in the Czech Republic, Romania and Slovakia.

More than that mobile internet allows users to access information and services at any time and any place. Mobile internet usage has become popular with the emergence of new mobile devices such as smartphones or tablet computers, especially among young people. So, according to Eurostat more than 9 in 10 young people aged 16-24 were regular users. The percentage of regular internet users in the age group 25-54 was 78 % and it was only 42 % in the age group 55-74 years.

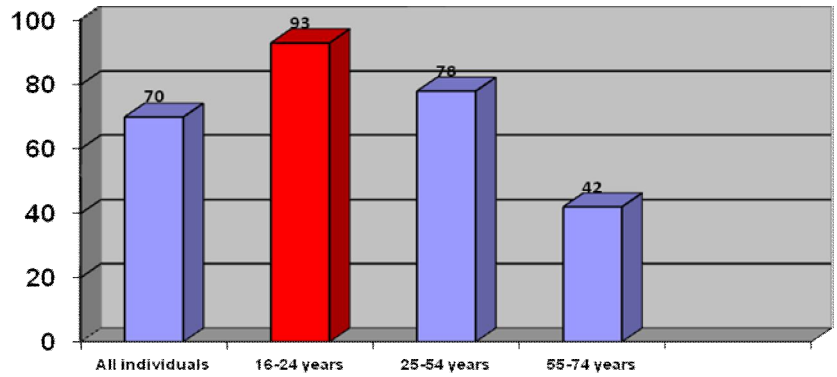

Fig. 2. Individuals who used the internet at least once a week, by age grouping in percentage (in the year 2012).
Source: Eurostat online data, (http://epp.eurostat.ec.europa.eu/*)*

There were significant gaps in usage when looking at age groups.

In the European Union, the proportion of individuals who never used the internet declined from 42 % in 2006 to 23 % in 2012, which shows the tendency of EU population regarding the use of internet as show in fig.

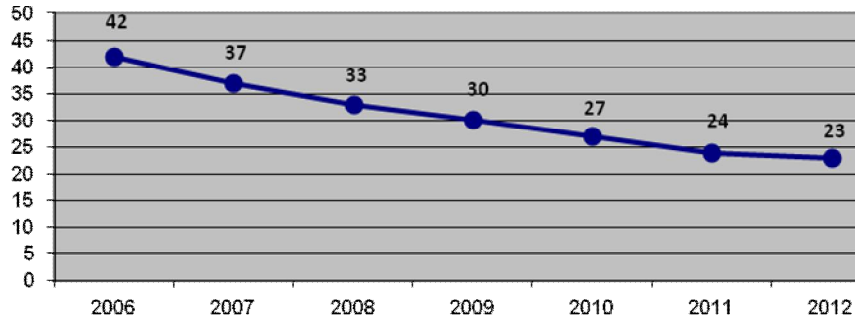

Fig. 3. Individuals who never used the internet in the EU, from 2006-2012 in %
Source: Eurostat online data

The recent decline in the proportion of non-users in the EU was minor, from 24 % in 2011 to 23 % in 2012.

Large digital divides remain when looking at the share of the population who never used the internet in different countries. The highest shares of the population with no past experiences in internet use at all whether at home, at work or at any other place were registered in Romania (48 %), Bulgaria (42 %) and Greece (42 %), the lowest in Sweden (5 %), the Netherlands, Denmark and Luxembourg (all 6 %) and Finland (7 %). Another five Member States (Italy, Cyprus, Portugal, Poland and Lithuania) showed proportions between 30 % and 40 % for the population being excluded and without user skills regarding the internet.

Despite the above figures nearly 60 % of individuals in the EU used the internet daily. Seven in ten individuals used the internet at least once a week. The shares for individuals who used the internet regularly were above 80 % in six Member States: Denmark, Luxembourg, the Netherlands, Finland, Sweden and the United Kingdom. The shares were below 60 % in seven Member States: Bulgaria, Greece, Italy, Cyprus, Poland, Portugal and Romania (http://epp.eurostat.ec.europa.eu/).

Seeing these figures is impossible not to realize the importance of marketing in the on-line medium in one form or another.

3. Present over the Internet, closer to online shops

The Internet is probably most famous for the ability to spread information, in our case spread informations about the company or the shop.

The mobile Internet, the popularity of which is evident around every new mobile phone or tablet, is close to being a mass market. An average of 69 % of Internet users connected to the Web with a mobile device in the past 12 months. Of these, 61 % used smartphones for accessing the Internet. Among non mobile Internet users, 46 % expressed interested in buying a Web-enabled mobile device in the future (http://epp.eurostat.ec.europa.eu/). This as an increasing number of innovative touchscreen models with great image resolution, faster Internet access and attractive built-in social media and mobile payment apps are hitting the market every day.

According to the research made by Accenture Consulting the increasing use of mobile Internet is relevant across all age groups.

Mobile Internet usage is now a mass market with 69% of internet users having got connected to the Internet through a mobile device in the past 12 months (www.accenture.com).

Modern technology has definitely made significant changes in the way today's business owners promote their companies. The online marketing of business should always be a major part of planned advertising and promotions. For so many years the major techniques used to market a business involved newspaper, phonebook, direct mail and for some, radio and television. Though each of these remains in wide use today, very few companies can leave online marketing out of their advertising plans and remain successful.

Buying over the internet (e-commerce or e-shopping) has become very popular in the EU. Consumers appreciate the convenience of shopping anytime and anywhere, getting better access to information and a broader selection of products, comparing prices or obtaining

opinions from other consumers. Not all users who take advantage of informing themselves over the internet about available goods or services finally also buy such products online. Reasons may include a preference to shop in person or trust or security concerns. Figure 4 shows the proportions of e-shoppers among internet users.

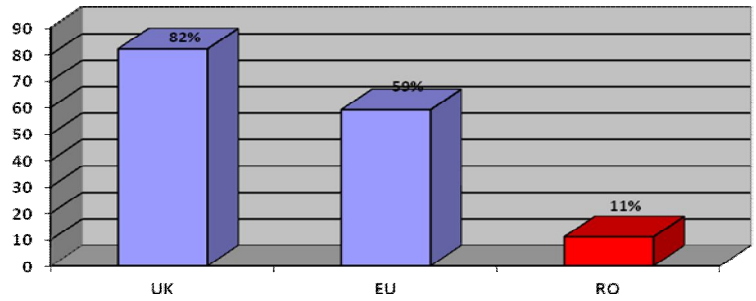

Fig. 4. Internet users who bought or ordered goods or services for private use over the internet in 2012 (% of internet users)
Source: Eurostat online data

In the year 2012, 59 % of internet users in the EU27 reported having bought or ordered goods or services over the internet for private purposes. The share of e-shoppers among internet users varied considerably between Member States, ranging from 11 % in Romania, to 82 % in the United Kingdom.

Conclusions

Although Romania is among the countries with the fewest internet users in Europe, the progress that has proven in recent years show that enrolls in the general trend of all countries from Europe, important fact to be pursued by companies that want to be more present on the market and want to make the products as popular posible.

All this, again underscores the need for companies to focus on the components of online marketing because it is becoming an increasingly important reality in buyer-seller relationship.

These improvements in infrastructure can help the companies in building enduring relationships with customers and staying ahead in this intensely dynamic environment.

This business imperative for change and innovation is also applicable to other industries such as retail or banking where the hyperconnected consumer's behavior and needs are already transforming operating models and IT infrastructure.

Regardless of company's size, function or business model, the best online marketing services will help increase traffic to the website and convert visitors to customers to bring in new business and increase revenue.

Marketing of the business online is likely the most valuable step that can be take to increase the positioning of the company in this competitive economy. It is a vital tool that should be used to some degree by all companies, large and small, to successfully grow their

customer base and profits. The rewards that will come to those who utilize wise and professional online marketing are definitely worth the time and expense.

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The management of trade companies in Romania

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Abstract

Beyond the current problems of the crisis, it should be seen as an opportunity to relaunch, a new approach to structure and trade ideas for some companies. Basically, in a time of crisis, the challenge is to change priorities, the system structure for the firm to be able to offer consumers what they want.

Keywords: firm trade, management, policy;

1. Introduction

Trade is a very complex field of activity, with a very large inner structure from simple distribution to provide packages of products and services designed to meet the needs and requirements that meet throughout them very different components. Based on such understanding, the trading companies, the main issues relating to improving the management company intended location, size and structure of turnover, sales methods used, the nature of customer services company pricing policy, commercial addition , target clientele,communication policy, the degree of autonomy of the firm, alternative transportation and storage of products, organizational structure, effectiveness of the means used, effort investment, trade and business profitability.

The company can choose the location based on business entry system of their choice, or browfield greenfield system, isolated or in a shopping center, close to competing or complementary businesses, etc. Improving the management of trading companies can be achieved by choosing the best formula for sale - trade stable, trading at a distance (electron, catalog, etc.) or combination thereof, depending on the specifics of each company.Structure size is dependent on trade company. In large firms can be an organization by function (houses, accounting, personnel, supervision, etc.) and product lines. Also, trading companies can be organized in several districts or several departments, which are divided into districts. Effectiveness is measured by the means used to various indicators: turnover per square meter sales area, sales per employee and turnover per hour of work, personnel expenses nivelel relative share of personnel expenses to total commercial addition share of operating costs in turnover, number of turns of the stock, etc.

Although positive trends are evident in the development of trade, we can not easily get over the problems facing this area of activity:

1. Increased sales volume is the amount, due to the higher prices and not increase the physical volume of goods traded.

2. Industrial output is insufficient to cover the consumption needs of the internal market

3. The distribution of sales volume in urban and rural areas is unbalanced. Sales volume in urban areas is 3 times higher than in rural areas, the gap was recorded throughout 2004-2008. This demonstrates the difficulties in organizing logistics chains and trade in rural areas, respectively, the problems facing the rural population in purchasing goods.

4. Unbalanced distribution of investment in commercial infrastructure development during the years 2004-2008, total investment in urban trade was 3.3 billion lei, while investment in the development of rural trade - only 252 billion lei. Investment gap in developing trade volume in urban and rural areas is about 13 times.

5. Weak market power absorption caused by low income population

6. Lack of adequate institutional and legal framework and a system of cooperation between the organs of control function, which would regulate clearly the role and functions of government bodies involved in developing and implementing policy

7. Quality infrastructure underdeveloped. The quality of goods offered for sale consumers is a major problem in developing commercial relations.Although there are legal and institutional basis for standardization, metrology and quality assessment, quality infrastructure remains underdeveloped. International experience shows that developing and implementing strategiesdevelopment of large corporations have generated significant successes in expanding business, despite restrictions on protectionism and geographical boundaries of distance. Modeling strategic management within firms trade is influenced by specific business characterized by:

- insufficient volume of industrial production to meet domestic consumption needs;
- unequal international trade;
- low labor productivity, respectively, polarization of society into rich and poor;
- reduced power absorption of the market;
- dependence on foreign capital and technology trade important;
- unfair competition on the retail market

The success of the company's development strategy depends on the availability of traderesources and how to manage their image and reputation of company, experience and skill level of staff. In the strategic management of trade activity is important to assess the results of implementing the development strategy under a system of indicators to enable speed, flexibility and fairness in decision making.

2. Courses of action to improve the quality of trade services

In order to promote efficient trade management firms have proposed a number of courses of action to improve the quality of trade part:

- the development of domestic trade development policies must take account of the integrity of consumer law and policy in the European Union. It is important to emphasize the "protection of consumer access to justice", which will contribute to the social function of trade.Protecting consumer access to justice and respect for the right to compensation, Consumer Protection Policy will get a sense of transparency, objectivity, clarity and promptly implemented.
- Social responsibility of state must be oriented towards some action to consumer market transparency, as has as freight insurance fund balance, ensuring appropriate quality of goods and services offered to consumers through retail offer, the

organization of an information system usefull for consumers to protect them from some aggressive marketing practices, etc.

- To increase consumer purchasing power, it is necessary that the state function and exercise intervention in ensuring a consistent price system with consumer purchasing power and quality of goods (especially consumer goods) by developing a formal methodology for determining profit margin.
- retail development in rural areas can be achieved by combining forms for the organization of retail trade: trade independently associated trade, commerce integrated. Also, it is appropriate to initiate local development programs, training of entrepreneurs in trade areas and the creation of endowment offers soft loans for business premises.
- Increased efforts to protect its own economic and internal market through the trade can be an objective of state policy for the development of domestic trade and to stimulate industrial sector.
- Develop and reviving the legal, regulatory and institutional framework is adequate strategic direction that would allow compliance with the economic interests of companies and organization in a transparent way to trade activity, without thereby contribute to the economy and usurping the rights of consumers.
- For companies contributing to sustainable development should be respected by these rules of conduct of the positive environmental impact environmentally, namely: effective use of technical and material consumption of energy and natural resources, contributing to the transfer of modern technologies of importance to both private and public, education and motivation staff according to the concept of social responsibility, research continues on the possibilities minimum waste emission causing environmental harm the environment, special promotion for organic products and thereby boost for producers to increase their portfolio of green products, conducting information campaigns and consumer education for sustainable consumption, etc. responsible choices and purchases.

Conclusions

Overall analysis can be said that the current economic crisis has already left traces, and lack of credit was felt both in distribution and consumption and affected the traditional trade. The real challenge for companies trading in the near future is to find solutions together with producers, promotions that strong, stable partnerships and attractive offers for consumers. Beyond the current problems of the crisis, it should be seen as an oprtunity of recovery, a new approach to structure and trade ideas for some companies. Basically, in a time of crisis, the challenge is to change priorities, the system structure for the firm to be able to offer consumers what they want.

The transition to modern trade is not completed, we can say that we are still in a mixture of modern and traditional, but the direction is already set, and the crisis will oblige all those acting in trade to reconsider the philosophy and business values.

By taking into account the trends in world trade will be possible to emphasize the practical side of management and trading companies will set up a commercial management innovation that will mediate the transition to a competitive economy

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Work in Romania. From agrarian society to the knowledge society

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Abstract

Order following analysis seeks to track changes in the structure of the labor process, along trail from Romania, from agrarian society, continuing with the industry and society reaching of knowing, which are actually contemporary, while emphasizing the effects those changes that have led to significant changes both in the general population structure and the content, character and attitude towards work, people and work being central to any analysis of the labor market. Introducing qualitative progress of work, spanning over a period of time, due to the fact that developments followed a short period of time, could lead to some conclusions risky, if not wrong about these interpretations.

Keywords: work changes, attitude, agrarian society, industrial society, new economy

1. Introduction

Element of human existence since the beginning, his work varied continuously. So in today's world work takes place thousands of ways in socio-economic structures becoming more complex. General world of work and its various forms are made and are subject to various reflections and assessments.

So work has existed since ancient times. Man deliberately acted on nature to achieve a goal, even if at first human work consisted mainly in hunting, harvesting, slaughter. Environment was hostile and man can not labor to influence. In this context, over a period of several thousand years, there has been shift from the gathering, hunting, etc. to the farmer, cultivator of the land and / or livestock breeder. Volume and intensity of work depended on the season and weather conditions. If the weather was favorable, people could work if they were not forced to stay safe. The work is carried especially from spring to autumn, from planted until harvest.

If still in its early human labor was to hunt, gather or slaughter in a long time, there has been shift these activities to the farmer, cultivator of the land and/or increasing animals. The development of agriculture, human labor became more organized and efficient. Rational and organized cultivation of land, domesticated animals, human life changed that time.

2. Work in agrarian society

Population analysis in terms of the residence, finding leads to two categories of population that is urban and rural, which carries the bulk of specific activities which are distinguished by certain characteristics not only quantitative but also quality. It is known that rural areas are characterized by lower economic and social development to urban areas, the rural population conducted mostly-agricultural activities such as forestry work, farming or

cultivation of land, unlike urban population practicing in the areas of industry, manufacturing, services, transport, etc. Urban areas is generally regarded as a core labor market with a variety of occupations and thus differentiate categories of income, the share of the tertiary sector holds.

Numerical evolution of the population of Romania in the period 1930-2009 taking into account the residence of the inhabitants presented in Table no.1, shows that in 1930 the rural population was much higher urban population compared to 2009 when the urban population surpasses the rural population. We must keep in mind that the total population downward trend from 1948 to 1930, is because the census of 1930, was included population in Bukovina, Herta, Bessarabia, Bugeac, Quadrilateral, territories subsequently have never belonged to Romania.

During 1930-2009, the rural population had a decreasing trend with an average annual increase of 60,983 people. If until 1977 in Romania most of the population lived in rural areas, after this period the ratio of urban and rural population change for the urban population. In 1930, the urban population accounted for only 20.1% of the population, because at the end of 2009, to hold a share of 55.05% in the total population. Urbanization process generated by the industrialization changed substantially as shown, the residential population in less than a century.

Table 1. Romanian population on average in the period 1930-2009

Year	**Total**	**Urban**	**Rural**	**Year**	**Total**	**Urban**	**Rural**
1930	18052890	3632178	14420178	**1977**	21559910	9395729	12164181
1948	15872624	3713139	12159485	**1992**	22810035	12391819	10418216
1956	17489450	5474264	12015186	**2002**	21680974	11435080	10245894
1966	19103163	7305714	11797449	**2009**	21498616	11835100	9663516

Source: for 1930, Gusti Dimitrie, (1943), *Romania Encyclopedia*, Volume I, Chapter II, Table VII*, page 136, http://www.biblioteca.ase.ro, For the years 1948 - 2002, Population and housing census 2002*, *For 2009* http://www.insse.ro *, POP101C*

For the figures presented in Table 1 to reflect reality as accurately as we calculate in Table 2, the rate of urban population is urban population in the total population of a country and rural population ratio represents the share of rural population in the total population of a country using the following relationship:

- rate of urban population

$$RP_U = \frac{P_U}{P_t} \times 100 \quad (1)$$

where

RP_u - rate of urban population

P_U - urban population

P_t - total population of Romania

- rate of rural population

$$RP_r = \frac{P_r}{P_t} \times 100 \quad (2)$$

where

RP_r - rate of rural population

P_r - rural population

P_t - total population of Romania

Table 2. Rate of urban and rural population in Romania, between 1930-2009

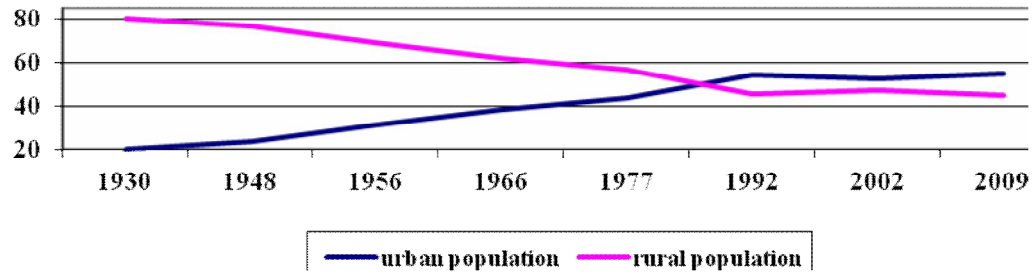
Year	**1930**	**1948**	**1956**	**1966**	**1977**	**1992**	**2002**	**2009**
Urban population%	20, 1	23.4	31.3	38.2	43.5	54.3	52.7	55.1
Rural population %	79.9	76.6	68.7	61.8	56.5	45.7	47.3	44.9

Source: calculated based on the values in Table no. 1 and the relations (1) and (2)

It is clear that since 1930, the rate of rural population throughout the period of analysis dencendent and uniform trend, reaching 44.9 percent in 2009, compared to 79.9 percent in 1930 as represented. At the same time, urban population increase by 2009, by 35 percentage points from 1930.

These changes are mainly due to the qualitative development of the urban environment as a result of increased work of paving the streets of cities, public lighting and housing first gas then electrical, the execution of sewerage in major cities to start building of educational buildings, culture, arts, etc. Dynamics of urban and rural population, the schimbăril or occurring in the share of the two categories of population in the total population in Romania for the period 1930-2009, is evident in the chart no. 1.

Chart no. 1 - Population dynamics by location, between 1930-2009



Source: constructed from data in Table no. 2.

2. Work in industrial society

Visible decrease in the number of people in rural areas and increase the number of people in urban areas is due primarily as mentioned above, massive industrialization process started in Romania since 1948, which required sometimes forced migration of people in rural

areas to create new jobs in urban areas, with Romania predominantly urban country and considered a branding[1] industrialization of the communist era.

At the same time the process of industrialization marked the shift from production based on the manual technique based on the systematic use of machines endowed with a certain level of technical and, therefore, the great production machinists, while scoring high sensitive mutations scale in job content and social division of labor. It is known that the ratio of technical equipment and the amount of work is particularly sensitive in the sense that increased quantity and quality of technical endowment, there is a reduction in the amount of labor required to produce the same product or service.

Moving a part of the population from rural to urban areas was a step forward in economic and social development of Romania, due to the fact that industrial sites mostly concentrated in urban areas, providing more opportunities for employment rural and working towards the production machinists use is prevalent, has increased productivity by replacing human labor with machines physical work, the need for competition in the labor market, the aggregate intervention to improve working conditions and remuneration.

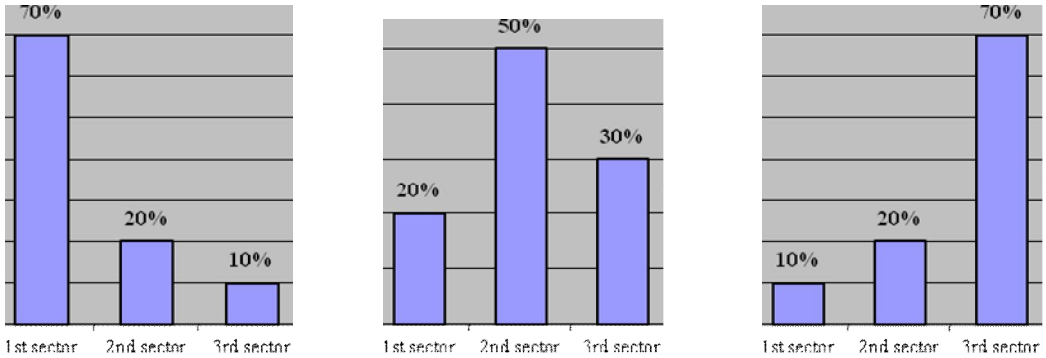
It must be kept in mind that population movements from rural to urban areas, increase the number of people, not only quantitative expression of the industrialization process, qualitative elements will be presented taking into account other characteristics of the population.

Economy a company can be divided into different sectors, analysis of sectors of an economy, economic development reveals a society. Economic Pogresul contribute to the transfer of labor from the primary sector to secondary and then to tertiary, this terminology was later abandoned and replaced by agriculture, industry and services.

At the beginning of the existence of any civilization, there has been the primary sector. When food became surplus, and the demand for other products increased, it was necessary secondary sector development. Spread and subsequent secondary sector growth influenced the industrial revolution. Growth was the fulcrum industrial activity. Certain economic sectors, such as transport, financial institutions have contributed to support industrial activity. Moreover it was felt the need of opening more stores in the vicinity of people to distribute the products. Thus begins to take shape and evolve to the tertiary sector and with this and other services such as education, health, public administration, defense, etc.. In general it appeared that economic development requires a reduction in weight of the primary sector for secondary and tertiary. The weight of each sector within a state is expressed as the percentage of employment in each sector. Which explains the focus of economic activity in that country. French economist Jean Fourastié, believes that the share of employment in the various sectors of the economy differs from one stage to another, as shown in the figure below:

[1] The concept of branding has been traditionally associated with corporations and their products and services. Today branding knows no boundaries. Branding is now applied to people, institutions, political entities, places, estinations, cities and even countries or nations, say Pavel Camelia (2012), *Romania's Tourism Brand – a Critical Analysis* "Ovidius" University Annals, Economic Sciences Series Volume XII, Issue 2/2012, pag. 894

Agrarian society Industrial society Information society



United Nations recommendations that: the primary sector comprises activities in agriculture, forestry, fisheries, secondary sector includes manufacturing and construction activities, and the tertiary industry structure includes other activities within a national economy.

It is known that with the development of civilization, technical and technological changes and occupations operating in the same industry changing content, character and profile. In order to pursue employment structure table no. 3 shows the data on the occupation of the three main sectors of the Romanian economy.

Table 3. Proportion of people employed in the primary, secondary and tertiary education in Romania between 1930-2008

Sector	**1930**	**1950**	**1960**	**1970**	**1976**	**1992**	**2008**
Primary	78.1	74.3	65.6	49.3	35.9	32.9	28.2
Secondary	7.1	14.2	20.0	30.8	40.2	37.7	28.0
Tertiary	14.8	11.5	14.4	19.9	23.9	29.4	43.0

Source: for 1930, Gusti Dimitrie, (1943), Romania Encyclopedia, Volume I, Chapter II, Table VIII , page 44, http://www.biblioteca.ase.ro, For the years 1950, 1960, 1970, 1976, Trebici Vladimir, (1979), *Demography, Scientific and Encyclopedic,* Publishing House, Bucharest, *418, For anuii 1992, 2008, http://www.insse.ro, FOM103A*

Most important phenomenon with significant economic and social consequences in the lives of people in Romania was on the one hand, the absolute and relative restriction of population employed in the primary sector, following the mechanization of agriculture, on the other hand the absolute and relative expansion of employment in the secondary sector, due to the country's industrialization. The two complementary processes, the first mechanization of agriculture, which issued an important part of the labor force was working in the primary sector and second, the development of non-agricultural industries that absorbed labor force, have resulted in gradual transfer of employment to other occupations in the secondary and then to tertiary.

The data presented in Table no. 3 shows that in 1930, employment in the primary sector, which performs land use, agriculture because it was called the Census of 1930, as

stated in Romania Encyclopedia, Volume III, written by Dimitrie Gusti, amounts to 8,244,500 persons[2], representing a 78.1% share in total employment. It should be noted that at that time the Romanian population in terms of employment include active and inactive population population.

Moving employment was felt since the beginning of the analysis, as shown agricultural sector in Romania recorded a downward trend, it has a share of 74.3% in 1950, reaching 35.9% in 1976, that in 2008, representing only 28.2%. In contrast, the services sector is a significant growth, reaching 43.8% in 2008 to 14.8% as tertiary sector represented in 1930.

In comparison with the theory of Jean Fourastié, employment in Romania working in the primary sector would be reduced by 18.2%, the secondary sector only 8%, while employment in the tertiary sector would have to add 26, 2%, given a population of 8,725,900 persons employed as at end-2008 was registered in Romania.

Produced significant changes in the three sectors have occurred after 1948 due to implementation of a policy of massive industrialization, which had positive and negative effects on the Romanian economy. First radically changed character and national socio-economic profile, Romania out of the category agricultural states. The primary sector has not played that in previous centuries and millennia, its decisive role in the fate and prospects of the Romanian people. Once it's gone rudimentary work with reduced efficiency in all areas, which absorbed much of the population employed in standard of living and low habitat compared to employment in other sectors. While remaining employment in the primary sector because modernization of production activities and services become more specialized, more productive.

During this period, due to the massive transfer from the primary sector to secondary and tertiary education, an important part of labor with inadequate qualifications summary yet fully new conditions, on the one hand had a negative impact on quality activities the two sectors, but also contributed to fast-start the two sectors.

4. Work in the knowledge society

It should be noted that from 1992-2008, there is a new change in the structure of economic sectors, which entered the Romanian economy in general historical trend of increase, with modernization and industrialization development of economic and social life, increasing share of services, third sector becomes predominant, accounting for 43% of the total economy.

Following the change in the three sectors, with the development of civilization, continued technical and technological changes were made and important changes in the structure of employment by occupation groups, qualitative aspects of labor What are played by statistical figures presented in Table no. 4, revealing changes in key parameters of work, in terms of content, duration, level of qualification, role and functions of human labor intensity, dynamic labor demand and supply.

[2] Gusti Dimitrie, (1943), Romania Encyclopedia, Volume I, Chapter II, Table VIII, page 44, http://www.biblioteca.ase.ro

Prior to any changes that have occurred in the major occupation groups, the following analysis begins with 1930 not as has been done so far, nor consider census data that took place until 1977 due to difficulties encountered in occupations assimilation, analysis might lead to some incorrect conclusions and inaccurate.

A first finding, observed in Table no. 4, shows a significant reduction in employment both in numerical terms and as a share of total employment in the occupational groups Farmers and skilled workers in agriculture, forestry and fishing and craftsmen and skilled workers in the trades, the adjustment and maintenance of machines and systems. If before 1977, ie the first six decades of the last Century, when the economy and the Romanian population was based primarily on the primary sector, the most important part of the labor force was employed in agriculture, farmers group in late 2007, recorded a decrease of 1292.83 thousand people and yet currently occupies first position and the share in total employment.

Table no. 4 - Dynamics of employment by occupational group during 1977-2008

- Thousand -								
Of population structure occupied by groups of occupations	**1977**	**%**	**1996**	**%**	**2002**	**%**	**2008**	**%**
Employed population	10793.6	100	10673.03	100	9234.17	100	9369.12	100
Members of the legislature, executive, senior government leaders, leaders and officials from economic and social units	173.5	1.60	293.02	2,74	238.06	2.57	232.73	2.48
Professionals with intellectual and scientific	485.5	4.49	649.67	6.08	662.97	7.17	950.21	10.14
Technicians, foremen and assimilated	926.1	8.58	943.57	8.84	849.44	9.19	859,57	9.17
Clerks	392.8	3.63	403.46	3.78	376.90	4.08	450.20	4.80
Operative workers in services, trade and related	445.8	4.13	640.18	5.99	728.28	7.88	944.70	10.08
Farmers and skilled workers in agriculture, forestry and fishing	3517.2	32.58	3760.65	35.23	3035.99	32.87	2224.37	23.74
Craftsmen and skilled workers in trades, adjustment and maintenance of machinery and equipment	3850.4	35.67	1923.65	18.02	1653.59	17.9	1527.96	16.3
Other occupations	1002.3	9.32	2058.79	19.32	1688.90	18.34	2179,3	23.29
Of which: unskilled workers	970.3	8.98	584.78	5.47	666.70	7.21	1055.33	11.26

Source: For 1977, Population and Housing Census *1977 and own processing, For 1996, 2002 and 2008, h ttp :// www.insse.ro , AMG110U and own processing*

And significant changes have been made towards reducing the group craftsmen, so the last three decades, employment in this group decreased by 2322.44 thousand as a result of massive restructuring that took place after 1990 and the disappearance of multiple occupations that are part of this occupational group. Under these conditions, more than half of craftsmen and skilled workers in the mining and construction, metallurgy and metal, from mechanics, food and craft industry, occupations that are part of this category have not found on the labor market.

Important reduction in employment in the two occupational groups are consequences of modernization of production and service activities, most of which have become more specialized and productive, leaving aside a large workforce with inadequate qualifications and fully brief the new requirements.

Significant changes this time upside but much lower proportions were recorded in group professionals with intellectual and scientific and operative workers in services, trade and assimilated. Such specialists group recorded an increase of 464,710 people, representing almost a doubling of employment in 2008, compared to 1977, the share of this group in total employment being 5.65 percent higher in 2008 compared to the beginning of the analysis. A more significant increase of 498,900 people registered trade and service workers group, the share of workers in this occupational group in total employment in 2008 was 10.08%, compared to 4.13 percent as recorded in 1977.

Significant differences upside recorded in these two occupational groups are not surprising, they reflect transformations of the three main sectors of the economy, following which he traveled traselui Romania at modernizing economic and social life, although is a considerable distance from developed countries in the European Union.

Conclusion

Witnessing the entire occupational structure simplification and reduction of physical and mechanical occupations in the structure and dynamics of the labor process, the increasing share of complex, highly qualified, while restricting and even disappeared in some areas of simple labor, unskilled or the routine, emphasizing in this situation tend simultaneous execution of the operations, the visible change of the relationship between occupations that require a work that requires physical and intellectual work[3], a process that can lead to difficulty out the full potential of the existing workforce, the Occupations reduce actual execution and development of command and control, surveillance, intervention and control.

Consequently, from 1977, the structure of employment by occupation groups in Romania, in late 2008, the significant changes, most of them manifested after the 1990s, following the economic restructuring process that took place in our country. In this respect, there were new occupations, and on the other hand, the content has changed many others, in some industries, some occupations have taken precedence, while others have become obsolete and even disappeared.

Transformations that have occurred as a result of progress, and changes were necessary in terms of quality, the general public and especially labor, resulting in higher

[3] If in 1977 the ratio of specialists with intellectual and scientific occupations and unskilled workers was 50.03 intellectuals to 100 laborers at the end of 2008, the same report indicates a rate of 90.04 intectuali to 100 laborers.

levels of training and knowledge stock as a result of that intellectual activities and specialized skills tend increasingly more activities take place involving physical exertion. In order to exercise economic attributes in terms of the labor process, labor and means are necessary forms of general and specialized training. Requirement level of education is directly related to the activity predominantly in the economy, the needs of development in different historical epochs. Training, training by learning general and specialized direct result qualifications and improving employment. In this respect, Vladimir Trebici be stated that "Recent studies on theory and models of economic growth (S. Kuznets, Ed Denisov, J. Vaiyez, TW Schultz) have revealed a very important fact: the stock of education of the working population under the impact of scientific and technical revolution, becomes an increasingly important factor of economic growth: contribution to national income growth tends, in recent years, to overcome contribution productive fixed assets"[4].

If today we talk about education, about research and development of generation and exchange of information in Romania during 1930, Dimitrie Gusti literacy analysis, the number of lettered. The 1930 census, the number was 8,213,592[5] lettered, which meant a literacy rate of 56.7%, given that the population of 7 years and above to which we refer was 14,483,914 people.

In 1930 most of the population literate, have a primary education and only 1.2 percent of the population, had a higher educational level. Is not insignificant percentage of 24.4% of people with an average level of education. Largest share of primary education is the term reform education law in 1864, which provided compulsory eight classes, reform introduced during the reign of Alexandru Ioan Cuza.

Compared to 1930, in 1966[6] increased the share of people with primary education level, but at the expense of high school because after the end of the Second World War for a short period of time, compulsory education was four classes. In 1948 there was a new reform in education that provide re-education mandatory minimum of seven classes, as in 1966, to take place generalization eighth grade education.

After a period of 29 years, ie in 1996[7], the educational level of the population of Romania is improving significantly, meaning that high school graduates record number of 3,239,833 people, representing a rate of 68.9%. We are thus witnessing a growing awareness of the significant part of the population that obtaining a particular qualification is increasingly necessary, and replacing a person with a particular skill is more difficult than aa a low-skilled worker, carrying work routine, repetitive, which can be replaced easily and at any time. Also a higher percentage of people with a positive training records that reach 6.2%, representing an increase of four percent from 1966.

In 2008[8], there was a slight decrease in the percentage of people with primary education and secondary education. It notes, however, than in 1995, an increase of 554,957 persons with higher education, which represents a 20.61% share.

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[4] Trebici Vladimir, (1979), *Demography, Scientific and Encyclopedic,* Publishing House, Bucharest, page 385-386

[5] Gusti Dimitrie, (1943), *Romania Encyclopedia*, Volume I, Chapter II, Table VIII, page 142, 164 http://www.biblioteca.ase.ro

[6] Trebici Vladimir, (1979), *Demography, Scientific and Encyclopedic,* Publishing House, Bucharest, page 388

[7] http://www.insse.ro, SLC103A

[8] Idem 7

Consequently, the level of education of the population in Romania has changed quantitative and ratings. In this regard, there has been an extension of the primary action, even since 1930, which was actually Commence school education process. Secondary schools, vocational schools and colleges resulted experienced a significant increase by 62.2 percentage points during 1966-1995. Higher education because of the cost of training requirements and has evolved more slowly. Until the Second World War most of the needs of different areas were covered by high school graduates abroad. If in 1930, only 90,065 people have graduated from higher education, which represents 1.2% of the population in 2008, their share rose to 20.61%.

As a result of efforts, has moved from 74.4% prevalence of primary education in 1930, the prevalence of upper secondary education and 76.2% in 2008, in a relatively short time nearly eight decades. In general, the growing level of education of a population is reflected also on labor, allowing easy adaptability in the face of new challenges, technological progress and appreciate the benefits generated by this progress, forcing a reduction of unskilled labor at the lowest possible level by increasing the level of training. Also raising training provides employment, greater stability in the labor market will reduce unemployment, provide a higher rate of labor market participation, increase working life. In short, as observed and found there was a continuous and gradual improvement in the level of education of the population of Romania in the last eight decades, the effect of changes in Romanian society as a need to adapt to the growing pace of these changes.

Lately increasingly witnessing a change in work content. Repetitive, gross muscle work, physical work in general and specific industrial society turns slowly disappearing, being replaced by work that requires a certain amount of specialized knowledge increasingly higher, implying increasing difficulties and costs in finding the right person, without showing but a hostile atitutine physical work and without us the other extreme situation, that have replaced physical labor with intellectual work, on the contrary intellectual work should help to ease physical labor and reduce the effort required carry out a specific activity. And at this stage of our existence requires direct productive labor such as farmers, miners, drivers or vendors, their only activity now requires another level of knowledge.

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Concepts and indicators used in the management of intellectual capital

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Abstract

Intellectual capital has become, in the XXI century, an important part of corporate strategies, regardless of the field. Its components must be identified and exploited to their full potential for the entity to benefit from maximum future benefits embodied in them. In addition, companies must understand that employees, in the knowledge economy, are easily identifiable as human capital and that there are extremely varied ways to motivate them, either on a financial line or by social attitudes. Also, the leadership should consider a permanent management of the relationship with partners, leading to an improved image of the company in the environment in which they operate. This article aims to present concepts which define connections between the intellectual capital and the management perspective and to identify a set of indicators enabling management reports to detail the concepts identified.

Keywords: social responsibility, intellectual capital, human capital, social performance, environment.

1. Introduction

Production and dissemination of information regarding intellectual capital by a firm is nothing but simply the result of human will and consciousness and it is in fact a social phenomenon. For these reasons, it must be characterized by *accountability, transparency and performance*. Interests of users of information are different, which causes some, such as managers, to intervene in the application of companies' reporting policies and methods so as to be benefited. Then, position occupied by some users is that they have a privileged status in terms of information (the investors or the banks).

The information related to intellectual capital can be disclosed by itself, but, in some cases, also as a part of a larger concept, which is corporate social responsibility (CSR).

In nowadays, the intellectual capital is considered to be a basis for high-quality products and services, but also for innovation. Its structure (human capital, relational capital, structural capital), though in a small part identifiable, is a tribute to human intelligence in a company and must be reported as analytical as possible.

Also, because of its nature, the value of intellectual capital can be increased through social responsible actions of a company towards its employees and partners. A healthy work environment and a social responsible attitude in the community helps a company to develop its intellectual capital.

2. Corporate responsibility and the social impact of intellectual capital

In the current context of climate change, economic instability, greater attention to human rights or other social causes, *corporate social responsibility* must be integrated into long-term strategy of any company. There are many definitions and explanations for CSR, but we stop at the European Commission's definition: „*Corporate social responsibility is a concept through which companies integrate social and environmental concerns in their operational activities and in their interaction with stakeholders on a voluntary basis*" (European Commission, 2011).

The concept of social responsibility in relation to management and the existing intellectual capital within the company requires an internal representation of ***the three main components*** thereof, each considered briefly from three different, but connected, points of view: as company's resources – these can be measured and reported ("what there is"), as a representation of how the intellectual capital management system works ("what is done"), and whether the use of intellectual capital is leading to efficient products and services requested by customers ("what should happen") (Brennan şi Connell, 2000).

So, the three major components of intellectual capital and their related indicators are presented in table 1:

Table 1. Indicators for reporting the three components of intellectual capital

Category	**What there is**	**What is done**	**What should happen**
Human capital	Seniority	Share of employees with development plan	Employee satisfaction and fidelity
	Education	Number of training days per employee	Human resource turnover and other financial ratios
	Value-added per employee	Report between the profit plus pay and the number of employees	Employee competency and abilities; increase of the expertise
	Education costs	Education/training costs	Value per employee
Relational capital	Distribution of turnover on markets/products	Customers per employee	Customer satisfaction; customers' rating Annual sales per customer
	Market share	Company's policy related to customers; Share of turnover related to existing customers	Lost customers, new customers
	Marketing expenses	Marketing expenses over net turnover Administration costs per marketing	Medium size of customers; medium time of the company-customers relationship; customers database; brand image
Structural capital	Investments in R&D IT investments	Product development time – intellectual assets generation; brands, know-	Quality Low error rate IT literacy

Category	What there is	What is done	What should happen
		how, licenses; PCs per employees; IT expenses per employee	
	Organizational culture	Quality improvements Management philosophy	Reputation inside the company and on the market
	Risk management	Corporate governance	Increased level of transparency
	Knowledge-based infrastructure	Laboratories; databases; distribution channels	

Source: Adaptation from Brennan N., Connell B. (2000), „Intellectual capital: current issues and policy implications", *Journal of Intellectual Capital*, Volume 1, Issue 3, pp. 206-240.

Are the components of intellectual capital increasing the flow of benefits for the company? At first observation, the indicators are divided into two categories: financial and non-financial, the first ones being designed in relation to performance of the company, and the latter having a strong social connotation. Based on these indicators, the social component of intellectual capital is obvious, which creates interaction with highly publicized social responsibility.

As we can see in table 1, the columns for "what there is" and "what is done" can be publicly presented, in our opinion. But the third column is usually related to internal issues, and the probability for a company to unconditionally present this information is very low. The third column has a strong social component, so we may consider it is a part of corporate social responsibility and all the indicators should be presented in a social report, as part of the non-financial reporting of a company.

3. Human capital – corporate costs vs. concern for responsible management

The actual economic context requires a special attention for employees, seen as ***human capital***. The economic crisis led to the review of corporate responsibility, especially in companies where social responsibility was not based on sound principles of organization, coordination and monitoring.

Despite the stage of corporate responsibility development in a company and based on the fact that company's interests are not in conflict with the interests of the community in general, recent concern of the responsible management aims at initiating and developing links with employees throughout the organization, as part of their CSR. In case of problems of loss of confidence in the position of a company, CSR tools are very useful, and future, of course, will be the socially responsible companies, not only the environment, but able to values used strategically interested parties, an important place is held by human capital.

In other words, if we consider the amount of corporate responsibility obligations (Iamandi, 2010, p. 29): *economic, legal, ethical and philanthropic*, arranged in a pyramid of corporate social responsibility, we see that the ethical responsibility (where employed and appropriate treatment to employees) occupies the same position as "need for esteem, status, respect" in Maslow's Pyramid. So within a company, economic and legal responsibilities can

be assumed as implicit (as are considered "physiological, security and belonging needs" in Maslow's Pyramid), and socially responsible corporate practices, surely, must be oriented primarily to the motivation of employees as part of ethical responsibility (and to philanthropy – "Self-actualization" in Maslow's Pyramid). (Dicu, Grosu, 2011, pp. 664-671).

The integration in business strategies of CSR related to employees in companies, generally, and in SMEs, especially, followed three stages, namely:

- The stage I – employees are perceived as *corporate costs* (fair salaries and benefits, without discrimination; improved work conditions);
- The stage II – employees are perceived as *corporate assets* (the emphasis is on the employees and their needs; investments in training and continuous improvement);
- The stage III – employee are perceived as *business partners* (the participation of the employees in the company management; self-improvement; integrating professional and private life).

In this staging, we notice an evolution of employees' perception in the development of corporate strategies based on social responsibility: ***from corporate costs to business partners*** (Grosu, 2011).

The following table summarizes the most important social indicators proposed by the consulting firm PricewaterhouseCoopers for the measurement of corporate responsibility and sustainability in terms of employees. Each of them has an impact on the human capital.

Tabel 2. Social indicators for the measurement of corporate responsibility on employees

Indicators	**Domain**	**Category**
Salary range set by gender, minority, disability and age	*Gender, minority, disability, age*	**Diversity**
Satisfaction due to the corporate effort to maintain a non-discriminatory work environment		
Share of employees who consider that the company is offering equal opportunities to its employees		
Total amount invested in training	*Training of the employees*	**Training and employee development**
Share of annual training		
Number of employees retrained and placed in new positions	*Relocation of the employees*	
Number of employees who benefit of professional counseling	*Career development*	
Share of internal promotion		
The perception that the company encourages employee training and continuing education	*Personal development*	
Number of employees involved in projects that fall outside their normal duties		
Earnings categories	*Payment equity*	**Wages, benefits and compensations**
Salaries paid to meet		
Average wage growth in the previous year		
Level of satisfaction of the employees due to collected benefits	*Employees benefits*	
The perception that company's program of benefits and compensations covers employees' needs		
Satisfaction due to provisions related to child care	*Flexibility*	
Flexibility in providing benefits		
Number of work accidents	*Incidents at work*	**Health and safety at**

Indicators	Domain	Category
Number of days not worked due to safety incidents at work		**work**
The incidence of accidents according to the position held in the company		
The share of working days lost through sickness	*Absenteeism*	
Statistics related to absenteeism		
Investments in preventing work accidents	*Preventing work accidents*	
Work satisfaction	*Overall satisfaction*	**Employees satisfaction**
Perception according to which the work environment is a pleasant one		
Employees turnover on jobs	*Employees rotation*	
Number of employees who left or came in the company		
Analysis of the reasons for which employees have left the company		
Number of employees older than the legal minimum age of employment at local level	*Employing minors*	**Human rights**
Assessment of business partners on the use of minors in the work process		
Company does not use any form of forced labor	*Forced labor*	
The respect of employees' rights in freedom of association and collective bargaining.	*Freedom of association*	
Belief that communication within the company can be freely and openly	*Opening*	**Communication between employees**
Belief that management encourages the participation of all employees in decision making within the company	*Participation*	

In the table above, a large share of qualitative indicators measuring the social responsibility are shown, comparing to financial indicators regarding employees.

In support of this assertion is a study coordinated in 2012 by the nonprofit organization Net Impact, on a sample of employees and students, who were interviewed about the impact of the employees in corporate social responsibility. Thus, according to the study, 53% of employees surveyed said they want a job through which they can have an impact on the social level, while 72% of students have had this opinion, which conclude that new generations are more oriented towards company-environment relationship. Also, a change in mentality between generations was reflected in another point of the study, the impact in the community, 15% of employees considered it important, compared with 31% of students. The final question put the problem of an allocation of 15% of their income to social activities. Finally, 35% admitted they would accept a 15% salary reduction to work in a company that promotes corporate responsibility, 45% would accept the same salary reduction if they were offered a job with social impact and environment, and 58% for an organization with similar values (Forbes, 2012, www.forbes.com).

As for employees, the management of a company should reconsider its attitude towards them, in order to adapt to the current economic environment and to the employees, as members of society. The approach that we consider appropriate in terms of management must consider:

- **team orientation rather than to individuals**. Training a team leads to identify the strengths and weaknesses of the group, a knowledge of the partners, but also to brainstorm type attitude in approaching a problem;

- **corporate social networking.** Beyond that employees will be able to communicate effectively with each other, they will be able to extend communication outside the company walls, which leads not only to economic efficiency but also to improvement in the relations between people;

- in approaching ant type of problem, management should consider the relation **profit-planet-people**, which actually extends on relation **company-community**. In the paper called *The 2020 Workforce* (Meister şi Willyerd, 2010), the authors believe that optimizing these relationships can be achieved in two ways - personalizing the experience of employees and creating a corporate culture - which ultimately boils down to a proactive approach to relationship management-employees, resulting in attracting, retaining and motivating employees with skills.

While the notion of "corporate social responsibility" may have once been regarded as a corporate philanthropy, it has quickly become a crucial part of companies' long-term strategy – **not just in marketing, but in recruiting, too**. As consumers are more concerned with where products come from, employees now want more from their employer than a paycheck. They want a sense of pride and fulfillment from their work, a purpose and importantly a company's whose values match their own.

4. Indicators for the evaluation of intellectual capital, from the GRI perspective (Global Reporting Initiative)

Evaluating intellectual capital of companies aims essentially measure of their behavior in relation to the external environment in terms of sustainable development. From this point of view, specialized agencies valuation models are based on the recommendations and standards in the field of social and environmental responsibility. These are issued by various bodies, including the UN, OECD or independent bodies such as GRI (Global Reporting Initiative), which proposes a standard communication model in relation to social and environmental responsibility.

Activities related to social responsibility are made public by the companies, as part of corporate governance reports or reports according to GRI. Given the voluntary nature of these reports, companies' opinion regarding the amount of public information on this topic matters, although the benefits of social responsibility have a very important impact on intellectual capital and its components.

Actually, the success of the companies in applying corporate responsibility procedures and having an impact on the environment can and is considered as social performance. This type of performance is not reflected in financial indicators, as much in non-financial ones. GRI proposed public reports which include this type of indicators, in order for the public and the stakeholders to evaluate the social impact of a company.

GRI model includes 97 indicators, of which 50 are general and can be applied to all companies and the remaining 47 are additional indicators, to be used when indicated by company characteristics (Bețianu, 2010). Regarding the relation performance-intellectual capital, companies consider relevant indicators presented in the following table:

Table 3. GRI indicators related to intellectual capital

Category	***Elements***	***Indicators***
Social performance: Labour practices and decent work	Employment	Breakdown of workforce by region/country, status, employment type and employment contract
	Management relations	Percentage of employees represented by independent trade unions
	Health and safety	Practice on recording and notification of occupational accidents and diseases
	Training and education	Average hours of training per year per employee by category of employee
	Diversity and opportunity	Description of equal opportunity policies or programs as well as monitoring systems
Social performance: human rights	Management strategy	Description of policies, guidelines, corporate structure and procedures to deal with all aspects of human rights relevant to operations
	Non-discrimination	Description of global policy and procedures preventing all forms of discrimination
	Freedom of association and collective bargaining	Description of freedom of association policy and extent to which this policy is universally applied as well as description of procedures to address the issue
	Child labour	Dimensions of the acceptance in this situation and the regulations which are applied
	Forced and compulsory labour	Description of policy and procedures to prevent forced and compulsory labour and extent to which this policy is visibly stated and applied
Social performance: responsibility in relation to customers	Customer health and safety	Description of policy, procedures and monitoring systems for preserving customer health and safety during use of products and services
	Respect for privacy	Description of mechanisms related to customer privacy

Source: Adaptation from Guthrie J., Cuganesan S., Ward L., 2007. *Extended Performance Reporting: Evaluating Corporate Social Responsibility and Intellectual Capital Management,* Issues in Social and Environmental Accounting, Vol 1, No1, pp. 1-25

Identifying the indicators that management of a company can use to report its intellectual capital and its structures, both quantitatively and qualitatively, is a matter of great importance in XXI century organization, given the importance of management of an entity in regulating and reporting of a company (Borza, 2011). Identifying dimensions of corporate social responsibility which have a very important impact on intellectual capital and its components (especially on the human capital and relational) is part of managerial attitude and of public perceptions of intellectual capital.

Conclusions

Competitiveness of modern organizations, regardless of their nature and size, originates in quality of the management and its applied strategies.

The management involvement in managing intellectual capital has many attributes and the tools at its disposal are becoming increasingly complex. Throughout this article, we propose an overview of concepts and their related indicators, with relevance in the management of intellectual capital.

There are still many voices who consider that the "science of accounts" has the advantage of being based on the laws and regulations that currently tend to converge globally, therefore can provide relevant and reliable indicators. In the context, *performance has long been reduced to its financial dimension. In this respect, it is to achieve desired profitability by the shareholders through turnover and market share which could lead to business continuity* (Baret, 2006). *However, financial performance, in the XXI century, cannot ensure by itself the future of a business, because a business cannot develop by working unethical and unprincipled. Today the capital of a company is not only financial, but much of its nature is intangible, founded on human intelligence and business relationships with internal and external partners.* **It's about image, about the shift from quantity to quality.**

Stock markets appreciate the accuracy of accounting information, with all their inherent limitations. In such situations, *accounting was and is itself an instrument of competition and, through information, a means of conducting the* ***"economic dialogue".*** However, the increased focus of the companies to their non-financial, social side, caused a slide of interest to the information provided by companies on their relationship with the environment in which they operate, and on their relationships with partners.

In this context, performance can be defined as an achievement of organizational goals whatever their nature and variety. This achievement can be understood in the strict sense (result, achievement, therefore origins), or in the broad sense of the process leading to the result (action). Performance exists if it can be measured, but the results can be financial or otherwise, *being the result of actions which are financially recorded or socially quantified*.

The way to assess social performance of the company, as a result of social responsibility in relation to the external environment and the impact on intellectual capital, stems from ethical investors' demand, who wanted to know the best practices of companies in which they were prepared to invest. Currently, to evaluate the performance, the used items are: ***respect for human rights; managerial and social relations; customer relations, relationships with employees as human capital; the type of management, environmental policy, and politics for civil society.***

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"Research and innovation" in a knowledge-based society

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Abstract

The knowledge-based society is the stage where mankind is found and aims to raise the living standards of population but also to increase the level of knowledge. To achieve this latter goal, the states of the world, and especially those in the European Union, must ensure an adequate funding for its realization, and therefore in 2011 it was decided at EU level the achievement of an Innovation Union, in which are to be involved all the European countries, while to stimulate and finance research and innovation the Horizon 2020 program was proposed.

Keywords: research, innovation, financing, knowledge-based society

1. Introduction

There were all the prerequisites, that the XXI century will be a century of science and technology, a century in which investment in research and technological development will increase its efficiency, and these will give us a more dynamic future, with constantly evolving priorities.

Thus, the main objectives which are expected at international level for the next period can be summarized as follows:

- Eradicating extreme hunger and poverty;
- Reducing child mortality;
- Realization in all countries of the education at primary level;
- Improving the conditions of health of mother and child;
- Combating diseases of present civilization, such as AIDS and malaria;
- Sustainable development in environmental conditions, and
- Conducting a global partnership for development.

While some goals are bold enough, in order to meet them is needed a substantial reorientation of development policies that are focused on the sources of economic growth, using new scientific and technical knowledge as well as the development of appropriate structural adjustments. All states will have to recognize the benefits of advances made in science, technology as well as development strategies generated by the new developments in system of knowledge.

It should not be overlooked, that there are states that still distinguish between industrial policies, which focus on building capacity, and policies that generate new knowledge to support research - development. Combining these two approaches is designed to focus attention on existing technologies while laying the foundations for long-term research - development. (Popescu D.I. *et al.*, 2006)

2. The knowledge-based society

Knowledge-based society is a formal association of people with common interests who seek to combine knowledge from specific areas of interest, thus contributing to knowledge. Knowledge as a result of perception, learning and reasoning, constitutes the major component of any activity and in particular, of the socio - economic ones. Activities in the spheres of economic, social, cultural and other human activities are highly dependent on information and knowledge, which represent results, but also raw material of these processes.

Society has always relied on knowledge, even if promoted by empirical methods such as observations and experiences that led to generalizations passed down from generation to generation. Mutations produced in contemporary society consists in the introduction of new technologies, which removes the barriers of space, transmission, storage, sharing and storing information and knowledge, providing a favorable environment for fertilization of ideas, leading to increased potential for knowledge generation and transformed it into the most important asset of contemporary society. (M. Mureşan, 2011)

It is now a certainty that knowledge organizations emphasize, not only new phenomenology, but also induce a different view on how to conceive and practice management. Because new types of actors, but also roles, appear, because the typology of management practices is changing radically, it was found that the activities related to the production of knowledge (innovation), its dissemination (communication) and its acquisition (learning) are not compatible with an authoritarian leading or an hierarchical strict and comprehensive control.

On the contrary, their subtle character blurs the distinction between the formal and informal side, while, the outside official controls that became inoperative, are no longer justified. In other words, the separation between management and execution is irrelevant because, as of now, the act of management focuses on developing problems of strategic vision and on facilitating coordinated action of relevant and cooperative actors, which are self-responsible, including in terms decision. (Popescu V.A. *et al*., 2011)

Thus, economic and social development depends in a decisive way of knowledge, in its various forms, upon production, acquisition and use of knowledge. Scientific research and technological development, in particular, is the heart that provides life and social functioning of the entire body. Increasingly, more activities in the field reflect the convergence of social order and the need to meet it, especially the progress of work, various activities and new lifestyle.

Basic research is now carried out in a diversified institutional framework: universities, research institutes, companies and consortiums thereof. In some cases it can be transferred very rapidly in the correct application. On the other hand, it can lead to unexpected applications years later and in areas relatively distant from the original.

Currently the private sector finances supports more than half and two thirds from research and technological development in Europe. Private investment in research and development in Europe, after a relative decrease, register again, an increase in the recent years. Multinationals and international investments have remained high and even increased. Due to globalization of the economy, these companies have developed strategies for research

and development on an international scale, with alliances, mergers and acquisitions that have increased in each sector.

It follows that investment in research and development from the private sector in Europe is lower than that of competitors in the United States and Asia, due, in particular, to lower research efforts of SMEs. In Europe, these trends are essentially represented by the companies that make or use technology and whose future depends on their own capacity to develop. But, only a limited number of small businesses exploit the potential of high technologies, while establishing companies that sell the results of research and development is still at low levels in Europe.

On the other hand, European financial market did not sufficiently discovered the economic value of investment in knowledge. Even if it started to grow, the amount of venture capital focused on innovation is still limited in Europe. Such capital investment in the high-tech sectors and in the creation of such companies is much lower than in the U.S. So the climate for private investment in research in Europe needs, greatly, to be improved. (Popescu D.I. et al., 2006)

3. „Horizon 2020" programme for research and innovation stimulation

European Union in the context of the transition to the knowledge society aims to provide a framework for a smart, sustainable and inclusive growth. Knowledge society and innovation involves the integration of new technological infrastructure, the processes of research, development and innovations, as well as the educational ones, contribute directly to the development of intellectual capital, the main resource of current society. Knowledge generation, based on stimulating the use of intellectual capital is the key factor to increase competitiveness, to ensure sustainable growth and to increase social integration level. To achieve these strategic objectives, the European Union stated some precise targets. Because research and innovation targets set for 2020 includes the 3% of GDP for supporting this field, and for the field of education represents the diminishing school dropout to below 10% and the increasing number of tertiary graduates in the age group 30-34 years to 40% of the total population.

EU strategy provides better exploitation of the potential of economic growth, having as main priorities: research, development and innovation, as well as improving the educational process. The specific program for the research and innovation (Horizon 2020) provides:

- ✓ transforming the European Union into an Innovation Union;
- ✓ improving cooperation between the business environment the academic one by creating „Alliances based on knowledge ";
- ✓ creating new partnerships between universities, research entities and companies in the business sector (communities based on knowledge and innovation);
- ✓ improvement of research and innovation systems, especially of private ones.

The strategic framework on research and innovation 2014-2020 is correlated with the Union Strategy for 2020, following: ensuring excellence in science, providing industry leadership (including active support for the SMEs), providing an adequate response to societal challenges. To finance the „Horizon 2020" program, funds worth 80 billion are

provided to implement these policies, which demonstrates their importance. (European Commission, 2011)

4. Technology transfer

Between research units - development, public and private economic sectors should be a transfer of information and technology of a formal and informal type. The purpose, of this transfer of information system and technology, is the strengthening of the economy in a given territory, by an accelerating application of the information and technology in the economy.

Thus, we can say that technology transfer is the process by which knowledge, facilities or existing capacities, financed from public funds of research and development, are used to meet public and private necessities (Radu M *et al*, 2008).

Technology transfer is seen as a transfer of research results from institutions with research and development activity, in private companies or other entities in society. To establish a technology transfer, there are usually three parties involved in the transfer of technology: a research and development unit, a unit that functions as a system interface, and the user of the technology transfer. All these components of the process of technology transfer aim to accelerate the economic use of research results, which implies the transition from an invention to an innovation, and the dissemination of market success, creating an added value.

At an international level have developed a wide network of organizations for the promotion of competitiveness and technology transfer and these organizations were established as systems interface between research and private firms units. Of the most popular international technology transfer organizations I will mention:

- Federal Laboratory Consortium for Technology (FLC), Washington, USA;
- Association of University Technology Managers (AUTM), Norwalk, USA;
- Competitive Technologies Inc. (CTI), Fairfield, USA;
- British Technology Group (BTG), London, England;
- Defense Technology Transfer Evaluation Research Agency (DERA), Kenilworth, England;
- Institute for Industrial Technology Transfer (ITT), Champs sur Marne, France;
- Bayern Innovative Centre for Technology Transfer, Nurnberg, Germany.

These organizations have as main functions the intermediation and stimulation of technology transfer. By providing facilities and technology services, these organizations seek application of innovation, technology transfer and quality management to increase business competitiveness, as well as providing consultancy and assistance to research and development entities in order to adapt to new demands of globalization and a knowledge-based society. (Radu M *et al*, 2008).

5. Stimulating entrepreneurial initiative

In times of rapid technological change, the need to prevent technological accidents at all stages (research, experiment, industrial use, consumption) should be well balanced with the need to maintain the pace of development and not to increase the already high costs of the more radical innovation.

Trade agreements between countries can have, also, lasting consequences for the locations of new industries. Mobilizing private finance for innovation system depends largely on the sophistication of financial market mechanisms for risk assessment of failures cost innovation and presentation. In most countries these market mechanisms are still immature. This creates financial bottlenecks that affect more advanced innovations that go beyond market borders, than the modest, incremental, innovations.

Resources released by these blockages can launch new businesses, so to resume the business cycle. This creates a challenge for governments, especially in countries where entrepreneurship in large business organizations and / or "governmental entrepreneurship" have traditionally played a leading role in the generation and exploitation of technological progress.

The main conditions that must be fulfilled for the entrepreneurial engine to operate efficiently are:

- A financial education;
- The proper functioning of the products;
- An appropriate regulatory framework for business: creating, trading, closing businesses,
- Development of entrepreneurial training and management skills;
- Facilitate SMEs' access to new technologies and information.

Financial markets can provide value and appreciation to the specific knowledge of the company, to a certain extent by share price, but this do not evaluate good the intangible assets. Labor market assigns value to knowledge embedded in individuals, certificates of education and training systems through awarded higher wages or business opportunities.

Another concern is the interactions between labor market and social esteem for determining long-term effectiveness, efficiency of human capital, regarding the formation and its allocation on the attractiveness of engineering or scientific careers.

Government can intervene through its macroeconomic management: interest rate has an impact on the current value of knowledge embedded in capital goods and, more generally, on private investment in long-term research. Thus, when production is financed as a public good, is supported and researched as good for business and training, infrastructures that increase the profitability of some private investment in knowledge are achieved. (Popescu R., 2007

Conclusions

Scientific research should not be regarded as definitive completed once obtaining final results. They concern, as task, as achievement for the moment, only reaching the objectives pursued at the beginning of research. But beyond these targets are foreseen other matters, most of which are new, that appear as possible and / or necessary future research topics. Because of this, research results can be used either immediately applied in a practical sense or in a theoretically sense. In the latter case, they will be prerequisites for future research. (Gheorghe I. G., 2008)

At this point mankind is in the third revolution that is driven by THE knowledge-based service sector. Although, over time, the laws of economics have not changed, however, the economy itself has changed in a fundamental way. There are several important aspects of

the knowledge economy, which is also called, „the new economy", that are different and are marked differently from, „the old economy". These differences between the two as „economies" can be compared with the differences that led to the transition from the agrarian economy of the nineteenth century to the twentieth-century industrial economy. Thus, if in the industrial economy capital was more important than land, in „the new economy" innovation through knowledge is the most important aspect. Currently most aspects of the economy are characterized by it. In the global knowledge economy, the advantage of some nations over others will result, not only from the use of natural resources owned or by cheap work force, but also from their ability to assert their intellectual capital.

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Intercultural communication in business

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Abstract

The article is focused on the significance of intercultural Communication in business in the 21st century, based on the concept of globalization, which implies interaction and, therefore the necessity of training future experts in business accordingly in order to be able to communicate successfully with peers belonging to different cultures. It points out some aspects referring to the nature of communication, categorization of cultures and the importance of good communication across language and cultural barriers.

Keywords: business, communication, globalization, skills, training

1. Introduction

In recent years experts in a wide variety of fields - scientific cooperation, academic research, business, management, education, culture, politics, diplomacy, and others - have realised how important intercultural communication is for their everyday activity. The internet, fast travel and international media have contributed to an easy communication among people all over the world. The concept of economic globalization means that we cannot function in isolation but must interact with the rest of the world. Many of the modern problems such as environment, poverty or international terrorism require cooperation between nations. Therefore, intercultural communication is no longer an option, but a necessity.

Globalization has made it possible for more business people to move cross-culturally. Intercultural business communication includes economic topics, and businessmen belonging to different cultures need to become sensitive to the variety of cultural values and to improve their communication skills that could directly lead to successful negotiations with other companies or corporations. Miscommunication may start from small linguistic misunderstandings to serious situations in which agreement may be differently interpreted and its process may be totally different from culture to culture.

Since intercultural communication includes not only linguistic elements , such as grammar, syntax and pronunciation, but also intercultural competence, such as turn taking, negotiating, opening or closing a conversation, it is quite hard for language teachers or trainers to point out the elements that are important

2. The Nature of communication

Whenever communication takes place there is a speaker (and/or writer) and a listener (and/or reader). In conversation and the exchange of letters the speaker or writer quickly becomes a listener or reader as the communication progresses.

When two people are engaged in talking to each other they are doing so for good reasons. Therefore, the speakers will speak because:

- They want to say something, i.e. the speakers feel the need to speak, they make definite decisions to address other people.
- They have some communicative purpose. Speakers say things because they want something to happen as a result of what they say. They are interested in achieving their communicative purpose (to give some information, to agree, disagree, express pleasure, complain, etc.). What is important is the message they want to convey and the effect they want it to have.
- They select from their language store. Speakers have an infinite capacity to create new sentences. In order to achieve this communicative purpose they will select from the 'store' of language they possess the language they think is appropriate for this purpose.

These three generalizations apply equally to someone having a private conversation and to the businessman giving a speech to an audience.

Assuming an effective piece of communication, some generalizations can be made about a listener (or reader) of language. By effective communication we mean that there is a desire for the communication to be effective both from the point of view of the speaker and the listener. There are some other characteristics that are necessary for effective communication, such as communicative efficiency/competence on the part of the speakers, but, still, the following three points can be made about the listeners:

- They want to listen to something. That means that the listeners must have some desire to understand what they are listening to.
- They are interested in the communicative purpose of what is being said. Generally, people listen to language because they want to find out what the speaker is trying to say, i.e. what ideas they are conveying, and what effect they wish the communication to have.
- They process a variety of language. Although the listener may have a good idea of what the speaker is going to say next, he has to be prepared to process a great variety of grammar and vocabulary to understand what is being said.

Therefore, when organizing communicative activities, trainers will try to ensure that these activities share the characteristics mentioned above.

3. Good communication means good business categorizing cultures

Culture is a shared system of symbols, beliefs, attitudes, values .expectations and norms for behaviour.

Looking for categories is a useful tool for analysis and the training of people and can be used as initial **device** in preparing for cross cultural encounters.

❖ Lewis Categorization

Richard D. Lewis, author of ***When Cultures Collide: Managing Successfully Across Cultures*** (Nicholas Brealey, 1993), divides cultural characteristics into three groups: "linear

active", "multiactive" and "reactive". He argues that that people of different nations exhibit characteristics from each of these groups to different degrees. For example, some linear active traits are: introvert, plans ahead methodically, works fixed hours, follows procedure, limited body language; some multiactive traits are: extrovert, plans grand design but impatient with detail; works any hours, does several things at once, interrupts frequently, interweaves personal and professional; and some reactive traits are: introvert, sees whole picture, plans slowly, subtle body language.

Lewis categorizes nations by determining which of the groups their daracteristics tend to fall within. The nations with the most linear active traits are 1K Germans and the Swiss. Typical examples of multiactive nations are Latin .Americans, Arabs, Africans, Indians and Pakistanis. Nations showing reactive traits are the Japanese, and to a lesser degree the Chinese.

❖ **High Context/Low Context**

Raymond Cohen of the Hebrew University of Jerusalem ***(Negotiating Across Cultures: International Communication in an Interdependent World,*** revised ed.**,** Washington DC: USIP Press, 1997) offers a system for analysing national negotiating styles in terms of the importance which negotiators attach to the broad cultural context in which they operate. Cultures fall into various places on a continuum from high to low context. Arab culture, for example, is high context as Arab negotiators attach great importance to context, for example history, and make a sharp distinction between the way matters of state should be conducted and matters of commerce. The first is the realm of principle and morals, and the second, the realm of haggling. Arab negotiators attach high importance to creating bonds of friendship and trust between negotiators, and respect for the honour and dignity of negotiating partners. Less developed, traditional societies tend to give rise to a high context approach.

American society is typical of the low context approach of more developed countries. These cultures view negotiation as an exercise in collective problem solving: knowledge and expertise are applied to find mutually acceptable solutions to problems, and partners expect to adopt a give-and-take approach. Low context cultures subordinate history, personal honour and personal relationships for the purpose of agreement. These cultural differences can lead to serious misunderstandings not only about the topic of negotiations, but about what it actually means to negotiate.

❖ **Good communication means good business**

Good communication matters because business organisations are made up of people. Research during the last decades has ranked communication skills as crucial for managers who spend about 80% of their time engaged in some form of oral or written communication.

Further on, we shall examine three reasons why good communication is important for individuals and their organizations.

❖ **Ineffective communication is very expensive**

According to a report of the National Commission on Writing (USA), American businesses spend more than $3 billion annually just training people to write. In a New York Times article about the Commission's findings, the president of New School University in New York and chair of the National Commission on Writing, said:"People unable to express themselves clearly in writing limit their opportunities for professional, salaried employment.

❖ **Communication has become even more important in the changing environment of the 21st century workplace**

The autocratic management model of past generations is being replaced nowadays by participatory management in which communication is the key to build trust, promote understanding and empower and motivate the subordinates. The new type of organizations, the flatter ones, in which managers communicate not only with those reporting to them, but also with many people over whom they may have no formal control, have made communication essential to organizational success.

Because the domestic workforce is growing more diverse, a company can no longer assume its employee constituencies are homogeneous. Employees reflect differences in age, race, physical abilities, gender and sexual orientation. Companies are realizing the advantage of making full use of the creativitiy, talents and experiences of a diverse employee base.

Teams occupy a very important place in the 21st century workplace. At present, surveys show that the majority of the companies use teams, which means most of all communication.

❖ **The world's economy is becoming global**

The ability to compete in the global economy is the greatest challenge facing business today. Organizations want to negotiate, buy and sell overseas, set up joint ventures, market and adapt products for an international market. All this involves communication.

Many times certain products have failed overseas simply because a name may take on unanticipated meanings in translation. Here are some examples: the Olympic copier Roto in Chile (roto in Spanish means 'broken'); the Chevy Nova in Puerto Rico (no va means 'doesn't go'); the Randan in Japan (randan means 'idiot'), a successful European chocolate and fruit product was introduced into the U.S. with the name of "Zit" (informal, pimple).

The overall implications of intercultural communication for global business are enormous. Naming a product is also communication. An example is Eurodisney, later renamed Disneyland Paris, which lost billions of USD in the 1990 not only because of a recession in Europe, but also because of intercultural insensitivity. No was paid to the European context or to the cultural differences in ent practice and labour relations.

For all these reasons, communication is crucial to business. Specialized knowledge is important, but not enough to guarantee success. Communication skills are vital.

Here are some tips for effective communication adapted from Research on Communication Strategy by Mary Munter of the Tuck School at Dartmouth and Thomas of the University of Michigan:

- Consider your objectives whether writing or speaking, i.e. what you want your listeners or readers to do or remember.
- Consider your audience. If you anticipate positive reception of your message, you can be more direct.
- Consider your credibility in relation to your audience and the organizational environment.
- How can you motivate others? Benefits are always very important. Your audience may become more receptive if you can establish common ground, especially at the opening of a message.
- Think carefully about channel choice, about the advantages and disadvantages of your choice, and the preferred channels of your audience.

- If you want to have a permanent record or need to convey complex information, use a channel that involves writing; face-to-face communication can be preferable, especially when you prefer not to have a written record.

Conclusions

Today, both culture and communication have evolved considerably and have become interdependent of one another. The way people communicate varies widely between, and even within cultures. One aspect of communication style is language usage. Language has always been perceived as a link between people but it can also constitute a barrier. Across cultures, some words and phrases are used in different ways. For example, even in countries that share the English language, the meaning of "yes" varies from "maybe, I'll consider it" to "definitely so", with many shades in between. Furthermore, communication between cultures that do not share the same language is considerably more difficult. Each culture has its distinct syntax, collocations and structure which may cause confusion in intercultural communication. Moreover, individuals who are not comfortable with a certain language may not be taken seriously, which may mean a great disadvantage in the business world.

Communicating across language and cultural barriers can be a challenge to one's skills nowadays. It has become quite common to encounter in our own country people from a multitude of backgrounds in the workplace. The growth of interdependence of people and cultures in the global society of the 21st century has forced us to pay even more attention to intercultural issues. In order to live and function in this multicultural environment as effectively as possible, people must be competent in intercultural communication, which includes verbal and nonverbal communication.

Nowadays it is not enough to speak a common language such as English because it does not guarantee an effective communication. Based on this idea, Intercultural Training was created. The term is not new. What is new, however, is the systematic study of what exactly happens when intercultural contacts take place and which solutions can be found to prevent intercultural misunderstandings. When a person starts communicating with people from another country and, besides, with a different cultural background, the adjustment process usually begins. The Intercultural Training programs are able to show the participants the rules that should be remembered when they go abroad.

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Culture of enterprise versus administrative culture - need for strategic management in the chemical industry

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Abstract

Strategic management plays a central role in the planning and appropriateness spheres firms, as this is an affect essential the witted.

Founded and coordinated with the function of organic forecast, strategic management and prediction involves figuring out changes, and models to be carried out in the firm and its relations with the environment, denounced the new, dynamic and flexible in the managerial, in such a way as to avoid discrepancies by comparison with between supply and demand, between new and old, providing increased competitiveness.

Keywords: Strategic Management, level of the hierarchy, types of strategies.

1. Introduction

At the stage of growth of a business, the company must keep a few features entrepreneurial while carried out the transition toward a predominantly managerial style. Self-employed Balance/manager it is very difficult to be carried out.All want to be innovative, flexible and creative but it's out of the question for each apple, Domino's and Lotus there are thousands of restaurants, shops and businesses of newly-created advisory who have attempted to be innovative, to increase and retain the characteristics entrepreneurial in a dynamic, but which have failed.The ability to remain entrepreneurial activity during the "adoption" of administrative features is essential for the dealership during the period of development. There are several factors of major development whose features and constraints are different depending on domination by entrepreneurial culture and administrative. Table one shows these factors from a dual perspective.The two extremes of administrative leadership and entrepreneurial is based on points of view specific, compiled by Stevenson and Gumpert as follows:

Administrative point of view:

- What resources i can control?
- What structure determines relations firm on the market?
- How can I minimize the impact of others on my managerial skills?
- That opportunity is good?

Entrepreneurial point of view:

- Where is the opportunity?
- As evaluate you?

- Being the resources?
- How I can control resources?
- What is optimal structure?

Table 1. Culture of enterprise versus administrative culture

The crop type	Culture of enterprise		Administrative culture	
Key drivers of development	Features	Constraints	Features	Constraints
Strategic Orientation	Performed by perception opportunities	Reduction opportunities rapid change in the economy, technology, social values, etc.	Performed by resources controlled	Contracts social criteria to measure the performance cycles and scheduling systems
Referral opportunities.	Revolutionary, of short duration	The orientation action. Narrow field of the decision-making. Accepting risks.	The long-term.	Knowledge of multiple constituents. Reduce the risk. Coordination with existing resources.
Allocation of resources	Large number of stages	Lack of resource needs predictable. Lack of control on the environment. Social applications for an appropriate use of resources.	A single-stage	The need for reducing the risk. Systems of budgets. Scheduling systems.
Controlling resources	The Use episodic or hiring human resources	Risk wear moral. Risk in identifying opportunities	Owning or hiring necessary resources.	Rewards financial, power and status. Coordination of the work. The inertia and the cost change.
Structure of Management	Payment, with multiple networks	Coordination of resources key. The challenge hierarchy. A desire for independence of the employees.	Hierarchical	The need for clear definition of the authority and accountability. Organizational culture. Systems of reward.

Source: Adapted after H. Stevenson, D. Gumpert, op.cit., p. 89

2. Professional management and development company

Even if managers meet similar management company regardless of the size which, however, their work itself differs from several points of view. This fact is felt by the managers which moves from a firm than in one small or medium sized. They encounter a completely different atmosphere.Furthermore, there is a permanent change in relation to organizational and managerial needs of the company small, because it starts from the zero point, of its launch up to one in which you need to hire a professional manager or team management techniques. While there are in large firms, render it management is considered

to be small-business specific, many of them being faced with a fight hard for daily survival.Ineffective management but it is not a distinctive feature of small businesses, determined by their characteristics. Rather it might be asserted that managers small businesses, in particular of firms in the launching stage/increase must be to deal with constraints (limitations of financial resources and human) that is not faced managers executives of big companies. They reflect not only in the activity manager but also in that of specialists.For example, a specialist in marketing from a small business which comes from a large enterprise, finds often with surprise that it does not have any market research and resources allocated to business of marketing are very low or non-existent.

Another cause of inefficiency is the low company management with lack of competent personnel. Most managers have only general knowledge and they feel lack specialists in marketing, financial analysis, advertising, human resources, etc. , as a result, self-employed (in the event that it is and manager) is forced to take decisions specific to the fields above, without the benefit of guidance which exist in large firms. Although this limitation may be partially exceeded by calling the management consulting in the business, however, lack of skills available at all times, it is a reality of the company's small.

During creation and business development, the company organizational and managerial changes. Management must be so flexible that it can adapt to growth and changes your organization. Specific changes periods of "childhood" and the "teenage years" are much more frequent and profound as compared with those that take place during the period of the development of a business ripe, aimed at following areas:

- structure entrepreneurial activity;
- organizational culture;
- decision-making;
- management time

3. Entrepreneurial activity structure

As the company's development, the structure entrepreneurial activities change. Self-employed becomes more and more little performer and more and more manager (fig. 1).Entrepreneurs who hesitated to assume responsibilities and to extend the area management techniques in the course development firm, limits the opportunities of growth. On the other hand, a business than what she wants to grow very quickly could "burden for" self-responsible managerial to which he could not make any front. Aim's personal assets is not to become a man-orchestra.And he might lose quickly skills which were basic to business creation, so it is a administrator frustration. Between the two roles, echoes of manager and performer there is a voltage. With all that the area management extends, however should not be lost advantages/skills that facilitated creation business. Although, very small companies can survive despite managerial deficiencies, however lack of a professional management affects and slows down business development.

4. Organizational culture

Organizational culture lack feature of most small businesses - may make it difficult for changing from an entrepreneurial management to one professional.

5. Decision-making

Decision-making means a component sin sine qua non of any managerial activities. Self-employed is often tempted to be based mostly on intuition in decision-making, especially in the case does not have the necessary information. Intuitive decision may be denounced to the extent that it is based, not even on the information already available or easy to obtain. Another type of decision is the one based on experience, which can add efficiency it's up to a certain point, beyond which there can be no disregarding information.

6. Management time

The owner-manager spends most of the time while addressing current problem (appointments with customers/suppliers, discussions with employees etc). Energy is divided between these activities than in time-consuming, especially if the manager is assisted by a small staff. Time is often the low resource by the owner-manager. Many entrepreneurs are working between 60 and 80 hours per week. Those who launch the little time in the business work even more. A frequently result, and unwanted of such a program is inefficiency at work.

A solution to the problem significant lack of time is a good organization of work. This means delegating tasks, which involve a selection and appropriate training of his subordinates, shall in no way release him to enable those assuming responsibilities. Perhaps the greatest time savings result from the use to be effective. If self-employed/employees tilts between a task and the other one, none of them will not be fulfilled in their entirety. The first step in the planning time should be a sighting of time spent in normal mode with different activities. Reliance on an overall impression, in this case, may lead to errors.For a period of a few days/weeks, self-employed to record time spent on different types of activities. An analysis of this data structure will highlight activities in general and in particular, as well as and the factors responsible for the loss of time. After elimination of the practices that they waste time, self-employed may evolve over time-use carefully available. A planned approach each working day is more effective than the one based on the principle 'what happens first", applied by the managers, in particular, small businesses, whose program of work is frequently interrupted by unexpected events.Specialists in the management time is recommended to use a written plan of the activities which may take the form of an easy trail or may also include a prioritized depending on the importance and urgency. By the classification of activities in the first, second, or third level of priority, self-employed will identify the most important tasks. Efficient use of time requires self-discipline from the holder's personal assets. Good intentions are not sufficient if they are lost later in contingencies. Deferred tasks difficult or unpleasant in the end lead to a decrease in efficiency in the use time. Some entrepreneurs spend too much of their time for meetings with his inferiors. Preparation of an agenda and determination of the duration of appointment can help to maximize your efficiency and save you time your manager.

7. The concept of strategic management

Strategic management plays a central role in the planning and appropriateness spheres firms, as this is a affect essential the witted. Founded and coordinated with the function of organic forecast, strategic management and prediction involves figuring out changes, and models to be carried out in the firm and its relations with the environment, denounced the new, dynamic and flexible in the managerial, in such a way as to avoid discrepancies by comparison with between supply and demand, between new and old, providing increased competitiveness.

The concept of strategic management consists of a general program of action and allocation of resources to achieve long-term major objectives. "Strategic Management consists of a set of decisions and actions, for the formulation and the implementation of plans designed to achieve the objectives firm".

"Through strategic management is the entire management of the company based on strategy, therefore, refers to scientific management of the company, which, always, is founded in strategy".

Strategic management must be based on high performance strategies who are studying and find solutions that best to a wide range of objectives, and future issues such as:

- the demand,
- which services are profitable, and if he offers customers something in addition in relation to competitors narrows on the market,
- if competitors can discourage legally,
- which is the most appropriate pricing policy,
- motivation employee,
- staff policy.

That principle, strategic management is an attribute of management essentials and only the top of the company. Establishes strategic management and offers a vision and the general framework for action at all hierarchical levels in particular at its peak, gravitate all activities and to induce intense killing heat responsibility key points in the structure organizational in achieving overall process.

8. Strategic management features

Three-dimensional character is specific for the formulation and implementation strategic management, having the following forms:

• Rational and analytically (economic size), its primary mission as formulating guidelines technical-economic external, taking into account the opportunities constraints and environment, on the one hand, and, on the other, of the forces and weaknesses business;

• Socio-political (human dimension), being important in formulating strategy. Power ratio and the pressures socio-political internal and external will have an impact at all negligible on officials business;

• Bureaucratic (size organizational), which consists of all the persons and compartments firm classified in a practical configuration, as well as of the totality of relations established between them with a view to achieving the objectives proposed. Organizational structure integrates human elements that is found in all the systems company, and contribute

to defining roles and their status. In this space there is an organizational and there is a organizational culture consists of a set of values, ideas, languages and rationality, which are rules that the individual default internalize them, and, in relation to which he reported to be conscious behavior.
"Pathology strategic constitute, at the same time, a diagnostic tool indispensable to the management strategic recognition because it allows situations in which there is firm, and, therefore, to implement actions to eliminate faults ago, by acting, as the case may be, on one of the three sizes, strategies and unsuited unrealistic induced by such situations upholstered benches inside prevented.

9. Similarities and differences between strategic management and strategic planning

Strategic management is a continuous process, dynamically for a review, update, and adapting continuously on the strategic decisions based on the different elements that appear on the way, while strategic planning describes activities carried out in regular firm to provide for the changes in the environment or, having a character sequence.
Strategic management is to conduct business in the environment or outer, strategies and decisions, flexibility to adapt to new situations, while strategic planning is limited to company be emailed with the environment. Strategic Management consists of a series of strategic decisions and actions which involves adaptation firm in external environment, and strategic planning involves a plan that can leave unchanged culture company.

Strategic management also includes strategic control which consists in ensuring that the strategy chosen is implemented properly and bring desired results, the differences in the analysis and any necessary adjustments, as opposed to strategic planning which involves strategic formulation and evaluation of alternatives, the choice strategy and drawing up plans.
"Strategic management has a richer content and a sphere of coverage wider than strategic planning, which include it as a tool by the implementation. It consists in a set of decisions and actions that result in the formation, implementation and control strategies, adopted with a view to achieving the objectives and adapt to the changes its profitable environment.

10. Leadership role in strategic management

Previous leaders can influence organization activity even after they have left. To the question how do you think that you will remain in the memory organization? Most of those surveyed also admitted that he did not even have been thinking about this. They are either not at all they will remain in the memory organization, be it will be withheld things on the managers they would like forgotten. Managers that have made significant changes in work organization will remain in memory for the principles which they have promoted.

Current leaders. Managers' behavior is extensively studied by subordinates and sometimes copied. The leaders must be aware of the effect their lifestyle and behavior, they can easily create raped. It is surprising how easily can be copied certain attitudes and behavior such as: over consumption of alcohol, shall repent, indifference, impertinence.

The physical layer. Natural Ambient of the organization may have a significant influence on the way for the conduct of the activity, like psychological environment. Conditions of work have both the positive and negative on the personnel. It can happen that

headquarters of the organization to be located in a modern building, equipped with stylish furniture, and in the manufacturing floor to prevail dirt and negligence.

Technology and the effects on culture organization. How to progress of the work of organization may give rise to patterns of thinking and of behavior. The production process must be coordinated or may be carried out automatically. Administrative work is done for the most part on paper or computer.Myths and legends organization are used to encourage desirable behavior by the organization. Stories and Anecdotes concerning his organization differs from the myths and legends, by the fact that it is based more on reality. Usually, they are much more recent. They may be a tool more powerful cultural, as they may be created by leaders who want to get a certain effect, but must be constructed with great caution, and there were danger falling into ridicule.

Conclusions to be drawn

The need to face multiple challenges that characterize the present business environment, causes firms to practical strategic management which provides the following benefits: gives an overview of the future concrete company and a unitary framework of decision and action at all levels of management; provide increased awareness of the threats and opportunities environment in which firms; provides a better understanding of competitors' strategies and in measures to be taken to offset their impact; precious constitutes a guide for the establishment of priorities for the allocation of resources; provides consistency with the current strategic decisions and tactical, and coordinate the best of all operational and functional units of the business; helps to clarify and understanding organization's mission and the purpose and, accordingly, the fare being raised level of employment of all personnel for the implementation of the strategy, and business;Strategic decisions based on a wide participation of managers and specialists different levels hierarchical, ensures developing the spirit of the team; contributes to the reasons for the employees and reduce resistance to change, by explicit formulation of strategy and combining close of formulating and implementing strategy.

Despite its indisputable advantages strategic management also has a series of limits and shortcomings: business strategy formulation requires time-consuming, it thus moving at the expense of the other responsibilities of the business; if those involved in strategy its merits are not involved and in the implementation, they can get out of the individual responsibilities for the dawn of the decision-making process; the degree of participation is low, his inferiors may levy wrong beginnings managers related to the solutions chosen, can be felt disappointed strategic options chosen.

Powers, powers and responsibilities in the management strategic goal. In strategic management are the three hierarchical levels and of the three categories of managers: senior managers from the business, which deals with the issues that affects the time broad horizons, determine fundamental objectives and shall adopt decisions extensive and deep on the activity of business; managers in mid-level, which ensure connection between senior managers and those to the lower level of pyramid hierarchical design. They deal with problems that affects average horizons of time, make decisions and take action on certain sectors and bays; managers at the lower level, whose duties consist of the current tasks,

operational, on short horizons of time, and coordinate some sectors operational or functional. Their main responsibility consists in making tactical objectives by the group of work.

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