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CIVILIZATIONS FROM «CLASHES» TO EVOLUTION

*«Roaming and books- these baths of
light for the heart and the mind»*

Panait Istrati

It has been almost 14 years since then, in 1996 a book literally shocked the world of economics, but especially that of sociology, political science, history, the philosophy of the time. The volume was called "The Clash of Civilizations and the Remaking of World Order" (in short "The Clash of Civilizations"...), New York, Simon and Schuster, a few months or a year later numerous translations of the book appearing, among which the French translation „Le choc des civilisations et la refondation de l'ordre mondial”, but also one or even several Romanian translations. The author, Samuel Huntington. He was born in New York, in April 1927, completed part of his studies at the University of Yale, at less than 25 he was already part of the teaching staff of the famous American university of Harvard, and at 30 years old his first book will appear, which will make waves and trigger heated debates: "The Soldier and the State". Oriented towards democracies and international problems, he will enter politics, in 1968 becoming a diplomatic advisor for the democrat presidential candidate Hubert H.Humphrey. Ten years later, he will be a member of the National Council of Security under Jim Carter's presidency. He will not give up the academic environment, being one of the founders of the famous magazine Foreign Policy, holding conferences and publishing many papers, articles, etc.

Until his death, on 24 December 2008 but also after that moment, he will remain the author of one book. The one quoted above «The clash of civilizations». Beyond the waves and reverberations triggered by this volume, not few researchers are claiming that the ideas put forth in this volume have fueled mainly the neoconservatives' theses, of similar

political orientations and that the errors they contained are becoming increasingly obvious. And opinions to contradict such statements are- it seems- fewer and fewer and increasingly diluted ...

So, the shock, the clash of civilizations. In his work, S. Huntington shows that in the post- cold war world conflicts will no longer place nations and ideologies into opposition, but cultural and religious groups. «A thesis taken over by the American neoconservatives and by all those who tried to account for the incompatibility existing between Western countries and the rest of the world», this is how Professor Bruno Cabanes, from the Yale University summarized the main message and impact of the book. According to Huntington, the world is divided into cultural spheres which he calls civilizations, the clash of which is at the basis of present and future conflicts. S.H. distinguishes 8 such types of civilizations, namely the West, the Latin-American civilizations, Islamism, Orthodoxism (around Russia), Hinduism, Nipponism, the Chinese civilization, and finally, the African one. This is the assumed area of clashes, of present and possibly future conflicts. However, his book puts forth something else, something which contradicts many of his claims before and after that. Namely «the Western belief (conviction, n.n.) in the universal vocation of its culture presents three major flaws: it is false, it is immoral, it is dangerous.». In other words, while remaining in the American zone, Huntington points out that the United States have erred and are still erring when they want to force their values and culture upon the others. Tensions may escalate resulting into a serious inter-civilization conflict. Which, as Bruno Cananes was writing «has not been in line with George Bush's and Dick Cheeney's policy in Afganistan and Irak.». Let us now watch Obama, of a different extraction, a genuine intellectual, who according to many is rather promising in his actions.

Actually, we would like to add to what Huntington wrote and the Yale professor interpreted, with more wisdom the United States do not even need or would not even need armed conflicts in order to impose their interests, values and culture. With more wisdom they can do this by seduction, and history, more exactly, the world's economic history irrefutably proves the effectiveness of such «technologies». Economic «seduction» and not only, obviously peaceful, and not armed constriction. It is on such a basis that the world has been going forward, a perfectly founded claim even if we think about what the Western culture- not

necessarily and exclusively the American one- has represented for other civilizations in S.H.'s acceptance.

Although sometimes interpreted as such, Huntington has not represented and is not representing the « zealot » of American expansion by force, the « zealot » as such of- what he sometimes calls- American imperialism. The intellectual world has also been puzzled by the way in which S.H. defined civilizations, thus largely ignoring cultural exchanges, cultural interferences and the « creoleness » as such of civilizations. The American politologist also overrated religious confrontations at the expense of national confrontations, rather frequent and bloody too, and being intertwined with the religious ones. It is true, the shock of « 11 September 2001 » seemed to confirm most of Huntington's ideas, but one should not stop here in evaluating the present and the future, as many other leads exist in the area on co-work and collaboration. Yet, Bruno Cabanes writes that Huntington's texts are most dangerously relevant for the internal policy of some large states. Because these defend a certain turning of the Western civilization towards itself and an extremely rigorous immigration policy. Which can generate obstacles not so much as regards the general desirable evolution of the world, but against it.

What is obviously remarkable is the way the perspective of “shock”, of “clashes” is examined and the way in which Huntington sets the elements of the equation. However, the vision regarding the “clash” of civilizations mainly from the perspective of religious differences and divergences, is rather limited. How about the “rich-poor clash” within states and outside them? How about the “clashes” between philosophies, evaluation criteria and values within states and outside them? Huntington is actually bringing to our attention not so much an exclusive problem as a working method that we can only appreciate.

... The true “shock”, the true “clashes” in today's world are fundamentally those with ignorance, as another American, Edward Said, a critic of Huntington, too, shows in one of its studies “The clash with ignorance”. And one cannot fail to agree with him. Ignorance, more than anything else, seems to be the most perfidious evil undermining the foundation of a world that, anyway, should become better ...

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ECONOMICAL THINK-TANKS IN ROMANIA

Abstract: *In Romania, the economical research benefits from a complex and efficient institutional framework. Beyond research, the Romanian economical think-tanks perform important functions oriented towards the governing factors and the professional audience, so that, directly or indirectly, the research result influences the government and the local administration policies, but also shapes public opinion tendencies towards the support or limitation of certain types of economic policies.*

While the origin of the modern think-tanks is to be found in the United States of America, the organization and functioning of the Romanian ones are still strongly influenced by the Russian model of the research institutes, subordinated to the Academy. The Romanian reality of the economic think-tanks represents the fusion of the two models, being able to efficiently meet the challenges of a fluctuating global economic context and the needs of the national economy in transition.

Keywords: *think-tank, policy making, economic policies, policy research organizations*

1. Concept and Taxonomy

One of the most frequently invoked definitions of the think-tanks dates from 2004, being the product of 145 European experts'

effort in the field¹: think-tanks are (1) permanent organisms, (2) which specialize in the production of solutions for public policies, (3) thanks to their own dedicated research staff. They provide an original production as a result of reflection, analysis and counseling, (5) in order to be communicated to the governing factors and the public opinion. These think-tanks (6) are not endowed with governmental functions. (7) They generally strive to maintain the freedom of research and are not attached to specific interests. (8) Their main task is not educational and diploma awarding. (9) Finally, their work pursues, implicitly or explicitly, to serve the public welfare, unlike commercial or profit organizations.

According to the classification proposed by James McGann (a prominent member of the *Foreign Policy Research Institute* think-tank and a coordinator of an annual think-tanks inventory and improvement program on a global level)², there are three main categories:

those focused on research activity (“policy research organizations”)

those which also extend their activity upon counseling the political factors (“think and do tanks”)

those that almost exclusively focus on position stating (“do tanks”).

Another classification³, based on an adaptation by Mc Gann & Weaver⁴ and Weiss⁵, present the think-tanks panorama as follows:

¹ coord. Stephen Boucher, *De l Europe et ses think-tanks. Un potentiel nonaccompli*, in “Notre Europe. Etudes et recherches”, 35/2004, p. 4

² www.fpri.org; Mc Gann’s articles can be viewed separately at this address.

³ Realised by Jiri Schneider in the paper *Globalisation and think-tanks. Security policy networks*, presented at SAREM International Seminar, Istanbul, May 30, 2003

⁴ James G. McGann, R. Kent Weaver, *Think-tanks and Civil Societies: Catalysts for Ideas and Action*, Transaction Publishers, New Brunswick, 2000

⁵ Carol H. Weiss, *Policy research as advocacy: Pro and con*, in “Knowledge & Policy”, Spring/Summer 1991, Vol. 4 Issue 1/2, p.37-57

The research foundation	The experts' role	The type of the think-tank	Similar institutions	Main financing
Data (knowledge)	Academic	“University without students”	Academic research centers	Foundations
-	Contracted researchers, experts	Consultancy companies	Governmental research centers	Public budget
Ideatic values (ideological)	Lawyers	Non-governmental organizations	Party think-tanks	Political parties, individuals, corporations
Arguments, interests	Intermediates, lobbyists	Lobbyist	Associated research centers or interest groups	Entrepreneurs, corporations, associations, trade-unions

2. The American Model

Emerging in the United States, after the Civil War¹, multiplying in the early twentieth century² and becoming a socio-political phenomenon by the mid-twentieth century, the think-tanks have undertaken the task of producing projects and models concerning the evolution of the American society, which aimed to guide the actions of the political class in the sense of improving decision making in internal or international politics.

Their work became a milestone in building economic policies of the presidential administration, the Congress or the federal states

¹ In James Allen Smith's opinion, *The Idea Brokers: Think Tanks and the Rise of the New Policy Elite*, Maxwell Macmillan International, New York, 1991

² A few examples: The U.S. Industrial Commission (1892), The National Civic Federation (1900), The New York Bureau of Municipal Research (1906) – denumit astăzi Institut of Public Administration (IAP), The Russell Sage Foundation (1907), Carnegie Endowment for International Peace (1910)

authorities. The *Hoover Institution*¹, the *Hudson Institute*² and the *Brookings Institute*³ have become valuable sources for the federal or state policies.

The contribution brought by the think-tanks to the articulation of public policies was acknowledged through direct funding by the authorities, and the sources of income were soon completed by substantial private sponsorships.

In this context, think-tanks have become constant partners of the Congress, where hearings are organized systematically. The American administrations have benefited from the support (or the control?) of some associations of think-tanks that have not only produced the theoretical basis of economic policies, but have also provided specialists for the highest state functions. Thus, the George W. Bush administration had a special relationship with the neoconservative think-tanks, grouped around the *Project for a New American Century*⁴ (among the members: Donald Rumsfeld, Dick Cheney, Paul Wolfowitz). As for the Obama administration, it is the theoretical product of the *Brooking Institute*, the *Center for American Progress*⁵ and the *Center for a New American Security*⁶, where many analysts and government officials of the Bill Clinton administration could be found between 1980 and 1990.

3. The Russian Model

In the context of the Cold War, the Soviet institutes were consolidating the USSR diplomatic policies trough economical theories, an explicit summary of the two research paths being formulated at the *World Economy and International Relations Institute* in Moscow, which had over one thousand employees.

¹ www.hoover-stanford.edu

² www.hudson.org

³ www.brook.edu

⁴ <http://www.newamericancentury.org>

⁵ www.americanprogress.org

⁶ <http://www.cnas.org>

However, unlike America or Western Europe, all the Soviet think-tanks were considered as state institutions, and responded to orders from the Soviet leaders. As research institutes, these were responsible for their work in front of the Academy of Sciences, both politically and scientifically.

With the perestroika and the glasnost, the think-tanks gained sufficient autonomy to analyze and objectively predict the transition phenomena. Alexander Yakovlev, former Director of the *World Economy and International Relations Institute*, became one of the most important collaborators of Mikhail Gorbachev.

After the fall of communism, academic institutes rapidly declined, mainly due to insufficient research funds and the unattractive salaries for the researchers. In these circumstances, the think-tank landscape was significantly diversified. If we take into consideration the most comprehensive guide to the think-tanks around the world, compiled through a project of the *Foreign Policy Research Institute*¹, the reference for the year 2007 shows the continuity of important economic research institutes (the *International Economic and Political Studies Institute*², the *World Economics and International Relations Institute*³). On the other hand, this kind of statistics lack essential components of the Russian economical way of thinking, such as the *Valdai Discussion Club*⁴ or the *Open Russia Fund* belonging to the tycoon Mikhail Khodorkovsky⁵, which is organized according to the American organizational and activity model.

¹ <http://thinktanks.fpri.org/>. We mention a few serious editing shotages for this guide: think-tanks considered as fundamental in the absence of a website, erroneously indicated, the lack of representatives (notice only the absence of the “Valdai” Discussion Club)

² <http://www.transecon.ru/EN>

³ <http://www.imemo.ru/>

⁴ <http://en.valday2008.rian.ru/>

⁵ This think-tank was shut off by the Putin administration in 2005. The news can still be viewed at 03.05.2009, at http://www.russiablog.org/2005/10/more_searches_at_yukos_friendly_companie.php. The *Open Russia Fund* website was closed.

The Romanian Economic Think-tanks

Within the Romanian theoretical and practical economics, the works of classic authors such as Virgil Madgearu, Ștefan Zeletin Gheorghe Zane or Victor Slăvescu provided diagnoses and solutions for capitalist economic policies during the inter-war period. Think-tanks have begun to show significant influence only starting with the 70's, in the context of the planned economy, as well as the increasing participation of the Romanian economy to international flows.

After the fundamental political-economic change in 1989, the old think-tanks have been reorganized and refocused towards rewriting the economic transition, and new ones have tried to replace the institutional effort supported by the state.

At present, we can distinguish three basic institutional categories of fundamental economic thought:

Academic Think-tanks:

The “*Constantin C. Kirițescu*” *National Economic Research Institute*¹ represents the academic supervision upon the economic research in Romania, subordinating several specialized institutes, which are presented below.

The *National Economy Institute*² is the oldest economic research institute in Romania, being the successor of the Economic Research Institute of the Romanian Academy, founded in 1953. Since 1990, after the reorganization of the Romanian economic research, it has been reintegrated into the network of the Romanian Academy, as an autonomous unit of fundamental and advanced economic research, part of the National Economic Research Institute.

¹ <http://www.ince.ro/>

² <http://www.ien.ro/index.php>

The institute's research program included works with a diverse thematic area, related to the macroeconomic effects of restructuring and privatization in Romania, the correlation between economic development, employment, training and income distribution, living standards and human development; corporate governance in Romanian economy; industrial relations; the impact of Romania's association and pre-accession to the European Union on the competitiveness of firms; the integration of the research-development system in the European research area; environmental protection; economic resources and development etc.

Organized in departments such as "Economic Development", "Human Resources Economics", "Management and institutional structures of the economy", "Competitiveness and Technical Progress", "Development and Social Cohesion" and "Economic History", The National Economy Institute has been publishing "The Romanian Economy Review", twice a year since 1990.

*The World Economy Institute "Costin Murgescu"*¹ became one of the 66 research institutes of the Romanian Academy in 1990, part of the National Economic Research Institute. It was declared a Center of Excellence of the Romanian Academy. Since 2005, the World Economy Institute has been acknowledged by the Permanent Delegation of the European Commission in Romania. In 2000, the institute founded, within a PHARE project, the Center of Excellence for European Studies, acknowledged and approved by the European Commission. The Center's activities – research, information and advice – are focused on Internal Market issues and Competition Policies in the EU and Romania.

The main research areas concern the global economy, globalization, European integration, competitiveness.

The Institute produces biennial analyses of the trends in the world markets of steel, non-ferrous metals, crude oil and petroleum products, cereals and cotton. It also edits the reviews "Euroinfo" and "Eurolex", as well as specialized book collections.

¹ <http://www.iem.ro/General/DATA/index.htm>

*The National Agricultural Economics Institute*¹ was founded in 1927 as a Rural Economics Department of the Agronomic Research Institute of Romania. In 1967, the Department was transformed into the Agricultural Economics Institute under the supervision of the Academy for Agricultural and Forestry Sciences. Since 1977, the Institute has had double subordination, also as a part of the Central Economic Research Institute.

It was reorganized in 1990, still operating as the Agricultural Economics Institute, under the supervision of the National Economic Research Institute of the Romanian Academy.

It performs fundamental development and applicative research in the fields of the agricultural economy, agro-food economics, rural economics and sociology, agro-marketing, government action management, in sector and territory profile.

The key areas of research are focused on prospective assessment of the place and role of the agro-food sector within the national economy, food supply and demand determinants, the dynamics of social-economic changes in rural areas and implementing the institutional models necessary for the dissemination of social innovation practices, assessing the impact of the Common Agricultural Policy in Romanian agriculture.

*The Economic Prognosis Institute*² is the successor of the Research, Studies and Prognosis Center of the Planning State Committee, founded in 1970. The year 1977 brought its transformation into the Planning and Prognosis Institute. It was founded in 1990 under this name, according to the structure of the Planning and Prognosis Institute and is part of the National Economic Research Institute, conducting research projects in the following areas:

- Fundamental research: economic design and prognosis, econometrics, macroeconomics, non-linear design, real business cycles, endogenous cycles and deterministic chaos, the theory of

¹ <http://www.ince.ro/iea.html>

² <http://www.ipe.ro>

consumption, shaping the informal economy, The Informational Society – The Knowledge Society (The New Economy)

- Policy evaluation: monetary and fiscal policies, sustainability of public debt and fiscal deficits, regional development policies.

- Empirical studies and surveys: determinants of the behavior of households, estimating the underground economy and its components, income distribution and poverty indicators, trends in the population's consumption structure

- Impact studies in the context of the EU extension: the relation between the convergence criteria in real terms and the nominal criteria, the legislative harmonization with the EU norms and institutional reform aiming to reduce tax evasion, implementation of development policies in the regional profile

- Long-term and short-term prognosis: estimating the future evolution of the main macroeconomic indicators (PIB, inflation, unemployment, public debt, money mass, household savings, industrial production, exchange rates, investments, payment balance etc.), as well as international comparisons

Since it was founded, the Institute has produced a significant number of studies and economic research. The models and projects developed at the Institute have served as evidence for the scientific substantiation of the National Program for Romania's Accession to the European Union (1998), the National Strategy for the Sustainable Development of Romania (1999), the Industrial Restructuring Strategy (1998) and the Medium-Term Development Strategy of Romania (2000).

b) University Think-tanks

Another fundamental resource for the think-tank type economic research in Romania consists of the university research structures, which are included into the “scholars” category of think-tanks, in James McGann's terms, affecting a large part of the

resources for educational activities which produce professionals in the field.

For example, the Academy of Economics in Bucharest maintains an *Economic Research Department*¹, which comprises the PhD and faculty research programs. Moreover, the *Economic Development National Institute*², created in 1991 as a result of an inter-government agreement between France and Romania, by the Academy of Economic Studies in Bucharest and the National Conservatory of Arts and Crafts in Paris, is a school of continuous postgraduate training, integrated into the educational institution network of the Ministry for National Education. From the very beginning, its mission has been that of training management specialists confronted with problems of adaptation to the market economy, but also with the requirements of integration into the European Economic Area.

The National Institute for Economic Development is part of the Academy of Economic Studies in Bucharest, and the National Conservatory of Arts and Crafts in Paris is represented by its own associated center in Romanian.

Another example of the success of the think-tank type of research in higher education is the European Economics Institute of the Faculty of Economics and Business Administration of the “Babeş-Bolyai” University in Cluj-Napoca³. Founded in June 2008, the Center endorses 16 research topics in the field, as well as edits “The <<Virgil Madgearu>> Review of Economic Studies and Research”.

Similarly, the Faculty of Economics of the “Lucian Blaga” University in Sibiu, coordinates the activity of the *Economic Research Center*, which has been editing “The Economic Review” since 2001⁴.

¹ <http://www.dce.ase.ro/>

² <http://www.inde.ro/>

³ http://www.econ.ubbcluj.ro/documente/pliant_inaugurare.pdf

⁴ <http://economie.ulbsibiu.ro/rom/profesori/publicatii/about.php>

c) *Private Think-tanks*

Private think-tanks have gained a growing reputation and influence after 1989, due to a permissive legal environment.

An exemplary case is the *Ludwig von Mises Institute – Romania*¹, which, according to the *2009 Global Think Tank Index*², is the 6th most appreciated organization of its kind in Central and Eastern Europe. The Mises Institute emerged in Romania in 2001. Its nucleus has been to this day the Mises Seminar, lead in a Socratic manner in order to reveal the arguments related to economic theory, as it was drafted by the classics of the Austrian School.

Apart from the basic seminar, there is another seminar for those who focus on strengthening economic fundamentals, called *Little Books, Great Ideas*. In addition, the Mises Institute offers the framework for discussing specific economic issues for researchers who have been granted or are candidates to be granted with a PhD title in economics.

The Institute's website has accumulated in a relatively short time a remarkable volume of fundamental works of the Austrian School, from brochures and articles to treatises of over a thousand pages. In addition, it offers the online review "The Private Property Order", including in its pages analyses in the spirit of freedom and altruism.

Another think-tank that promotes the values of the free economy in an analytical manner is the *Free Enterprise Institute*³, consisting of liberally-oriented Romanian political personalities (even some members of the National Liberal Party – Dinu Patriciu, Călin Popescu Tăriceanu, Dan Radu Rușanu, Crin Antonescu). The Institute proclaims its mission thus: "The institute's entire activity, programs, and mode of action are based on the premise that, in the

¹ <http://mises.ro/desprenoi/>

²

http://www.sas.upenn.edu/irp/documents/2009GlobalGoToReportThinkTankIndex_1.31.2010.02.01.pdf

³ <http://www.initiative.ro/>

real market economy, especially the private sector, free enterprise is more than an individual right: it is a fundamental value beyond which the whole economic, social and political edifice lacks substance. (...) Free enterprise is the very core of private property”.

The main programs conducted by the Institute are entitled “Romanian Capitalism”, “The Business Environment”, “Training Programs” and “Perception Surveys”.

Still in early stage, private think-tanks are limited in their development by the insufficient domestic capital willing to understand their usefulness and to apply their solutions.

Conclusions

This great resource of economic development represented by think-tanks has not been properly used by Romanian governments after 1989. Although the Romanian economic research environment has provided consistent solutions to the major trends of our time (the transition to a market economy, the economic integration into the European Union, the coherent and efficient participation to the economic globalization), our governments have most often stumbled in partisan political interests and have been influenced by social factors with scarce economic experience.

The context of the current global economic crisis, which seems to be multiplied in Romania, once again requires the expertise of the economic think-tanks. A more favorable legal framework and major funds allotted to them could provide a package of systematic economic solutions, coherent, professionally elaborated and understandably exposed to the political environment, where solving the crisis may be a lot more real.

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FEW COORDINATES OF THE TAX INCENTIVES IN ROMANIA

***Abstract:** Each taxpayer willingness to pay as little in taxes and duties can be materialized by the benefit provided by tax incentives. Tax incentives are an essential component of the technical elements required for sampling, and they appear as economic and social policy measures, with a stimulating role. Without claiming a comprehensive approach, through this paper, we refer to the typology, methodology and effects of granting tax incentives, trying to specify for which tax relief is granted, who are awarded and for whose benefit they were designed.*

***Keywords:** tax incentives; discounts; exemptions; financial support; benefits*

***JEL Classification:** E62, H21, H30*

Action functions of public finance for and distribution control, reflected in attracting public resources, allocation public resources, redistribution of national net product, stabilizing the national economy, boosting national economy, coordination demand and economic setting priorities, highlights the need for tax incentives for certain categories of taxpayers or to certain fields, depending on their status and conditions for operation. Therefore, must defined the concept of tax incentives and identified those elements which highlight the need to apply.

Tax incentives are part of the technical details of tax obligations and is economic and social policy measures relating to exemptions,

postponements or rescheduling of the total or partial payment of taxes and contributions.

Frequently asked questions like: What is the role of tax incentives? What are the effects of fiscal facilities at micro and macro economic level?

In this sense, ***the purpose of tax incentives*** is not to give tax benefits to certain categories of taxpayers in violation of the principle of taxation relating to non-discrimination, but to ensure a conducive climate to improvement and development.

At first view, granting tax concessions to taxpayers bring benefit only those taxpayers receiving of fiscal incentives, in the sense that they will have more cash resources for further work. At the public financial resources, it is considered that these facilities will attract income tax reduction, level which may be correct through increased tax burden for those who do not have facilities.

Based on these considerations, it requires that ***the action of providing tax incentives must produce beneficial effects at micro and macro economic level***, by:

Identify phenomena and processes taking place at national level and the economic and social tasks arising from these, to determine first, which taxpayers/activities which may fall outside the tax liability, and secondly, which are conditions to be met to qualify for tax relief;

Determination of endogenous and exogenous factors affecting economic and financial performance of companies, to enable them to promote direct investment with significant impact on the economy;

Broadening the tax base by applying the partial exemption from tax obligations, thus ensuring increased budgetary revenues;

Ensure greater flexibility and mobility to adapt to market requirements;

Existence of clear and concise rules, which does not give rise to any arbitrary and should be known in advance by taxpayers;

Specify the exact period for action of tax incentives;

Appropriate action of control function to those receive tax relief;

Sanction those who use tax incentives for deliberate circumvention of tax obligations, thus bringing serious damage to central or local government budget.

Legal provisions on tax incentives lead us to identify their typology:

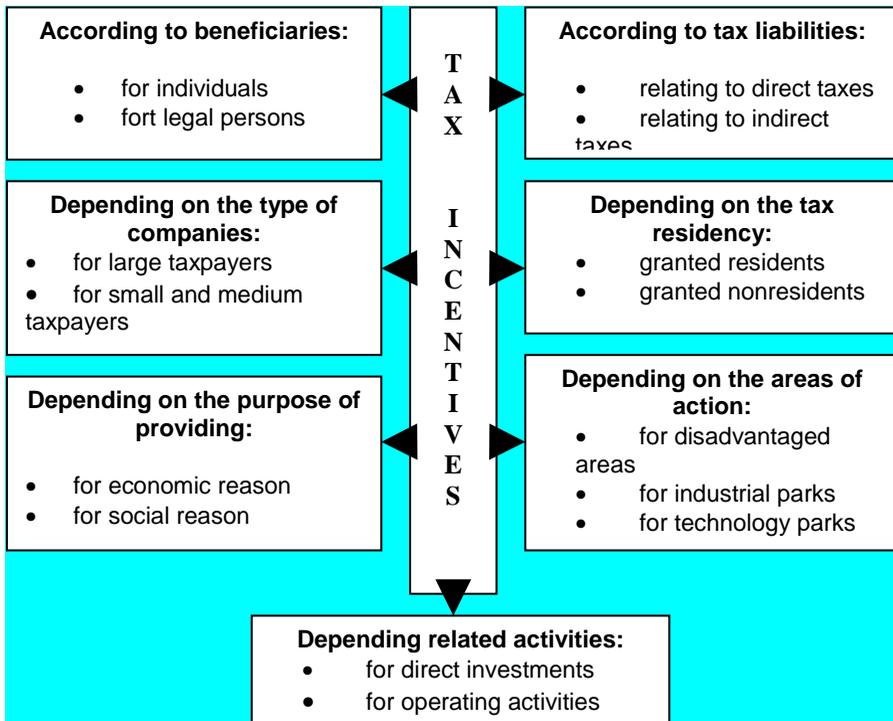


Fig. no. 1 Types of fiscal incentives

Specificity of tax incentives does not allow, in the present study, their whole approach. Thus, we present some of these facilities, except that all tax provisions contain, in greater or lesser measure, reference to total or partial exemptions from tax liabilities.

Tax incentives for corporate taxpayers

According to legal regulations, since 1 January 2009, corporate taxpayers receive a series of tax incentives, aimed at following¹:

calculating taxable profits, for research development: additional deduction of 20% of eligible expenses for such activities, which is calculated quarterly or annually; application accelerated depreciation method for equipment and equipment for research and development.

dividends reinvested: exemption from tax on dividends, when reinvested dividends, in order to preserve and increase jobs for new business development; exemption from tax on dividends to dividends

invested capital of another Romanian legal entities to create new jobs for its business development.

limita de deductibilitate a contribuțiilor la sistemul de pensii facultative: majorarea limitei de deductibilitate a contribuțiilor la sistemul de pensii facultative din veniturile din salarii, de la 200 la 400 euro, pentru fiecare participant într-un an fiscal.

limit the deductibility of voluntary health insurance: increase the limit from 200 to 250 euros made in a fiscal year.

gains capital market: profit of romanian legal entities from trading equity stocks on authorized and supervised market by the National Securities Commission (NSC), in period 1.01.-31.12.2009, was not taxed, income from such transactions are un-taxable income when calculating income tax; losses from trading securities, other than shares and securities in the case of closed, recorded during fiscal year, compensated at the end of the fiscal year with earnings of the same kind made from trading securities during fiscal year; profits of foreign legal persons for participation in trading securities on authorized and supervised market by the National Securities Commission, is not taxable.

B. Legal persons eligible for tax incentives to local taxes under the Local Council's decision. By providing these facilities, aimed at regional development, supporting SME development, increasing labor employment, balanced development of all areas, economic stimulate, realization of tax benefits to the local budget for long periods, and supporting young people to establish small and medium enterprises. Local councils can establish criteria to be or not fulfilled by legal entities to benefit from these tax breaks. In this respect, may be granted a reduction in percentage (ex 20% reduction granted by the Local Council Eforie, for fiscal year 2010, for buildings and land taxes owed by corporate) or may be granted full exemption, where investments above a certain value (ex. building tax exemption granted by the Local Council Brasov, for fiscal year 2009, where the investment value is more than 500,000 euros in construction of new buildings).

C. Employers can receive tax incentives when hiring unemployed and graduates. Thus, if the hiring is done to unemployed who are over 45 years or are unique support to their families, firms are exempt for a period of 12 months, from contributing to the unemployed and receive, monthly, for each employee 523 lei, being required to provide employees a job at least two years. Companies offering jobs to graduates of educational

institutions are exempt from contributing to the unemployed for a period of 12 months, receive monthly, depending on employee surveys, between 523 lei and 785 lei for each employee.

D. Traders operating in free zones enjoy financial support, consisting in reducing the fee which they charged the free zones administrations (measure valid until 31 december 2011), under concession contracts concluded before 1 july 2002 (under the provisions of HG 1900/2004 matching state aid, granted under Law No. 84/1992 on the free areas). According to data presented by the National Customs Authority, list of existing free zones operating in the community, notified the European Commission by Member States on 01.01.2007, included for Romania: Free Zone Curtici Arad; Free Zone Galati; Free Zone Giurgiu; Free Zone Braila; Free Zone Sulina, Free Zone South Constanta and Basarabi.²

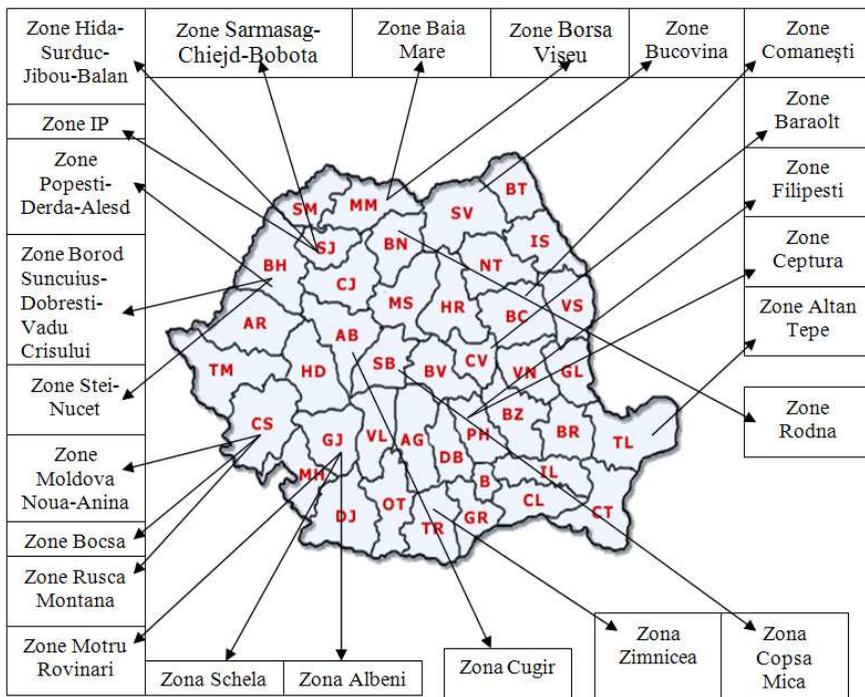


Fig. no. 2 Disadvantaged areas for the period 01.04.1999-15.12.2010

E. Business entities that operate in disadvantaged areas benefit from reductions or exemptions from income tax for new investments, during the existence of disadvantaged area, only if obtained before 1 July 2003 permanent investor certificate in disadvantaged areas. In the years 2009-2010³, disadvantaged areas which were also provided tax incentives include:

- for period 01.04.1999-01.04.2009, disadvantaged areas were declared in 20 counties: Bacau, Bihor, Caras Severin, Covasna, Gorj, Maramures, Prahova, Salaj, Suceava, Tulcea;
 - for period 12.12.2000-12.12.2010 was declared one disadvantaged area in the county of Bistrita Nasaud;
- for period 15.12.2000-15.12.2010 two disadvantaged areas were declared in the counties of Sibiu and Teleorman.

Tax facilities for individuals owning land and buildings

Based on legal provisions, Local Councils may decide to grant tax relief to individuals, for taxes on buildings and land, having regard to the financial situation of these people. Individuals eligible for exemption from taxes on land and buildings must meet the following conditions:

- individuals do not have any income or revenues consist exclusively of social support: person does not realize any income or revenues come exclusively from social welfare; person may not hold more than one property.
- individuals with income less than or equal to the national gross minimum guaranteed salary: total monthly income per family (for family members who have the same home with the petitioner) be less than or equal to gross minimum wages by country; the petitioner may not hold more than one property; tax for the fiscal year have not been paid previously application for the grant request facility; area of dwelling, seeking relief from tax, depending on the number of people, must not exceed the area covered by Law No. 114/1996 (updated) on housing.

Tax relief for students

Students who want a business establishment has a series of tax incentives that entail exemption from payment of fees and charges.⁴ Facilities are granted only once to form a single firm.

To qualify for this exemption, a student must meet the following conditions: attending accredited institutions of higher education; be at least second year of study, with promotion of all obligations under the University Senate; did not exceed 30 years of age.

Once satisfied, for establishment of their business, students receive exemptions from duties and charges on:

- registration operations conducted by the National Trade Register;
- operations by Single Office of the trade registry;
- support services provided by the trade registry to record the establishment of traders;
- a license dealers;
- obtained authorization from local government to conduct independent economic activities;
- publication of the statement in the Official Gazette;
- notarial services, related acts for which their conclusion is under obligation to form.

Tax relief for people with severe disabilities

According to the law⁵, people with severe and emphasized disabilities enjoy the following tax incentives:

- exemption from tax on income from wages;
- exemption from tax on buildings and land;
- exemption from tax on cars, motorcycles with sidecars and motorcycles adjusted disability;
- exemption authorization fee for economic activities and operation of their annual target;
- exemption from tourist tax;
- free to use suitable parking spaces reserved and marked with the international sign of the parking spaces near public buildings, as well as those organized
- exemption from tariff for using the national road network (vignettes).

Tax relief granted to the heroes and survivors heroes of the December 1989 Revolution

Under Law no. 42/18.12.1990 ⁶ is done honor and memory perpetuation to those who have sacrificed their lives for the revolution, appreciation and gratitude for those who were wounded in fighting,

appreciation to the direct participants in actions for the revolution, appreciation to the descendants of the heroes of the revolution.

In terms of tax, descendants of the heroes-martyrs of the revolution, wounded, and disability pensioners who have lost all or part of work capacity in the fight for revolution enjoy the following facilities:

- priority to hire and purchase housing of state fund;
- credits for purchase or construction of housing in the most favorable conditions provided by law;
- free access to treatment and counseling in hospitals and clinics of the Ministry of Health and Ministry of National Defense;
- medicines and prostheses free of charge;
- exemption from taxes on buildings and related land, for car hycomat and and radio-TV subscription;
- exemption from tax on income;
- possibility of aggregation pension with any other income;
- scholarships for students in state schools, regardless of income, for children of heroes, martyrs, disabled or wounded revolution;
- priority to employment in state companies;
- providing an area of land under the Land Law.

Beneficiaries of tax facilities are on the one hand, individuals belonging to the categories that require the social protection or make activities in areas relevant to economic development growth, and secondly, by legal entities which contribute significantly at growth and development of an area or sector.

To qualify for total or partial exemptions from payment of compulsory levies, taxpayers must demonstrate that the criteria are met and to assume responsibility that, any changes to initial requirements will be notified to the competent insitutions within the time specified. All these elements come to support that ***tax incentives should act as levers of economic and social opportunities not as evading tax obligations.***

Sometimes, statistics are presented by the competent insitutions put in doubt what we are specified above. All people who currently benefit from tax relief are entitled to this benefit? Does public finance control function was performed properly? The answer to these questions can be provided only by competent authorities. We try to present some case, leaving the reader to ponder...

a) According to data presented on the website <http://www.revoluție89.info>, there are a total of 10 lists of persons eligible for nr.42/1990 Law. Each list has a different number of persons, namely: List of official monitors – 51.576 people; Presidential List – 25.449 people; List of files in SSPR – 66.566 people; List of files sent for approval from SSPR to CPRD – 14.935 people; List of approved files for CPDR – 14.017 people; Certificate list from Law 341 – 25.069 people; List with the same number of certificates issued by many names - 761 persons; List the various court processes – 1.206 persons; List of acquired rights – 5.454 people; Various lists – 3.124 persons. These data lead us to ask questions such as: How many people actually benefit from tax relief? There is a rigorous scrutiny of how these facilities have been acquired?

b) According to statistics, the number of disabled people in Romania increased from 74,000 persons in 1992 to 437,024 persons in 2002 (an increase of almost six times)⁷. On September 30, 2009, according to data from the National Authority for Disabled Persons⁸, the number of disabled people was 669.523 people, which represented 3.11% of the population. And these data lead us to ask questions such as: Criteria for inclusion in the category of persons with disabilities are well established or are very „elastic”? The case assessment process is conducted properly?

c) Declaration of the disadvantaged areas was seen as a source of economic recovery and create jobs. Attracting investors to these areas could not be achieved only through tax incentives, such reduction in tax obligations. Many investors have shown interest in the facility for disadvantaged areas, but it appears that the impact on infrastructure and living standards in these areas has not increased dramatically. Why? Because the ability of certain entrepreneurs, obtain the certificate of investor in disadvantaged areas, has not generated investment in those areas, but circumvent the tax authorities. What is the explanation for those companies that have benefited from facilities three or four times their investments made? According to data from the Ministry of Development and Prognosis, in late 2000, in three of the seven regions that were deprived areas, share facilities far exceeded the value of investments (facilities volume in relation to invested capital, representing in the South East Area 140%, in South Zone 120% and in Center Zone 104%.⁹ And this time, it can be said that the control function of public finances has not exercised properly.

Negative examples could go on ... Stopping them can be done if the role of tax incentives will be fully understood by all taxpayers (respectively, stimulating factor in economic and social development), and policy makers who will check closely and receiving tax breaks.

In this respect, it is essential to examine the impact of any tax advantage in the overall balance, because the positive in a given sector, can attract a negative impact in other sectors. Provide tax incentives in a given field must take into account all constraints in that area, to avoid negative responses to the fiscal stimulus action. Actions to grant tax incentives must be taken in a framework that involves optimizing all the objectives of fiscal policy.

Notes:

1. according to the Ordinance 127/2008 (published in Official Gazette 705/2008) and OUG 200/2008 (published in MO 815/2008) to amend Law 571/2003 on Fiscal Code
2. http://www.customs.ro/ro/agenti_economici/proceduri_vamale/zone_1_iber_si_antrepozite_libere.aspx
3. see in this regard, Annex 2 „Unfavorable areas”; published on the website <http://www.mai.gov.ro>
4. according to HG 166/13.02.2003 on granting tax breaks for students wishing to start their own business, published in Official Gazette 114/24.02.2003
5. see Law 448/06.12.2006 on the Protection and Promotion of the Rights of Persons with Disabilities, Law 207/02.06.2006 approving Ordinance 86/2008, Law 448/2006 amending Law 359/20.11.2009
6. Law No. 42 of December 18, 1990, republished, for honoring heroes, martyrs and to grant rights to their survivors, the wounded, who were detained during 16-22 decembrie 1989 as a result of participation in the revolution actions, and those who participated directly, during 16-25 December 1989, fighting for the Revolution in December 1989, published in Official Gazette 204/21.08.1992
7. <http://www.curierulnational.ro/Specializat/2003-02-03>
8. <http://www.anph.ro>
9. <http://www.capital.ro/articol/zone-defavorizate-sau-paradis-pentru-frauda-4042.html>

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- 1.** HG 166/13.02.2003 on granting tax breaks for students wishing to start their own business
- 2.** Ordinance 127/2008 to amend Law 571/2003 on Fiscal Code
- 3.** OUG 200/2008 to amend Law 571/2003 on Fiscal Code
- 4.** Law 42/18.12.1990, republished, for honoring heroes, martyrs and to grant rights to their survivors, the wounded, who were detained during 16-22 decembrie 1989 as a result of participation in the revolution actions, and those who participated directly, during 16-25 December 1989, fighting for the Revolution in December 1989,
- 5.** Law 448/06.12.2006 on the Protection and Promotion of the Rights of Persons with Disabilities
- 6.** Law 207/02.06.2006 approving Ordinance 86/2008
- 7.** Law 448/2006 amending Law 359/20.11.2009
- 8.** http://www.customs.ro/ro/agenti_economici/proceduri_vamale/zona_1/ibere_si_antrepozite_libere.aspx
- 9.** <http://www.mai.gov.ro>
- 10.** <http://www.curierulnational.ro/Specializat/2003-02-03>
- 11.** <http://www.anph.ro>
- 12.** <http://www.capital.ro/articol/zona-defavorizate-sau-paradis-pentru-frauda-4042.html>

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IMF REFORM – AN OPEN AGENDA

Abstract: *The financial crisis calls for a reform of the international monetary system and its institutions, so that they can more adequately reflect changing economic weights in the world economy and be more responsive to future challenges. This paper presents some contributions to the debate on the reform of the International Monetary Fund and international financial system.*

Key words: *IMF, international monetary system, reform*

JEL classification: *E42, F33*

In the years since its creation, the International Monetary Fund has changed substantially. Founded on the belief that markets often functioned poorly, this institution now defend their supremacy with ideological fervor (Stiglitz, 2003, p. 41). Based initially on the idea that international pressures on world countries determine them to adopt expansionary economic policies, the IMF currently provides funds only if those states adopt restrictive policies. In some cases, recommendations or policies of the IMF have been shown to have adverse effects on the economies concerned, further deepen their crisis.

In the past 25 years, the Bretton Woods institutions (IMF and World Bank Group) have been confronted with a series of financial occurrences. They have induced systemic imbalances and vulnerabilities that were evident in financial crises in Mexico and East Asia and financial disturbances due to "contagion effect" in

various markets in different countries, such as during the Russian crisis.

The first major systemic crises - the collapse of the monetary system based on gold exchange standard and fixed exchange rates - were surprising. Unlike in `30 years, monetary relations did not degenerate into total chaos, under the auspices of the IMF while preserving a degree of cooperation. Later, the international financial and monetary system has been exposed to a series of crises in the early `80, but the IMF has been sentenced for his role in financial crises of the mid 90's.

Given such differences of these crises, there is the temptation to classify them by generations (Aglietta, 2001, p. 186). The `80 years crises were considered first-generation models. Increasing public debt financed by banking capital has become unsustainable after the acceleration of inflation and overestimation of the exchange rates. Driving factors of such crises were macroeconomic ones, their sources being found in the public sector, namely the incompatibility between the imbalance of public finances and external constraints. The crises of the second generation (e.g. bond crisis in 1994) have been market crises, their dynamics being independent of the observed macroeconomic dimensions. Asian crisis is a part of the third generation models, this findings the origin in the financial system itself.

The mechanism devised for first-generation crisis management has been validated by the Washington Consensus - established between the IMF, World Bank and U.S. Treasury - regarding "good policies" for developing countries, consensus that marked a different approach of the development and economic stability problem (Stiglitz, 2003, p. 46). It is a doctrine that glorifies financial liberalization, simultaneously with the accreditation of the IMF as a guardian of economic policies and provider of funding for the structural adjustment. IMF has developed a range of financing facilities, extended maturity, broadened continuously the access limits to its resources. Thus, it awarded the role of financial intermediar that has proved incompatible with the crises of the third

generation. The management of these crises do not involve the substitution of private funding stopped for long periods, but the markets confidence regain and contamination prevent.

The common feature of these crises was theirs weaknesses increasing in the national economic policies, stressed by the international capital flows and often in combination with fixed rates unsupported regime. In many of these cases, the IMF surveillance had not a prevention role (*ex ante*) and was not a transparent one, stressing the weaknesses of the national economy and the financial sector or wondering about the inconsistency of economic policies in a regime of fixed rates.

Academics, policy makers and nongovernmental organizations alike criticized the IMF for having supported rapid capital account liberalization and policies that served primarily the interests of creditors, for failing to give due consideration to the interests of stability and growth and that was not enough open to advice from outside. Although some criticism is justified, but we can not exaggerate - what would have happened if the IMF had not existed? Moreover, the Fund has reacted and changed some of their policies, such as those regarding the capital account liberalization.

After the crises in Asia and Russia it was restored in question the problem of rethinking the international financial and monetary system. In this sense it was formed the Financial Stability Forum (FSF), led by the highest official position in the Bank of International Settlements, but the fervor that characterized the period after the crises faded rather quickly.

In 2001, Peter Kenen reviewed the reform effort and assessed the results, showing how the effort to change the international monetary system was influenced by the Asian, Russian and Brazilian crises. He compared the results of the effort with the more radical recommendations of outside experts and of the Meltzer Report and examined the implications of the reform effort for the role of the International Monetary Fund (Kenen, 2001).

The effectiveness of external assistance depends on the credibility of this process. International institutions can add weight to local voices. In its supervisory mandate, the IMF faces a number

of critical limitations. In an attempt to provide appropriate assistance, the Fund is constrained, for example, by the country's economic progress and the goodwill of authorities to follow its advice. Based on the experience of several countries has emerged a consensus on the general orientation of the various policies, which serves the purpose of sustainable economic growth and helps prevent crises. These policies include, among other factors, supporting micro and macro economic environment, developing a competitive market economy, openness to international trade and investment, price and exchange rate stability (Oesterreichische Nationalbank, 2004).

A number of criticisms of the IMF were revived in 2000 in the Meltzer Report, which described the "conditionality" for financing as forced and ineffective. Fund sought to take account of these differences in 2001, when under the leadership of the General Director Horst Kohler has issued new principles to limit the number and purpose of economic policy conditions in individual programs. "Conditionality" has not found place in the Fund agenda, in spite of such attention to the need for structural reforms in emerging countries, particularly in the financial sector.

More and more voices argued over time reforming the institution and its adaptation to the new conditions in the global economy. In this respect, the IMF and World Bank Group began an evaluation of policies in the member countries in following areas - data quality, transparency of monetary and financial policy, fiscal transparency, banking supervision, insurance, payment systems, securities, combating money laundering, corporate governance, accounting, auditing, insolvency and creditors' rights - in terms of standards and codes of good practice (Reports on the Observance of Standards and Codes). These reviews are intended not only to assist countries in identifying weaknesses of their policies, but also help market participants to make the best investment decisions.

Recommendations for reform have seen the exchange rate flexibility and change in the system for votes allocation in the IMF's governing bodies by increasing the representation of Asian

economies, reducing the votes of Europeans and an additional vote for Africa.

There were also proposals for a radical reform of international financial and monetary system: George Soros (1997) to create an international investment insurance agency; John Eatwell and Lance Taylor (1998) to establish a global regulatory authority.

The current financial crisis brought back IMF into the light, after it was involved in countries such as Hungary, Ukraine and Romania. In this context, the reform of the IMF and World Bank Group is needed to meet new global circuits of capital and to reflect the importance of China and the financial strength of the Gulf Arab states.

G20 Summit in London on April 2, 2009 established a comprehensive plan to reform the international financial system in two major directions being recognized that a global crisis requires a global solution. The first direction concerns the strengthening of the international financial system, the participants agreeing with the transformation of the Financial Stability Forum (FSF) in the Financial Stability Board (FSB), with an expanded mandate to promote financial stability, having as members G20 countries, members of the FSF, Spain and the European Commission. Financial Stability Board must work with the IMF to create an early warning system for macroeconomic and financial risks and determine actions necessary to counter the negative effects of future crises. The second direction aims to reform the international financial institutions to overcome the current crisis and prevent new crises. In this respect, it was decided to review the IMF system for attracting the resources and the financial instruments used, strengthening supervision and improving representation in IMF of the emerging and developing countries and to explore ways to restore emerging and developing countries' access to credit and resume private capital flows which are critical for sustainable growth and development, including ongoing infrastructure investment.

In the G20 Summit in Pittsburgh on September 24-25, 2009 was drafted a reform plan of international financial institutions to meet the challenges of XXI century. The member countries have pledged to change the system of IMF quota subscription setting for a better representation of developing countries, to transfer shares toward developing countries and emerging markets and to a dynamic modernization of the IMF and World

Bank Group as a key element of the effort to improve the credibility, legitimacy and effectiveness of these institutions.

The main discussions at the Annual Meeting of the IMF and World Bank Group in Istanbul on October 6-7, 2009 focused on reforming the IMF and the social impact of financial crisis. The decisions taken in Istanbul provide reform to ensure that in its new mandate, the Fund will work more effectively to prevent financial crises and will give more a greater voting power for under-represented countries. Such reform should aim at increasing flexibility in financing developing countries and multilateral monitoring of international financial and monetary system.

IMF Director Dominique Strauss-Kahn plans to transform the institution into an insurance fund to which shareholders can appeal when they need it. It is difficult for such a proposal to obtain the agreement of 186 member states, given that many of them consider the Fund as an entity controlled by rich countries. Moreover, the IMF has an insurance scheme - flexible credit line - which have benefited countries such as Poland, Mexico and Colombia.

The financial role of the IMF should be a catalyst, subject to its limited resources. There are concerns about the prolonged use of Fund resources, which it is contrary to its mandate. Countries that benefit from the Fund support programs for years or decades does not show the success of the institution. Thus, the IMF should try to prevent situations like those in which the world countries to become dependent on funding that it offers.

Taking into account the new international financial and monetary architecture that takes shape, the IMF should play a different role as lender of last resort and to position itself as arbitrator in international financial markets. It is necessary to provide further financial assistance, preferably in collaboration with other credit institutions, for the countries that promote economic and financial policies, but suffers a temporary loss of investor confidence. But it must do more than a "firefighter" and less than a "policeman". It also requires increasing the role and involvement of the IMF as coordinator of the restructuring negotiations of the member countries. IMF should encourage more credit institutions to finance together different sectors of the global economy. Therefore it can be said that further development is needed and not a revolution.

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THE OIL PRICE HIKE ALTERS PURCHASING POWER AND DAILY CONSUMPTION BUYING BEHAVIOR OF SOCIETY OF INDONESIA

***Abstract:** The fuel price hike has caused panic stricken all level of Indonesia's society. Oil price hike directly driving majority daily consumption goods price increase. These oil price increase was not followed by the increase of income. The oil price hike has a wide economical consequences to Indonesia's society. Society's purchasing power has depressed lower and automatically changing daily consumption goods buying preference. The oil price hike affecting significantly to lower income society's daily consumption goods and not significantly affecting one with higher income. These mean that the poor were affected by the oil price hike.*

The oil price hike by the government of Indonesia on October 2005 and May 2008 forcibly affecting the economical crises to the poor society of Indonesia. Although such price hike had already triggered protests by the lower level economical society such as drivers, housewives, and students, nevertheless the government policy could not be avoided or revised due to Indonesia's economic growth improvement. The Indonesia's Government policy to increase oil price is uneasy, unpleasantness and unpopular decision. Intentionally such decisions were made to save the country's economical condition and the nation's welfare future. There are four general reasons regarding the oil price as to increase the country's national income due to country's subsidy would burdening the country's state budget, to protect Indonesia's local industry in order competitiveness improvement of country's industry. To support the

Indonesia's export goods to be more competitive in international trade. And price adjustment comparable to the world's oil price.

Another reason of oil price inflate is that the world should be aware that oil price cheap would lead to excessive oil use regardless of its scarcity and world fast oil supply decrease. The Government of Indonesia spent its subsidy year 2006 Rp200 trillion rupiah if the oil price is around US\$61 per barrel, meanwhile the Indonesia's state budget only reach Rp600 trillion, it means the state budget should spend 30 percent from its state budget approximately for only oil price subsidy. This would be very expensive for the developing country like Indonesia.

May be there is no such country which spent its huge oil price subsidy as Indonesia did. This maybe worse for the future economic condition of Indonesia. Subsidy often triggering over energy consumptions. This is inline with all oil consumption subsidized by the government in just increasing its consumption fastly, and nowadays it has already an actual facts in society's economical real life. The increase of oil consumption development yearly as 71.9 percent in 1973, 89.4 percent in 1979, 97.1 percent in 1982, 97.1 percent in 1983 and 824.6 percent in the year 2004. The data could have concluded the subsidized oil had a swift increase in consumption, the subsidy percentage is becoming greater every time.

Oil consumption fast increase in Indonesia due to cheap, unreal, hence, the Government of Indonesia should spent its subsidy every time and the subsidy has grown up every year. It leads to huge burden to state budget and development (APBN). It is timely for the Government of Indonesia gradually to lessen the oils price subsidy with increasing oil price gradually locally. Nevertheless, actually the subsidy is not really intended to the poor society rather than the haves due they are the main consumers of oil in Indonesia.

Data showed that the greatest oil consumers is transportation sector 62 percent, hosehold 32 percent, manufacturing industry 63.9 percent, meanwhile oil consumption from the household sector is 76.14 percent originated from the high income family or the haves. Hence, in this case the subsidy is directed to the high income house hold which actually they are not properly to have the specific subsidy due to their super financial capacity exeeding the common poor Indonesian people.

The effect of house hold daily consumption goods price increase is significant to the way of society's buying style for their daily consumption

goods. Some groups of lower society are changing their energy buying behavior from expensive elpiji gaseous consumption changed to be cheaper kerrosene consumption, These changing buying behaviour model shows clearly the strong influence and high sensitivity of oil price influence to the society's way of buying the daily consumption goods and their mode of life from time to time.

Oil Price Hike Its Aspect and Consequences

Oil is vital to energy formation useful for daily household activities. As common sence, oil used as an energy builder or occurence of heat easily burned lead maintenance of society's quality of life as stated in Indonesia's Decree number 22 year 2001 section number 1 regarding oil and earth gaseous stated that: oil and gaseous are strategic unrenewable natural resources fully controlled by the state and as a vital commodity determine the important of majority of people and has an important roles in the national economic should be able providing welfare maximally to the Indonesia's society. The state decision to increase oil price done by the President of the Republic of Indonesia Susilo Bambang Yudhoyono in September 2005. The kerosene price hike intended to household and small enterprise and tax included. Meanwhile benzene, diesel price are intended for the land transportation including river, lake and channel crossing and private vehicle, oil price is included.

These oil price increase is resulting in society's economical panic specifically the poor society. Before the oil price increase they are really could not afford to buy any food, furthermore with the specific oil price hike confusing them more and know nothing to do. Society is really do not understand how to afford normal life with such high cost of living.

Meanwhile every oil price increase would really impacted to a rejection by the majority of society, mainly coming from the burdening oil consumers due to oil price increase there will be a direct concequences of increasing daily basic consumption goods, meanwhile the society's purchasing power will simultaneously get pressed down as a consequence. Some factors affecting the oil price namely crude oil buying 54 percent, oil product buying 23 percent, processing cost 8 percent, distribution cost 12 percent, indirect cost 3 percent sum total equal to 100 percent.

Oil price hike will in return simultaneously increasing daily basic consumption goods price. This reason is the main cause of society's rejection to oil price hike. Somebody like or dislike, surely an oil price

hike in the middle of 60 percent poor society with 45 percent unemployment, the oil price hike directly burdening society's cost of living. Nevertheless, there are some way out could be executed by the Government possibly accepted by the society among others are the intensive socialization and communication specifically to the resistance society segment as students, industrialist with using rational logics why the oil price should be increase for the mean time. To conduct business mechanism control to the industrialist who are possibly increasing product price beyond the reach of logical price resulting to price formation turbulency. To conduct direct goods distribution to the right poor society with a proper business mechanism, precise targets, and transparencies business action aside to create the proper subsidy model for such poor people majority.

The oil price increase is due to the price subsidy annulment of oil provided by the Government. Such subsidy considered unmatched to the poor society target. The specific intended to the poor nevertheless enjoyed by the haves in just. With grunted feeling due to world oil price continually increase, forcefully the oil price should be increase otherwise the Indonesia state budget nationally would drained to subsidized the oil price. In relation, there would be only small amount of budget would go to society's educations, medical, and other country's development sectors. In fact such budget is needed to improve society's welfare. Meanwhile, today the haves society are enjoying the oil subsidy that really they have no such rights to do it. It has been agreed the subsidy is out of the society target. The society who enjoy subsidy is the haves and triggering up oil price over consumption. Subsidy is inefficient in economic perspective, oil price is increasing continuously. The government should have their additional extra money to implement the oil price subsidy. There are three main point should be considered by the government to provide subsidy namely: subsidy should be targeted to more kerosene user because the consumers mainly coming from lower income society. Society's target should be selected, government should determine the most targeted society in accordance with their income level. Should be limited, The lesser subsidy the more efficient. Meanwhile there are four points as subsidy higher driver: The oil price is out of control of Indonesia, the cars volume sales continuously to increase to affect oil consumptions, the technology and consumption model in accord to the subsidized oil, rampant illegal oil

mixture and oil smuggling. The Indonesia consumers oil dependence is very high.

The Government increases oil price every three months up to reaching zero rupiah subsidy. Society would have no protest on Government oil national policy when such policy is well executed and transparent explainable subsidy funds would exactly go to poor society in the form of health, education subsidy. It is better if subsidy policy for diesel, kerosene and benzene gradually lessened due to its great impact on low society income.

The impact of changing price will directly experienced by the customers; price changing decisions significantly affecting society's welfare and so price is the main determinant of demand, furthermore for the low income society. In this specific case changing price is influenced by some factors namely condition of economic, oil supply and demand, price elasticity, oil price competition, oil process costs, price hike intention and government controls. Some factors influencing people's purchasing power are income level and commodity price. Income is different one another to buy daily basic consumption goods. It depends to society's existing income level and goods price. Experiencely, the society's low income level forced to have no purchasing power or there is purchasing power, nevertheless, it still a low purchasing power and the consequence is changing society's previous consumption preference to be the attainable foods price.

The oil price hike by the government is lowering society's purchasing power due to poor income level. Although the minimum wage have already decided at Rp819,000 monthly, nevertheless the new wages decision is uncomparable to the high daily life cost price hike. It is happened Logically due daily basic consumption goods have drastically increased reaching up to 120 percent, meanwhile employees salary or labor wages have no increase at all or increasing limited to 0.16 up to 0.56 percent. Hence the value of money is becoming lesser. Somebody could afford to buy many things with Rp1,000,000 before oil price hike, but now such amount of money equal only to Rp100,000 and it will fastly used up and people felt their money easily gone. Ironically to get such amount of money is equally difficult as long time ago. If oil price increase, it would be automatically followed by the increase of another things due to its price is included to determine production and distribution price.

Commodity's price hike is difficult to be understood by the poor, because price increase compensation originated from such subsidy annulment could not be enjoyed directly by the poor society. If unluckily the oil price hike should be done by the Government, hopefully it would not affecting poor society purchasing power seriously. Nevertheless, in case oil price hike is unavoidable, the Government should have a clear and concrete economical actions to react to daily basic consumption goods price increase as a consequence of oil price hike. If it is happened, hopefully the society's hard reaction could be minimized. Usually, after oil price rocketing, daily basic consumption goods will automatically goes up and weakening society's daily purchasing power to buy daily consumption goods.

Hence, the increasing of oil price no match to increasing income could surely society's purchasing power gone lower. Ironically, the oil price hike factually followed with inexceptionally price increase of other basic consumption commodity important to all society. The oil price increase would automatically increasing daily consumption goods to be more expensive and society' buying behavior decrease. At the same time the increase of daily consumption goods would pressing down society' purchasing power and lessening society's buying behavior.

Oil price hike affects price increase has happened accross the country, it is happen in distributor shop or the retailer. The highest increase is sugar, cooking oil, and rice, other things also slightly increase its price. Sugar, Cooking oil, Rice, Peanut and all daily consumption goods jolts its price up to 20% averagely. The trader forcely to increase their commodity price due to price hike from the distributors, consumer buying daily consumption goods shops concequently drop due to price hike. This condition shows price hike is influencing the buying behavior. The daily consumption goods is changing to other things and reduce due to price hike.

The oil price increase by the government would make people suffer. Such hike would surely followed by foods price hike hard for society to get sufficient foods. No income increase simultaneously with the consumption goods price hike, daily basic consumption goods price inceare burdening house wife; confusing house wife to manage their income for consumption. Oil price increase is really burdening Indonesia's society, it has made them become poorer. Actually they are

poor condition and additionally with the oil price hike and daily foods price increase would really make them poorer.

Such oil price hike would cause foods price increase, and even other things also following to increase price suffering the society. Meanwhile employee's salary is remain even; this is not fair for the society. Hence the oil price hike followed with foods price jolts and no salary increase has made the society's buying capacity and welfare diminished.

Oil Price Hike Its Impact to Society's Buying Behavior

Oil and gaseous downstream regulator body had proposed Government oil subsidy revoke for private car, maintain limited subsidy for public utility vehicle and motor cycle. The oil price hike 2008 from Rp4.500 per litter to Rp6.000 per liter for benzene and Rp5.500 from Rp4.300 for diesel. Meanwhile world oil price had reached US\$119 per barrel and continue to hike approaching US\$125 per barrel in year 2008. The main cause is the US national economic recession triggered by sub prime mortgage crisis. Due to US\$ value potential to weaken compare to world other value of money, geopolitic factors and the Saudi's oil insignificant production capacity. Since October 2007 oil price gradually increase approaching US\$120 per barrel, it happens triggered by the two Iranian Vessels shooting done by the US vessel. Afterwards 1,200 Grangemouth oil refinery workers starting to mass strike to demand their pension salary, this conditions lead to oil supply shortened and oil price hike possibility. The Grangemouth is supplying more than 40 percent across British oil supply. Such strike is the cause of 700,000 barrels of oil forty network supply hampered reducing North Sea oil supply to Britain, additionally the world high competing oil market mixed with technical problem from upstream to downstream as what have happened in Grangemouth oil refinery would possibly driving oil price hike.

The Government of Indonesia may face difficulties for providing subsidies if world oil price bounced up to US\$140 per barrel, this might be experience if the local crude oil production lifting unreachable approximately 927.000 barrel per day. The world oil price is certain consideration base to recount such oil price imported by Pertamina (Government Oil Company of Indonesia) and will be noted as state oil and gaseous expenditures, and lifting is the base of oil and gaseous revenue of National Budget of Income and Expenditures of Indonesia (APBN).

Oil and gaseous income lower than oil and gaseous expenditure, hence additional subsidy budget is needed. For the mean time the safety budget to cover oil subsidy have jumped to Rp9, 3 trillion. Nevertheless if the oil price continuously to go upward, the safety net possibly rises up above Rp9, 3 trillion. If there is no safety net available, hence, the Government should lessen the oil subsidy leads to increasing national oil price. Actually, oil subsidy budget in the State Treasurer of Indonesia have not yet used maximally, this is due to Pertamina has not yet recount certain subsidy payment mechanism. The National Budget of Income and Expenditures of Indonesia (APBN) total subsidy approximately Rp126 trillion jumped up from initial 2008 APBN allocation Rp45 trillion.

Oil price jolts hardened labors life burden. Worker is facing life cost squeeze. Oil, foods price jolts and dominoes affect suffering workers and their family. Salary is always felts down to minus monthly. A week before payday worker should owe money to cover unreachable daily life cost. The worker purchasing power tends to shrink because more and more real wage sinks. Actually the workers' minimum wage is unworthy. A bachelor worker needs minimum wage at Rp1.82 million, and Rp1.42 million monthly if he needs house installment monthly. Worker who has insufficient salary up to the end of the month forced involuntarily to owe money. This condition made worker who has salary less than Rp5 million difficult to save money for investment; hoping that the company can increase their salary, increase food pay or basic wage. Nevertheless generally the company reject such demand because up rising cost of production hard for production continuity. The up rise oil and electricity price increasing automatically cost of production simultaneously decreasing profit. It is questionable to increase workers' salary when businessmen are facing significant high cost of production.

Oil and foods price hike choking labors daily life. Workers can not afford to buy rice, change to buy cassava. Wages Rp25.000 up to Rp50.000 daily is insufficient enough to funds daily life cost; furthermore such wages has never increased for along time. It is hard to earn a basic consumption of three children and one wife of family living when daily consumption goods price steadily increasing. Worker of drinking water manufacturer with salary Rp700.000 monthly found difficult to earn a good living, meanwhile they should face cooking oil price high price Rp12.000 per kg and rice become Rp5.000 per kg increase from Rp4.000 per kg furthermore they can not afford to buy kerosene to cook and fish.

Desperately the government improving worker's salary overwhelmed such oil and foods price hike.

Today, money is only match to buy cooked rice mixed with vegetables as it is necessary, egg, instant noodle. With Rp980.000 monthly afford less to pay house rent Rp150.000 monthly, buy milk and Rp50.000 children tuition fee and foods for three persons. Price of all daily basic consumption goods are increasing continuously, digging whole to cover another hole is always done and should borrow money from the foods stall, when the payday is come the money will have gone directly to foods stall owner, squash cook with salty fish, usually eats with instant noodle or chips and limited amount of money forced housewife to buy her baby sweet milk instead of baby formula milk.

The Government Economical Dilemma, Suppose Action and Discussions

To govern is always to choose among disadvantage a saying of Charles de Gaulle. To choose certain policy indeed difficult to enacted. The energy consumption rising have driven the foods to biofuel changing production. The climate changing has also forced world foods production downward. Indeed predictably the price commodity jolt up simultaneously with energy price up fluctuates. To guarantee oil supply and price domestically some countries automatically expressed oil export banned. It is unquestionable, nevertheless with using such step will lead to downward world foods supply and certain production price will up aired unreachable. Such possible uncomfortable condition will be shortly gone along the future economic condition of Indonesia.

It is too dilemmatic reality for Indonesia. The oil and other commodities price pressure resulting Government subsidy burden goes up disturbing macro economic stability. Two crucial problems occurred as how to escort the poor buying capacity due to foods price increasing and how to maintain the macro economy conditions.

The national census data shows "the poorest" foods certain expenditure is 29.5 percent from their total foods expenditures, meanwhile "the middle class" and "upper class" reached only 16.1 percent. This would mean the rise of foods price due to oil price hike will suffer the poorest. Hence, the aid to the poor should be extended as subsidy, nevertheless the state have only limited amount of funds. Government possibly reduce subsidy slightly and transfer such allocation to foods. The benzene consumption portion clearly lesser compare to foods

consumption of the poorest, for this matter there will be cash for work mechanism program. In this case the government should provide job vacancies for certain time through development of villages infrastructure as in small scale irrigations, reforestation program, land conservation, road development or cash funding and apprenticeship subsidy like rice aid for the poorest.

Related to macro economy stabilization program, the high oil price had driven over hang occurrence. Business considers the oil and foods high price will lead to inflations. Furthermore, there should be some extra additional state budget to funds such deficit. Meanwhile, is it possible in current high fluctuate world money market to get certain funds, it must be difficult and probably expensive. The Rupiah is weakened due to instability of macro economic condition. High expectation of inflation tends to drive depreciation resulting to weaken the Rupiah value. Rupiah sharp weaken possibly obstruct macro economic stability as increasing inflation and Indonesia national economic growth hampered. In economic uncertainty situation due to US sub prime crises, unstable macro condition possibly driving sudden capital out flow from Indonesia. It's a clear economical high risk.

To Face such condition the Government of Indonesia may execute some certain steps namely: Increase oil production immediately approximately 1 trillion barrel per day, the government should be more efficient to pay oil contractors operational cost recovery which is paid by the government. Certainly to finish faster the premium conversion to gaseous for all public utilities and at the same time certain conversion of kerosene to Liquid Petroleum Gas (LPG) approximately 2 billion kilo litre. Study the possibility profit tax imposed gained from additional income of crued oil price hike (wind fall profit tax) received by 42 oil and gaseous contractors. Tighter control on smart card executions; quantity limitation as in smart card program and limited subsidy to public vehicle or through oil price mechanism; Government can increase oil price 30 percent at maximum. Long termly the Government should build public mass transportation system, it may help to lower individual vehicle fuel consumption; create employment widely to ease number of unemployment, poverty alleviation, improving society productivity. Foods interdependency among areas in the country or internationally should be decreased so people can manage their own foods production

independently. The Government should create and maintain foods regulation nationally to alleviate poverties.

Principally Government should improve workers welfare. To decrease and maintain all daily basic consumption goods is a must due foods price is driving society to be the poor; spending efficiency and thriftiness efforts should done. Instead of oil subsidy, foods subsidy is more helping the poor economical condition.

The price rising to cover deficit state budget is not simply solving problem automatically; there is no such guarantee the price will maintain stable after such action. Another price hike possibility is logical. The subsidy should be enjoyed by the right persons as well as the poor. It is timely to reduce Indonesia's oil dependent, including state income from the oil.

To increase oil price is unfavorable for majority Indonesia's society nevertheless to safe the state budget (APBN). The consequence foods price would toss upward lead to heavier society's cost of living which makes them felt poorer. Meanwhile the business sector capacity is still not recover enough from oil price bounce 2005 pressure. The oil price jolts accompanied by subsidy will burden state budget and the Government difficult to find additional funds to cover the state budget in the short time due to its rareness and costly. Oil subsidy will only favor to middle class and upper. One with the car is wealthy person; to subsidy the oil price is good for the wealth person. In just to hike oil price means taking such amount of money from the wealth transfered to the poor. The subsidy funds actually can be shifted to funds agriculture, poverty alleviation and education.

The oil price mechanism is important to be cleared. To barrier the market oil quantity is difficult than price mechanism due to less burdening to the society. Oil price will increase Government income good for helping Poor's buying foods capacity. Oil price hike may reduce oil smuggling, reducing general oil consumption. Meanwhile oil smuggling ease and oil consumption reduce lead to reduce oil imports, these will lead to rupiah value increase relatively and inflation more controllable. Macro economic perspectively 10 percent oil price hike will lead inflation at 1 percent.

Efficiency and thriftiness will mean to reduce crude oil production done by Pertamina as state oil company due to third party costly production and should be revamping efficiently in Pertamina internal

organizational conditions. To curb oil consumption on transportation use or non vital sector use of oil. It is important to change the old Indonesia oil rich paradigm, oil is unrenewable, and Indonesia is facing the era of future oil scarcity. The income sectors should be boost as in tax revenue increase of booming sectors mining and agriculture plantation. It is timely for all parties the businessmen and society to have advantages proportionally, no more poor people involuntarily sacrifices.

Asia including Indonesia consuming more than 80 percent world foods. Vietnam strictly severe punish foods hoarding for society's welfare. USA enacted rice buying restriction. Such conditions showing world foods crises occurence, and the crises will still continuing. Hopefully the abundant foods countries to help such countries which need foods to approximately alleviating the poors.

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THE RELATION BETWEEN MANAGERIAL PERFORMANCE AND FIRM PERFORMANCE – SEVERAL CONSIDERATIONS

Abstract: *Managerial performance and firm performance are two concepts in a strong correlation. The more managerial performance is higher with both shareholders are pleased because managers leading firms such manner that they are able to increase their performance (financial, social and environmental). Achieving or maintaining a certain level of performance by the firms is possible in conditions which leaders performs in the management. Furthermore, managerial performance has a tremendous impact on firm performance.*

Keywords: *managerial performance, firm performance, performance managers, firm performance model*

JEL Classification: *M00, M21*

The lasted decades marked new directions in terms of thinking, concepts and management tools and require reconsideration of the firm efficiency criteria by outlining comprehensive strategies to ensure performance, building on the idea that performance it is not a state of fact of the company, it is a continues search.

Diversity of understanding the concept of *performance* demonstrates that it is defined differently by stakeholders according to their interests. Certainly managers are geared to overall company performance: investors / shareholders perceive performance in terms of return, expected rates, dividends received; employees are interested in individual and company performance;,, creditors are interested by the solvency of firm; customers for stability (Stefanescu, 2005).

It has often been argued that managers of a firm may make decisions that conflict with the firm's goal to maximize shareholder wealth. When a firm has only one owner who is also the sole manager, such a conflict of goals does not occur. However, when a firm's shareholders differ from its managers, a conflict of goals can exist. This conflict is often referred to as the agency problem (Mandura and Fox, 2007).

Agency theory argues that management should be held accountable for their *firm's performance* and they should be replaced if performance is poor. A change of the board chairman is associated with poor firm performance (Firth, Fung and Rui, 2009).

Every stakeholder wants to earn a greater return on his investment. Every manager wants his group to perform more effectively. Every employee wants to know where he stands, to know how his performance "shapes up" (Sloma, 2000).

In this context, Michael Beer (2009) believes that *performance managers* are characterized by the following attributes:

Engage their organization in a learning process and connect authentically with people;

Have the will to change and transform the organization with a clear vision of what must be done;

Solicit and accept feedback on the barriers to change and to get a sense of the character of the organization as a whole.

All these attributes are taken into consideration by managers, according to Brown, Robinson and Caylor (2007), because they believe that a good corporate governance is associated with good firm performance.

On the other hand, Fred Nicklos (2008) believes that managers are responsible for obtaining and maintaining results. To achieve the results of interest, managers take action, they do things intended to obtain and maintain the results for which they are responsible.

The same author proposes a *model of managerial performance* – the *GAP – ACT* model (Goals, Actions, Perceptions, Circumstances, Targeted variables).

We will present this model of performance management with specific elements.

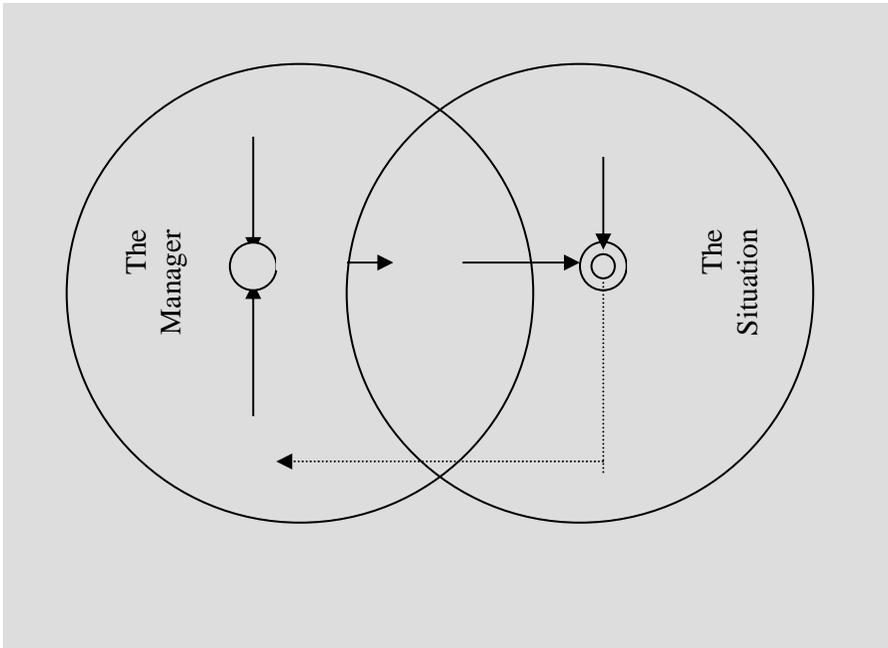


Fig.1. The Elements of Managerial Performance (Nicklos, 2008)

From the figure above we can deduce that if goals (G) and managers perceptions (P) are convergent they will act (A) as such to achieve the target variables (T) under certain circumstances (C) induced from the external environment of business.

If goals and perceptions are different creates a distance (d) until the managers will act towards the target variables. The closer are goals to the perceptions with both will act quickly, and performance management will be higher.

In other words, managers will seek to control variables by defining the target having like benchmark own perceptions.

Managers will continually compare their own perceptions about the target variables with own goals for these variables. If there are discrepancies it is necessary to act, but if not, no need for a complex action.

Management actions are best viewed as interventions (i) in the organization performance architecture. Managers change certain aspects of this architecture – financial, operational, behavioral, or a combination of the three – in order to bring together perceptions and goals.

But there are other factors that affect the target variables that managers try to control. And these circumstances require management action.

The approach of *firm performance* is a complex one because are many factors and variables that affect it, with less impact or more, but through their concerted and convergent action leading to desired results.

According to Beer (2009) *high performance firms* are able to show sustained performance because they achieve the following three paradoxical goals:

Performance alignment. Managing with their head, leaders develop an organizational design, business processes, goals, and measures, and capabilities that are aligned with a focused, winning strategy.

Psychological alignment. Managing with their heart, leaders create a firm that provides employees at all levels with a sense of higher purpose, meaning challenging work, and the capacity to make a difference, something that people desperately need and want but often do not get in organizational life.

Capacity for learning and change. By keeping their egos in check, leaders of high performance firms are able to avoid defensiveness and resulting blindness.

Maintaining or achieving a certain level of *performance by the firms* that will survive the current financial and economic context must meet a set of four questions, which generally remain the same, but organizations need continually to find new answers to them.

According to Thorne, R., Holloway, J., (2008) the four questions are:

What factors does an organization see as crucial to its continued success, and how does it measure and monitor its performance in each of these areas?

What level of performance does the organization wish to achieve in each of these areas, and how does it go about setting appropriate performance targets?

What rewards (both monetary and non-monetary) will managers gain by achieving these performance targets (or conversely, what penalties will they suffer by failing to achieve them)?

What information flows are necessary for the organizations, to learn from its past experiences and to adapt its behaviour in the light of those experiences?

The first question is focused on performance measurement, not only in financial terms but also in operational terms. It is closely related to the strategies formulation and deployment, and also to the practice of business process management and operations management.

The second question is a traditional one but very important, reflecting the need to use management practices and benchmarking.

The third question tends to be overlooked by those who view performance measurement as an important part of human resource management. However, the interconnection between the two areas must be recognized to avoid many short-term counterproductive example guided by financial incentives, as seen in practice.

The final question emphasizes the relationship that must exist between issues such as the “learning organization”, staff skills and emergent strategies.

For demonstrated the link between *managerial performance* of CEO and *firm performance* we present a study made by Muravyev, Bilyk and Grechaniuk (2009). We only want to present a possible model to demonstrate this link.

The outcome in their analysis can be represented by a dichotomous variable which equals to one in case of CEO dismissal between two adjacent years and zero otherwise. Because of the

binary outcome variable, they use the logic model to estimate the following CEO turnover equation:

$$Cit = \Lambda (\alpha + \beta * Performance_{t-1} + X_{it-1} \gamma)$$

Where,

i indexes firms,

t corresponds to period,

Cit is a dummy variable for a change in CEO between years $t-1$ and t ,

$Performance_{t-1}$ is a measure of firm performance in period $t-1$; the indicators of firm performance are ROA, ROS and labor productivity

X_{it-1} is a vector of control variables that characterize firms and their managers, and

Λ is the cumulative density function of the logistic distribution.

The parameter of interest is β , which we expect to be negative.

Another author, Bob Frost (2008), goes further and proposes a *model of firm performance*. He assumes that *leaders are examined and judged by the performance of organizations they lead*.

Firm performance is given by the ability of managers to build an organization capable of sustained high performance and organization must excel from year to year. In this context, Peter Druker said that “*performance is the ultimate test of an organization*”.

The *ability of an organization to perform* is influenced both by factors that can not be controlled, derived from the external environment, but also factors that can be controlled, including: *clear directions* for action, *effective execution*, and *efficient operations*. Any organization that based on the three factors is capable to achieve high performance and sustainable results from year to year. An organization without any of the three factors will tackle the long term.

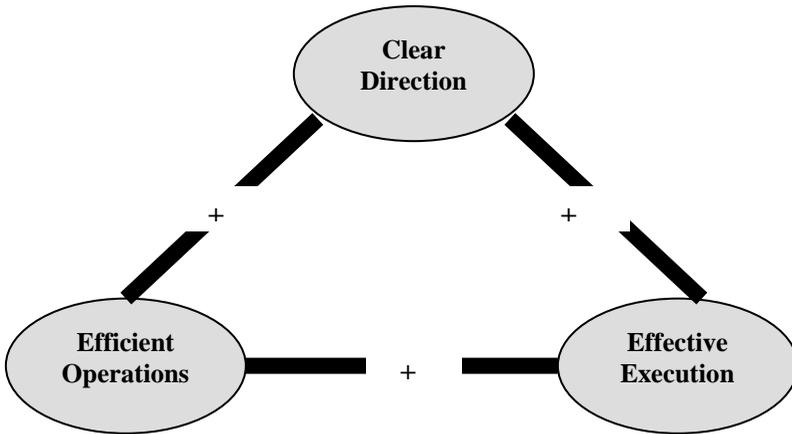


Fig.2. Firm Performance Model (Frost, 2008)

As we can see, in the literature exists a number of approaches and models of *managerial performance* in correlation with *firm performance*. Managerial performance and characteristics differ from one country to another, from one firm to another, down to the differences between the woman manager and man manager, as a criterion to identify the various methods of performance evaluation (Dafna, 2008).

In conclusion, between *managerial performance* and *firm performance* is a very strong connection. In order to increase managerial performance leaders divides their firm in correlation with shareholders, employees, creditors, and costumers goals. Achieve these goals shaping the premises for firm performance. Finally, we can say that the two concepts, *managerial performance* and *firm performance*, acts as an open system in which one is the input for other.

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NATIONAL COMPETITIVENESS BETWEEN CONCEPT AND REALITY. SOME INSIGHTS FOR ROMANIA

Competitiveness represents, now more than ever, one of the most desirable attribute an entity (country, region or firm) is looking for on the global arena. The evolutions that took place (for the last few years) into the "real world" and into the "academic field" as well, emerged into generating some new and/or enriched approaches, translated into new and/or improved theoretical frameworks able to embrace national competitiveness. After emphasizing two of these, the paper stops at the most well known (and recent) global report on competitiveness and analyzes it – with some special insights for Romania, in order to identify some of the characteristics of the Romanian competitiveness facing the demands of globalization.

1. National Competitiveness – from old concepts to new models

Competitiveness, which is inextricably related to the concept (and reality) of competition, was and remained a desired target for firms and countries as well (because all of them wish to outperform others and enjoy such advantage over time). Nevertheless, the term itself gets a different definition from any author/scholar or authority/organism that uses it. From the "classical" approaches of Michael Porter (Porter, 1990) or Paul Krugman (Krugman, 1994) to the more recent ones, emphasized by Mark Gehlar et al. (Gehlar et al., 2006), and Sule Onsel Sahin et al. (Sahin et al., 2006) competitiveness remained an "obsession", especially under the pressure of global competition. The main idea about what competitiveness means remained the same; what has changed over time were the ways to achieve it, the sources of sustainable competitiveness into a perpetually and rapidly changing business environment (Herciu & Ogrean, 2008).

As Cassey Lee argued just a few year ago, "in the existing literature, two aspects have been emphasized in discussing national competitiveness, namely, economic performance measured in terms of GDP per capita (or productivity) and trade performance. These two aspects of national

competitiveness suggest that important insights into competitiveness may come from two broad and well-established body of literature in economics, namely, trade theory and growth theory” (Lee, 2008).

Simply putted, as the first page dedicated to national competitiveness by the Institute for Strategy and Competitiveness of the prestigious Harvard Business School emphasizes (<http://www.isc.hbs.edu/econatcomp.htm>), ”a nation’s prosperity depends on its competitiveness, which is based on the productivity with which it produces goods and services.” But here arise at least two kinds of amendments (Michael Porter, in Snowdon & Stonehouse, 2006): **(1)** ”competitiveness is rooted in a nation’s microeconomic fundamentals, manifested in the sophistication of its companies and the quality of its microeconomic business environment”; **(2)** ”in the global economy, so long as you have the clusters – the critical mass – a particular field of business activity can be extremely efficient and productive (...) is a lot evidence showing that many small countries have done very well by integrating themselves into the global economy”.

Under these transformed circumstances, the theoretical frameworks able to capture all the new dimensions of the national competitiveness and their (internal, as well as external) interrelations have also been changed; the search for national competitiveness was enriched in order to reflect society’s progresses: from quantitative factors/measures to qualitative ones, from numbers/figures to humans/people, from status quo to how it’s made. So, new models have arisen; by this paper we would like to stop at two of the modern models, recently developed by Dong-Sung Cho & Hwy-Chang Moon (2005) and Stephane Garelli (2008), because we think these models could offer (at least) some good suggestions for a coherent practical approach regarding national competitiveness.

A. In their analyze, Dong-Sung Cho & Hwy-Chang Moon argued that “the most popular definition of competitiveness at the national level can be found in the Report of the President’s Commission on Competitiveness, written for the Reagan administration in 1984: **A nation’s competitiveness** is the degree to which it can, under free and fair market conditions, produce goods and services that meet the test of international markets while simultaneously expanding the real incomes of its citizens. Competitiveness at the national level is based on superior productivity performance.”

According to its authors, **The Nine-Factor Model** that Cho & Moon propose (Cho & Moon, 2005) “is more comprehensive and more dynamic than Porter’s original diamond model (see Fig. 1.). First, this framework includes four groups of human factors in addition to the four physical factors of the original Diamond model in explaining a nation’s competitiveness. Therefore, it is more comprehensive in explaining different types of nations, in particular, where the roles of different groups of people are important for their economic development. Second, it is more dynamic. The human factors and physical factors interact in order to spur a nation’s development. This model embodies Porter’s notion that “national prosperity is created, not inherited.” In some ways, it does more so than Porter’s Diamond in that people are the major spur behind obtaining national competitiveness by arranging and combining the physical factors in a productive way.

In addition, government officials are endogenous factors in this new model and thus have direct influence on national competitiveness, while the government factor is an outside variable in Porter’s original model. Human factors include workers, politicians and bureaucrats, entrepreneurs and professionals (including scientists and managers). Physical factors include factor conditions, demand conditions, related and supporting industries and business context. Chance event, an external factor, is added to these eight internal factors to make a new paradigm.”

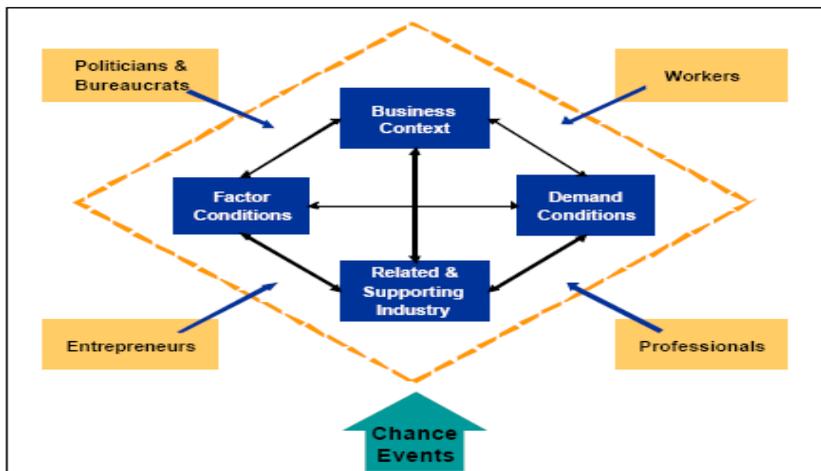


Fig. 1. The Nine-Factor Model (Cho & Moon, 2005)

B. After twenty years of measuring, evaluating and comparing competitiveness with IMD, Stephane Garelli has made a critique retrospective, by recognizing (Garelli, 2008) that “to be honest, we struggled to define a difficult concept in simple words. The academic, long winded definition was quick to emerge (a field of economic theory which analyzes the facts and policies that shape the ability of a nation to create and maintain an environment that sustains more value creation for its enterprises and more prosperity for its people). But what we needed was a one-liner that everybody could understand. (...and he comes to...) **competitiveness** is how a nation manages the totality of its resources and competencies to increase the prosperity of its people”.

Then, he proposes The Competitiveness Cube (see Fig. 2.): “In brief, the **Cube theory** defines four competitiveness forces: aggressiveness vs. attractiveness, assets vs. processes, globality vs. proximity, and social responsibility vs. risk taking. The frontal face of the cube describes how competitiveness is generated within one given year. The depth of the cube introduces the time dimension and illustrates competitiveness accumulated over time, and thus the wealth of a nation (as an example, Singapore - a 40-year-old nation - is very competitive but has less accumulated wealth and can be represented by a cube with a larger frontal face but little depth. On the contrary, Switzerland expands less rapidly than Singapore but has a longer history: its cube has a smaller frontal face but more depth)”.

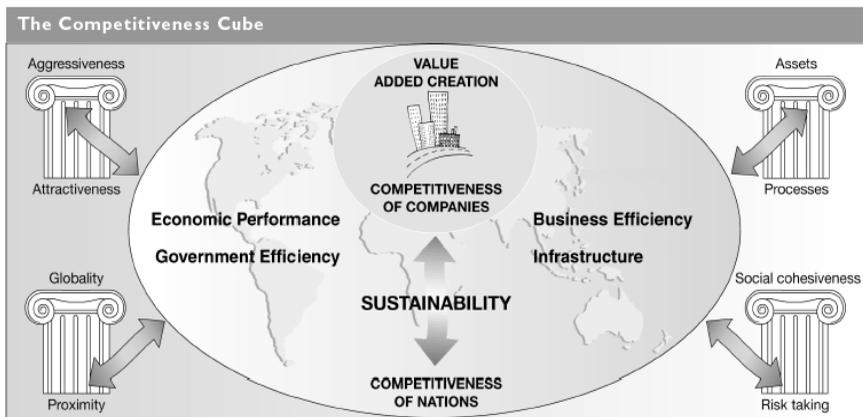


Fig. 2. The Competitiveness Cube (Garelli, 2008)

As well as the Michael Porter's Diamond Theory, Garelli said that his theory „underlines that the management of competitiveness should be both systemic and systematic: systemic means that the interaction between the factors of competitiveness is just as important as the analysis of the factors themselves (for example, when focusing on developing infrastructure, it is not just about building airports, railroads, railways, ports, etc. it is also about connecting all these facilities into one integrated value-added logistical system based on the most modern technologies); systematic means that a competitiveness strategy needs to be coherent over time. Business is pretty adaptive to the most adverse conditions provided that the rules are clearly defined and predictable (some nations, such as Malaysia or China, have been rather restrictive in their business legislation but because they have been consistent, business was able to adapt. Other nations, such as India, have changed directions and priorities many times in the past giving rise to confusion and distrust in the business community.)”

2. World Economic Forum and The Global Competitiveness Report 2009-2010 – evidences for Romania

Since 2005, the World Economic Forum has based its competitiveness analysis on the Global Competitiveness Index (GCI), a highly comprehensive index, which captures the microeconomic and macroeconomic foundations of national competitiveness (Sala-I-Martin et al., 2009).

In the Global Competitiveness Report author's opinion, competitiveness is “the set of institutions, policies, and factors that determine the level of productivity of a country. The level of productivity, in turn, sets the sustainable level of prosperity that can be earned by an economy. In other words, more-competitive economies tend to be able to produce higher levels of income for their citizens. The productivity level also determines the rates of return obtained by investments in an economy. Because the rates of return are the fundamental drivers of the growth rates of the economy, a more-competitive economy is one that is likely to grow faster in the medium to long run.

The concept of competitiveness thus involves static and dynamic components: although the productivity of a country clearly determines its

ability to sustain its level of income, it is also one of the central determinants of the returns to investment, which is one of the key factors explaining an economy’s growth potential.”

As we said earlier, the determinants of competitiveness are very heterogeneous. Therefore, twelve different determinants or “pillars of competitiveness” are identified by WEF (and in order to keep up with the changes in the global environment, they were upgraded each time it was necessary). These are: (see Fig. 3.): (1) Institutions, (2) Infrastructure, (3) Macroeconomic stability, (4) Health and primary education; (5) Higher education and training, (6) Goods market efficiency, (7) Labor market efficiency, (8) Financial market sophistication, (9) Technological readiness, (10) Market size; (11) Business sophistication and (12) Innovation.

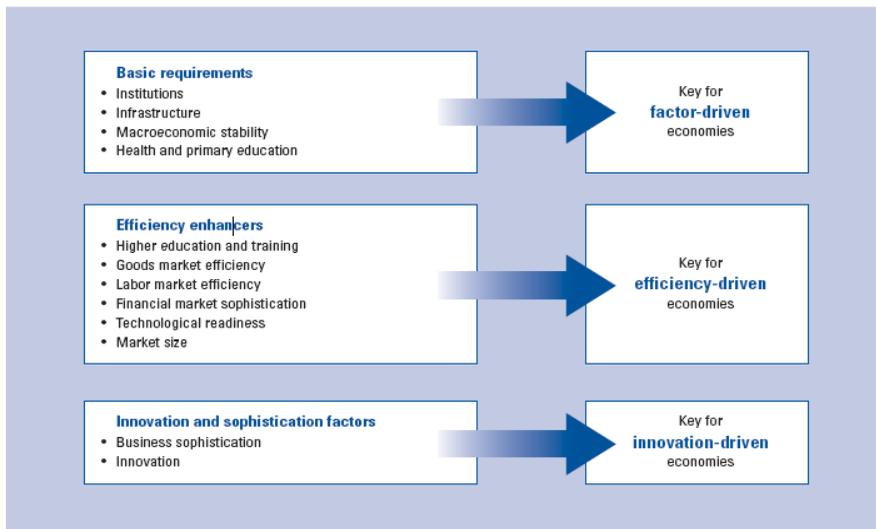


Fig. 3. The 12 Pillars of Competitiveness (WEF, 2009)

On the other hand, the GCI technically reflects the three stages of development that the economic theory prescribes for a country; according to WEF through the GCI:

(1) In the first stage, the economy is factor-driven and countries compete based on their factor endowments: primarily unskilled labor and natural resources. Companies compete on the basis of price and sell basic products or commodities, with their low productivity reflected in low

wages. Maintaining competitiveness at this stage of development hinges primarily on well-functioning public and private institutions (pillar 1), well-developed infrastructure (pillar 2), a stable macroeconomic framework (pillar 3), and a healthy and literate workforce (pillar 4);

(2) as wages rise with advancing development, countries move into the efficiency-driven stage of development, when they must begin to develop more efficient production processes and increase product quality. At this point, competitiveness is increasingly driven by higher education and training (pillar 5), efficient goods markets (pillar 6), well-functioning labor markets (pillar 7), sophisticated financial markets (pillar 8), a large domestic and/or foreign market (pillar 10), and the ability to harness the benefits of existing technologies (pillar 9);

(3) Finally, as countries move into the innovation-driven stage, they are able to sustain higher wages and the associated standard of living only if their businesses are able to compete with new and unique products. At this stage, companies must compete through innovation (pillar 12), producing new and different goods using the most sophisticated production processes (pillar 11).

The concept of stages of development is integrated into the Index by attributing higher relative weights to those pillars that are relatively more relevant for a country given its particular stage of development (see Fig. 4.). That is, although all 12 pillars matter to a certain extent for all countries, the relative importance of each one depends on a country's particular stage of development. To take this into account, the pillars are organized into three subindexes, each critical to a particular stage of development.

Subindex	Factor-driven stage (%)	Efficiency-driven stage (%)	Innovation-driven stage (%)
Basic requirements	60	40	20
Efficiency enhancers	35	50	50
Innovation and sophistication factors	5	10	30

Fig. 4. Weights of the three main subindexes at each stage of development

According to the Report, countries are allocated to stages of development based on two criteria: (1) the first is the level of GDP per capita at market exchange rates: factor driven countries – under 2000 US\$; countries in transition from stage 1 to 2: 2000-3000 US\$; efficiency

driven countries: 3000-9000 US\$; countries in transition from stage 2 to 3: 9000-17000 US\$; innovation driven countries: up than 17000 US\$; (2) a second criterion measures the extent to which countries are factor driven. They proxy this by the share of exports of mineral goods in total exports (goods and services) and assume that countries that export more than 70 percent of mineral products (measured using a five-year average) are to a large extent factor driven.

As the authors of the Global Competitiveness Report assume and emphasize (Sala-I-Martin et al., 2009), "for the past three decades, the World Economic Forum's annual competitiveness reports have examined the many factors enabling national economies to achieve sustained economic growth and long-term prosperity. Our goal over the years has been to provide benchmarking tools for business leaders and policymakers to identify obstacles to improved competitiveness, thus stimulating discussion on strategies to overcome them. In the current challenging economic environment, our work serves as a critical reminder of the importance of taking into account the consequences of our present actions on future prosperity".

The most recent Global Competitiveness Report was released by WEF on the 8th of September 2009. According to this report, Switzerland tops the rankings of the Global Competitiveness Report 2009-2010; being recognized as the most competitive country, Switzerland has outperformed the United States – the traditional first place player, which ranks the second for this time, followed by Singapore, Sweden and Denmark. The Top 10 of the most competitive countries is completed with Finland, Germany, Japan, Canada, and Netherlands (see Table 1). The GCI results for the top 10 countries show a measurable decline in average score since last year, dropping from 5,51 out of a possible maximum score of 7 last year to 5,45 this year. In other words, it appears that in the context of the present recession, the competitiveness performance of top-performing countries on average has declined. This implies that in many cases countries that improve in the rankings do so by maintaining a performance across the various indicators similar to that of past years (WEF, 2009).

As we can observe (GEA, 2009), **Romania** ranks the 64th (from 133 countries that the Global Competitiveness Report ranks), with 4 positions better than the last year. But, the score improvement is insignificant – 4,11 versus 4,1 (on a scale ranking from 1 – the worst to 7 – the best).

Table 1. The Global Competitiveness Index 2009–2010 rankings and 2008–2009 comparisons

Country/ Economy	GCI 2009-2010		GCI 2008- 2009	Country/ Economy	GCI 2009-2010		GCI 2008- 2009
	Rank	Score	Rank*		Rank	Score	Rank*
Switzerland	1	5,60	2	Spain	33	4,59	29
United States	2	5,59	1	Cyprus	34	4,57	40
Singapore	3	5,55	5	Estonia	35	4,56	32
Sweden	4	5,51	4	Thailand	36	4,56	34
Denmark	5	5,46	3	Slovenia	37	4,55	42
Finland	6	5,43	6	Bahrain	38	4,54	37
Germany	7	5,37	7	Kuwait	39	4,53	35
Japan	8	5,37	9	Tunisia	40	4,50	36
Canada	9	5,33	10	Oman	41	4,49	38
Netherlands	10	5,32	8	Puerto Rico	42	4,48	41
Hong Kong SAR	11	5,22	11	Portugal	43	4,40	43
Taiwan, China	12	5,20	17	Barbados	44	4,35	47
United Kingdom	13	5,19	12	South Africa	45	4,34	45
Norway	14	5,17	15	Poland	46	4,33	53
Australia	15	5,15	18	Slovak Republic	47	4,31	46
France	16	5,13	16	Italy	48	4,31	49
Austria	17	5,13	14	India	49	4,30	50
Belgium	18	5,09	19	Jordan	50	4,30	48
Korea, Rep.	19	5,00	13	Azerbaijan	51	4,30	69
New Zealand	20	4,98	24	Malta	52	4,30	52
Luxembourg	21	4,96	25	Lithuania	53	4,30	44
Qatar	22	4,95	26	Indonesia	54	4,26	55
United Arab Emirates	23	4,92	31	Costa Rica	55	4,25	59
Malaysia	24	4,87	21	Brazil	56	4,23	64
Ireland	25	4,84	22	Mauritius	57	4,22	57
Iceland	26	4,80	20	Hungary	58	4,22	62
Israel	27	4,80	23	Panama	59	4,21	58
Saudi Arabia	28	4,75	27	Mexico	60	4,19	60
China	29	4,74	30	Turkey	61	4,16	63
Chile	30	4,70	28	Montenegro	62	4,16	65
Czech Republic	31	4,67	33	Russian Federation	63	4,15	51
Brunei Darussalam	32	4,64	39	Romania	64	4,11	68

(WEF, 2009)

Although, comparative to the last year report, where Romania was positioned on the last but one place in the European Union, this year there are three member states less competitive than Romania within the EU (Latvia, Greece and Bulgaria). When the report – which is based on statistics from 2008 and on a survey applied to managers in spring 2009 – was prepared for releasing, at least Latvia was much more affected by the global economic crisis than Romania.

	Rank (out of 133)	Score (1–7)
GCI 2009–2010	64	4.1
GCI 2008–2009 (out of 134).....	68	4.1
GCI 2007–2008 (out of 131).....	74	4.0
Basic requirements	86	4.1
1st pillar: Institutions.....	84	3.7
2nd pillar: Infrastructure.....	110	2.7
3rd pillar: Macroeconomic stability.....	75	4.6
4th pillar: Health and primary education	63	5.5
Efficiency enhancers	49	4.3
5th pillar: Higher education and training.....	52	4.3
6th pillar: Goods market efficiency.....	61	4.2
7th pillar: Labor market efficiency.....	79	4.3
8th pillar: Financial market sophistication.....	56	4.4
9th pillar: Technological readiness.....	58	3.8
10th pillar: Market size.....	41	4.5
Innovation and sophistication factors	75	3.4
11th pillar: Business sophistication.....	83	3.8
12th pillar: Innovation.....	70	3.1

Fig. 5. Global Competitiveness Index 2009-2010, Romania (WEF, 2009)

But how does Romania stands regarding its national competitiveness (see Fig. 5.)? The lowest score is for infrastructure – ranking 110 (comparative to 105 last year), which guides Romania to the lowest place into the European Union. It also registers the lowest scores into the EU for health and primary education and technological readiness. Other weaknesses are higher education and training and business sophistication, indexes where, from all the EU countries, only Bulgaria ranks worst than Romania. Instead, Romania outperforms countries such as Greece, Portugal or Italy regarding the macroeconomic stability (with its 75 ranking), but it is left behind by Bulgaria (ranking 45). Financial market

sophistication reveals a good ranking – position 56 – comparative to countries such as Greece, Italy or Latvia. The best ranking Romania registers for market size – 41, but it losses points regarding goods market efficiency (ranking 61, although in front of Bulgaria, Hungary or Italy) and labor market efficiency (ranking 79, although better than Italy – ranking 117, Greece – ranking 116 or Portugal – ranking 103) (GEA, 2009).

Regarding Romania’s stage of development (Fig. 6.), it is a country in transition from stage two – which defines efficiency driven countries to stage three – which defines innovation driven countries. Alongside Romania in this transition stage are countries such as: Bahrain, Barbados, Chile, Croatia, Hungary, Latvia, Lithuania, Mexico, Oman, Poland, Russian Federation, Turkey and Uruguay (WEF, 2009).

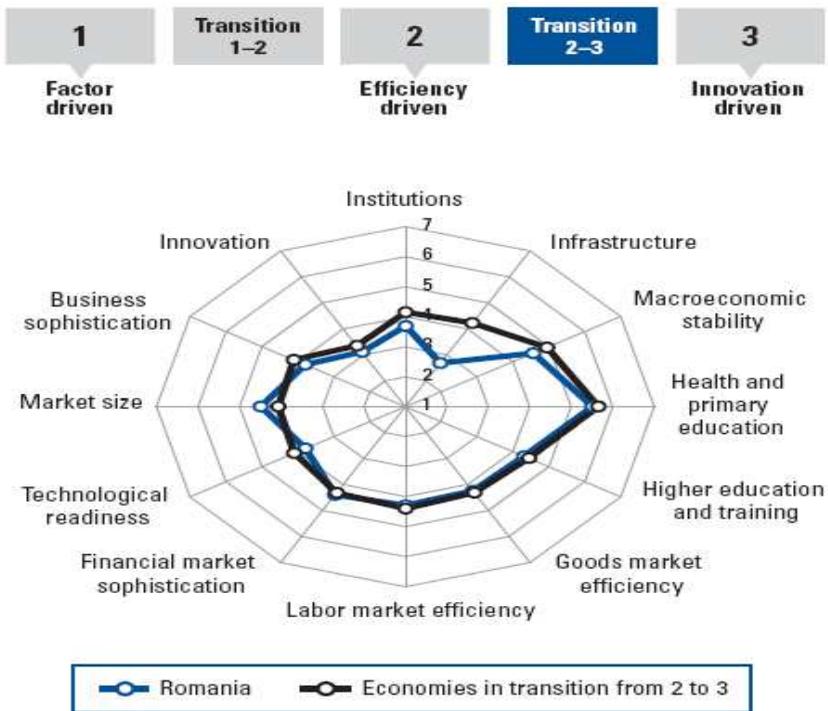


Fig. 6. Romania – stage of development (WEF, 2009)

Generally speaking, as the GCR put it, countries falling in between two of the three stages are considered to be “in transition.” For these countries, the weights change smoothly as a country develops, reflecting the smooth transition from one stage of development to another. By introducing this type of transition between stages into the model – that is, by placing increasingly more weight on those areas that are becoming more important for the country’s competitiveness as it develops – the Index can gradually “penalize” those countries that are not preparing for the next stage.

The academic literature in the field offers some advices, in order for countries to improve their national competitiveness; for example, S. Garelli offers what he named The Golden Rules of Competitiveness for a nation (Garelli, 2008, a.): **(1)** create a stable and predictable legislative and administrative environment; **(2)** ensure speed, transparency and accountability in the administration, as well as the ease of doing business; **(3)** continually invest in developing and maintaining infrastructure: both economic (road, air, telecom, etc.) and social (health, education, pensions, etc.); **(4)** strengthen the middle class: a key source of prosperity and long-term stability; **(5)** develop privately-owned medium-sized enterprises: a key element of diversity in an economy; **(6)** maintain a balanced relationship between wage levels, productivity and taxation; **(7)** develop a local market by promoting private savings and domestic investments; **(8)** balance aggressiveness on international markets with attractiveness for added-value activities; **(9)** counterweigh the advantages of globalization with the imperatives of proximity to preserve social cohesion and value systems; **(10)** always return the tangible signs of successful competitiveness to the people by providing a higher level of prosperity for all.

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A NEW KEY BATTLEGROUND FOR THE ECONOMY IN THE ELECTRONIC WORLD

***Abstract:** Remarkable technological developments are taking place all the time and will clearly continue to do so. This research underlines the very important role of computer science and communications industry, all the way from the past to present in economic development. Vitality of nowadays economy is due to computers (in most part) and the unprecedented expansion of communication. All these are coming with good and bad things. Because of this bigger dynamism, we can unmistakably talk about real freeways; our business world is moving with great speed on these freeways, here "accidents" are fewer but when they are happening they are terrible. Today we are in the middle of one of these financial accidents. While ideas for macroeconomic adjustment are put forth, this study is trying to complete the picture, to identify new solutions and ways of rebalancing the economy which can be supported also with the help of e-banking and e-commerce activities.*

The impact of information and communication technology in the economic field is huge and has generated new forms of performing typical activities in the new e-way: e-commerce, e-banking, and so on. The paper focuses on the impact of Internet, more generally, of ICT (information and communication technology) facilities, upon the economic activity and the opportunities that emerge from here.

***Keywords:** information and communication technology, e-banking, information society, cybercrime*

Knowledge was once power, now it is the speed at which you can access or communicate that knowledge that gives real power. The Internet has become a fundamental way of communicating with mass audiences

around the world and its use is continuing to increase. The present survey is emphasizing e-banking significance, focusing on reasons for which this key segment from economic expansion had a delayed start in our country and which could be reasonable ways for this activity to return to duties. Increasingly demanding customers mean that financial institutions must continually improve the services that they offer.

As an introductory note, it should be mentioned that the general lack of available public and official data on Internet banking services and their adoption by the consumer in the EU27, and particularly in the eastern Europe and in the ACCs (accession and candidate countries), where Internet banking is less developed, has presented methodological limitations. On the other hand, the authors compilation of data, from a diversity of mostly nonofficial private sources (consulting and market research companies such as Forrester, banks websites and press releases), although incomplete and disconnected, provides a first general view of the current situation. We all can state that ICT has a vital role in the Romanian business environment. The most successful implementations are to be found in SMEs (small and medium enterprises), the most flexible business sector based on private capital [1]. The advantages of ICT implementations are therefore basically revealed.

The Romanian market has a major potential for growth if we are thinking that half the population is not yet enrolled in the banking system. This is creating big opportunities for companies offering services in that direction. Active local banks will continue to rise at a fast pace, and their tools will be adapted to high-volume, complex activities, especially in the front office.

Romania`s banks have shown disregard for on-line clients, by imposing high charges for this service. It took more than 4 years for this fare to begin dropping. In the present banks are not encouraging so many on-line clients, and they are not taking into account the e-commerce potential very seriously. Of course, the small number of internet users was one of the reasons for which banks have not put too much effort in this direction. Things are changing now and the economic environment is very dynamic. We are presenting in this paper a research from Sibiu area, which reveals several reasons why consumers are delaying to use internet banking service, and we are also proposing some measures that banks should undertake. All these measures reveal their importance the more so as we are in a period of financial and economic slump, the banking

industry having been one of the causes of this slump. Now, banks are trying to attract and make loyal potential consumers.

Traditionally, banks focus on IT system development and operational aspects of production in the back office. The next level is dealing with compliance with local laws and international regulations and industry level, such as anti-money-laundry or Basel II. After this stage it is important to attend aspects of customer management systems and distribution in Front Office. These are major opportunities for growth, because the first of them attract customers and the second one presented here helps their efficient management, and these two elements make the difference.

Very rapid growth has not been based on quality customer relationship. But in 2009 and due to organic growth tempered by the financier crisis, there is a change in the relationship with the client. Banks will inevitably focus to retain customers and win customers from the system, not outside it, as before. This approach is required in order to maintain profitability and it can do that only by investing in specialized solutions – CRM (customer relationship management) Banking, e-Banking modern and innovative solutions, etc.

We also have to bring into discussion corporate banking which certainly is a more complicated business. Each bank defines its corporate clients by their standards - the most common criterion is the size of turnover or, more rarely, the bank proceeds. To get this kind of client, dedicated, motivated and generally perfect sales forces are trained, at the same time resources consistent with small profit margins are allocated, creating non-standard products, in general, do almost anything. *Therefore, the decision to use a bank or other electronic system is only one variable in the equation reduced the role of attracting large business customers.* If for attracting and retaining individual clients as well as Small and Medium Enterprises it is becoming obvious that Internet banking is an important battleground for banks nowadays, the situation changes even for corporate banking. We can say that the quality of e-banking offered cannot win the battle for a company's corporate account, but in contrast, it can cause it to fail.

After conducting a survey in the Sibiu area, we found out the most common criteria of appreciation in this electronic channel. Performance is therefore essential in the services delivered by such electronic channel. It has several criteria for quantification and their importance is appreciated

differently by each client, so that all has to be covered as well. Concluding the survey, the most common points are:

1. Transactional services: payment processing schedule, by type, and processing speed, for example the time between ordering and processing actual transaction account is the most important features clients are looking for. Also important are type and speed, offering feedback on the status of a transaction arranged, pre-encounter validation transactions wrong ordered, the possibility of multiple certifications or limited amount, account, etc..

2. Information on the situation of accounts: here it is essential to update the data rate (preferably as close to on-line), the accuracy, quantity of information relating to a transaction delivered by statement (payer / payee, number of money orders, fiscal code). There are just a few respondents that discuss the aesthetic arrangement of information or the simplicity in accessing them.

4. The support, in all its forms: technical, operational, on-site, phone, by mail. It must be available 24/7 (24hours 7days a week), accessible, efficient and of course, enduring.

3. Interfacing, provided that the system capacity is harmonized with related accounting, management, ERP (Enterprise Resource Planning) systems, also the quality and conditions under which the bank is willing to provide support for building and implementing the necessary interfaces. And we can talk here about parameterization, in the sense of customizing solutions to specific requirements - particularly technical - of the customer.

More and more insignificant are becoming the technical platform and even the service brand, its reputation. Success is measured, as everywhere in money: an electronic system is considered successful if it is accessed by more than 50% of the bank's portfolio of corporate clients, generating revenue – only from the subscription fee - a few tens of thousands of dollars per month; it is processed by between 20-40% of transactions (payments in local currency, foreign exchange, forex) general bank, and that produces the new money, as long as the cost of processing electronic transactions is lower than that of processing by desk. But most important is that a successful system is that system that evolves, that adapts most quickly to the needs of each client, which rises from its own version of the previous year.

Most of the respondents are not happy with the web interface application (like for all commercial banks that offer this service) saying that it is rather rigid. It is desirable to customize the web page in the application that enables you to monitor their expenditure budget. The statistics are closely related to personnel expenses account, and they can be archived and viewed after a longer time. E-banking applications used by 25 commercial banks in Romania are not diversified, 50% of them do their system in house.

Other complaints relate to lack of services provided by third parties and the lack of cooperation between banks regarding e-banking. It is necessary to have an online tool with the possibility of concentrating in one place three or more accounts at different banks. A couple of years ago there was a project - Omnipay.ro but it was released too early and Romania was not yet ready for it. Respondents to our survey want a website that will offer similar services to those offered by Omnipay.ro card processing and bill payment services [2]. These services are available in developed economies.

Nowadays we admit that the role of the business environment is a leading one in the nations' competitive position. According to an evaluation made by the World Economic Forum [3] about 80% of the variation in the level of gross domestic product (GDP) per capita among countries is due to microeconomic differences. This might explain the presence of this topic in a wide spectrum of economic literature, from reference books, which refer to the globalization issues and implicitly to the impact of this process on the business environment [4], to those books that directly analyze the business environment issue [5] or those which measure the competitive position of nations in the global economy [6] or to those focusing on the impact of European integration process on the business environment [7]. In nowadays environment, banks are one of the most important institutes that can accelerate the economies.

Since the introduction of Internet banking, and due to its growing convenience for most individuals, the Internet market has grown into a profitable competitive venue for the banking industry. Improving the efficiency of Internet banking is now considered to be very important to the banking industry. The EU enlargement process brings new dimensions and challenges to the business environment in the new member states and in the candidate countries as well [8].

One of the most relevant findings for our paper is the high rate of companies which reported the introduction of new products (68%) and of new technologies (71%) since the beginning of their operation. This high percentage of innovation is very encouraging for the companies with FDI (Foreign Direct Investment), thus providing premises for sustainable development and efficiency. Moreover, 78% of them use IT in management operation, suggesting that they might take advantage of e-business opportunities.

The existence of heterogeneous IT systems should not be a problem for the Romanian market and should not be a "fully integrated package" approach, that will force companies to change the whole structure and invest in a large project. It is advisable to have a modular approach, stepwise, by which you can install only one piece of the puzzle, if necessary. This approach brings two important advantages: easy reuse of any item in the system and the rapid integration of new components from any source at any time.

The development of the Information Society (IS) is based on both the supply and adoption of Internet services. Adoption of Internet services in Accessing and Candidate Countries (ACCs) is reported to be delayed, with some exceptions. The lack of available official statistics accentuates the problem of understanding the supply–demand dynamics, drivers and barriers and potential strategy options.

The most significant field covered by information systems in the business environment is obviously e-business. Thus, we consider that a better chance for transition economy countries (especially with IT potential) to integrate into the global business medium is electronic economy. It is crucial to develop the information society in order to get the implementation of ICT.

In order to increase the EU economy, EU research system should aim to achieve implementation of the knowledge trade effects. This implies greater cooperation between academy and industry in an innovation system, but also the ability to fully exploit research results in an innovative system of high competence, including Small and Medium Enterprises, which will ultimately reduce costs for high-tech SMEs. These would lead to the removal of obstacles in implementing new technologies, the development of markets for the sale of products and services based on new technologies and a good cooperation between research - industry - educations.

Only in recent years can we see corporations that have in their portfolio products for any type of institutions: retail banks, private investment or with another subject. In this sense are offered core-banking systems, solutions to problems of compliance (anti-money-laundry, risk management, reporting systems, etc..) and also e-banking platform, marketing tools and management systems for information and customers.

ITC (Information and communication technology) utilization, especially in developing countries, has been proliferating greatly in the last decade. In recent years, because of the availability of internet access, new developments in hardware, software, and computing fields have resulted in affordable technologies and new application areas for ICT. These progresses have created a "highway" for a lot of sectors especially for the economy, business transactions and communications. The things that make the difference bear these names today: e-commerce, e-business, e-banking, e-government, e-tax, e-health, e-democracy, e-learning, etc.

Romania and other developing countries and their governments have highlight the need for advances in information and communications technologies (ICT) when they form their policies.

By taking into account the declaration put forth by the United Nations in 2000, the World Bank has determined many specific targets related to ICT in the Millennium Development Targets [9]. Furthermore, the World Bank has presented ICT as a way of accelerating economic development and reducing poverty.

Recent studies of the most famous international companies indicate a slow recovery of the ITC market in 2010. Even if the expected recovery is below the level of 2008 or even, in some regions will not go over 2009, at least there is a clear signal that the market will stop the free fall which some companies are experiencing today.

The first signal in this direction was given by the global study conducted by Gartner Research on development expenditure ITC in the 2010. According to this study, the ITC's were allocated in 2009 a budget of 3.2 billion USD, representing a decrease of 5.2% compared to 2008. The forecast for 2010 shows, however, worth 3.3 billion USD, that means an increase of 3.3% as compared with this year but still below the "record" in 2008 by at least 0.1 billion USD.

Companies have realized that it is impossible to use information effectively without IT systems and implementation of these systems requires knowledge and expertise that are not present in their own

organization. Thus, while cost reduction was a general objective, improving internal processes and increasing competitiveness, remained equal [3]. In this context, the IT services market was probably the least affected area. The market value reached 781 billion (a decrease of 3.5% compared to 2008) in 2009, and the forecast for 2010 is of 816 billion (a 4.5% increase compared to 2009). Service contracts are usually standardized (the maintenance and support, for instance) and multi-annual so therefore more difficult to be discontinued, which has resulted in some market stability. Customer usually negotiate contracts, and the vendors use cheaper resources (for example we can think of relocation service centers in markets with cheaper labor) to maintain the level of profitability. Decreased costs meant that some of these services should be made accessible for smaller companies, which will have a positive impact on future market developments.

Number of subscribers that pay by remote access (Internet Banking, Home Banking and Mobile Banking) has exceeded 900.000 in 2008. According to data of Ministry of Communications and Information Technology (MCIT), in 2007 the number of users of the service was only 500,000. Transaction value doubled in 2008 compared to same period of 2007 and increased almost four times compared with 2005. Unfortunately the figures for 2009 are expected to be under the influence of the economic crisis.

Many country today and Romania too, are trying to form supportive policies in order to achieve a society in which all citizens can access and share information. Retail Internet banking is one of the most developed Internet services in the current European Union countries (EU27) and ACCs and the analysis of the supply and demand dynamics may reveal drivers and barriers for adoption that could apply to other sectors (e-government, e-administration, e-health). Internet banking is one of the many remote distribution channels banks have been deploying for more than 20 years, to complement branch and call centers to interact with their customers.

There are a large amount of channels and technologies used and we can name here: credit and electronic cards to pay at retail outlets, Points of Sale (POS), Phone banking, electronic payment debit, cash withdrawal machines that become later Automated Teller Machines (ATM), home banking, Internet banking, mobile banking, Personal Digital Assistant banking, etc. From all the above delivery channel applications, one

content-based secure application based on the open information Internet infrastructure, has the most similarities with other services. This is Internet banking. To increase customer reach and cost-effectiveness, and maintain market share banks have to offer Internet banking

Internet banking has progressed from simple account checking to a full range of banking services available on-line. It is certainty that, if done correctly, internet banking can improve profitability through cost efficiency and increased customer profitability and satisfaction. Also Internet banking boosts competition among banks, extends new products and services for consumers and facilitates cross-border bank expansion. Confidence and promptness in transmitting and analyzing the information are desirable to increase the number of consumers that use the Internet as a new delivery channel. So the biggest barrier for development seems to be the concern about the security. We can say that the fundament in the adoption of internet banking is trust.

Internet banking is currently offered by most medium and major banks throughout the EU27 (E-business W@tch). The reality shows that banks that have flexibility and propensity to innovate (usually medium sized banks) will be more successful in the adoption of new ICT technologies in general and Internet banking in particular. If the banks do not have the financial resources to invest in new technologies, they tend to prefer direct contact with the end users.

Liang investigated how firms 'e-commerce performance was affected by characteristics unique to their respective industries [10]. The research found that increased net access has encouraged firms to use web based e-commerce to expand their markets, and that e-commerce most benefits industries with high information intensity products. Industrial characteristics can affect e-commerce performance significantly and the results show that its impact on the banking industry is higher than in software, advertising, and others [11].

Globalization, with its benefits and opportunities, brings a new global economic interdependence. The increase of globalization is based mostly on technology and innovations. The reverse of the coin is that these opportunities presented by technology and innovation have also created new challenges and we include here increased vulnerability to cyber-crimes.

Money laundering as part of organized crimes becomes a huge concern due to increasing integration of financial sectors. It has been

recognized globally that to fight these crimes, effective measures should be implemented to deal with the technologically adept criminals who undermine the financial sector. If money laundering is left unchecked, it not only erodes the integrity of the financial sector but also the national security and thus the economic well being of the global community [12].

The flourishing synergy arising between organized crimes and the Internet has increased the insecurity of the digital world.

The global environment of the electronic world demands that financial intermediaries offer easy-to-use payment tools that allow rapid electronic funds transfer across borders. The financial sector is implicated in online payments for transactions between businesses, consumers, and governments. The unsigned real-time business environment also demands a high degree of client verification as well as security and authentication of funds transferred.

Information and communications technologies (ICTs) have drastically increased the porosity between national borders. Government backed cyber-terrorism in some countries and maverick hackers testing their skills have further threatened the digital world [13].

With rapid digitization of businesses and increasing web attacks [14], organizations rightfully worry about the security of their networks. A deeper and richer understanding of the principles and purposes; necessary and sufficient conditions for web attacks [15]; and the patterns of origin and targets would help managers as well as national and international policy makers devise strategies to combat such crimes. Nonetheless, no published study has addressed such an important issue.

Cybercrime (or a cyber attack) is defined broadly as any crime that employs a computer network in any phase of the crime [16]. Examples of cybercrimes include critical infrastructure attack, fraud, online money laundering, criminal uses of Internet communications, ID fraud, use of computers to further traditional crimes and cyber extortions.

We have described the market constant concern for finding a balance between security and accessibility. Because we still talk about banking, security comes first and is not in question. The main problem does not arise between security and accessibility, but the extent of being functional and simple to use. Introduction of many functions in an e-banking service automatically makes it less friendly. E-banking is, as we have shown in this paper, an incredibly productive tool for the bank. If there are truly integrated

e-banking services, the client himself can perform the back office process, so the balance is between accessibility and functional possibility.

The solution that is available for accessibility is a migration of e-banking services on a Web 2.0 platform that enables site personalization by the user. Web 2.0 allows ordering personal items most commonly used and important to the users, who create their own interface, according to their needs. This solution is already launched on the market and found it is currently available.

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STUDY REGARDING INTEGRATION OF NATURAL DISADVANTAGED AGRICULTURAL AREAS IN ECONOMIC CYCLE

Abstract: *The agriculture potential output is influenced by several factors. Some of them are general, centered on economic and financial leverages; others are more specific, focusing on natural disasters vector results. Yet all of them can generate local microclimate and environmental changes that reflect on economical dimension of agricultural exploitations or areas. Our study is based on analysis, synthesis and data processing from specific areas of Bacău County and aims to provide social rehabilitation and economical integration support decision suggestions.*

Key words: *disadvantaged areas, rational exploitation, ecological products, anti-erosion measures, cultivation specific system.*

JEL-codes: *R14, Q15, Q56, Q57*

Introduction

Since 2008, many localities from Bacău County were declared disadvantaged areas, with specific natural conditions. They are also located in the basin Droboțor / Pojorâta and Motoșeni and Stănișești. Here are the necessary rehabilitation works (areas affected by natural disasters) and reconstruction of natural capital (damaged areas).

The relation between regional development and environment has than fundamental aims to creating on long-term harmony between it and the socio-economic processes. Thus, the decision makers of economic field must take responsibility for the consequences on the environment. The future of area study is bound to preserve soil fertility, and interests

present and future generations should be oriented towards the adoption of technologies needed to achieve a healthy food.

Material and method of working

In the perimeter of Basin Droboțor - Pojorâta were analyzed demographic and natural aspects, production, management (based on statistical data of the territory, using questionnaires) and were quantified influences with the help of specific indicators of this field.

In terms of number of inhabitants, settlements in the area of analysis have between 4000 and 5000 persons are considered, the sociological perspective, medium-sized. It was found that the population, compared to 1989, decreased a little. The person employed in the active economy is approx. 65% (of which 13.5% working in out of locality) and agricultural activity in 85% of working population (can do manual work hoeing, weeding, mowing and harvesting, but the shepherd). Among those active persons, in the last period, went to work abroad approx. 50%.

In inside of locality are 3328 households (430 new homes), the share of young families representing about 60%.

The labor market is poorly developed, the populations of hilly areas are farmers and beekeepers, and the degree of organization is in its early stages.

The studied area is characterized by increased degradation, particularly by torrential erosion, favored by dominance of sandy rocks, features of relief, but also by anthropogenic activities. The process has intensified and as a result of the use of land: fragmentation (Low18/1991), the orientation of the parcels and works on the direction of slopes on direction of slopes.

The exposure slopes have significant implications on the structure of crops and the establishment of associative exploitations. The antierosional agrotechnical measures on these sloping lands, considered imminent, are: the territory organization, selection of plants, the specific production system, specific technological actions, actions for land improvements.

Results and discussions

1. Current situation of agriculture

Analysis of use of land in the hydrographic basin Droboțor shows a different distribution such as vegetal formations and the area occupied by these formations. Lack and / or fragmentation of forests reveals

anthropogenic activities predominantly agricultural, with vegetal crops applied, especially in the bottom of the slopes and in the meadows rivers Drobotfor Pojorata - subject to management and technology used to achieve them. Across subbasin Pojorata prevail areas occupied by pastures, meadow, vineyards and orchards (land occupied by vineyards and orchards - cherry, pear etc. - are present in the vicinity of localities).

The legal position of agricultural land governed by Law 18/1991. The land (6831.89 ha) -in perimeter Drobotfor / Pojorata - is fragmented on the 3036 exploitations. Thus, there are 1066 exploitations with areas less than 1 ha, 986 with areas of 1.1 - 2 ha, 588 with areas of 2.1 - 5 hectares, 222 with areas of 5.1 - 10 ha, 127 with areas 10.1 - 25 ha, 46 with areas of 25.1 - 100 ha, 1 exploitation with area of more than 100 ha. As a result, the average area on exploitation is less than 2 ha – critical situation regarding efficient and sustainable exploitation. *Ownership and the mode of operation are the first conditions that may elucidate the role of viable exploitations to solve problems of agriculture, from the rationalization and organization of activity and of their territory.*

In vegetal production and animal production prevailing tradition, empiricism, the trend is toward diversification; considerations relate to the provision of family food needs and achieve revenue. Of course, in sole commercial exploitation, things are different, the purpose of the activity to obtain a profit. Therefore, the production structure is oriented towards specialization.

The main cultures practiced on agricultural exploitations (60% of exploitation have as their object the cultivation of plants) are cereals, fodder plants and technical. Their yields obtained in 2007 were low: wheat 1.7 t / ha, barley 1.2 t / ha; grain maize 1.4 t / ha, sunflower 0.9 t / ha, fodder plants 3 t / ha. In a small proportion are included vegetables, potatoes, alfalfa. Because these cultures are obtained in the, individual households, the small size of them not facilitated the creation of a rigorous statistical basis on their share in the area held on the exploitation. Besides the show, mention that the plant products are not sold. Also, the territory includes a fruit-growing exploitation of 100 hectares, the sole exploitation with legal personality.

With a greater openness to market are the products of animal nature. In locality, there is an exploitation specializing in raising sheep, the size is 100 head, and destination marketing products is integral to the local fair

In individual households, along with crop production is a growing number and variety of animals and birds, but also families of bees (187), bred milk cows (785), sheep (2465), goats (105), pigs (77 actual source), horses (147), + hen turkeys (4515), ducks + geese (1005). For them, there are 60 ha of pasture, managed by the local council, growers lucerne (50 ha) and corn silage (50 ha).

In Drobotfor basin, production system practiced in the culture of plants is traditional with insertion of elements to increase, based on policulture and practiced in the open. In animal husbandry, production systems are traditional - sheep transhumance.

2. Perspective on issues of agriculture development

The area Drobotfor / Pojorata can be exploited by exploitations (field crops, vegetable, forage, mixed, and vines and pomicole, zoo technical) and modern forestry, after the preliminary works to improve the conservation and proper slopes and erosion. Thus, the agricultural favorability, respectively the structure crops recommended for different tilt is on slopes below 10% → vegetables, wheat, mash, corn, peas, sunflower, rapeseed, sugar beet, perennial grasses (*Bromus*), on slopes of 10 - 15% → 60% annual crops (of which 1 / 2 fall), 40% perennial crops, on slopes of 15 - 20% → 40% of annual grasses and perennial autumn, weeder 20%, 10% forage herbs, 30 % forage legumes, over 20% → destination forestry.

The most rational use of land and directions of development of the agricultural exploitations is defined by determining the number and types rotation to be organized.

The crops suitable for protection against soil erosion in the basin Drobotfor are perennial legumes and gramineae which protects from year of vegetation, grain cereal, legumes and perennial gramineae in the growing season of year, annual forage plants, legumes annual grain are poorly protective.

The favorability is even better the texture culture and the period of exploitation are higher. So, in rotation, the structure should fall weeding crops rate and annual plants. To achieve rotations for 4-6 years with these cultures, the association of owners is required. Specified for that should be taken into account and meet the owners of certain products, staggered crops need to be more technical, labor, available opportunities for producers and mechanization of the work.

The situation in the exploitations impose measures in the future: re-production technologies, the meaning of optimal allocation of production factors determining the level of production, depending on the effort required, given the costs, projected production environments must ensure that the necessary balance between income and expenses, while enabling and producing a profit, resizing fleet of cars and tractors, which allow execution of the entire volume of agricultural best periods, filling gaps in existing plantations and the establishment of young plantations, establishment of own funds to support production technologies and realization of investments, development of recovery programs plantations reached the limit of economic exploitation.

In Drobotfor, use of advanced technologies or improving existing ones could have positive impact on revenue growth, in the case of family exploitations, or profit, in the case of commercial exploitations. In this sense, first, should be respected rotation crops.

Needs for food, and primarily for profit, in conjunction with "good agricultural practices", the rotation crops must contain the autumn cereal, rape seed (biodiesel) and / or forage, maize (grain and silage), sunflower, alfalfa (with field rotation jumper).

To wheat, for example, that may be obtained on the effect of stabilizing the soil, and analyzed the variations in profits, more, if they use organic crops, the profit is more than double compared to conventional technologies.

From the analysis of the structure of expenditure production is found high share of expenditure with the seed, generated by the high quantity to hectare and its price, as a resource for organic production.

Culture of maize for grain, the variable costs have 94% of total expenditure, which has strong impact on the training cost of production.

In the structure of this indicator are relevant (as a share) the mechanical works spending, as is culture weeding, not give herbicides, is required multiple mechanical weeding. Also, following the division of culture on small areas (a phenomenon specific land slope) occurring return repeated at short intervals of time, with increasing influence on fuel consumption and therefore on growth of expenditure.

For alfalfa, the biggest variable expense is recorded for the period of exploitation with the mechanical work, in the II-IV years of exploitation, these costs increased by aprox. 1.7 times compared to the year of

establishment. The explanation lies in the increased number of work and maintenance work related to culture.

Given the influence of size and of other factors on the production and economic results, and the changes about the operating system and the management practice, is necessary to use changes in areas planted, with increase the land.

The structure of categories of land in the area examined was determined according to the insurance needs of consumption and formation rotation. Thus, the following calculations, based on variables - number of inhabitants, consumption per capita and the average production obtained in 2007 - were obtained as:

- for cereals (wheat + maize), the required annual sowing = 711.7 ha, representing 15.76% of total arable;

- for sunflower (for vegetable fats), the required annual sowing = 293.93 ha, representing 6.52% of total arable.

Mention: words needed in main agricultural crops suitable in terms of protection against soil erosion shall ensure an area of 1005.63 hectares (is 11.2% of the perimeter basin analysis). If the high culture with its reserve the arable with slope to max. 10% (although it may get up to 20% if that vine plantings and trees are not investors), 6.3% of the perimeter basin back of the alfalfa (for animal feeding) and rapeseed (for sale).

The lands with slopes of 10-15% will be for life and plantations of trees (16.9% of the area studied) in order to avoid the offset, which is costly for small businesses. The vine can put on land less favorable for the cultivation of field plants. The conditions of slope in the area Drobotfor / Pojorata are favorable for obtaining grapes and aromatic white wines, as well as table grapes. Currently, the vines are the hybrid direct producers, to be replaced with new plantings vine fruitful, they must be located on land which does not require expensive solutions for interior and anti arrangements with broad possibilities of mechanization and lifting continuous indices of economy The economic conditions (the existence of financial availability) refers to the offer of setting up a wine-growing plantations. Thus, if there is placed a short distance of a good service for winemaking products and close to a good and cheap way of communication, the price that the seller and the loss or reduction of quality is lower.

An important technical factor is the land form and size of parcels determined the level of exploitation expenditure. Uneconomic use of

energy has raised costs, thus small exploitations must circumscribe in conceptual organized areas, underpinning the establishment of use in the agricultural perimeter.

The technical criteria are determined by: anti arrangement, construction of roads network etc.. If land is slope is uniform and depth of erosion was not, anti arrangement can run with ordinary mechanical means, and traces the paths are easy to build. For land with sloping uniform, with frequent changes of exposition and frequent places with pronounced erosion of depth, will call the various solutions and specific interventions.

Where are slopes of 10-12%, should use anti agrotechnical works (works of deep soil, administration of chemical fertilizers or green), grass etc. On slopes less than 12%, targeting rows of vineyards and orchards was on the bend. It designs permanent buffer strips (4-5m wide) along water courses and strip grass the bend between the rows of vines or trees.

On the land with low fertility and slope greater than 12%, protection against erosion requires the offset arrangement of land. Planting distance should be 2.0-2.2 m between rows, to ensure work mechanization and 1.0-1.2 m between vines per row.

So, stop or reduce loss of water and soil, due to leakage on versants requires practicing anti curtains, grass bends, channels terraces, and coastal

The main shortcoming of tree plantations is age, leading to a potential decline (excluding exploitations with 100 ha). The alternative is the establishment the new plantations.

The organization of land for this purpose, pursuing and achieving the best conditions for preventing and combating soil degradation, creating optimum conditions for the execution of the work of tree care and recovery of production must include works of land improvement, fragmentation, trace roads etc. On slopes of 12% - 18%, are required the grass bands between rows of trees (ratio 1:2:3 or 4, depending on the slope and distance between rows.

For establish a hectare of orchard with apples, for example, the land preparation it means an investment of at least 10-15 thousand euros (semi intensive and extensive exploitations, which they recommend the area studied). Annual maintenance costs, to enter the rod, also are high, and fructification starts at 4-6 years. It follows that the recovery of investment

is high and is preferably a combination of such owners for the business, which involves the cost of storage.

In plantations of pear production, the expenditure are higher by 15% -20% compared to the apple, it is more profitable to growth pears, but culture is more demanding. To invest in plantation of cherry is only 50% - 60% of the cost of production for plantations of apple.

As a feature of the area Drobotfor / Pojorata, as was specified, the assurance of agricultural products is essential.

Thus, to the requirements of annually livestock products, respectively 63.5 kg meat, 240 kg milk and 280 pcs. eggs, the production per capita are achieved 30.78 kilograms of meat, milk and 466.72 1 652 eggs. The deficit is found in meat product.

Therefore, can use the mix of industries and growth of sheep for meat and rational exploitation pasture and meadow. By using the rational and full of pasture and meadow land with slope between 15 and 20%, annual to increase over 6,000 head fattened sheep (approximately 141,435 kg meat) that far exceeds the needs of consumption and therefore production can be marketed fresh or processed (if the Association to access funds for IMMs).

Also, can to increase the herd of cows, and, milk production, whereas the maintenance of the meadows and pastures, their yields (3 tons / year) may be double. Therefore, in the livestock can be organized associative exploitations in the production and processing, which will increase value added.

Conclusions

In the area Drobotfor, are predominant agricultural activities, as a means of ensuring the needs of food and income for family. The exploitations are, in generally, small, and least connected to market and poorly capitalized. The solutions obtained after completion of diagnostic analysis regarding capacity the use of the land, knowing the area potentialities, as premise for development of basin Drobotfor.

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ASPECTS OF ENGLISH BORROWINGS IN ROMANIAN

A popular name for the phenomenon of English borrowing in contemporary Romanian is 'romgleză'. This term was coined by Eugen Simion and subsequently used by language purists and not only, to decry the mixing of English and Romanian words into a seemingly hybrid and debased linguistic variety. The term in itself suggests a process which is gratuitous, haphazard and not governed by any rules, and as such has fuelled an attitude of criticism and rejection towards this area of linguistic innovation in present-day Romanian. In this context, the main purpose of this article is to study English borrowing in Romanian in several of its linguistic aspects, thus answering a call (Hristea 1984, Avram 1997) for the objective investigation of this phenomenon, rather than blind criticism and rejection. The study will be conducted on a corpus consisting of the business and financial publication *Capital*, and will examine English-origin elements both in their evolution over time, and with respect to their synchronic behaviour at a given moment (the year 2005). We believe that due to its uninterrupted circulation and broad coverage in terms of topics discussed, the above mentioned publication gives a reliable picture of the on-going contact between English and Romanian.

The origins of the contact between English and Romanian culture, and within it the English influence on the Romanian language can be traced back to the sixteenth century according to some authors (Mociornita 1980, 1983, 1992). However, the major influence of English on Romanian started in the second half of the 19th century, with the intensification of the cultural and economic relations between the two countries (Constantinescu, Popovici and Stefanescu, 2002), this influence being recorded in the lexicographic works of the time. Thus, Diaconovici's encyclopedic dictionary (1898- 1904) as well as other lexicographic works published around the turn of the century contain

English borrowings like *baseball, cent, dolar, gallon, lady, sir, sport, tennis, tory, whig*. Hristea (1982 quoted in Constantinescu et. al. 2002) shows that the neologisms Romanian started to borrow from English in the 19th century, came almost exclusively through the intermediacy of French, many of them belonging to the sports terminology: *aut, baschet, base-ball, bowling, bridge, corner, dribbling, fault, finiș, fotbal, henț, ofsaid, meci, outsider, polo, pressing, ring, rugby, scor, set, skeet, sportsman, start, șut, tenis, volei, etc.* Besides this intensification of relations, a minor source of influence is reported to have been the emigration of many Romanians from Transylvania and Banat to America between 1880 and the first World War, some of whom returned to their native villages.

A very important wave of English borrowings in Romanian began at the turn of the 20th century, and coincided with the intensification of economic and cultural contacts, being encouraged by Romania's industrial and economic development on West European models, many of them of British origin. Thus, English technological methods, and with them English terminologies were brought to the attention of specialists in oil drilling, mining, finance, steel production, shipbuilding, weaving, etc. To these economic elements, others were added such as military and political circumstances- Romania's joining the Triple Entente countries in 1916 or the fact that Queen Maria, the wife of Ferdinand I, king of Romania from 1914 to 1927, was a grandchild of Queen Victoria, born in England. Although growing in importance the English influence on Romanian was still mediated by other languages, such as French, German, Italian or Russian. Such an influence is obvious from the works of Sextil Pușcariu (*Limba română, vol 1, Privire generală*, 1940), Iorgu Iordan (*Limba română actuală. O gramatică a "greșelilor"*, 1943) and Alexandru Graur's press articles collected in the volume *Puțină gramatică* (1987, 1988).

The second half of the 20th century saw a further intensification of this influence, in spite of political, economic and cultural barriers existing between east and west Europe. The various, mainly political circumstances of the time, resulted in changing attitudes towards English. Thus, while the 1950s are thought to have been the years "most intensely marked by xenophobia", more and more English words found their way into technical terminologies and the standard language in the 1970s, when Romania began to assume an air of independence, with Russian models

being increasingly discarded. This period was marked by an inflow of translations of scientific and literary writings. Constantinescu et.al. interpret this phenomenon as a form of opposition to communism:

In the second half of the twentieth century, the influence of English grew steadily in spite of the purist attitude which was favoured for political reasons. One may interpret the interest in Anglo-American culture and civilization as a spontaneous form of opposition to communist indoctrination. (2002: 169).

Evidence of the increasing influence of the English language on Romanian is the recording of ever more Anglicisms in Romanian dictionaries starting with 1970. These dictionaries include works of a general nature such as “Dicționarul explicativ al limbii române” (DEX1 and DEX2), dictionaries of neologisms (DN3), and recordings of new words (Dimitrescu 1982, 1997: Dicționar de cuvinte recente- DCR1 and DCR2), as well as specialized dictionaries restricted to individual domains, e.g. computer science, finance and trade, marketing, sports, and medicine.

Finally, the contemporary period, i.e the end of the 20th century and the beginning of the 21st century is characterized by what is usually referred to as “an unprecedented English influence” which manifests itself directly, that is without the intermediacy of other languages, mainly through second language teaching and the mass media, being supported by extra-linguistic factors such as fashion and prestige (2002: 171). This situation has led to a shift in attitudes towards English, some writers in the current public discourse- the written but also audio press- decrying this influence as an invasion of Anglicisms and an Anglicization of the language. The discourse about Anglicisms is based on several negative metaphors, the occurrence of English elements in Romanian being most often described as an invasion and a menace to Romanian, but also as an indecency, something low and degrading that should trigger reactions of repulsion and rejection. In this category are purist voices belonging to Romanian writers like Geo Dumitrescu, Octavian Paler, and Eugen Simion among others. Eugen Simion, for example, defines the obviously pejorative term ‘romgleză’ as

un jargon insuportabil care tinde să se împrăstie ca râia și să prostească, să urâtească limba prin utilizarea unor termeni din categoria xenismelor parazitari, izmeniți, demni de o doamnă Chirița reciclată în

limba engleză și trimisa în Parlament. (Eugen Simion, Tot despre „romgleză” în Curentul, 06.01.01).

Similarly, Octavian Paler ironically remarks:

Ajunși la porțile Europei, „miticii” tranziției nu se mai simt bine, se pare, în limba română folosită de „miticii” lui Caragiale, care se duceau, ca niște bieți provinciali, la „restaurant”, la „birt”, la „ospătărie”, la „bodegă” sau la „local”. Moda cere azi să mergem la „fast food”. O firmă ca „La Popescu” e de negasit în Bucureștiul anului 2006. Ea suna prea neaș. În schimb, „romgleza”, ca să folosesc o expresie propusă, se pare, de Eugen Simion, amestec de fandoseală și snobism, e la mare cinste.

With all this declarative rejection of the English influence, Romanian normative linguists never went so far as to rule out the use of Anglicisms by law. For example, in the introduction to DOOM 2005 Eugen Simion wonders:

Cât de necesară este, mai ales, această „romgleză” pe care o ascultăm - de cele mai multe ori amuzați, alteori iritați - la TV sau la Radio, vorbită cu precădere de Chirițele mediei de azi și ale lumii politice?... Nu este totdeauna necesară, dar n-avem încotro, nu putem s-o interzicem. Și, de altfel, nici nu avem cum.

This situation leads Constantinescu et. al. to conclude that, in spite of attitudes like those quoted above the English influence has developed largely free of any philologic bias and purist constraints. (2002: 171)

As regards the various elements that have contributed to this inflow of Anglicisms, two factors are in our opinion the strongest predictors of borrowing from English into contemporary Romanian- need and prestige. Thus, many of the words that have been borrowed in the last two decades answer specific referential and communicative needs in various compartments of the Romanian society, e.g. economy, politics, culture, entertainment, science and technology. The dominant place English holds in the avant-garde of scientific advancement, as well as in business and other international relations, endows it with certain connotations of modernity, fashion and prestige, which in turn promote the borrowing of words not motivated by need, the so called “luxury” or “unnecessary” loans.

At a macro-social level, the factors mentioned above combine with a third one, namely increasing levels of English/ Romanian bilingualism among younger groups of speakers. This is the product of educational programs placing a special emphasis on foreign language teaching, as well

as of the specificity of the Romanian society after 1989. Bilingualism in itself cannot be separated from the classical factors of need and prestige. After all, people learn a foreign language because they need it in order to engage in personal or professional relations with other people, because they want to identify with the culture of this language, or because of both of these reasons. This specific combination of elements can be used to claim an increasing intensity of contact and cultural pressure from English onto Romanian.

At a micro-social or individual level, borrowing can be seen as a result of the role English has gained lately in many professional fields of activity. Especially in business and economics, various topics are frequently discussed in this language, and many of the individuals engaged in these fields have to be English proficient. In this context, the large number of borrowings in the studied corpus of *Capital* magazine should probably be seen as a consequence of this factor: journalists are particularly exposed to English as an instrument of global communication, many of the topics they report on being discussed in English as well.

The problem of the nature and role of English loanwords in Romanian must also take into account the possible specific reasons that have been triggering this unprecedented influx of borrowings since 1989. Thus, it is generally agreed that borrowing American/British terms to describe various cultural realities, such as *fast food*, *pop music*, *management*, *outsourcing* is considered a sign of internationalization of the Romanian vocabulary, while rejecting them is a manifestation of self-isolation and cultural provincialism (Stoichițoiu-Ichim 2001, Ciobanu 2004). In the context of the emergence and growth of English as a global language following the spread and adoption of the American culture in many countries of the world, we believe that many of the English loanwords present in Romanian today can be described as cultural borrowings. This means they have entered Romanian together with the concepts, things, processes they designate, presenting the advantage of brevity, international character and lack of synonyms in Romanian. This is particularly true in the economic field, where many of the concepts are borrowed from the Anglo-Saxon space.

Other factors that are promoting borrowing from English into Romanian are social in nature. The relative prestige English is endowed with, as representing a powerful culture and civilization, as well as what we think is an increasing intensity of contact between the two languages,

will probably have resulted in a number of more intimate borrowings as well. To these, other causes can be added: the need to replace terms that are considered now compromised or worn out (for example *conducător*, associated with Ceaușescu), the specificity of the Romanian press after 1989 characterized by a free circulation of information, the diversity of information channels, the openness of the Romanian press towards English and American sources of information, its role as an “opinion leader”. Specific linguistic causes include such factors as the intermediacy of French, compatibility with the system of the Romanian language, international character, brevity and specialization of English technical terms, or the absence of a Romanian synonym.

In what follows we are going to see how this phenomenon is affecting a particular area of the Romanian language, namely the specialized vocabulary of business and economics. The analysis will be conducted on a corpus of one year of the Capital magazine (2005) on CD-Rom, consisting of Adobe PDF files.

A particular English-Romanian contact scenario is illustrated by the use of English proper names. Names of international institutions that could have been translated and having a very specific referential function illustrate the tendency to leave English terms unexplained in Romanian, a practice which testifies to a growing intensity of contact between the two languages in question. Such proper names are mainly built around words like *business*, *company*, *group*, *bank*, which are in this way brought to the attention of the Romanian public. Thus, for example the word *business* appears in over 450 proper names, *bank* is included in over 750, *consulting* in over 80, and *company* in over 20. In the sentences in which they appear, these terms are referred to by already integrated synonyms:

(1) *RG Holz Company, firma care aproape deține monopolul exploatărilor forestiere din zonă, a contractat deja...*

(2) *Se mai adresează aproximativ aceleiași segment, cu o prezență firavă, cooperativele de credit și o singură bancă - ProCredit Bank.*

In spite of the high occurrence of such words within proper names, they do not appear a lot independently, tending to remain tied to their name phrases. Thus, *bank* does not appear at all autonomously, *company* has no occurrence outside proper names, while *market* appears in 15

instances as a name, but only twice as a common noun. On the other hand, the occurrences of *holding* as a common noun match its frequency of use in proper nouns, i.e. over 100. This can be explained as a result of this word's longer existence in Romanian (it is recorded by DEX 1975), although we can assume it has gained more currency after 89. A similar example is *City*, used both as a proper name and as a common one:

(3) *Un recent raport la diviziei de statistică al Comisiei Europene arată că city-ul londonez este cea mai bogată regiune ...* [two sentences later]. *Londra are 7,1 milioane de locuitori, din care 1,9 sunt pensionari. 43% din ei trăiesc în City și peste jumătate dintre aceștia trăiesc în sărăcie.*

The importation of English names combines with a parallel tendency in the corpus to use English productively in order to name Romanian organizations, products and events. Examples of English names used for this purpose include: *Cătălina Advertising* (advertising agency in Bucharest), *Militari Center*, *Moga Center* (names of shopping centers in Bucharest), *Carpatair* (the name of an airline company headquartered in Timișoara), different shopping centers with *Mall*, *Lotus Market* (a shopping center in Oradea), *Credit Bank* (the name of a Romanian bank), *DTH Television Grup* (a TV service provider in Bucharest), *Best Manager SRL* (a management company in Cluj), *Banu Andronache Building*, etc. This tendency is also evident in the names of Romanian web-pages. The prominent role English has gained in the language of commerce and advertising in particular, can be explained solely from the perspective of English as a prestigious language, its use making the products described seem more fashionable, modern and desirable.

There are, however, cases when the exclusive naming function of a proper name is eroded, so that it departs from its initial referential frame, and is grammaticalized as a common noun. This happens by means of semantic bleaching, and can be seen in cases like *Bluetooth*, *walkman*, *ePayment*, *Explorer*, *ibook*, *ibutton*. Such a transition from proper to common nouns explains the vacillation between small and capital letters in the writing of these words, but also brings about the difficulty of drawing a very clear line between words used as names and words used with a general meaning:

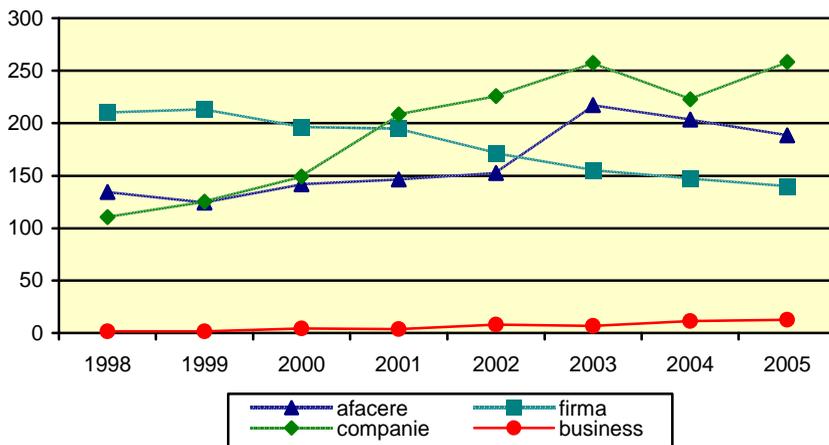
- (4). Când îți cumperi un telefon te interesează să aibă Bluetooth?
- (5). După părerea mea, ePayment este cel puțin la fel de important ca și RAV.
- (6). Adevărata surpriză a venit din partea explorer-ului de la Mozilla.

Some of the most common English nouns in the studied corpus include *marketing, management, manager, leasing* as well as other words which have already been adopted in the language, being actually recorded by older dictionaries (DEX 1975). We have chosen to include them in the present study as we believe they have gained currency after 1989, even if they existed in Romanian before that date. However, the other words that show a very high frequency of occurrence, i.e. over 100 tokens, are used to designate new concepts, objects, activities, etc which are new to the Romanian society, thus being prototypical examples of cultural loans. Such recent borrowings include *brand, business, supermarket, trend, retail, rating, job, bonus, ATM, futures, low-cost, outsourcing, advertiser, spot, etc.*

In order to obtain a more faithful image of the status these English words have in the Romanian vocabulary, we have tried to follow their evolution over several years of the same publication (Capital 1998-2005), such an approach allowing for more general conclusions regarding the fate of recent borrowings in Romanian. Several distinct situations can be abstracted from this analysis. First, there is a category of older borrowings which did not have dramatic evolutions from 1998 to 2005. This category includes words like *management, manager, marketing*, but also abbreviations such as *USD*, which is not very relevant as it is rarely used inside sentences. Another category is constituted by those Anglicisms that have had a spectacular evolution, some of them growing in frequency by more than ten times in eight years. Such cases of dramatic increases are going to be analysed in relation with their native equivalents, as it can be expected that the latter have been somehow affected by the abrupt entry of the corresponding English words.

One example in this respect is *business*. The frequency with which this word was used in the studied period grew dramatically, from 27 occurrences in 1998 to 321 in 2005. This surge can be seen in Figure 1b.

However, its effect on the native words *afacere*, *companie* and *firma* are marginal and actually difficult to establish with any certainty. The numerical impact of *business* as compared to these words is very small, as Figure 1a below shows. Thus, although on a clearly upward trend, this Anglicism is far from approaching the token frequencies of its Romanian equivalents, some of which also saw an increase during this period of time. Actually, the fall in the word *firmă*, for example, can be better explained as a result of the corresponding rise in *companie* and *afacere*, rather than as having a direct connection with *business*. This shows that what looks like a relevant evolution in a borrowed word will not necessarily have a direct or significant impact on other words of the native vocabulary.



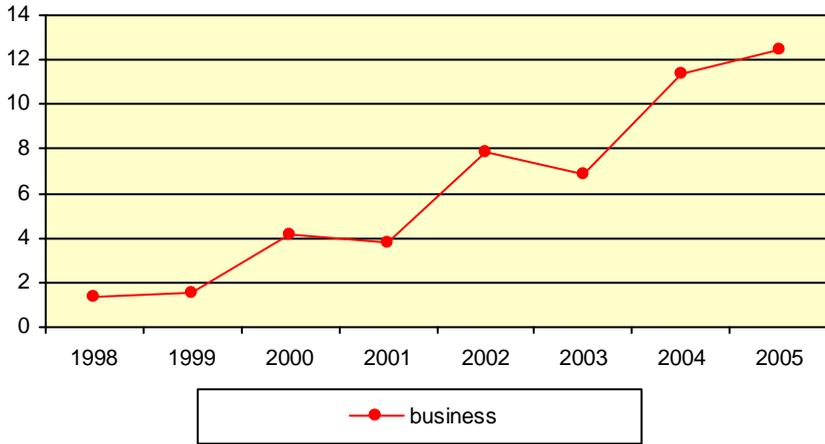


Figure 1 (a,b) Token frequency of "afacere", "companie", "firmă", "business" in Capital 1998-2005

However, sometimes a borrowed word can impact directly on the number of occurrences of a native equivalent. Thus, Figure 2 below shows that the rise in the number of occurrences of *brand* was paralleled by a proportional fall in the tokens of *marcă*. On the basis of these evolutions, it can be predicted that *brand* will reach the same frequency of usage as *marcă* or it will even overtake it in absolute terms.

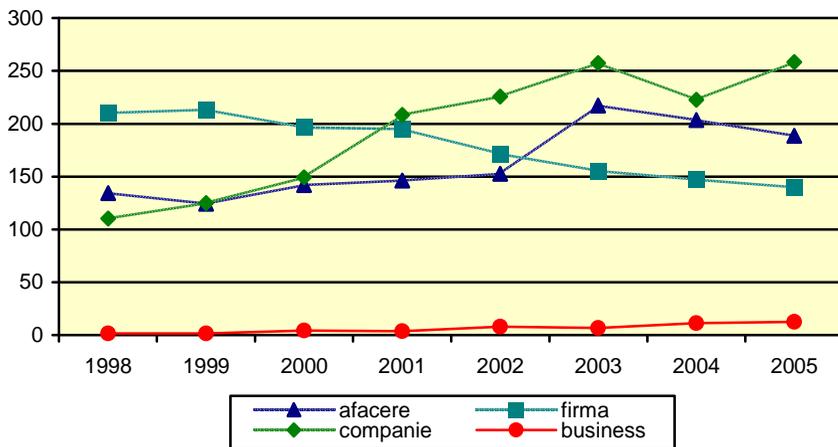


Figure 2 Token frequency of "marcă", "brand" in Capital 1998-2005

An even more representative case of the way in which a borrowed word can almost displace a native equivalent is provided by the Anglicism *retail*. In 1998, this word did not appear at all in the studied corpus, while *cu amănuntul* was used for 76 times, and *en-detail* for 7 times. All three terms had a surge in 2000, probably as a result of the arrival of large supermarket chains in Romania, and after that moment *retail* clearly gained a lot of ground in front of the two native synonyms, and it probably continued its upward trend after 2005. This firm position held by *retail*, which we believe will continue to gain ground in the future as well, is reinforced by a similar evolution in *retailer* and *detailist*.

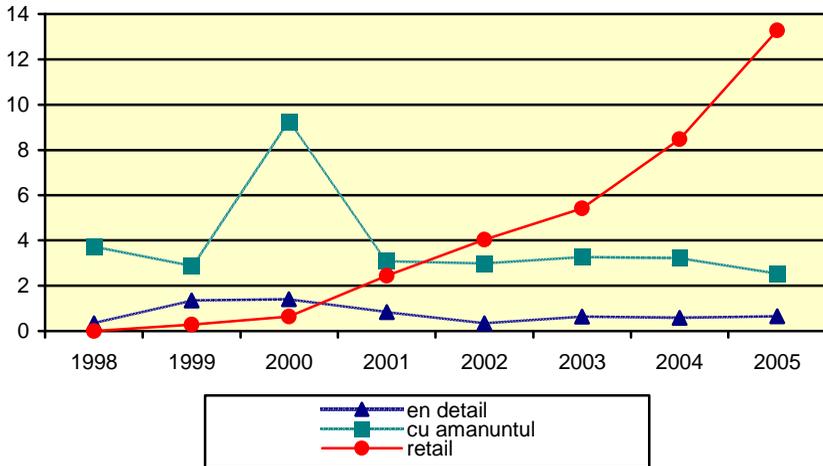


Figure 3 Token frequency of "en detail", "cu amănuntul", "retail" in Capital 1998-2005

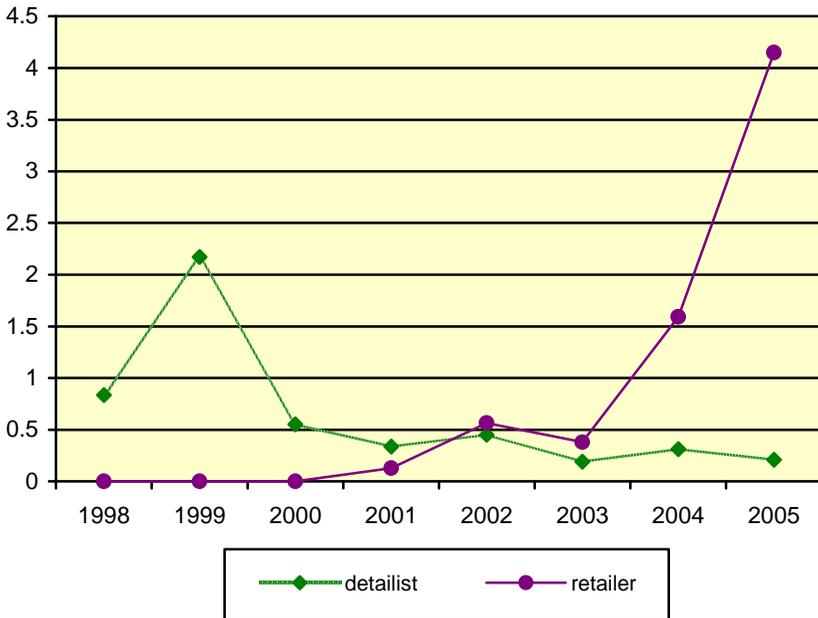


Figure 4 Token frequency of "detailist", "retailer" in Capital 1998-2005

To conclude our discussion on the quantitative impact of Anglicisms in the studied corpus of *Capital*, it is very clear that present-day Romanian is faced with a very distinct upward trend in this phenomenon. Cases such as those discussed above seem to confirm the structuralist belief that any change in the system of a language will trigger the reorganization of patterns elsewhere in this system. Thus, we agree with Weinreich (1968: 1) who drew attention to the fact that even in cases of lexical borrowing, that is when structural or grammatical elements are not involved, “It would be an oversimplification to speak of (...) mere additions to an inventory.”

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THE EU CONTRIBUTION TO THE IMPLEMENTATION OF THE CONVERGENCE OBJECTIVE IN ROMANIA (2007-2013)

Abstract: *Although the EU is the richest region in the world, however, there are significant disparities between its Member States on the GDP / inhabitant, the labour productivity and the employment.*

To reduce these disparities, all the Member States have taken measures in the joint regional development policy and in the economic and social cohesion policy. At the political level, the strategy document adopted by the Council says that, each member country must develop a political document called a development strategy which negotiates with the European Commission for the preparation of Sectoral and Regional Programs.

In 2007, the European Commission approved the cohesion policy of the National Strategic Reference Framework 2007 to 2013 of Romania which establishes the European Union priorities and interventions that can help achieve the convergence objective.

The National Strategic Reference Framework 2007 - 2013 links the National Development Plan 2007 - 2013 with the Community Strategic Guidelines and the revised Lisbon Strategy. The National Strategic Reference Framework with the National Reform Program and the Convergence Program respond to all the efforts made for achieving this convergence by defining the direction of the national action for the recruitment of European policy objectives and strategies.

Keywords: *structural funds, regional disparities, convergence, economic and social cohesion, regional competitiveness.*

JEL Classification: *O18, R11, F15*

The profound political changes which began in December 1989, especially the access to information not yet of public awareness during the

Communist regime realized the discrepancies between Romania's development model and the development model of the European Member States of the European Union. Romania's EU accession perspective led to the adoption of a new philosophy of development to ensure the organic correlation of the economic, social and environmental aspects.

The EU is currently one of the richest regions in the world, but there are wide disparities both between its different countries and within them, regarding the gross domestic product per capita, the labour productivity and the employment of labour . The instrument that explicitly addresses the disparities between the European regions and countries is the common regional policy involving the transfer of resources between the Member States through the European budget.

A regional policy objective is the economic and social cohesion in the sense that all the members of the European Union benefit from the reduction in disparities between the poorest regions and the more prosperous ones.

After the last enlargement, the European Commission has continued to simplify the management of the cohesion policy as a politically based strategy document adopted by the European Union, each EU country must prepare a policy paper on the Development Strategy to be negotiated with the European Commission, this document representing the sectoral and regional programs.

In this context, Romania has prepared, for the period 2007 – 2013, a National Development Plan which represents the document for strategic planning and financial programming and foster multi guiding economic and social development of the country in accordance with the principles of the EU cohesion policy. The plan sets the objective of reducing global swift of their socio-economic disparities between Romania and the other European Union member states. The plan treats in detail the specific objectives of the development process on six priority directions. These directions are: the increasing competitiveness and the developing the economy knowledge, the bringing to European standards of the basic infrastructure with emphasis on a sustainable development of infrastructure and vehicles by reducing environmental impact, the priority to protect and improve environmental quality providing improved life standards by providing public utility services especially the water and waste management, the risk prevention and the intervention in cases of natural disasters, the improvement and the better use of the human

capital aimed to promote social inclusion and strengthen the administrative capacity to develop modern and flexible labour markets, a rural economy and an increased productivity in the agricultural, forestry and fishing sector, containing provisions on the rational use of the land, the ecological rehabilitation of degraded or contaminated land and food safety objectives to reduce the disparities of development between regions and within them, intending to improve the administrative performance of the local public infrastructure, the national and cultural heritage protection and the integrated rural development.

Since Romania's EU accession, the European Commission approved, in July 2007, the National Strategic Reference Framework 2007 to 2013 for a priority action of the EU structural instruments in the economic and social cohesion policy, which links the priority of the National Development Plan 2007 - 2013 and the Community Strategic Guidelines on Cohesion 2007 - 2013 and the revised Lisbon Strategy.

National Strategic Reference presents Romania's economic and social situation and a Synthesis of the Sectoral Operational Programs (SOP) and the Regional Operational Program (ROP) to be implemented in order to achieve the convergence objective.

At operational level the European Commission adopted national and regional programs for each EU country. They are defined only at the aggregate level or the most important priorities were highlighted as the most important steps.

European Commission sets specific necessities of the regions and of the less developed countries around three new priorities called Community objectives: convergence, regional competitiveness and employment, namely the European territorial cooperation. The programs under the Convergence objective aim the countries and the less developed regions whose GDP / inhabitant is less than 75% of average.

In these regions, we have to work towards improving the conditions that stimulate the growth factors that lead to a real convergence.

Following the 2007 EU enlargement to 27 members, the EU average GDP / inhabitant dropped and several regions are no longer eligible for the convergence objective. In this case, the European Commission proposed a temporary support for regions in which the objective conditions have not changed and have not completed the process of convergence. These regions will be supported until 2013.

To achieve the strategic vision of the National Strategic Reference Framework 2007 - 2013 in cohesion policy, the European Commission has earmarked Romania for period 2007 - 2013 with a total of approximately 19.67 billion euro of which 19.21 billion euros for the "Convergence"; the national co-financing is estimated at 5.35 billion at a rate of 73% from 27% of the public and private sources. For a second goal, "European territorial cooperation", there remained 0.43 billion euros. The main instruments used by the EU structural funding programs under the Convergence objective are: the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund. These three structural funds are based on the following principles: the principle of concentration on the objectives, the principle of programming for several years, the principle of addition, the principle of partnership with the European countries, the local community and the local development actors. We need to make clear that the liability, the management and the destination of the structural funds are the responsibility of the European Commission.

The European Regional Development Fund's mission is to co-finance productive investment, to modernize and diversify the economic structure of the countries and the regions covered by the Convergence objective.

The courses of action are: the establishment of closer links between research institutions and development, the improvement of the access to finances and the encouraging of the new business initiatives, the expansion and the modernization of basic infrastructure such as transport networks, telecommunications and energy, water supply and facilities, environmental protection, in particular by supporting eco-industries, to rearrange disused industrial sites, preventing natural and technological risks, the use of less polluting vehicles and the use of renewable energies; consolidation of the institutional capacity of national and regional governments to use these funds.

The European Social Fund's mission is to co-finance actions such as professional training and help at work. The key areas of action are: improving quality and response capacity of existing institutions on employment, education systems and social services and insurance, increased investment in human capital to enhance education, adapting skills and access for all citizens to the labour market to adapt skills and

access for all citizens on the labour market, promoting adaptation to changes by the government administrative capacity.

The Cohesion Fund was established in 1992 to help the poorest countries of the European Union to be integrated in the Single Market, particularly investing in transport infrastructure and environmental protection. This fund aims to countries whose GNP / inhabitant is less than 90% of average. It is estimated to remain a priority the trans-European transport networks and the environmental infrastructure taking into account the necessities of the new EU countries.

The European Commission, which has responsibility for the use and the destination of the structural funds, has taken steps to reform the basic principles for improvement trying to implement the convergence objective in the Member States. Thus, the following improvements were considered necessary and urgent: encouraging a more strategic approach to programming, further decentralization of responsibility between partners present in the different countries and the regions and at the local authority level, improving efficiency and quality of programs financed by a strengthened and a more transparent partnership, by clearer and more rigorous monitoring mechanisms, a simplified management system by introducing additional transparency, differentiation and proportionality, ensuring an adequate financial management.

Most financial resources will focus on the poorest countries and regions, focusing on new member states. We believe that an effective regional development policy will spores if annual dialogue with European institutions will be held which can include reviews on the progress and the results of the national and regional programs.

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STRATEGIC MUTATIONS IN TERMS OF ECONOMIC TURBULENCE. CASE STUDY: PUBLIC SERVICES

Abstract: *This article proposes an analysis of developments in corporate strategies in terms of economic turbulence. Thus, some questions are emerging: How do institutions function in a period of strong turbulences? In what way do they monitor the strategic adaptations in order to face there turbulences? Crisis may assume / accelerate some institutional convergence between countries with rapid economic growth and developed countries?*

Keywords: *economic turbulence, public services, strategic adaptation*

La définition de la stratégie que chacun décide d'utiliser n'est pas importante, les décisions nécessaires sont les mêmes. Ces décisions appartiennent au choix des produits et services, clients et marchés, canaux de distribution, technologies, prix, opérations géographiques, pour n'en nommer que certains. Ce qui est nécessaire est une modalité structurelle, disciplinée, systémique de prise de ces décisions. L'utilisation de l'approche «des forces directrices» est une option. Le choix à partir des «valeurs» en est une autre. L'engagement à partir de l'analyse de la chaîne des valeurs en est une troisième. L'utilisation de toutes ces décisions en tant que système de vérification croisée constitue également une possibilité.

La stratégie a été prêtée au domaine militaire et adaptée pour être utilisée dans les affaires. Une fine adaptation est en effet nécessaire.

La stratégie représente la réalisation des buts et non pas leur énumération. L'énumération des buts est un problème d'affirmation de ces

futures conditions et circonstances vers lesquelles on doit diriger tous ses efforts.

La stratégie se préoccupe de la modalité dont on réalise ses buts et non pas quels sont ces buts ou quels devraient-ils être ou de la manière dont ils sont établis. Si la stratégie a un sens, celui-ci est en liaison avec les objectifs ou les fins visées.

La stratégie est un élément qui fait partie d'une structure formée de quatre parties. La première est représentée par les buts à atteindre. La deuxième partie est formée par les stratégies utilisées pour les atteindre, la manière dont on utilisera les ressources. La troisième est représentée par les tactiques, les modalités par lesquelles les ressources mobilisées sont effectivement engagées. La quatrième et la dernière partie est la composition des ressources, des moyens dont on dispose. Ainsi, la stratégie et les tactiques réalisent le passage entre les moyens et les buts.

Établir les buts ou les fins d'une entreprise est un problème de politique et l'origine des deux termes est grecque: politeia et polites – l'état et le peuple. Déterminer les buts d'une entreprise est un problème de gouvernance et non pas de management et inversement le fait de les atteindre est un problème de management et non pas de gouvernance.

Ceux qui gèrent sont tenus à veiller que les buts d'une entreprise soient clairs aux gens, légitimes, équités et bénéfiques pour tout le monde.

La stratégie représente l'effort commun de ceux qui gèrent et des managers. La tactique appartient aux managers. Les ressources sont contrôlées ensemble. Ceux qui gouvernent et les managers sont responsables ensemble de la mobilisation des ressources. Les managers sont ceux qui engagent ces ressources – mais toujours dans le contexte des finalités poursuivies et de la stratégie utilisée pour cela.

La stratégie est une vision adaptée, évolutive de ce qui est nécessaire pour accomplir les fins envisagées.

Les stratégies de commerce international des compagnies en voie d'expansion vers des dimensions globales ont été souvent débattues dans la littérature et les recherches scientifiques. Le sujet est plus actuel de nos jours à cause de la crise économique avec laquelle on se confronte et nous le considérons encore plus important étant donné qu'il engendre des conséquences pour le secteur privé et pour la société en général. La délocalisation d'autant d'étapes que possible de la chaîne de valeurs, de la R&D au service clients, impose un changement de pensée. Alors, donc, que la crise incite les groupes multinationaux à approfondir les démarches

de réduction de coûts, par la délocalisation ou par le recours à l'externalisation, comment les entreprises des pays émergents, fournisseurs possibles de ces multinationales, sont-elles affectées par les évolutions potentielles des coûts de transaction et des coûts de coordination?

Plus largement, le contexte dans lequel sont plongés les acteurs modifie les logiques de gouvernance développées. Il est donc particulièrement intéressant, en période de turbulences économiques, d'étudier les réponses adaptées au contexte atypique des pays à croissance rapide (forte évolution des institutions).

Pôle stratégie

La stratégie représente tout cela – perspective, position, plan et modèle. La stratégie est la passerelle entre la politique et les buts importants d'un côté et les méthodes ou les actions concrètes d'un autre. La stratégie et la méthode ensemble diminuent la distance entre les moyens et le but. La stratégie se rapporte à un réseau complexe d'idées, de pensées, introspections, expériences, buts, expertises, souvenirs, perceptions et attentes qui assurent la direction générique des actions spécifiques afin d'atteindre certains buts. La stratégie est en même temps le cours qu'on trace, le voyage qu'on s'imagine et, en même temps, l'itinéraire qu'on suit effectivement.

Peut-on apprécier les impacts possibles de ces ruptures au niveau des choix stratégiques des entreprises? Peut-on identifier des étapes dans le développement stratégique à l'international des multinationales ?

La première vague de compagnies globales apparues en Europe Centrale a offert des produits et des services à prix réduit (1999–2000) dans un climat d'insécurité économique avec des coûts élevés des transactions et des coûts élevés de coordination (règlements et politiques de commerce étrangers, manque d'organismes de réglementation, manque d'institutions fonctionnelles, manque d'exemples de bonne pratique dans les affaires, manque d'infrastructure IT)

La deuxième vague exploite l'opportunité au-delà de la stratégie des prix réduits par l'innovation. L'innovation est associée:

au développement de nouveaux produits et services ou
à l'ajout de plus de fonctionnalité et de nouvelles caractéristiques à ceux qui existent déjà

Note: La différence au niveau des salaires existe encore, même si elle devient un facteur moins important de développement en Europe Centrale.

Pour expliquer l'évolution de l'environnement et des arrangements institutionnels, North s'intéresse aux changements des prix relatifs (variation du coût des facteurs, de l'information, de la technologie...) et aux réactions des acteurs économiques à ces changements. Pour lui, ces variations de prix expliquent l'évolution des institutions. Il précise que, dans son approche, la force de changement n'émane pas des institutions elles-mêmes, mais des acteurs économiques qui réagissent à ces changements de prix¹. Ces derniers peuvent engendrer de nouveaux comportements et, par conséquent, inviter les décideurs à développer de nouveaux arrangements contractuels et institutionnels. C'est à ce niveau que la nouvelle économie institutionnelle peut offrir des éclairages intéressants pour analyser les conséquences de la crise économique (qui provoque une modification des prix relatifs) sur les stratégies développées par les entreprises.

Pour les compagnies globales, la stratégie est basée sur le mélange entre la configuration et la coordination (Ghemawat, P., 2007), établissant les locations clé pour les facilités de production en respectant les coûts de production et en trouvant aussi la meilleure manière d'autonomiser les managers locaux à agir et à prendre des décisions. En analysant les compagnies globales qui agissent localement, P. Ghemawat (2008) compare les compagnies globales établies avec les nouvelles compagnies globales émergentes des pays en voie de développement.

Les compagnies globales établies font plus attention à la coordination des actions et au soulagement des tensions entre le centre et les organisations.

Ils essaient de nouvelles structures de management et des modalités d'être plus à l'écoute des clients locaux sans perdre les avantages du savoir-faire global. Leurs plus grandes vulnérabilités à court terme sont le mouvement plus lent et les coûts élevés – tant les dépenses générales de la compagnie que les coûts d'opération locaux – par rapport aux joueurs autochtones.

Les multinationales plus récentes des marchés émergents tendent à avoir un profil inverse par rapport aux compagnies globales. Mais leur plus grande vulnérabilité, par rapport aux compagnies globales, est le manque d'expérience dans la coordination et le management du conflit au-

¹ Dans la théorie institutionnaliste, le lien causal est inversé car le changement du prix relatif est le résultat du changement institutionnel.

delà des frontières et un manque de profondeur dans la connaissance du client et du canal global.

Une compagnie faisant une ligne de production restreinte en Roumanie et qui exporte à quelques grands consommateurs en Asie, aux Etats-Unis et en Europe de l'Ouest ne doit pas modifier de manière importante sa structure managériale. Mais lorsqu'elle établit des objectifs plus élevés – plus de produits, plus de services, une identité de marque globale plus forte – elle a besoin de plus de mécanismes de coordination entre frontières et plus de ports d'apprentissage dans son organisation. L'apprentissage global est un défi dans leur stratégie: à côté des compétences techniques centrales de la compagnie, les capacités d'apprentissage global deviennent elles-mêmes une activité des compétences de base. La compagnie globale est basée sur la plateforme commune des connaissances et des valeurs existant à l'intérieur de la compagnie (Kanter, R, 2008).

Dans ce contexte, la compagnie devrait créer cette plateforme commune pour être agile et préparée pour le changement (Kanter, R, 2008).

L'agilité est donnée par les pratiques managériales standardisées et les technologies qui permettent aux gens de ne plus dépenser leur énergie sur des activités de base et de se concentrer sur place dans les actions à valeur ajoutée.

Mais le fait de fournir une plateforme sur laquelle les personnes créatives puissent construire n'est pas suffisant. Ce qui est encore exigé est un set de valeurs partagées pour guider leurs choix et actions. Dans le management du changement, les valeurs semblent être l'ingrédient clé dans les multinationales les plus renommées et ayant le plus de succès de nos jours, étant donné qu'il s'agit d'outils très motivants. Quand ils forment une équipe autour d'un projet, les gens communiquent et collaborent efficacement, même en dépit de grandes différences dans leurs passés et traditions culturelles, parce qu'ils ont un sentiment puissant de la finalité de l'affaire et de l'identité de la compagnie.

Etude de cas: la stratégie nationale concernant le développement des tâches des services publics d'administration communale jusqu'en 2030

Le secteur des services publics d'administration communale a subi des transformations majeures dans les 10 dernières années du point de vue

organisationnel, technique et administratif, mais on ne peut pas affirmer que ces transformations se sont produites à la suite des actions planifiées ou à partir d'une stratégie sectorielle adoptée à un moment donné par le Gouvernement ou par une autre autorité, ces transformations ayant surtout un caractère aléatoire et conjoncturel.

Tant le programme du gouvernement que la Stratégie Economique de la Roumanie à terme moyen ont mis en évidence pour la première fois l'importance du secteur des services publics d'administration communale et ils ont souligné leur rôle dans le processus d'amélioration de la qualité de vie. Cette politique est prouvée premièrement par l'élaboration et la mise en place de toute une série d'actes normatifs adoptés.

La Loi no. 326/28.06.2001 des Services publics d'Administration Communale, loi cadre de conception moderne, européenne, qui établit des tâches importantes concernant les responsabilités du Gouvernement de la Roumanie et des structures de l'administration publique centrale et locale sur la politique générale de l'Etat dans ce domaine, exprimée en stratégies spécifiques qui sont élaborées en concordance avec le programme du gouvernement. Cette loi est suivie par toute une série de réglementations sectorielles qui, pour la première fois dans l'histoire de la Roumanie d'après guerre, établissent des règles administratives, juridiques et techniques pour chaque service d'administration communale, voire pour :

- L'eau et les égouts;
- La production et la distribution de l'énergie thermique;
- La salubrité;
- Le transport public local;
- Les routes et les espaces verts;
- La distribution de l'énergie électrique dans les localités;
- La distribution des gaz naturels dans les localités.

La décision du Gouvernement de la Roumanie no. 8/04.01.2002 concernant la fondation, l'organisation et le fonctionnement du Ministère d'Administration Publique a établi des responsabilités sur la coordination du point de vue stratégique et méthodologique du secteur des services publics d'administration communale créant dans le cadre du ministère les structures nécessaires pour leur accomplissement.

Par ces réglementations et par les autres qui ont suivi on a créé un cadre législatif cohérent et qui permet un développement du secteur en concordance avec les dispositions des directives européennes ayant comme finalité l'offre de services de qualité aux consommateurs à des

prix accessibles avec le respect des principes du développement durable, de l'économie des ressources et de la protection de l'environnement.

Pour les raisons présentées ci-dessus, le Ministère de l'Administration Publique apprécie qu'il est opportun d'élaborer à présent une stratégie à moyen et long terme (jusqu'en 2030) pour le domaine des services publics d'administration communale qui, ayant comme point de départ l'analyse de la situation externe, esquisse des scénarios spécifiques de modernisation et de développement de ces services et contribue ainsi à la prise de décisions majeures concernant les directions d'action dans les étapes suivantes.

Ce délai, l'année 2030, correspond au moment où, conformément aux évaluations faites on pourra atteindre les objectifs proposés aujourd'hui dans les directives de l'Union Européenne concernant la qualité de l'eau potable, la composition des eaux usées, la qualité de l'air et la problématique des déchets.

Il est également dicté par les possibilités limitées de faire des investissements dans ce secteur et il devra être vérifié et ajusté en fonction de l'évolution générale du programme et d'autres indicateurs très importants comme: l'évolution du produit interne brut, l'évolution du revenu par habitant en environnement urbain et rurale, le développement des technologies etc.

Le principe fondamental se trouvant à l'origine de la structure de cette stratégie est donc de créer les conditions par lesquelles on puisse offrir aux consommateurs les services respectifs à des standards de qualité européenne et à des prix accessibles.

La présente stratégie place les services publics d'administration communale dans le domaine des entreprises d'intérêt économique général, conformément à la définition de la Carte Blanche de l'Union Européenne et essaie d'aligner ces services au concept européen, ayant à la base les principes fondamentaux suivants:

- La décentralisation des services publics et l'augmentation de la responsabilité des autorités locales concernant la qualité des services assurés pour la population;
- L'extension des systèmes centralisés pour les services de base (alimentation en eau, canalisation, salubrité) et l'augmentation du degré d'accès de la population à ces services;

- La restructuration des mécanismes de protection sociale des segments défavorisés de la population et la reconsidération du rapport prix/qualité;
- La promotion des principes de l'économie de marché et la réduction du degré de monopole;
- L'attraction du capital privé dans le financement des investissements dans le domaine de l'infrastructure locale;
- L'institutionnalisation du crédit local et l'extension de sa contribution au financement des services communaux;
- La promotion des mesures de développement durable;
- La promotion du partenariat social et la formation continue des ressources humaines.

Evolution en Europe du concept sur les services publics d'intérêt économique général

La Carte Blanche du gouvernement de l'Europe, lancée dans le cadre de la réunion du Parlement Européen du 15.02.2000, a introduit un nouveau concept de partenariat démocratique entre les différents niveaux de gouvernement en Europe et traite la problématique des services publics d'intérêt économique général en les considérant d'une importance spéciale pour le maintien de la cohésion sociale, l'augmentation de la qualité de vie sur le continent européen et l'assurance du développement durable.

Les principaux problèmes qui existent aujourd'hui dans l'Union Européenne concernant l'avenir des services publics sont :

- La globalisation et l'ouverture du marché pour la libre compétition;
- La décentralisation;
- Le renforcement de la cohésion sociale;
- Le développement durable.

Cette stratégie définit les objectifs principaux de développement des services publics d'administration communale en conformité avec les dispositions des directives européennes.

Rapportés à la situation de ces pays, les services publics d'administration communale de la Roumanie marquent un retard extrêmement accentué tant sous l'aspect des performances techniques, de

la qualité, de la continuité que sous celui des coûts et de la consommation des matières premières, matériaux et énergie.

Conclusions

La stratégie n'a pas une existence indépendante du but à atteindre ni dans le domaine public ni dans celui privé. Elle représente le cadre général qui assure le guidage pour les actions qui seront entreprises et, en même temps, elle est dessinée par les décisions prises selon le contexte local. Lors des turbulences économiques, la veille stratégique est essentielle en vue d'anticiper les mesures à prendre pour les démarches opérationnelles. Cela signifie que la condition nécessaire pour développer la stratégie est la compréhension claire et généralisée des fins qui doivent être obtenues et du contexte. Sans prendre en considération ces fins, l'action devient purement tactique.

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COPENHAGUE....ET APRÈS

Le sommet de Copenhague vient de s'achever et les commentateurs les moins pessimistes trouvent le bilan bien faible...et il ne pouvait pas en être autrement. Bien entendu, les différents pouvoirs des grandes puissances et les différentes faiblesses des pays dits émergents ne pouvaient que conduire à ce bilan. Mais il faut aller plus loin et s'interroger sur le développement durable et le réchauffement de la planète à partir de trois questions:

- 1- Mondialisation et développement durable.
- 2- Développement durable, émergence des pays du tiers monde et organisation sociale des pays développés.
- 3- Quelle conception de l'écologie?

I- MONDIALISATION ET DEVELOPPEMENT DURABLE.

Le capitalisme industriel du 19^{ème} siècle et le début du 21^{ème} siècle, les Trente glorieuses reposaient essentiellement sur « l'entrepreneur » de Schumpeter. La richesse était produite par un processus industriel contrôlé par l'entrepreneur qui organisait aussi en grande partie la répartition de cette richesse entre les actionnaires, les salariés et ...l'entrepreneur. D'où parfois des heurts violents entre les salariés et les patrons.

Mais , et c'est le point central, l'entrepreneur ne devait penser son action et donc ses investissements qu'en fonction de son entreprise ce qui lui permettait d'envisager un avenir satisfaisant pour lui et pour ses salariés par l'emploi et aussi par le salaire (relire les théories de Ford). Bien entendu, l'activité industrielle, et on pourrait y associer l'activité agricole, n'était pas toujours très respectueuse de l'environnement et imposait parfois des conditions de travail inhumaines (conflit des mines).

Cependant, puisque le sort de l'entrepreneur était lié à son entreprise, s'il voulait se pérenniser, il était obligé d'intégrer les

contraintes environnementales, les aspirations sociales, sauf à disparaître. Nous soutenons la thèse que -les entrepreneurs s'inscrivaient dans la logique du développement durable, même s'il y avait à redire sur certains manques.

L'émergence d'un capitalisme financier, de fonds de pension, de dirigeants d'entreprises très éloignés de la culture technologique de l'entrepreneur, a introduit une scission entre la logique du développement durable et la production industrielle.

La première rupture concerne l'entreprise et les salariés. Lorsque la logique de l'entreprise n'est plus industrielle mais financière dans les trois composantes: entrepreneurs ou dirigeants, actionnaires, salariés; les salariés disparaissent. Les licenciements, les délocalisations, l'organisation du travail proche du harcèlement sont autant de moyens pour réduire le pouvoir des salariés. Et, c'est une erreur monumentale car le salarié est le rouage de base du développement durable car il s'identifie à son entreprise, par exemple: Moulinex et en 2009 Continental. Il est aussi par des revendications sur les conditions de travail, le ferment d'une approche plus respectueuse de l'environnement dans la production.

Alors que le capitalisme financier basé sur les fonds de pension conduit à trois erreurs majeures.

- Tout d'abord, il ne s'inscrit pas dans une logique industrielle de moyen ou long terme mais il s'intéresse aux résultats à court terme; la rubrique de CAC40 en est l'illustration dramatique. Bien sûr, il faut comprendre le retraité américain de 65 ans et plus, qui recherche le cash au plus vite sans se soucier dans quelle condition il est obtenu. Par exemple, les groupes pétroliers qui utilisent des pavillons de complaisance et des bateaux en fin de vie.

- La deuxième erreur est la rupture entre les salariés et leur entreprise: des partenaires ou pire, des collaborateurs(entre 1939 et 1945 il fallait éviter!) ils deviennent des variables d'ajustements dans les plans de reconversion sociale. Or, il n'est de richesse que les hommes: l'expérience, le savoir faire, tout cela est détruit. Où est l'économie durable si on détruit ce « capital humain »?

- La troisième erreur et la troisième faute contre l'économie durable est encore plus grave que les deux autres. La logique financière de court terme conduit à la délocalisation des productions, car hélas, pour les financiers, il faut quand même encore produire. La nouvelle localisation choisie par les financiers correspond à une meilleure rentabilité grâce à

des bas salaires, des contraintes écologiques réduites et des prébendes réciproques avec les autorités locales: où est le développement durable et l'émergence de pays?

II- DEVELOPPEMENT DURABLE,EMERGENCE DES PAYS DU TIERS MONDE ET ORGANISATION SOCIALE DES PAYS DEVELOPPES.

Certaines interventions lors du sommet de Copenhague révélèrent l'exaspération de chefs d'états africains confrontés aux pires difficultés mais aussi à la corruption! Mais l'urgence absolue n'est pas ressortie. A ce sommet qui fait mine de s'intéresser au réchauffement de la planète en oubliant l'essentiel; la malnutrition, les famines, la mort d'enfants et d'adultes, alors qu'il fallait se mettre d'accord sur l'adduction d'eau en tout point de la planète, et sur la lutte contre les maladies endémiques. En contre partie, les pays soutenus devraient s'engager dans une politique de natalité raisonnée et contrôlée. Parler de développement durable et de lutte contre le réchauffement climatique alors que des êtres humains meurent par milliers, est une faute contre l'humanité.

Pour autant, ce soutien essentiel aux pays émergents ne doit pas destabiliser l'organisation sociale des pays développés, en particulier pour les emplois d'exécution.

On peut, après David Ricardo, admettre que si le coût de production est plus bas dans un pays X, la production ne se fera pas dans un pays Y, en ajoutant à condition écologique identique. Même si cette condition est vérifiée, un pays développé se doit d'intervenir pour défendre des emplois locaux, au moins pendant une période limitée.

La logique industrielle des groupes internationaux a été en France plus forte que la volonté affichée des politiques: exemple la sidérurgie.

Or, le développement durable ne doit pas seulement tenir compte des différences de coûts salariaux mais aussi des technicités et donc des transferts de technologie et profitant de cette période, organiser pour le pays développé, acceptant ou obligé, au transfert de technologie d'organiser la transition. Le fondement du développement durable n'est pas l'écologie mais bien plus, l'organisation sociale d'un développement écologique. Ce qui veut dire que l'homme prime sur la nature.

III- QUELLE CONCEPTION DE L'ÉCOLOGIE?

Il y a deux façons d'appréhender l'avenir:

1- Regarder l'avenir dans son rétroviseur, se focaliser sur son territoire (réflexe NIMBY) et perdre le caractère collectif de tout projet, en recherchant de multiples raisons pour s'opposer au projet collectif, en particulier pour sauvegarder la nature.

Ici, il s'agira de protéger une plante carnivore, là, des batraciens d'une zone humide existant réellement où trouvés sur Internet! On peut devenir écologiste par opportunisme local ou par égoïsme, et on se conforte dans cette vocation en se référant à des concepts scientifiques qui par définition s'appuient sur des hypothèses ayant une probabilité d'émergence et non une certitude. Certes, il ne faut pas négliger les observations scientifiques attestant des phénomènes observables comme le réchauffement de la planète, mais il ne faut pas non plus ne plus entendre les scientifiques qui contestent ces observations et ces tendances.

A partir d'une prise de position soit locale soit de principe tenant compte de la « science-écologie », l'individu écologique s'oriente vers des propositions de plus en plus contraignantes: il faut pratiquer le tri sélectif intégral alors que le tri n'a de sens que s'il existe des filières de traitement. Il faut interdire la production électrique à partir du charbon (gaz à effet de serre), du nucléaire (traitement des déchets) mais aussi et c'est récent, des éoliennes (ondes et bruits).

Cette approche écologique est en particulier bien représenté par Nicolas Hulot: « les jours du monde tels que nous les connaissons sont comptés ». Autrement dit, le « prophète » prévoit que l'activité humaine qui engendre des désordres climatiques ou de la nature va nous conduire à l'apocalypse, c'est le syndrome du Titanic.

Pour éviter cette catastrophe, il faut s'orienter vers la décroissance, limiter la natalité sur toute la planète et se ruer vers l'or vert comme en Californie avec les centrales solaires et les panneaux photovoltaïques Ce discours apocalyptique est présent dans toutes les religions: les désordres engendrés par l'homme subissant la punition de Dieu. Les nuées de sauterelles, les déluges, la grande peste de Londres, la disparition de la ville d'Ys, viennent punir la dépravation humaine: c'est la religion écologie très souvent sectaire et autiste. Enfin, prôner la décroissance,

c'est bien souvent interdire aux plus faibles ce que se permettent les plus aisés: par exemple, un ménage ayant de faibles ressources ne pourra pas changer sa chaudière fioul contre une pompe à chaleur, faute de moyens.

La décroissance conduira à une régression sociale car on aura voulu privilégier la nature et non l'homme.

2- La deuxième conception de l'écologie part du constat que de tous les temps, l'homme a agi sur la nature et que grâce à ses actions, il a su utiliser les ressources naturelles et énergétiques pour apporter des améliorations des conditions de vie. Certes, il faut regretter que la croissance et la production industrielle n'ont pas été également réparties sur la planète. L'Europe, les Etats-Unis ont ainsi piller les ressources naturelles de l'Afrique, des pays arabes, de l'Amérique du sud en cautionnant la corruption et en soutenant des régimes bananiers. Au début de la croissance industrielle, le progrès était avant tout quantitatif et mesuré par le taux de croissance qui peut cacher des actions néfastes sur le milieu naturel.

Au 21^{ème} siècle, il ne faut pas interdire un projet industriel qui peut avoir une action sur la nature. Il ne doit pas être abandonné car l'homme n'est plus maître de son destin, c'est la nature qui s'impose à lui. Il lui faut concilier la sauvegarde de la nature et le progrès technologique. Ce n'est pas la décroissance mais la qualité de la croissance qui doit primer sur le taux de croissance.

Cette approche a un coût social qu'il est nécessaire d'imputer équitablement. Par exemple, l'exploitation du lithium en Bolivie devra être régulée et maîtrisée pour que les populations locales bénéficient en priorité des retombées sociales et économiques de cette exploitation.

Tout nouveau produit industriel devra lors de sa conception intégrer les possibilités de recyclage et de destruction en fin de vie, mais aussi, le produit devra répondre aux attentes réelles des consommateurs et non à des aspirations très secondaires. Certains produits très sophistiqués ne sont utilisés qu'à 30 ou 40% de leurs capacités. La démarche qualité, les normes ISO, la formation permanente des personnels, les bilans énergétiques sont à la base de cette approche écologique de la production aussi bien agricole qu'industrielle. Il ne s'agit pas de s'enfermer dans les incantations ou dans les prévisions de cataclysmes. Il s'agit d'un engagement permanent des systèmes productifs pour que leurs actions sur la nature soient contrôlées et maîtrisées pour organiser un développement

durable. Il s'agit aussi de répartir le plus équitablement possible les bénéfices de la croissance entre les individus en supprimant des écarts abyssaux des rémunérations et entre les pays pour éviter le pillage de certaines ressources naturelles (mines,forêts); L'écologie n'existe pas sans une vision sociale forte.

Enfin, la production industrielle doit rejeter tous les excès liés au marketing, par exemple, le packaging (démésure du contenant par rapport au contenu) et à la production de gadgets inutiles même s'ils se vendent!

L'homme du 21ième siècle doit être le maître des processus industriels, un garant du respect de la nature actuelle et future, il doit avoir une vision de long terme et à la recherche d'une répartition équitable des richesses. C'est beaucoup plus difficile que les prophéties de la «religion écologie», mais c'est le prix à payer pour organiser le développement durable de la planète.