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Lucian Blaga University of Sibiu
No.10, Victoriei Bd.
Postal Code 550024, Sibiu, Romania

Faculty of Economic Sciences
No.17, Calea Dumbrăvii
Postal Code 550324, Sibiu, Romania

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Mail: iecs.student@ulbsibiu.ro

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THE LINKAGE BETWEEN CULTURAL DIMENSIONS AND CRIME RATE

*Armean Adrian, Lucian Blaga University of Sibiu, Faculty of Economics, Sibiu, Romania,
adrian.armean@ulbsibiu.ro*

*Anton Alex-Iosif, Lucian Blaga University of Sibiu, Faculty of Economics, Sibiu, Romania,
alex.anton@ulbsibiu.ro*

*Florea Alexandru-Sorin, Lucian Blaga University of Sibiu, Faculty of Economics, Sibiu, Romania,
alexandrus.florea@ulbsibiu.ro*

Abstract:

Culture is a very broad concept, making it difficult to properly grasp and simplify. However, the cultural dimensions that Geert Hofstede introduced may be used to define a country's culture from six perspectives. We found these concepts rather interesting, relevant and useful for conducting research. We wanted to find a link between them, followed by taking it a step further and finding correlations between the dimensions and the crime rates of certain countries. Thus we began investigating with high expectations that we will find at least one relationship between the dimensions and we were hopeful that crime rate was related to Hofstede's concepts. The conclusions of this paper may be beneficial for understanding the motivations behind the crimes in the sampled countries. Additionally, the results of our research shall further be used to correlate crimes with cultural or economic factors.

Keywords: Hofstede Dimensions, Culture, Crime

JEL classification: Z13, A14

1. INTRODUCTION

Generally, culture can be defined as a deposit that manifests through personal and group survival, accumulated information, faith, attitudes, principles, responsibilities, relationships, cuisine. Every country, nationality, city, maybe even a group as small as a family, represents a specific culture. It can also manifest in other areas, such as business, where a specific "business culture" is created. This results in the entire company, becoming a team.

Many people overlook culture and can not see how beneficial studying this field is. Knowing people's intentions, the reasoning behind said intentions and how to respond to them, can often lead to avoiding misinterpretation. Cultural awareness helps us remove communication barriers, create new relationships or strengthen our current ones.

Culture itself can not be measured, however, professor Geert Hofstede introduced the "dimension paradigm". This concept refers to six characteristics that can define a country's culture. Each coefficient can be graded, on a scale of 0 to 100. In this regard, it is easier to get a grasp on the population's behaviour, based on the country's scores. It is also possible to find patterns or links between the cultural dimensions.

The aim of this paper is to analyze whether there is a link between the cultural dimensions and crime rates of certain countries. We have chosen countries from every continent and we made sure that they have quite different scores on the dimensions scale.

2. LITERATURE REVIEW

2.1 Culture and crime

Hofstede's first book on culture appeared in 1980 called "Culture's Consequences". This book was the beginning of the comparative study regarding cultures. He reworked it in 2001 and included a lot more information. For example, it includes the studies done in Asia which resulted in the fifth dimension: long-term orientation. The book still had enough information so that people could replicate his studies.

In 1991, Geert Hofstede launched the best-seller “Cultures and Organizations: Software of the Mind”. Here, he thoroughly presents the cultural dimensions. A second edition was released in 2005, now assisted by Gert Jan Hofstede. This book speaks about how people think and fail to think as members of groups. It contains three parts. The first one is about the famous dimensions of national cultures, the second touches the topic of organizational cultures and the third one mentions the implications of all the previous chapters. In 2010 a third edition was released with a third co-author: Michael Minkov. This edition was updated for a more general readership. It also features new concepts such as “moral circles”, a new way of calculating the Long- and Short-Term Orientation dimension and a brand new cultural dimension named “Indulgence versus Restraint”, based on extensive analyses done by Michael Minkov.

Some commentators, such as Ronald Burns and Jack Katz, believe that the crime rate along with the type of crime committed can depend on culture. For example, in an article published in 2000, Ronald Burns suggests that in the United States, truck theft generally happens in the Southern and Western parts, due to these vehicles being seen as “artifacts”.

Sociologist Jack Katz is believed to be the one who invented the concept of “cultural criminology”, in his 1988 book, “Seductions of Crime”. Jeff Ferrell, the forerunner of today’s field, says the purpose of this concept is investigating “the stylized frameworks and experiential dynamics of illicit subcultures; the symbolic criminalization of popular culture forms; and the mediated construction of crime and crime control issues.”(Ferrell, 1999). More recently, in 2019, Jonathan Ilan, a lecturer in Criminology, wrote a paper in which he described cultural criminology as part of crime studies, in which the “dynamics of meaning underpin every process in criminal justice, including the definition of crime itself”.(Ilan, 2019)

Kenneth Padowitz is a criminal justice attorney, with law lectures, 300 plus trials, a 34 to 1 win/loss record in First Degree Murder Trials, hundreds of National Television appearances, more than fifty Grand Jury presentations, as well as several thousands of depositions in just 32 years. He wrote an article titled “Cultural influence on crime”(Padowitz) with the purpose to “discuss the various theories that have been proposed to explain the reason for imbalance in rates of crime around the world.”. He mentions the “heat hypothesis”(Anderson 2001) that theoretically explains the negative effect that warm temperatures have on humans - increases hostility and aggressive thoughts. He claims this theory is false and too simplistic. Moreover he states that individualism leads to social inequality, which then results in higher crime, especially homicide. Another example he gives is China and its economic reforms. Once the reforms started, crime rates grew dramatically. By 1991, the crime rate was seven times higher than in 1964. The last link he finds is between individualism and collectivism. The countries he researched were America and Japan. The former being individualist and the latter, collectivist. Japanese cultural values are in opposition to the American ones. Based on the research done, it looks like the “group mentality” promoted by collectivism results in much lower crime rates than the individualistic approach.

2.2 Analysis of linkage between the dimensions

Table 1. Countries and their dimensions

Country	Power distance	Individualism	Masculinity	Uncertainty avoidance	Long term orientation	Indulgence
Venezuela	81	12	73	76	16	100
South Africa	49	65	63	49	34	64
Brazil	69	38	49	76	44	59
El Salvador	66	19	40	94	20	89

Angola	83	18	20	60	15	83
Peru	64	16	42	87	25	46
Taiwan	58	17	45	69	93	49
Georgia	65	41	55	85	38	32
Hong Kong	68	25	57	29	61	17
Slovenia	71	27	19	88	49	48
Switzerland	34	68	70	58	74	66
Netherlands	38	80	14	53	67	68

Source: <https://www.hofstede-insights.com/product/compare-countries/>

2.3 Hypotheses

Based on the scores in table 1, we hypothesize that:

H1: Power distance and individualism are linked together. Explanation: the three countries with power distance values lower than 50 (Switzerland, Netherlands and South Africa) have individualism scores equal to or higher than 65. In contrast, the countries which have over or equal to 58 values for power distance, have individualism scores lower or equal to 41.

H2: Individualism and uncertainty avoidance are related. Explanation: the three countries with the highest individualism scores (South Africa, Switzerland and Netherlands) have medium scores for uncertainty avoidance - 49 ; 58 ; 53. The countries with low individualism scores have high uncertainty avoidance values, generally above 70. The only exception is Hong Kong, with low scores for both individualism and uncertainty avoidance, which may be explained by its high long term orientation score.

2.4 Crime index

Table 2. Crime Index

Country	Crime index
Venezuela	84.36
South Africa	77.29
Brazil	68.31
El Salvador	67.84
Angola	65.74
Peru	65.65
Taiwan	15.26
Georgia	20.50
Hong Kong	20.91

Slovenia	20.95
Switzerland	21.58
Netherlands	27.15

Source: https://www.numbeo.com/crime/rankings_by_country.jsp?title=2020-mid&displayColumn=0

2.5 Hypotheses regarding crime rate and cultural dimensions

Based on the values in Table 1 and Table 2 we hypothesize that:

H3: Crime rate is linked to the level of long term orientation and indulgence in a country. The high crime index (84.36 ; 77.29 ; 67.84) appears to be related to low long term orientation (16 ; 34 ; 20) and high indulgence (100 ; 64 ; 89). In opposition, countries with low crime index (15.26 ; 20.91 ; 21.58) have high long term orientation values (93 ; 61 ; 74) and low indulgence values (49 ; 17 ; 66 - the low crime rate may explain the lack of restraint).

3. METHODOLOGY

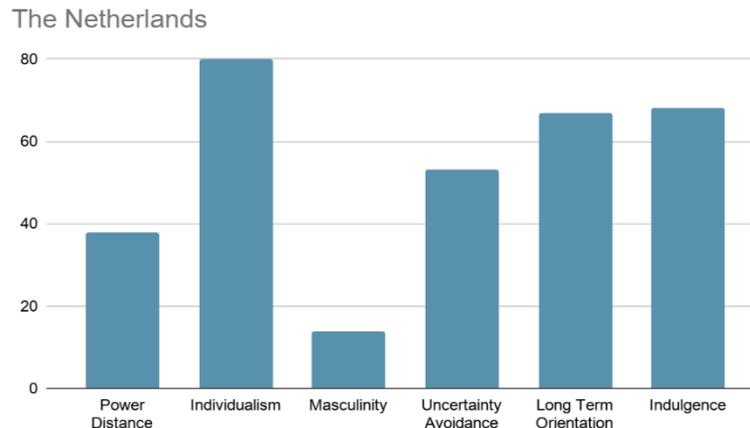
3.1 Sample

The sample used for this investigation was created based on a list of countries ranked by their crime index. We have chosen subjects at the top and bottom of the ranking and checked whether we could find values for their six cultural dimensions. If a country did not have such a value, we used the following one. The countries that we analysed were: highest crime index - Venezuela, South Africa, Brazil, El Salvador, Angola and Peru ; lowest crime index - Taiwan, Georgia, Hong Kong, Slovenia, Switzerland and Netherlands.

3.2 Hofstede's 6 dimensions

We will be building a profile of the Netherlands in order to better understand each dimension.

Figure 1. The Netherland's six dimensions



Source: <https://www.hofstede-insights.com/country-comparison/the-netherlands/>

3.2.1 Power Distance

By 'Power Distance' we understand that not all people in all societies are considered to be equal. This dimension represents the attitude of the people in a specific culture in relation to these inequalities among them. Power distance is explained by Hofstede as "the extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally".

For this characteristic, the Netherlands has a low score of 38, which is characterized by: Being self-sufficient, having a hierarchy simply for the sake of convenience, equal rights, superiors who are approachable, coaching leaders, and management that empowers and facilitates. Managers rely on the experience of their team members because power is decentralized. Employees expect to be consulted on a regular basis. Control is frowned upon, and managers are addressed by their first names. Direct and participatory communication is used.

However, when it comes to countries with high power distance, people are said to accept a hierarchical order in which everyone has their role. Thus, it is often the case that people in positions of power in these societies are seen as inherently superior.

3.2.2 Individualism

“Individualism” represents “*the degree of interdependence a society maintains among its members*”. It represents whether people perceive themselves as individuals or as a collective. A “We” or “I”. People are more independent in individualist societies, and they are supposed to only care for their immediate family and themselves, while in a collectivist culture, each individual is part of a whole.

Since the Netherlands reaches a very high score of 80 on this scale, it is considered an Individualist society. Hofstede views such societies as exhibiting a loosely connected social structure in which they are simply obliged to look after themselves and their close family. Individualist cultures are characterized by shame and a loss of self-esteem, a contract between an employer and an employee based on mutual benefit, hiring and promotion decisions based only on merit, and management as the management of individuals.

On the other hand, collectivist societies work more-so in groups rather than individuals, where everyone takes responsibility to care for their group. Loyalty is extremely important and offence leads to shame.

3.2.3 Masculinity

A high score on the masculinity scale is representative of the cultures that are considered masculine. It indicates that the culture will be competitive, striving for achievements and to be the best in a specific area. This system of values begins in school and continues throughout the rest of their lives.

A low score on the masculinity scale is representative of the cultures that are considered feminine. It indicates that the culture will be focused on quality of life and caring for other people. Being different is not considered admirable. In masculine societies people want to be the best, while in feminine societies people wish to like what they do.

The Netherlands receives a 14 on this scale, indicating that it is a Feminine society. It is critical in Feminine countries to maintain a work/life balance, and you must ensure that everyone is included. A good manager is supportive of his or her employees, and decision-making is accomplished through participation. People seek equality, solidarity, and excellence in their work lives, and managers aim for consensus. Negotiation and compromise are used to resolve conflicts.

In countries with a high score on the masculinity scale, people “live to work”. Competition is encouraged and issues are resolved by duking it out.

3.2.4 Uncertainty Avoidance

This category concerns itself with how a culture faces the idea that the next days, months, or years are unknown. Should it just let it happen or attempt to control it? This uncertainty makes people anxious, and different societies have devised different ways of dealing with it. Cultures that score higher on uncertainty avoidance attempt to control, but find it difficult to adapt when situations don't go as planned, and often stress themselves too much, while societies with low scores on this dimension are more likely to adapt to changes.

The Netherlands receives a score of 53 on this metric, indicating a small preference towards avoiding uncertainty. Uncertainty Avoidance is strong in countries that maintain rigid norms of thought and behavior and are intolerant of unconventional behavior and ideas. Time is money in these cultures, people have an innate drive to be busy and work hard, precision and punctuality are the norm, innovation may be rejected, and security is a key aspect in individual motivation.

Countries with low scores in uncertainty avoidance have a more laid-back behaviour and acting outside the norm is more easily accepted. These societies believe that only the bare minimum of needed rules should exist, innovation is not seen as a threat, hard work occurs when necessary but not for the sake of it, and schedules are flexible.

3.2.5 Long Term Orientation

When it comes to long term orientation, societies strive to keep some links with their past while at the same time prepare for challenges of the future. Societies scoring low on this category tend to stick with the norms, the tried and true values, and prefer not to change. Contrary to this, cultures with high scores on this scale encourage modernization, new ways of thinking and doing things in order to prepare for the following years.

In this area, the Netherlands earns a high score of 67, indicating that it is pragmatic. People in pragmatic civilizations believe that truth is highly dependent on the situation, context, and timing. They demonstrate an ability to easily adapt traditions to changing circumstances, a strong proclivity to save and invest, thriftiness, and tenacity in reaching goals.

Societies with low scores on this scale lean towards quick but small rather than slow and bigger rewards. They are very traditional and are concerned with establishing the absolute Truth.

3.2.6 Indulgence

As a dimension, Indulgence represents how much people attempt to control their impulses and desires. Low control societies are considered indulgent, while high control societies are considered restraining. Indulgent societies are expressive and offer more freedom when it comes to social norms, while restraining societies may seem colder and calculating.

The Netherlands' culture is certainly one of indulgence, with a score of 68. People in communities with an increased Indulgence score are more likely to follow their instincts and wants when it comes to enjoying life and having fun. They have a positive perspective and a proclivity for optimism. Furthermore, they place a larger value on leisure time and are less constrained in their actions and spending of money.

Societies with low indulgence scores are often pessimistic and cynical. Unlike indulgent countries, restrained ones do not concern themselves much with leisure time. People in these societies feel the need to act as expected and that indulging in their wants is somewhat wrong.

4. CONCLUSIONS

Through this study we attempted to prove that there are links between the six cultural dimensions, and more than that, the crime rate index is influenced by these dimensions. Based on the result, we can conclude that there is a link between: individualism and power distance individualism -the lower the power distance value, the higher the individualism score ; and individualism and uncertainty avoidance - the higher the individualism score, the lower the uncertainty avoidance value.. Regarding crime rate, both long term orientation and indulgence appear to influence this index. If long term orientation is low and indulgence is high, then the crime index is also high.

This research may be used to further investigate the abnormally high crime rates in certain countries, and help solve those issues. In conclusion to our research, we can observe that countries with lower indulgence have lower crime rates.

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THE ECONOMY AND MINIMUM WAGE ON ECONOMY

Avram Nicoleta-Elena, Lucian Blaga University of Sibiu, Faculty of Economic Sciences, Finance and Banking, 1st year, nicoletaelena.avram@ulbsibiu.ro
Fulgescu Ionut-Alexandru, Lucian Blaga University of Sibiu, Faculty of Economic Sciences, Business Administration, 3rd year, alexandru.fulgescu@ulbsibiu.ro

Abstract:

In the paper below is presented the economy in several main aspects of it along with a real example of the economy, namely the minimum wage on the economy.

I chose to write about this topic, together with my colleague, because since high school I was attracted to this part of economics, and now through the IECS conference I had the opportunity to develop a small part of what economics means. We approached the topic of the minimum wage on the economy because it is a rather sensitive subject for us, the Romanian citizens and not only. The national minimum wage is an impulse for society to get employed and for employers to appreciate employees more. The issue of the minimum wages dates since my childhood and I thought I should would investigate this problem.

In the first few pages of this paper we will find the definition of economy, its scope and vague definitions of economic aspects and their exemplification. In the following pages there is the definition of the minimum wage on the economy, the way of its calculation, two statistical analyses of the minimum wage in the economy in the last 10 years in Romania and in England and their interpretations, and then a short comparison between Romania and England depending on the results rendered by the statistical analyses made.

Keywords: Economy, Minimum Wage in The Economy, Unemployment, Analysis, Interpretation

ECONOMY

What is the economy?

"Economics (from Greek οἶκος oikos, "house" and νόμος nomos, "leadership") is a social science that studies the production, sale, trade and consumption of goods and services. According to the definition given by Lionel Robbins in 1932, economics is the science that studies how to allocate rare resources for alternative purposes. Because the main object of study is human activity, economics is a social science." (Mankiw, 2017)¹

In other words, economics is a science that deals with the study of the production of goods or services, of income, of expenditures in a certain economy. For example, the incomes, expenses, production, factors of production, etc. of a company are studied by the economy, despite the fact that they are kept in evidence by accounting.

The economy contains two main aspects, namely: microeconomics and macroeconomics.

1. Microeconomics

"Microeconomics is a political branch that studies the behavior of individual entities, respectively it deals with the study of the markets of households and firms." (Smith, 2011)²

In the same time, microeconomics covers certain aspects, namely: needs and resources, opportunity cost, demand, supply, consumer behavior, factors of production, income and costs.

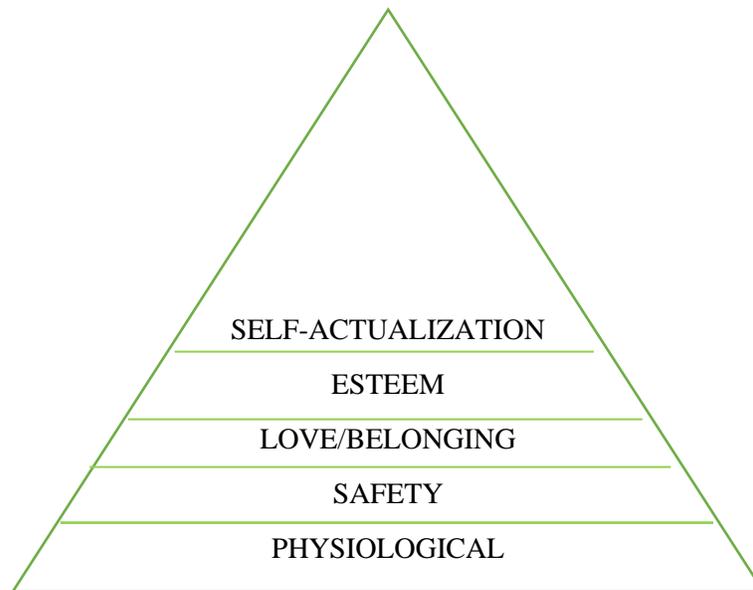
a) Needs and resources

Needs are requirements or conditions that must be met in order for people to live, for example hunger, thirst, sleep.

In order to understand the needs according to their importance, below we have Maslow's pyramid:

¹ (Mankiw, 2017)

² (Smith, 2011)



b) Opportunity cost

"Opportunity costs represent the potential benefits an individual, investor, or business misses out on when choosing one alternative over another." (Investopedia, 2020)³

The opportunity cost is calculated by the cost of each variant, the most favorable cost for the buyer is chosen. For example, a buyer has the option to buy butter or margarine. The two products have similar characteristics, so the consumer will use the opportunity cost to choose the product.

c) Demand

Demand is the quantity of goods and services that can be bought on a market at a certain price, in a period of time.

d) Supply

The supply represents the quantity of goods and services that can be sold on a market in a period of time at a certain price.

e) Factors of production

Factors of production are elements that enterprises need to make the production of goods and services possible. The factors of production are multiple, but the most common factors of production are labor, nature and capital.

f) Incomes

Incomes are the amounts of money that come into the possession of a company following the sales of goods and services provided by it. Revenues must cover expenses, and what is above represents profit.

g) Costs

The totality of costs in a company is the costs. The costs are of several kinds, fixed and variable. Fixed costs are unchanged costs, they are the same regardless of the period. Variable costs are costs that change from one period to another depending on production or other disruptive factors, they can increase or decrease from one period to another.

³ (Investopedia, 2020)

2. Macroeconomics

“Macroeconomics is a field of economics. Unlike microeconomics, macroeconomics works with aggregate sizes, researches the behavior of the economy in general, such as total income or employment, the rate of inflation or conjunctural oscillations.” (Mankiw, 2017)⁴

In other words, macroeconomics studies economics nationally or globally. Macroeconomics largely studies gross domestic product (GDP), economic growth, unemployment, savings, investments and the financial system.

a) *Gross domestic product (GDP)*

Gross domestic product is an economic indicator and measures incomes and expenses in a particular country. It consists of the market value, the final value, of goods and services, products, goods and services produced within a country in a period of time. GDP is calculated by summing up personal consumption, investments, government purchases and net exports.

b) *Economic growth*

"Economic growth represents the positive change in the production of goods and services in an economy over a fixed period, generally long. The indicator most used to measure growth is gross domestic product (GDP)." (Mankiw, 2017)⁵

Economic growth is calculated as the difference of real GDP in year 1 with real GDP in year 0 compared to real GDP in year 0 multiplied by 100.

c) *Unemployment*

Unemployment is the totality of people who are looking for a job and can't find it. Usually, people who are looking for a job go to the unemployment agency, submit certain documents, then choose a field in which to activate, and will go through certain courses in this regard. At the same time, the state grants a certain amount of money throughout the unemployment period. The period of receipt of the unemployment allowance is from 6 to 12 months.

At the state level, the unemployment rate is used to report the degree of unemployment in a state. The unemployment rate is calculated by the ratio of labor force to the adult population multiplied by 100.

d) *Savings, Investments and Financial System*

Savings are the unused amounts of money from income that are kept in a savings account or in another place.

"The investment, from an economic point of view, represents a long-term capital investment in industry, agriculture, trade, etc.

More explicitly, the investment is the current financial effort made for a better future, created through development and modernization, having as a source of financing the abandonment of safe, but small and non-performing current consumptions, in favor of higher future consumptions and in a modern structure, closer to the users' options, but probable. " (Mankiw, 2017)⁶

MINIMUM WAGE

The financial system comprises associations, institutions, firms, individuals, markets and government organizations.

Financial institutions comprise the financial markets through which shares and bonds are traded and financial intermediaries, which include banks and investment funds.

⁴ (Mankiw, 2017)

⁵ (Mankiw, 2017)

⁶ (Mankiw, 2017)

In order to highlight certain aspects of the economy, I have chosen to analyze the minimum wage in Romania in the last 10 years and the minimum wage in the economy in the last 10 years in England.

Following these analyses, I will make a comparison between the two countries to show the differences between a developed country and a developing country.

Definition of minimum wage in the economy

"The minimum wage in the economy is the lowest amount of the hourly, daily or monthly salary that the law of the respective country allows employers to give to an employee. The first countries in which a minimum wage was established by law were Australia and Zealand at the end of the nineteenth century. Currently, the minimum wage is set in over 90% of the world's countries." (Mankiw, 2017)⁷

The minimum wage on the economy is established by government decision and is calculated on the basis of daily working hours. This results from the relationship between supply and demand formed on the labor market. Depending on the offer, the salary may change. If the supply decreases, the salary will increase, and if the offer increases the salary will decrease. The two are inversely proportional sizes.

Depending on the number of unemployed, the state analyzes the main problems of the unemployment rate, then tries to balance the requirements of potential employees and the supply of potential employers. One of the requirements of the potential employee is the salary. To ensure a decrease in the unemployment rate, the state calculates a minimum wage that is advantageous for both employees and employers.

Factors that influence the setting of the salary

The main factors, among many others, that influence the calculation of salary are:

- Evolution of labor cost or value
- Labor productivity
- The ratio between the supply and demand of the labor force
- Price dynamics

Evolution of labor cost or value

The workforce is a factor of production that represents the employed personnel.

The evolution of the labor cost is a movement in the same direction of the size of wages. If wages increase more slowly than labor, dissatisfaction will be triggered among employees, and these can lead to the growth of unemployed people.

Labor productivity

Productivity is the fruitfulness of the factors of production, that is, the yield of labor. This is calculated at the level of the company, the economic branch or the national economy by the ratio of production to the number of employees of the enterprise. As labor productivity increases, employees consider themselves entitled to receive a higher salary.

The ratio between labor supply and demand

Labor supply and demand meet on the labor market. Both are very important factors in setting the minimum wage on the economy, influencing the evolution of the wage.

Price dynamics

The price is the monetary equivalent of goods and services. The increase in prices, that is, inflation, causes the devaluation of money. The higher the prices, the more employees will ask for a higher salary or more rights. For example, if the salary increase were not possible, they would ask for more days of paid leave, more meal

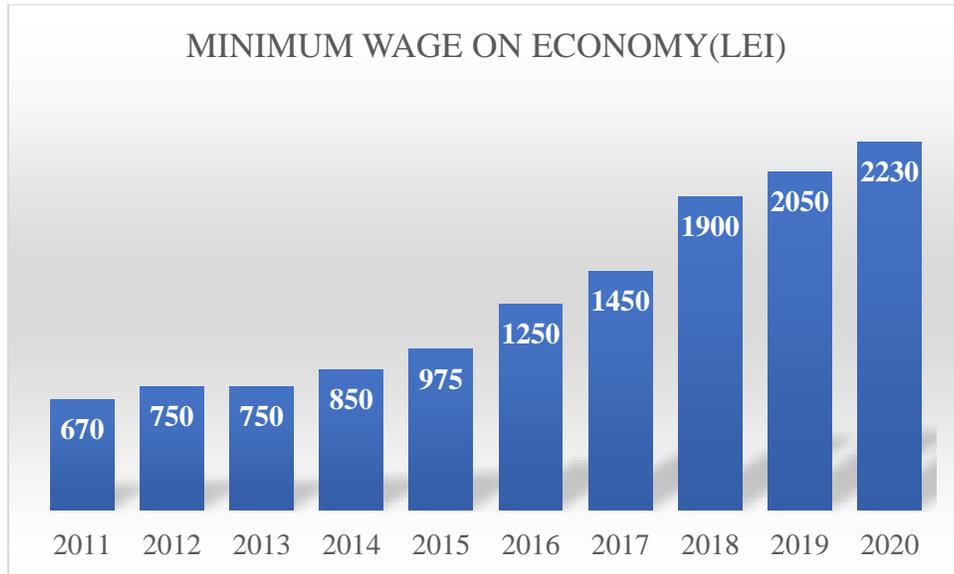
⁷ (Mankiw, 2017)

vouchers or fewer work things per day, which would cause the employer to increase the salaries for a better functioning of the company.

STATISTICAL ANALYSIS OF THE LEVEL OF THE MINIMUM WAGE IN ROMANIA AND ENGLAND AND THEIR COMPARISON

Statistical Analysis of The Level of The Minimum Wage on The Economy in The Last 10 Years in Romania

Minimum wage on economy in the last 10 years, in Romania graphic representation:



Representativeness of the average:

YEAR	MINIMUM WAGE ON ECONOMY(LEI)	d=Xi-Xmed	d ²
2011	670	617.5	381306.3
2012	750	537.5	288906.3
2013	750	537.5	288906.3
2014	850	437.5	191406.3
2015	975	312.5	97656.25
2016	1250	37.5	1406.25
2017	1450	162.5	26406.25
2018	1900	612.5	375156.3
2019	2050	762.5	581406.3
2020	2230	942.5	888306.3
TOTAL	12875	4960	3120863
average	1287.5		

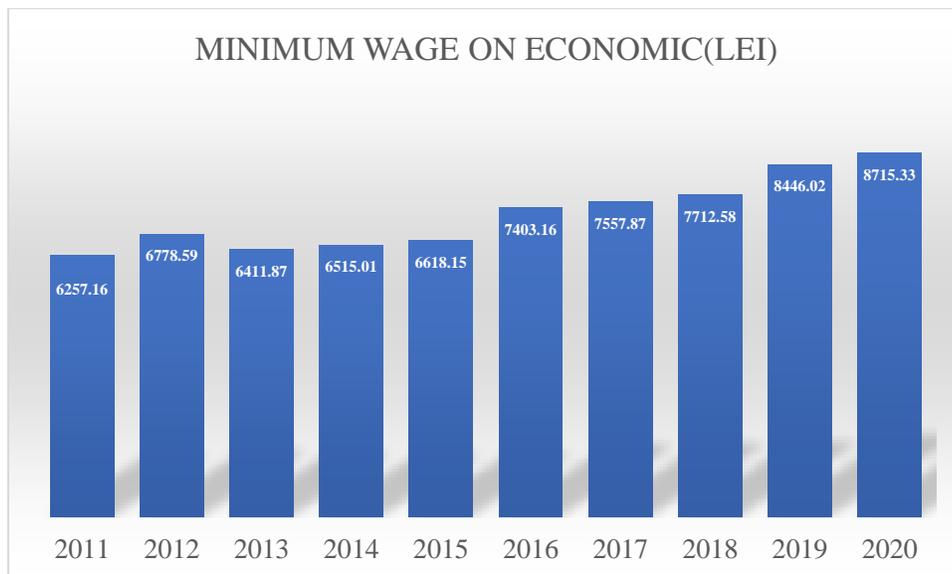
The average value of the minimum wage in the 10 years is 1287.5 lei. Analyzing the following indicators of variation, we found that the average value of the minimum wage in the economy is not a representative value for each year in part.

Linear deviation = the sum of $1(X_i - \bar{X})/N$		496			
Dispersion or variation	σ^2	= the sum of $1(X_i - \bar{X})^2/n$	312086.3		
Average quadrigal deviation	$\sigma = \sqrt{\sigma^2}$		558.6468		
Coefficient of variation	$V = d/\bar{x} * 100$		38.52%		>35%
Linear deviation/ $\bar{X} * 100$					
or	$\frac{\sigma}{\bar{x}} \cdot 100$		43.39%		>35%

The linear deviation of each salary in part from the average value of the average salary in the economy is 496 lei. The coefficient of variation calculated in both ways indicates a percentage higher than 35%, which highlights a large variation and an unrepresentative mean value.

Statistical analysis of the level of the minimum wage in the last 10 years in England

The minimum wage in the last 10 years, in England, graphic representation:



Representativeness of the average:

YEAR	MINIMUM WAGE ON THE ECONOMY (LEI)	$d = X_i - X_{med}$	d^2
2011	6257.16	984.414	969070.9
2012	6778.59	462.984	214354.2
2013	6411.87	829.704	688408.7
2014	6515.01	726.564	527895.2
2015	6618.15	623.424	388657.5

2016	7403.16	161.586	26110.04
2017	7557.87	316.296	100043.2
2018	7712.58	471.006	221846.7
2019	8446.02	1204.446	1450690
2020	8715.33	1473.756	2171957
TOTAL	72415.74	7254.18	6759033
Average	7241.574		

The average value of the minimum wage on the economy in the 10 years analyzed is 7241,574 LEI. Analyzing the following indicators of the variation, we found that the average value of the minimum wage in The Economy in England is representative.

Linear deviation = sum of $1(X_i - X)/N$			725.418			
Dispersion variation	or σ^2	= sum of $1(X_i - X)^2/n$		675903.3		
Average quadrigal deviation						
		$\sigma = \sqrt{\sigma^2}$		822.1334		
Coefficient of variation						
		$V = d/x * 100$		10.02%		<35%
Linear deviation/ $X * 100$						
or $\frac{\sigma}{x} \cdot 100$						
				11.35%		<35%

The linear deviation of each salary from the average value of the minimum wage in the 10 years analyzed is 725,418LEI. The coefficient of variation calculated according to both formulas indicates a percentage below 35%, meaning the variation is small and the average value of the average salary in the economy in the 10 years analyzed, in England is representative.

Comparison between the two countries analyzed

Following the brief statistical analysis carried out above, we found that England's economic situation is much more stable than the economic situation of Romania.

First of all, the above statement is evident from the comparison made between salaries. In 2011 in Romania the minimum wage on the economy was 670 lei, while in England it was 6257.16LEI. It is visible that the numerical value of the salary in England is close to 10 times higher compared to the numerical value of the salary in Romania.

Secondly, England's economic well-being is supported by the small variation of the minimum wage on the economy from year to year, while the minimum wage in Romania has a moderate variation in its evolution. Even if in 2020 the minimum wage on the economy in Romania managed to reach the amount of 2000 lei, this highlights the economic fluctuations.

From the statistical analyses made above it appears that the economy in England is constant due to the fact that it is a developed country, and the economy in Romania is constantly growing, this being a country in continuous development.

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THE IMPACT OF THE COVID-19 PANDEMIC ON ROMANIAN YOUTH TOURISM - PRELIMINARY STUDY

Badea Stefania-Cristina, Lucian Blaga University of Sibiu, Faculty of Economic Sciences, Accounting and Business Informatics, 1st year, stefianacristina.badea@ulbsibiu.ro
Saftoiu Elena-Denisa, Lucian Blaga University of Sibiu, Faculty of Economic Sciences, Accounting and Business Informatics, 1st year, elenadenisa.saftoiu@ulbsibiu.ro

Abstract:

The aim of this paper is to present some notable aspects of how the COVID-19 pandemic has affected youth tourism. The first part of the paper focuses on presenting the questions and the correlations between them. In the second part we make the interpretation of the results and the last part is devoted to conclusions. From a methodological point of view, the research in question consists of creating a questionnaire through the Google Forms platform, distributing it to be completed by as many young people as possible and then interpreting the results. The questions included in the questionnaire are diverse, all of which are intended to help us form an overall picture and a thorough understanding of the subject under analysis.

Our questionnaire consists of two sections. In the first part, we track the demographics of the respondents to analyse the data by background, gender, occupation, age. In the second section, respondents had to answer a series of questions related to tourism before and during the pandemic.

Keywords: Covid-19, Pandemic, Tourism, Youth, Questionnaire

INTRODUCTION

Romania is a country with a very developed tourism potential, mainly due to its relief and numerous mountain and coastal resorts, whose landscapes impress at first sight. At the same time, the country has spa resorts that are well known for their curative properties. The history of the place cannot be ignored, representing a main pillar of Romanian tourism. In view of this, we can say that all types of tourism are practiced in Romania.

This sector is a key sector in the economy and the outbreak of the Covid-19 pandemic has had a significant impact on the economy as a whole and in particular on tourism, which has suffered a lot of losses both due to restrictions on movement imposed on citizens and the closure of restaurants and hotels. Considering that the HoReCa sector represents between 60% and 70% of the market in Romania, according to INS, the economy has been seriously affected by this situation.

The fact that we study economics encouraged us to choose this topic, wanting to analyse consumer behaviour during this period, but we believe it is a topic of general interest, given that the pandemic has affected the economy as a whole, and therefore people's standard of living.

DATA AND METHODS

To begin with, we think it is very important to describe the context in which we find ourselves, and then give a brief presentation of the research and how we carried it out, and then present the results.

The Covid-19 pandemic was a turning point in our lives because of the negative influence it had on society as a whole and especially on the economy and tourism. Many businesses were closed overnight or suffered huge losses due to the hardship caused by limited hotel and restaurant space, traffic restrictions and not least the reduction in people's incomes, who could no longer afford a holiday during this period.

Our research is based on a 19-question questionnaire that was completed via the Google Forms platform by a sample of 120 people, aged between 14 and 35. It comprises two sections. The first section consists of 4 questions designed to provide some information about the respondents, such as age, background, gender, and occupation. Then follows the second section, which includes a series of 15 questions related to frequency of travel and respondents' travel preferences, the sole purpose of which is to help us determine whether or not the impact of Covid-19 on tourism was significant. Thus, the questions in the second section are formulated in such a way as to highlight how young people holidayed before the health crisis broke out in parallel with how they

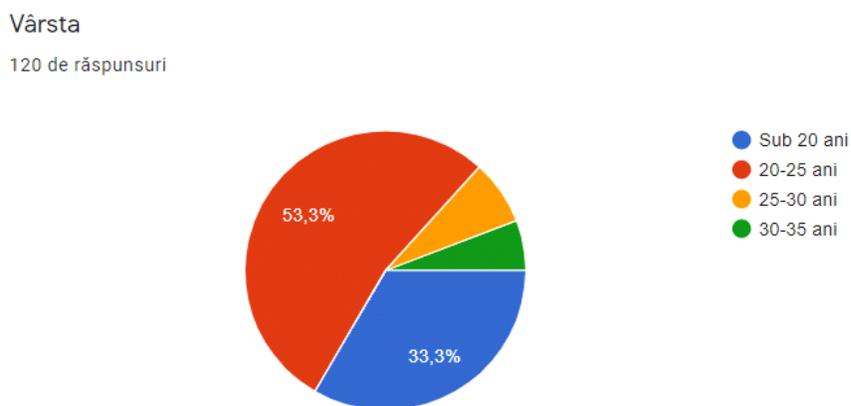
holiday now, in order to form an overall picture. On the basis of the completed questionnaires, we were able to collect and then analyse the data, as presented below.

ANALYSIS AND INTERPRETATION OF RESULTS

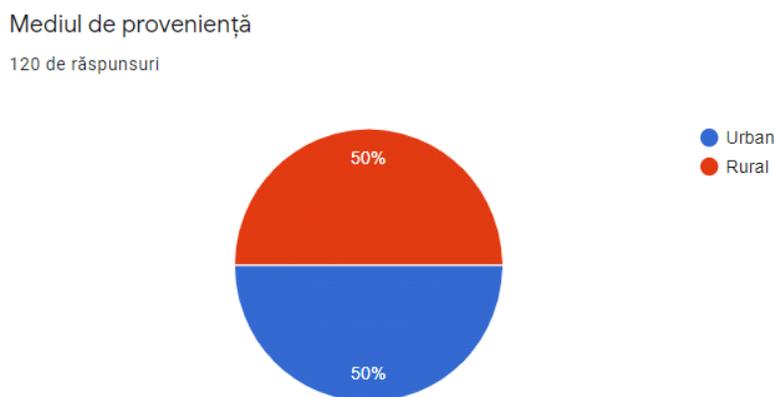
Our questionnaire was addressed to people who fall into the category of "young people", which is regulated in the Youth Law 350/2006, in Article 2, point 2, subpoint a), where it is mentioned that all citizens aged between 14 and 35 are considered young people.

Section I - Demographic data

As mentioned above, in the first section we set out to analyse the demographics of the respondents in terms of age, background, gender and occupation. Accordingly, the first question refers to age, and we had the following options for answers: 'under 20'; '20-25'; '25-30'; '30-35'. The answers showed a majority of 53.3%, i.e. 64 respondents out of the total of 120 aged 20-25. In descending order, we have 40 respondents out of the total of 120, i.e. 33.33%, aged under 20. The next age range is 25-30 years, which has a share of 7.5%, i.e. 7 respondents, and 30-35 years has a share of 5.8%, i.e. 7 respondents.



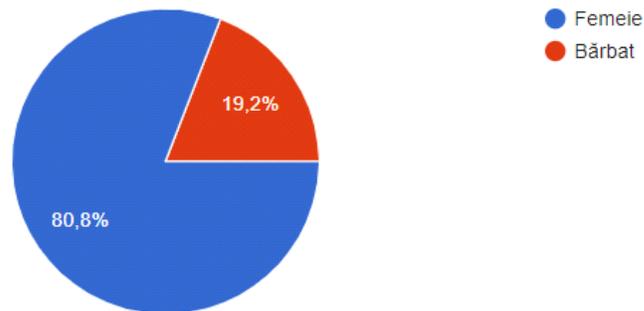
The second question concerned the background, where the response options were "urban" or "rural", for which there were 50% responses for both options.



The third question refers to the gender of the respondents, the answer options being "female" or "male". Thus, 80.8%, i.e. 98 respondents are female and 19.2%, i.e. 23 respondents are male.

Genul

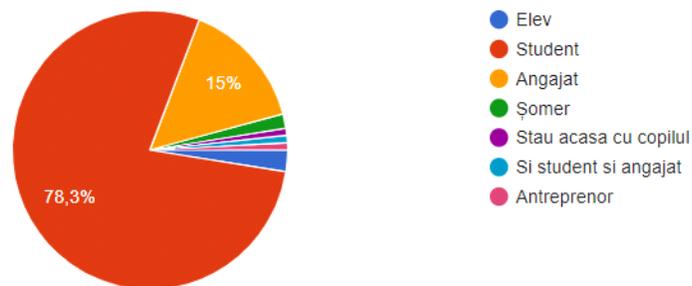
120 de răspunsuri



The last question looked at respondents' occupation, where there were multiple answers. A majority of 78.3% (94 respondents) were students. The next highest percentage of respondents was employed persons, who accounted for 15% (18 persons). In descending order of weighting, the following categories are: student (2.5%), unemployed (1.7%), homemaker (0.8%), entrepreneur (0.8%) and dual job holder (0.8%).

Ocupația

120 de răspunsuri

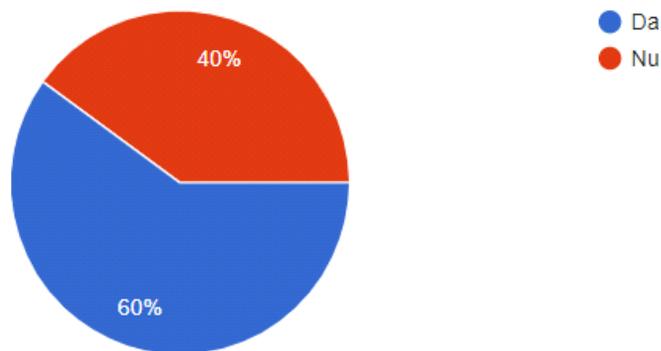


Section II - Aspects of young people's travel before and during the pandemic. Future perspectives on youth travel

This section is dedicated to the research itself and includes the questions that aim to find out how the young people's journeys were carried out before the pandemic, as well as during the pandemic, in the situation in which they took place. The first question refers to the frequency with which respondents travelled, with the response options being "yes", for which there is a proportion of 60% (72 people) and "no", where the percentage is 40% (48 people).

1. Călătoriți des?

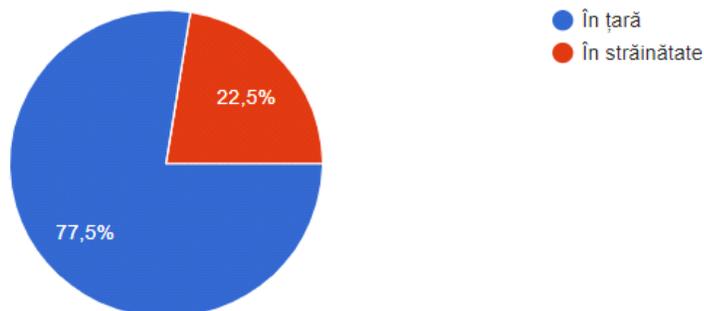
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The next question asked where they organise their holidays, with "in the country", which received a majority of 77.5% (93 people) and "abroad", which received 22.5% (27 people).

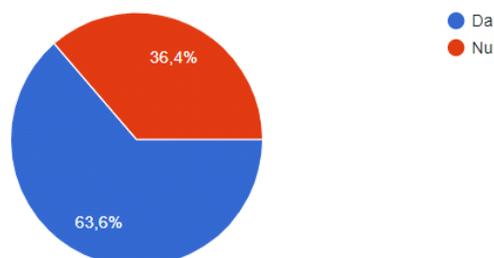
2. În mod predominant, vă organizați vacanțele în țară sau în străinătate?

120 de răspunsuri



Question 3 complements the previous question and highlights people who have changed their holiday preferences as a result of the Covid-19 pandemic. Thus, 36.4% of people who answered in the previous question that they usually organise their holidays abroad, said that they would not travel abroad now.

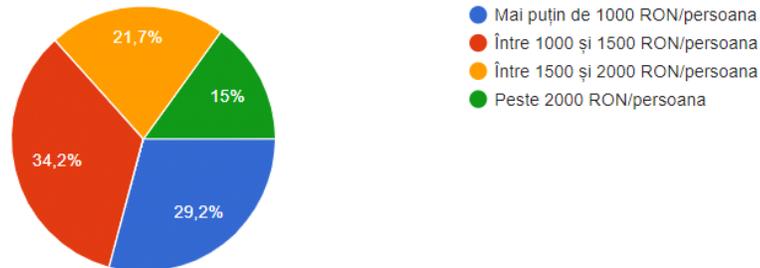
3. Dacă răspunsul la întrebarea anterioară a fost „în străinătate”, în prezent ați efectua o călătorie în afara țării? (Dacă răspunsul la întrebarea anterioară a fost "în țară" vă rugăm săriți peste această întrebare)



Question number 4 concerns the budget allocated to vacancies before the outbreak of the pandemic, where the following answers were given, in descending order of weight: "between 1000 and 1500 RON/person" (34.2%, 41 respondents); "less than 1000 RON/person" (29.2%, 35 respondents); "between 1500 and 2000 RON/person" (21.7%, 26 respondents) and "more than 2000 RON/person" (15%, 18 respondents).

4. Înainte de declanșarea pandemiei de Covid-19 care era bugetul alocat pentru vacanțe?

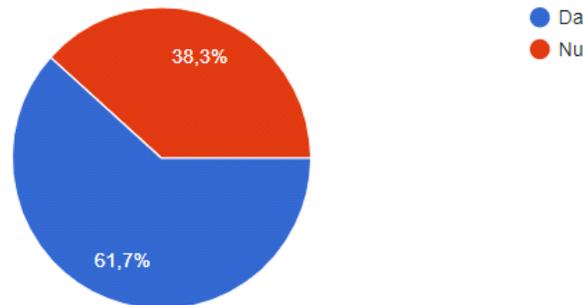
120 de răspunsuri



Question 5 is related to the previous question and aims to track changes in the youth holiday budget with the onset of the pandemic. Thus, 61.7% (74 people) said that their budget had been affected, while 38.3% (46 people) said that their budget had not changed.

5. V-a afectat pandemia bugetul pentru vacanțe?

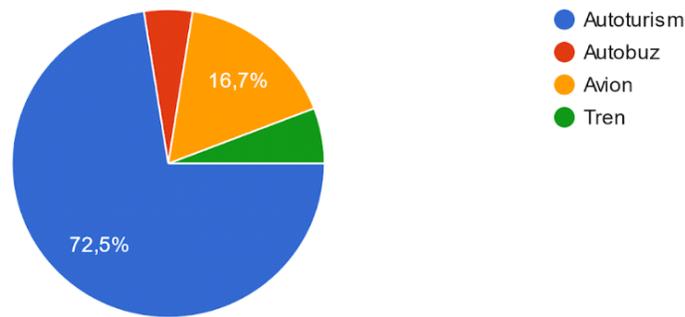
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The next question asks what means of transport respondents would use when going on holiday in the context of the pandemic. There is a preference for travelling by car. A percentage of 72.5%, representing 87 people, said they prefer the car, 16.7% (20 people) prefer the plane, 5.8% (7 people) travel by train and 5% (6 people) said they prefer the plane. This shows a reluctance among young people to travel by public transport, as it involves interaction with other people, perhaps even sharing a seat, which is a risk in the current period.

6. Ce mijloc de transport ați folosi pentru calatoriile în contextul pandemic?

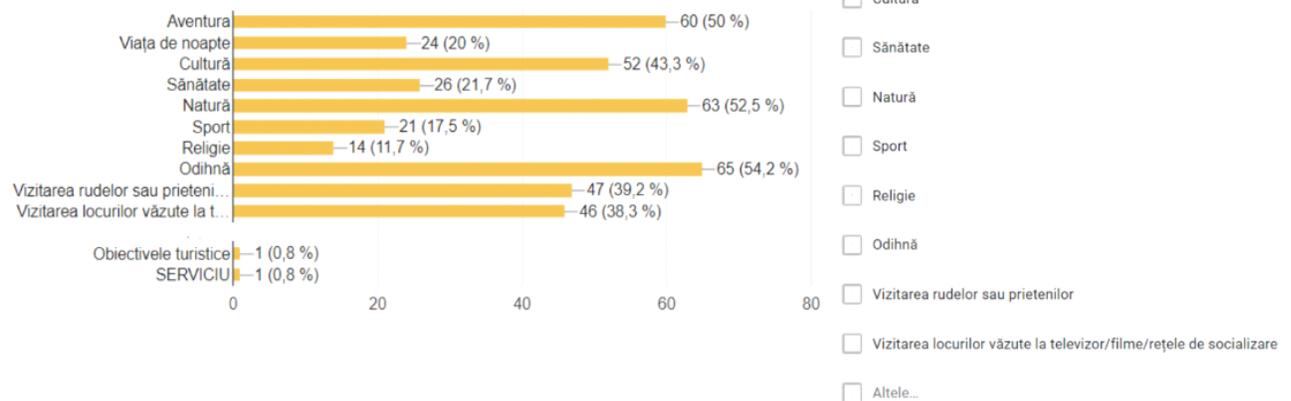
120 de răspunsuri



Question 7 is a multiple-choice question in which respondents were given the opportunity to indicate what their main interests were in choosing a destination before the pandemic. Their preferences, their percentage and the number of people can be seen in the graph below:

7. Care erau principalele interese în alegerea unei destinații?

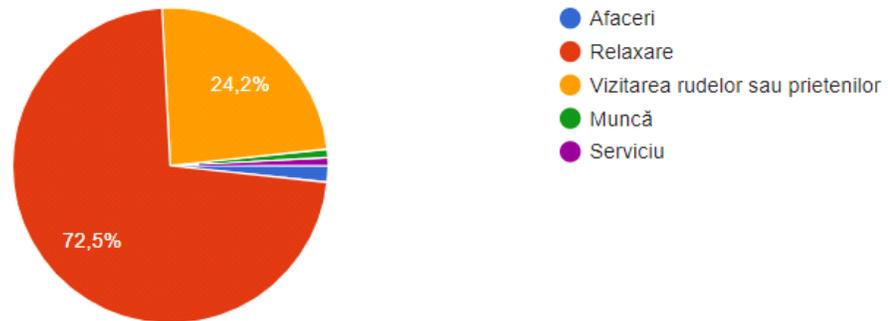
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The eighth question asks whether there have been any changes in their preferences since the onset of the pandemic, with the predominant response being relaxation, 72.5% (87 people), followed by visiting relatives or friends, 24.2% (29 people). In quite small proportions, professional interests (3.3%) were among the main purposes of their trips.

8. Care ar fi scopul principal al călătoriilor dvs. în timpul pandemiei?

120 de răspunsuri



The next question aims to highlight whether and how young people's expectations of services have changed since the health crisis began. To this question only 14.2% of the respondents stated that they have no new expectations, while the rest of the respondents stated that they do, as follows: 50.8% of the total number of people mentioned that they are more careful about hygiene conditions, 7.5% choose more carefully the places where they have meals and 27.5% look for accommodation places where the rules for preventing Covid-19 infection are respected. It is understandable that in order to meet consumer expectations the tourism sector needs to make some changes and that it could suffer even more if it does not restructure.

9. S-au schimbat așteptările dumneavoastră în ceea ce privește serviciile primite (cazare, masă, respectarea condițiilor de igienă) de când a început pandemia de Covid-19?

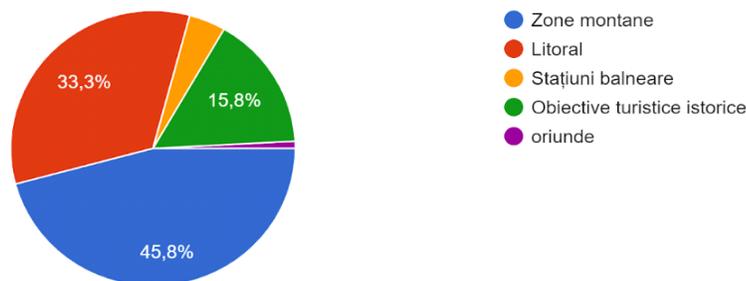
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The next question aims to find out which destinations are preferred by tourists in the current situation, given the predominant desire of the population to avoid crowded places. Thus, 45.8% (55 people) prefer mountain areas, followed by the coastline, 33.3% (40 people) and tourist areas with historical potential 15.8% (19 people). A fairly small proportion of the population surveyed would choose seaside resorts (4.8%), and jokingly, only one person would go anywhere, which can be explained by the population's desire to remove restrictions and return to normality. Cost may also be a reason why young people prefer holidays in mountain areas to seaside or seaside resorts. A holiday in the mountains is less expensive than a holiday at the seaside, and given that people's incomes have been falling in this period, a holiday in the mountains could be more affordable for many.

10. Date fiind condițiile actuale, în ce zone v-ați organiza vacanța?

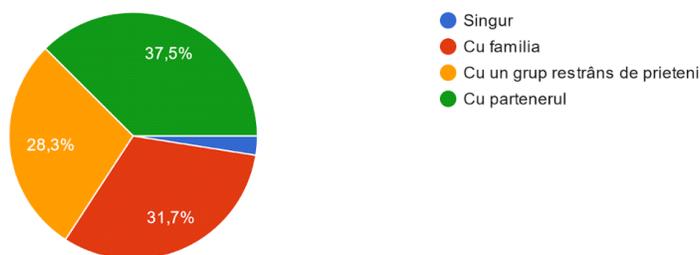
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In question 11, with the exception of one variant, the answers are fairly homogeneous. Asked who they would go on a trip with in the current context, respondents said 37.5% would go with their partner, 31.7% with family, 28.3% with a small group of friends and only 2.5% would go alone.

11. Având în vedere situația actuală, cu cine ați pleca într-o călătorie?

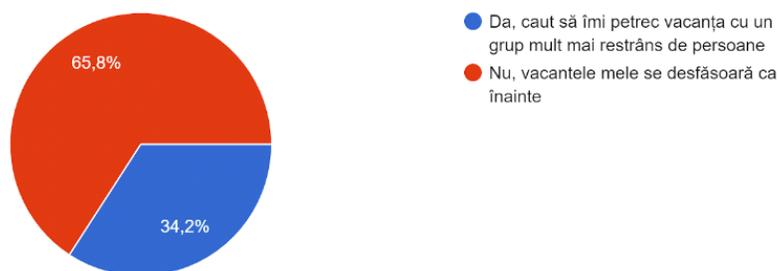
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This question is closely related to the previous one and through it we want to find out whether before the current situation young people travelled in different groups. Thus, 65.8% (79 respondents) say that their holidays have not suffered from this point of view, while 34.2% (41 people) are more cautious and seek to travel in smaller groups.

12. Înainte de pandemie grupurile în care călătoreați erau diferite?

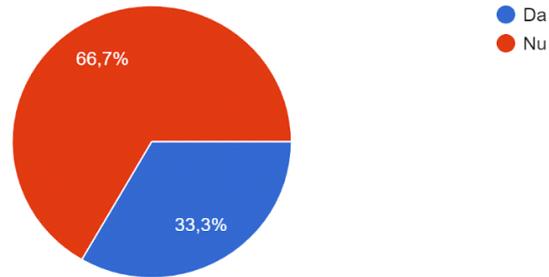
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The next question refers to the importance of vaccinating staff employed in tourism, which is important for only 33.3% (40 respondents) of the respondents to this form, while 66.7% (80 respondents) consider it irrelevant.

13. Contează pentru dumneavoastră ca personalul angajat în turism să fie vaccinat?

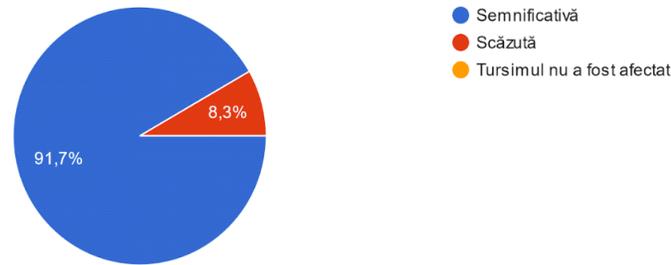
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Question 14 aims to find out what young people think about the influence the pandemic has had on tourism. The options for answering this question were: "Significant", "Low" and "Tourism was not affected". To this question 91.7% representing 110 respondents answered "significant" and 8.3% of the respondents, i.e. 10 respondents said that the influence was low. However, it is worth noting that not a single respondent considered that tourism was not affected, which leads us to believe that the impact of the pandemic on tourism is high.

14. Care credeți că a fost influența pandemiei și a restricțiilor de circulație asupra turismului?

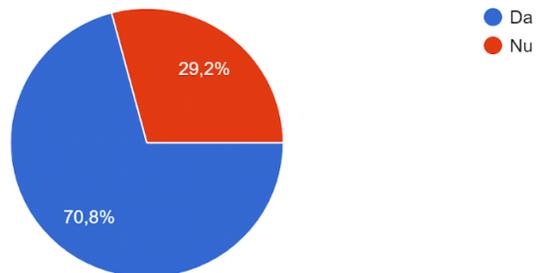
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The last question asks respondents whether they travelled during the pandemic. 70.8% (85 people) still travelled, while 29.2% (35 people) were reluctant to do so. Drawing a parallel between the first and the last question, we noted that 19.8% of people who mentioned that they used to travel regularly since the pandemic started were reluctant to do so.

15. Ați călătorit în timpul pandemiei?

120 de răspunsuri



CONCLUSION, LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

The responses of the people who took part in our questionnaire only reinforce our convictions about the difficult situation tourism has been put in with the outbreak of the virus. Radical changes in young people's behaviour can be seen, with the way they spend their holidays changing significantly, from the groups they travel in, to their preferences for accommodation, transport and destinations. Many respondents avoided travelling, at least in the first part of the pandemic, because, despite their age, they have become more responsible and caring towards their loved ones who may be vulnerable to the new virus (elderly, chronically ill). Many have also avoided holidays abroad, given the difficulty of leaving the country, with the possibility of quarantine in some countries, or the need for Covid tests. In principle, young people aim to avoid crowded areas, choosing secluded areas such as the mountains. This choice may also be based on the fact that they want to escape the strictness of restrictions at the expense of an area where the authorities can better control compliance with protection rules. There have also been changes in holiday budgets in most cases, with young people choosing cheaper destinations and shorter holidays. They have new expectations of where they stay or holiday and want to see hygiene and protection rules followed, but for many it is not a factor that tourism staff are not vaccinated. For travelers, most tend to use cars, as they are a safer means of transport as they do not come into contact with strangers and the risk of illness is reduced.

The main limitation of this research is the number of respondents included in the study. However, we believe that the preliminary study has achieved its purpose, as it has enabled us to gain an overview of the current situation of youth tourism. In order to address the identified limitations, future research directions will focus on making the analysis more relevant by including more respondents and establishing a representative sample.

CHANGES IN CONSUMER BEHAVIOR CAUSED BY THE COVID-19 PANDEMIC

Ban Elisa-Maria-Ines, University of Oradea, Faculty of Economic Sciences, Finance and Banking, 1st year, ban.e.m.ines@gmail.com

Galea Ioana Florina, University of Oradea, Faculty of Economic Sciences, Finance and Banking, 1st year, galeaioana24@yahoo.com

Gorbatiuc Ana, University of Oradea, Faculty of Economic Sciences, Finance and Banking, 1st year, anagorbatiuc7@gmail.com

Abstract:

Our research starts with the human being and his needs. In order to meet his needs, the human must consume goods, and in order to benefit from goods, they must first be created. So, our focus is turning to resources. Compared to needs, which are unlimited, resources are limited. Another constraint in meeting an individual's needs is his own budget. From his own income, the human must manage to meet his needs. Sometimes in life unpredictable events can happen causing also financial imbalances. Such an event is the unforeseen pandemic of Covid-19 that has shaken the world's economy. Enterprises have temporarily shut down, people lost their jobs or have been in the technical unemployment's situation, some economic entities have even come to the brink of bankruptcy, and many other such events have unbalanced the economy and at the same time have led to changes in consumers' behaviour. According to our survey, in addition to increasing spending, giving up trips and vacations, the pandemic also had benefits, such as changing consumer behaviour, the emergence of new habits more favourable and effective for the individual.

Keywords: Consumption, Expenditures, Consumption Behavior, Changes, Covid-19 Pandemic

1. INTRODUCTION

The present paper aims to study chronologically the consumption in the period before the Covid-19 pandemic compared to the period at the beginning of it, as well as the period after one year after its onset. The paper also analyzes consumer behavior following the changes that the current pandemic has inevitably created. In order to achieve this goal, we consulted the literature in the field, followed by other studies aimed at researching consumer behavior, ending with a survey whose sample consisted of 128 people from western Romania.

To start talking about our subject, we need to consider two important concepts: consumption and the consumer. That consumer, the person, is at the center of our discussion. We will see first of all how consumption is defined, what affects consumption, how many types it is, but we will not limit ourselves only to that. We will present the hypotheses that have been created on this topic, we will analyze the main theories on consumption and we will analyze consumer behavior. Finally, we will see if it was modified or not by the Covid-19 pandemic following the survey⁸ we conducted and we will draw conclusions on this topic.

The topic discussed in this paper aroused the interest of other researchers abroad, so Haiqiang Chen, Wenlan Qian and Qiang Wen studied the impact of the Covid-19 pandemic on consumption in China based on daily transactions in 214 cities. They showed that the consumption of goods and services was significantly affected by a decline of 33% and 34%, respectively. Regarding the restaurant and entertainment sector, where travel is also included, they were the most severely affected, registering a decrease of 64% and 59%, respectively. The decrease in consumption predominates in all cities, the largest decrease taking place in the Wuhan epicenter (70% decrease).⁹

⁸ <https://docs.google.com/spreadsheets/d/1DPL9HNCx5cCPJkdqae2D5VagIISettyO9zIiR1Aelh0/edit#gid=1863995155>
⁹ Haiqiang, C., Wenlan, Q., Qiang, W. *The Impact of the COVID-19 Pandemic on Consumption: Learning from High Frequency Transaction Data* (July 1, 2020). Available online at: <https://ssrn.com/abstract=3568574>, <http://dx.doi.org/10.2139/ssrn.3568574>, accessed on 15.04.2021

2. CONSUMPTION

In this research we will start from man and his needs. In this approach we emphasize that "the evolution of human society is in fact a permanent process of development, multiplication and diversification of needs, and this process of evolution of needs has been intertwined with the entire development and progress of society."¹⁰ Human needs represent the needs, expectations and aspirations of people to appropriate their goods. If we were to classify needs, they are primarily divided "according to the three-dimensional nature of man (biological, social and rational) as follows: physiological needs, which are represented by food, shelter, clothing, rest; group needs, socialization, communication, belonging and last but not least, spiritual - psychological needs "¹¹, the need to reflect on one's own life, on one's own soul.

Secondly, the needs are classified according to the degree of economic development and according to the cultural stage, so we have fundamental needs, without which the existence of the human being would not be possible and higher needs, which refer to cultural aspects that do not condition the existence. biological structure of man. The fact that they are unlimited in number, but limited in capacity (not all can be met), the fact that they are concurrent (ie some extend to the detriment of others), but also complementary (when a need gives rise to another need), or that any need is momentarily extinguished by satisfaction, but recurred later, are some of the primordial features of needs.¹²

The fulfillment of these needs can be done only by consuming goods (tangible and intangible goods - services). In order to benefit from goods, we first need resources to create them. How are these resources? In relation to the growth and diversification of human needs, resources have been and are limited. The scarcity of resources and goods continues to be a general feature of the economy. "The law of scarcity of resources therefore consists in the fact that the volume, structures and quality of economic goods and resources change and evolve more slowly than the volume, structure and intensity of human needs."¹³ In other words, resources and goods are relatively limited, scarce, compared to the needs which determines that economic activity is seen as "the fight against scarcity, a process that reflects the acts, behaviors and decisions of individuals regarding the attraction and use of economic resources to produce , exchange, distribution and consumption of goods according to economic needs and interests ".¹⁴

The concept of consumption occupies the central place of our subject. What is consumption? Consumption is the use of economic goods by the population and the administration to meet their needs. Satisfying the economic needs of individuals through goods, so as I said earlier, consumption is "the ultimate goal of any production."¹⁵ In the opinion of Karl Marx, an opinion we share, consumption is the impetus, the starting point, the one that determines production, "without necessity there is no production. But it is consumption that reproduces necessity."¹⁶ On the same subject, the British economist Keynes stated: "Consumption - and in saying it we are merely repeating an obvious truth - is the sole purpose and only target of any economic activity."¹⁷

Individual / personal consumption plays a key role in guaranteeing the quality of life and standard of living. The volume, structure and quality of the consumed goods highlight the satisfaction index of the ample physiological and social needs of the population.

"To measure and express the level of personal consumption, a subsystem of indicators should be developed which includes: Average annual food consumption per capita; Endowment with durable goods; Total consumption expenditure per person, family, household; Expenditure on food consumption and beverages ; Expenditure on clothing and footwear; Expenditure on housing and related goods; Expenditure on medicines

¹⁰ Bădulescu, A.,(2011). *Microeconomie - curs*, Editura Universității din Oradea, , p.7

¹¹ *Idem*

¹² *Idem*

¹³ *Ibidem*, p.8

¹⁴ *Idem*

¹⁵ Florea, A., (2010). *Elemente de macroeconomie*, Editura Universității din Oradea, p. 52.

¹⁶ Marx, K., (1972). *Bazele criticii economiei politice*, partea I, Ed. Politică, p. 25.

¹⁷ Keynes, J. M., (1970). *Teoria generală a folosirii mâinii de lucru, a dobânzii și a banilor*, Ed. Științifică, p. 132.

and health care; Expenditure on transport and telecommunications; Expenditure on culture, education and training ".¹⁸

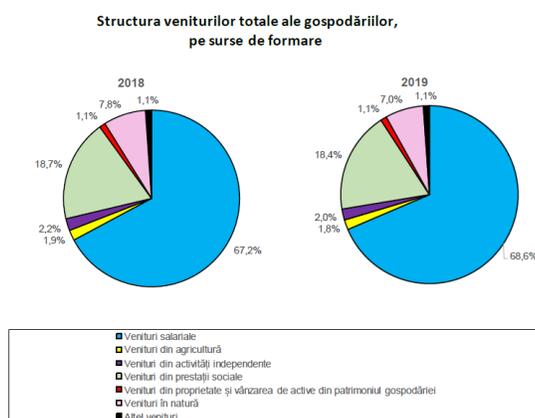
We noticed that each consumer has a certain income, therefore, his main concern is the purchase of economic goods to ensure maximum pleasure. This maximization of consumer satisfaction suggests that desire of each consumer, being the target he aspires to in his behavior. As we know, due to the availability of money, the consumer can not satisfy all his desires, so he must give up satisfying others. The supporters of the psychological-subjectivist¹⁹ conception consider that the way to solve this difficulty is given by the utility of consumer goods and services. Therefore the consumer will choose to purchase the goods with the highest utilities, give up the satisfaction of others. The supporters of the psychological-subjectivist conception consider that the way to solve this difficulty is given by the utility of consumer goods and services. Therefore, the consumer will choose to purchase the goods with the highest utilities, giving up the others that would also have purchased them, which will lead to the achievement of maximum satisfaction.

3. ANALYSIS OF THE LIVING STANDARD OF THE ROMANIAN POPULATION - COMPARISON BETWEEN 2018 AND 2019 (BEFORE THE PANDEMIC)

The survey was conducted in 2020 by the National Institute of Statistics, drawing up a comparison between 2018 and 2019 on the standard of living of the Romanian population where it was found that the average monthly income in 2019, in nominal terms, was 4790 lei / household and 1853 lei / person, increasing by 12.7%, respectively 13.6% compared to 2018, and the total monthly expenditures of the population, in 2019, were 4092 lei / household and 1583 lei / person , which accounted for 85.4% of total revenues, down 0.8 percentage points compared to 2018, when expenditures accounted for 86.2% of total revenues.²⁰

Wages and other income associated with them are the most important source of income (68.6% of total household income, increasing compared to 2018 by 1.4 percentage points), followed by income from social benefits (18.4% in 2019, respectively 18.7% in 2018%) as can be seen in Figure 1.

Figure 1. The structure of the total incomes of the households, by training sources



Source: INSSE, available online at: <https://insse.ro/cms/ro/content/veniturile-%C8%99i-cheltuielile-gospod%C4%83riilor-anul-2019> accessed on 09.04.2021

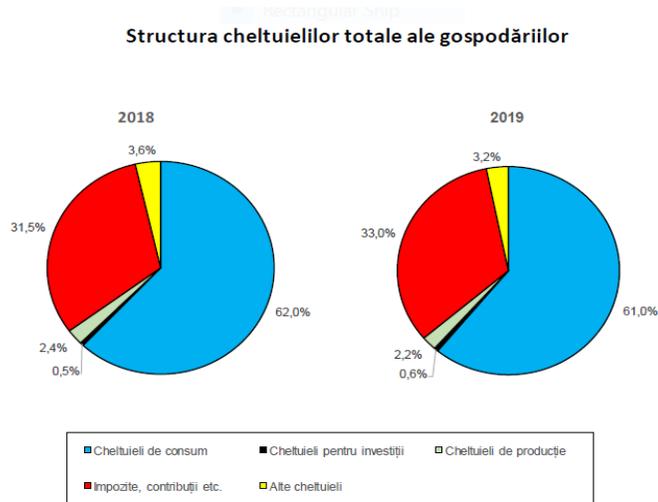
The main expenditures of households (Figure 2) being those of consumption (in 2018 representing 62%, respectively in 2019, 61%), are followed by expenditures with taxes and contributions which register an increase of 1.5% in 2019 compared to year 2018. The lowest share is represented by investment expenditures 0.5% in 2018, respectively 0.6% in 2019.

¹⁸ Florea, A., (2010). *Elemente de macroeconomie*, Editura Universității din Oradea, p 55.

¹⁹ *Ibidem*, p.57

²⁰ https://insse.ro/cms/sites/default/files/com_presa/com_pdf/abf_2019r.pdf accessed on 16.04.2021

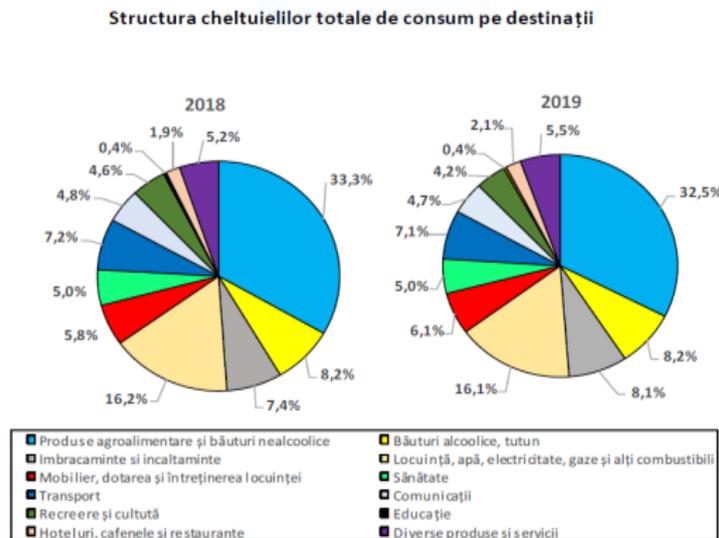
Figure 2. The structure of total household expenditures



Source: INSSE, available online at: <https://insse.ro/cms/ro/content/veniturile-%C8%99i-cheltuielile-gospod%C4%83riilor-anul-2019> accessed on 09.04.2021

The main destinations of total consumption expenditures (Figure 3) were agri-food products and non-alcoholic beverages (33.3% in 2018, 32.5% in 2019), maintenance services (housing, water, electricity, gas and other fuels) with a share of 16.2% in 2018 and 16.1% in 2019, expenses for clothing and footwear with a percentage of 7.4% in 2018 and 8.1% in 2019 (increasing by 0,7 percentage points). Also, transport remained approximately constant, representing 7.2% of consumer spending in 2018 and 7.1% in 2019, respectively, and recreational services (hotels, cafes, restaurants) increased by 0.2% in 2019.

Figure 3. The structure of total consumption expenditures by destinations



Sursa: INSSE, available online at: <https://insse.ro/cms/ro/content/veniturile-%C8%99i-cheltuielile-gospod%C4%83riilor-anul-2019> accessed on 09.04.2021

4. ASSESSMENT OF THE IMPACT OF THE COVID - 19 PANDEMIC ON THE ECONOMIC ENVIRONMENT IN MARCH AND APRIL 2020

During 2020, on April 15, a statistical survey was conducted by the National Institute of Statistics²¹, which is addressed to enterprises in manufacturing, construction, retail and services in order to monitor the evolution of enterprises. The total number of economic agents included in the sample is 8831.

Table 1. Anticipation of economic activity by economic agents in April 2020

Manufacturing industry	40.1% of the economic agents cannot estimate the future direction towards which the activity is heading in April
Transport and storage	52.1% of the economic agents that could estimate the evolution of their activity volume, predicted in April 2020 a restriction of the activity by more than 25%
Construction	61.4% of the economic agents that could estimate the evolution of their activity volume, predicted in April 2020 a restriction of the activity by more than 25%
Retail trade	21.6% of economic agents provided for a restriction of activity by 25% or even closure
Hotels and restaurants	95.4% of the economic agents provided for a restriction of the activity by 25% or even the closure

Source: INSSE, Cercetare experimentală: Evaluarea impactului COVID-19 asupra mediului economic în lunile martie și aprilie 2020, available online at: <https://insse.ro/cms/ro/content/cercetare-experimental%C4%83-evaluarea-impactului-covid-19-asupra-mediului-economic-%C3%AEn-lunile-0> accessed on 05.04.2021

Turnover was the main factor in observing and classifying the evolution of business activity during the pandemic. Exactly, the analysis took place between the turnover from 2020 in March-April and 2019 in the same period. According to statistics, turnover had a negative impact in 2020, at the beginning of the pandemic.

The devastating effects on industries are increasing as the COVID-19 epidemic spreads. The manufacturing industry registers in April 2020, a reduction of the activity of up to 26%, increasing by 8.9% compared to March.

In the hotels and restaurants sector, the impact of the pandemic is felt strongly, continuing the uncertainty of the future evolution and the forecast of the total closure of the activity, thus according to the expectations there is a restriction of the activity by 25%.

5. THE BEHAVIOR OF THE ROMANIAN CONSUMER IN THE CONTEXT OF THE COVID-19 PANDEMIC

The study conducted by EY Romania between May 13 and June 2 in 2020, on a sample of 393 participants, aimed at studying the behavior of the Romanian consumer during the Covid-19 pandemic and anticipating the new consumer behavior in a society "post COVID-19"²²

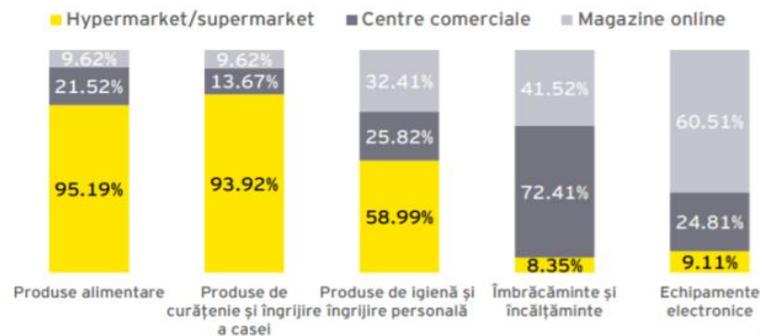
The unpredictable situation in a relatively short time has partially or completely changed the consumption behavior of people, services, products, social experiences, companies that have had to adapt to new conditions, restrictions that will persist in the near future. , which will lead us to a new society.

²¹ INSSE, Cercetare experimentală: Evaluarea impactului COVID-19 asupra mediului economic în lunile martie și aprilie 2020, available online at: <https://insse.ro/cms/ro/content/cercetare-experimental%C4%83-evaluarea-impactului-covid-19-asupra-mediului-economic-%C3%AEn-lunile-0> accessed on 05.04.2021

²² EY, *Cum a modelat COVID-19 comportamentul consumatorilor români?*, https://www.ey.com/ro_ro/covid-19/comportamentul-consumatorului-roman-in-contextul-covid-19- accessed on 13.04.2021

Over 70% of respondents (Figure 4) preferred shopping malls for the purchase of clothing and footwear, and 60% of consumers opted for online stores on the purchase of electronic equipment.

Figure 4. Source of purchase of goods



Source: EY, *Cum a modelat COVID-19 comportamentul consumatorilor români?*, https://www.ey.com/ro_ro/covid-19/comportamentul-consumatorului-roman-in-contextul-covid-19- accessed on 13.04.2021

Despite the pandemic, the restrictions caused by it, 60% of the participants worked from home, however 40% continued their activity at work.

Figure 5. Virus protection measures



Source: EY, *Cum a modelat COVID-19 comportamentul consumatorilor români?*

The pandemic also caused the appearance of protection measures against the virus, in addition to working from home, 84.99% of respondents use, where possible, payment by bank card, 78.63% began to cook more often at home, and shopping in physical stores they were limited by opting for online shopping and delivery services (Figure 5).

Also, the study initiated by EY Global²³, identifies 4 consumer segments based on the dominant behaviors and opinions of 18 countries, adopted after the outbreak of the pandemic: Save and make stocks (35%), Drastically reduce spending (27%), Keep calm and spend (26%), Hibernate and spend (11%). Five consumer segments will emerge after the covid-19 crisis:

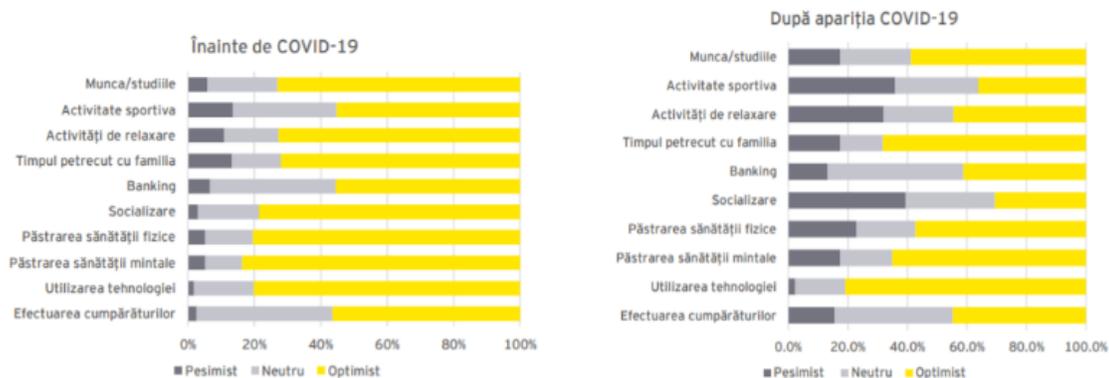
- Return to normal (31%);
- Cautious, but extravagant (25%);
- Remains economical (22%);

²³ *Idem*

- Continues to reduce (13%);
- Return in force (9%).

For 21% of respondents, food expenditures increased (Hibernate and Spend), 16.71% stated that expenditures on personal care products decreased, however 21.27% of consumers claimed that they spent more (Hibernate and Spend). spend). It has been observed that over a third of consumers have mostly increased their spending on cleaning and housekeeping products.

Figure 6. Aspects of life before and after Covid



Source: EY, Cum a modelat COVID-19 comportamentul consumatorilor români?, https://www.ey.com/ro_ro/covid-19/comportamentul-consumatorului-roman-in-contextul-covid-19- accessed on 13.04.2021

For 41% and 63% of participants, respectively, the purchase of sports items, clothing and footwear decreased (save and stock). Almost a quarter of respondents said that savings and investments increased, however for 14% of consumers the level of amounts saved or invested was reduced. Respondents were asked about some aspects of life before and after Covid, and their answers can be summarized in the figure above (Figure 6). Relaxation activities suffered the sharpest decline - an overall reduction in spending of 73.42%, an anticipated change given the traffic restrictions present during March, April and May. Regarding the return to consumption habits after the end of the pandemic, most participants anticipate a considerable change in the way of purchasing products, services and a change in the way of conducting traditional consumer activities.

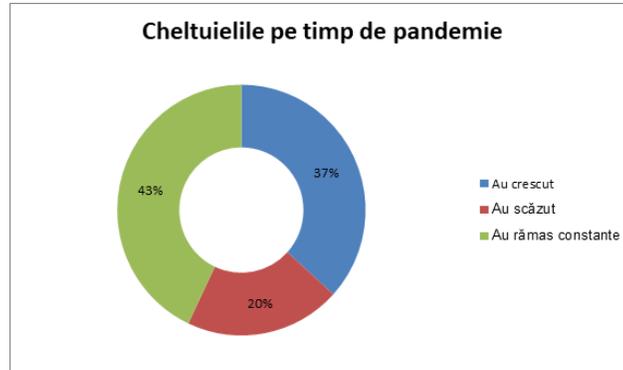
6. SURVEY CONDUCTED BY THE AUTHORS

The survey was conducted in April 2021 in western Romania. The survey is based on the response of 128 people, of which 20% men and 80% women, of which 63% aged between 18-30, 27% between 30-50 and 10% were over 50 years old. A proportion of 59% of respondents come from rural areas and 41% from urban areas.

Regarding the purchasing power of the studied sample, the highest share of monthly income (40%) is between 500-1500 lei, 36% between 1500-3000 lei, 17% between 3000-5000, and 7% over 5000 lei .

Most people said that the level of spending remained constant compared to the previous period with the current one (43%), 37% said that the level of spending increased and 20% of survey participants recorded a low level of spending. A proportion of 96% of the individuals managed with their own savings and did not have to access a bank loan, the pandemic took by surprise 4% of the participants, who failed to manage with their own income.

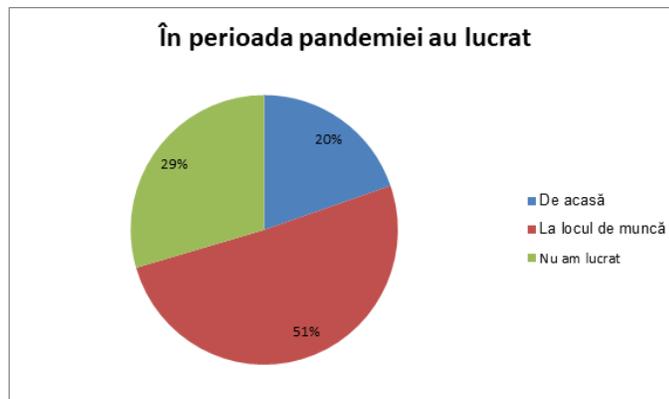
Figure 7. Pandemic spending



Source: Survey accomplished by the authors

Another aspect derived from the answers received is the fact that before the pandemic only 32% opted for online shopping often or very often. The pandemic caused 42% of the statistical population to shop more online than before. Even if some of them were encouraged to choose the online shopping option, more than half (59%) of the participants want to return to their previous behavior and go to the malls.

Figure 8. Professional activity during the pandemic



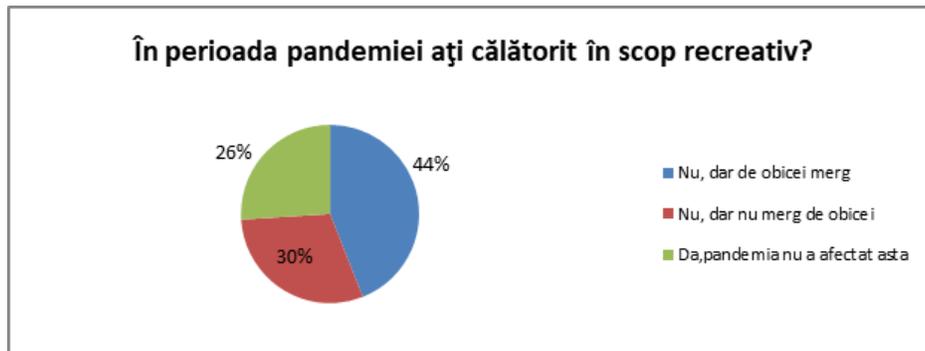
Source: Survey accomplished by the authors

The pandemic also produced changes in professional life, as we see in Figure 8, in the category of survey participants who have a job, 71% went physically to work, while 29% worked from home, a practice known as telework.

Among the sectors affected by the pandemic is HORECA (hotel and catering industry) which was also observed in the responses received (Figure 9), so that 44% of respondents traveled for recreational purposes but during the pandemic could not satisfy this need / desire, this sector registering great losses.

Consumer behavior regarding food purchases during the pandemic remained constant, being confirmed by 65% of participants, only 28% of them bought in larger quantities. Most of them (60%) chose the supply from the supermarket, followed by the small shops nearby (22%) and the market (13%).

Figure 9. Pandemic recreation trips



Source: Survey accomplished by the authors

As we can see above in Table 2, the results of the survey lead us to conclude that stores specializing in the sale of clothing products decreased sales because 45% said they bought less than before the pandemic. 34% bought more hygiene products. In the case of electronic products, most people (81%) were technically equipped, however 10% were forced to buy due to working from home / online school.

The quarantine period caused 34% of people to read more books, which is a benefit for both physical libraries and

the online ones. Almost half (48%) of the participants watched several movies in a pandemic, thus, the number of subscriptions increased among the services such as: Netflix, Filmbox, Amazon prime, etc.

People who lived in the block were the most affected by the pandemic, so 75% of them were determined to think about buying a house, which leads us to anticipate a rise in prices in the real estate segment conditioned by rising demand.

Table 2. Acquisition in larger quantities caused by the pandemic

Clothing products	<ul style="list-style-type: none"> o Yes (10%) o No, on the contrary, less (45%) o The same (45%)
Electronic products	<ul style="list-style-type: none"> o Yes, but there was no need (9%) o Yes, because I worked from home / online school (10%) o No, I was ready (81%)
Hygiene products	<ul style="list-style-type: none"> o Yes (34%) o No (18%) o The same (48%)
Food	<ul style="list-style-type: none"> o Yes (28%) o No, less (7%) o The same (67%)

Source: projection made by the authors following their own survey

After a careful analysis of the survey we came to the conclusion that, at least in western Romania, people were not so financially affected by the pandemic, 58% of them were able to continue to make savings as before, thus

69% stated that the pandemic did not change their consumer behavior. However, 19% said that the pandemic had a major impact on their consumer behavior, which could not return to the previous one.

7. CONCLUSION

Consumption and the influence of the pandemic on consumer behavior were studied by INS in the studies "Experimental research: Assessing the impact of COVID-19 on the economic environment in March and April 2020" and "Analysis of living standards of the Romanian population - comparison between 2018 and 2019 ", studies which concluded that in the lives of individuals, consumption expenditures account for the largest share of total expenditures, a third of which are represented by expenditures on agri-food products and non-alcoholic beverages that occupy the largest share of the expenditure structure total consumption, this behavior being as normal as possible for the human being, food consumption being a necessity to survive. This unforeseen event, the SARS-CoV-2 pandemic a

tested the majority of sectors, which expected a restriction or even closure of their activity. The same topic was addressed in the study prepared by EY Romania after which we can see the positive effects that were caused by the pandemic: increased attention to personal hygiene and home sanitation, these being some examples among many others.

Also, following the investigation we carried out and after a careful observation on the survey, taking into account the fact that the number of people who answered the questionnaire is small and of preponderant age (18-30 years), following the elaboration of this paper. we can conclude that in the western part of Romania, the vast majority of the population was not severely affected by the pandemic from a financial point of view. We declare what is specified based on the answers received, the people stating that, regarding the purchases made, they bought the same as in the period before the pandemic. The income and expenses of most have remained constant and they have been able to continue their saving process, so they can declare themselves as one of the lucky ones. We do not rule out the fact that indeed, there were also people who encountered great financial difficulties, but we assume that these cases were also influenced by other factors, not only the pandemic (example: "unhealthy" consumer behavior in the period before the pandemic). Finally, we would like to point out that this obstacle called "pandemic" which, among many other things, had financial repercussions, caused a quarter of the statistical population to be more aware of the unpredictable events that may occur and to build up financial reserves (savings).

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A BALANCED BUDGET – BETWEEN NEEDS AND POSSIBILITIES

*Bayraktar Dorin, Lucian Blaga University of Sibiu, Faculty of Economic Sciences, Finance and Banking,
2nd year, dorin.bayraktar@ulbsibiu.ro*

Abstract:

Nowadays, life is characterized by the existence of an unlimited amount of human needs that need to be met. These consist of desires to own goods and to perceive the results of the qualitative provision of some services.

We know very well that a significant number of needs are met by the commercial companies, which in turn receive a share of the income of each consumer. However, these entities aren't able to extinguish all people's needs or people do not have enough resources to maintain a certain standard of living by purchasing goods or services from them.

In such situations, the state intervenes and extinguishes the needs of society by offering the possibility to benefit from all the necessary goods or services, both legal entities and individuals. This intermediation of the state is achieved through the prism of public finances, which, on the one hand, involves the establishment of financial resources by collecting from taxpayers and, on the other hand, making expenditures to meet all human needs.

Keywords: Public Finance, Balanced Budget, Budget Deficit, Budget Surplus, Needs

INTRODUCTION

The limited nature of resources requires the organization of good management of them, regardless of their type. Good management of resources involves their use to meet priority needs and within the available limit or use them to create added value, in which case this limit can be easily exceeded (by loan; generally refers to financial resources).

The public budget is a forecast of all public expenditures and revenues, usually for one fiscal year. Once the total amount of **expenses** to be made and the approval of the draft budget by the Parliament have been established, **they** become mandatory (failure to make expenses can paralyze the state). However, this idea does not refer to public revenues, as their value is estimated based on several factors.

The budgetary balance is the equality between public revenues and public expenditures and (according to the **liberal conception**) one of the fundamental conditions for a good management of public finances. Likewise, according to the classical conception, the state must fully cover its expenses, related to its operation, from the collected public revenues, without being involved in the market.

According to Law no. 500/2002 on public finances, the budget execution needs to be controlled in order to maintain or to improve, as the case may be, the budgetary balance (see Art. 18 letter (C); Art. 49 paragraph (4); Art. 50). According to Art. 13 of Law 273/2006 | Principles, rules and responsibilities, the principle of budgetary balance means that the expenditure of a budget is fully covered by the revenue of that budget.

Currently, the state intervenes in the economy to contribute to the development and correction of the economic environment, which requires more spending. Thus, maintaining of the budget balance is almost impossible. In Romania, from 2004 until now, budget deficits have been registered (table 1.1).

The negative budget balance does not indicate that the state is economically weak. It is also recorded by highly developed countries with continuous development such as Germany, Ireland or Luxembourg (see Table 1.2.1 & Table 1.2.2).

As we see in the tables above, even highly developed countries have recorded budget deficits, which highlights the fact that the negative budget balance isn't a "sin". On the contrary, in some cases, it is a means of ensuring economic growth. Economist Paul Krugman argued that "*the budget deficit is one of the greatest inventions in finance, an important basis for future development*".

Currently, these 3 states are among the richest states in the world. Another example is the USA and Japan, which have had large deficits over time, but at the same time they had a clearly favorable real invention position.

CASE STUDY

Next we will study the level, structure and dynamics of public expenditures and public revenues using, in addition to absolute values, relative values. We will compare the indicators with the levels registered by the European Union. Thus, we will highlight at what level Romania is compared to the EU. At the same time, we will denote their trend, thus noting the goals of fiscal policy during the analysis period.

PUBLIC EXPENDITURE

Table 1.3 represents in nominal values the public expenditures in the functional classification for the period 2016-2018. These data will continue to be used to study the structure and dynamics of public spending.

Table 1.4 shows each type of public expenditure as a share in GDP. A more synthetic view that already allows the creation of an idea about their importance and change over time. It is observed that the share of total public expenditures in GDP, during the period 2016-2018, on average remains approximately the same.

In 2016, the total public expenditures, which registered a level of 264,260.60 million lei, represented 34.54% of the GDP, and in 2017 their share in GDP decreased by 0.91 pp, but the nominal value in 2017 exceeds the value registered in 2016. This fact is due to the significant positive increase of the nominal GDP level in 2017 to the value of 856,726.60 million lei.

In 2018, the share of total budget expenditures increased again, representing 35.21% of the nominal value of GDP.

The share in GDP of public expenditures made for health in Romania, during the period of analysis, registers lower levels than the EU-27 average in the same period, but with a positive trend. Public expenditures related to economic affairs in Romania nominate higher shares in GDP than the EU-27 average, where their share is more stable, and in Romania it is decreasing.

In conclusion, it is highlighted that the private sector in most EU countries is well-developed, which saves the state from spending more on subsidies to private economic units, scientific research of economic interest, etc. and thus allows their redirection to the development of other public sectors. In Romania, however, the privatization of economic sectors takes place more slowly, which conditions the state to develop its private sector by directing financial resources for this purpose.

As public expenditures during the period 2016-2018 are increasing and the number of population decreasing, there is an increase in total public spending per capita. The change of this indicator is directly proportional to the change in the volume of public spending, and inversely proportional to the change in the number of population.

Compared to the EU-27 average, the share of public spending in GDP is lower, in all 3 years, on average by 12.53% (Table 1.5).

THE EFFECT OF INFLATION ON PUBLIC EXPENDITURE

We see in Table 1.3 that the total value of public spending increases over the years, as does the value of GDP. However, due to inflation, we do not know the real change.

Considering the price index, with the base year 2016, in 2017 of 103% and in 2018 of 105%, we can determine the real value of expenditures, so we can observe their real change (table 1.6).

In nominal terms, the total public expenditures increased in 2018, compared to 2017, by 44,341.70 million lei, i.e. by 15.39%. In real terms, the level of total budget expenditures in 2017 was exceeded, in 2018, by 36.902.23 million lei (by 13.19%).

Thus, we notice that the increase in the volume of public spending is due, in addition to the increase in the necessary needs to be met, to inflation.

STRUCTURE & DYNAMICS OF PUBLIC EXPENDITURE

The tables and graph below show the structure and dynamics of public spending.

Compared to 2016, total public expenditures increased in 2017 by 9.02%. And in 2018, compared to 2017, they increased by 15.39%.

Over the years, the share of expenditures in the field in total expenditures remains approximately the same, except for expenditures on health (increases) and those on economic actions (decreases).

Increasing public spending on health is essential to ensure the perception of quality medical services by society, and their growth takes place with economic growth. Health spending, according to World Health Organization Director-General Tedros Adhanom Ghebreyesus, "*is not a cost, but an investment in poverty reduction, jobs, productivity, growth and safer and more secure societies.*" Their share in total expenditures has increased, since 2016, from 11.68% to 13.32% in 2018, and compared to 2017 the share increased by 0.45p.p. in 2018.

Another reason for the increase in public health spending would be the tendency of the state to reduce external financing for health.

Public expenditures for economic affairs increase from 2016 to 2017 by 2.33%, but their share in total decreases by 0.86 pp. In 2018 the share decreased to 12.04% (by 1.11pp compared to 2017) of the total value of public expenditures related to that year. This fall is due to the period of privatization of economic sectors. As mentioned at the beginning, most people's needs are met by companies, whose main purpose is not to extinguish those needs, but to maximize its market value and profit.

According to the data in Table 1.7, most of the public resources are directed to cover social protection expenditures, which represent on average, in all 3 years of analysis, about 34% of total public expenditures. The least is consumed for environmental protection, whose average share in total public spending, for all 3 years, 1.91%.

PUBLIC REVENUE

Next we will study the structure and dynamics of public revenue. As mentioned earlier, their collection is the first phase of the distribution function. Their annual level depends on a number of demographic, economic, historical, financial, political and military factors.

The tables below show the nominal values and the weights in GDP of public revenue for the period 2016-2018.

According to Table 2.1, total public revenues increase during the analysis period. From 244,078.19 million lei in 2016, to 301,206.24 million in 2018. Their share in GDP remains approximately the same, the fluctuations being 1-2 pp, as we see in table 2.2.

Compared to the EU-27 average, the share of public revenues in GDP is lower, in all 3 years, on average by 14.50% (Table 2.3).

The volume of total public revenues per capita is directly proportional to their absolute total level.

THE EFFECT OF INFLATION ON PUBLIC REVENUES

As with spending, the change in total revenues is influenced by inflation. Its effect is detailed in Table 2.4.

The total public revenues, in 2018 compared to 2017, increased, in nominal value, by 37,334.45 million lei, i.e. by 14.15%. While, in real terms, the increase was 6,657.57 m.u. lower (by 11.97%). Thus, the increase in the level of public revenues from year to year is also due to the depreciation of the national currency, which means that the state, in year n, will not be able to capitalize in the same way the same amount of money as in the previous year (n-1).

STRUCTURE & DYNAMICS OF PUBLIC REVENUE

From Table 2.5 we see that tax revenues occupy the largest share in total revenues, a situation that is usually always maintained in a market economy. However, their share decreases during the analysis period, as the share of insurance contributions increases very strongly from year to year. The share of tax revenues in 2017 decreased compared to 2016 by 2,737 pp, and in 2018 compared to 2017 - decreased by 5,834 pp. Contributions increased in 2017 compared to 2016 by 17.03%, and in 2018 compared to the previous year they increased by 36.80%. The respective increase is due to the increase of the average net salary at the level of the entire economy, which was higher than the established forecasts (in 2017: + 4.70p.p.; in 2018: +3.80 p.p.) at the time of formulating the draft budget (table 2.8).

At EU-27 level, the share of each income category fluctuates a maximum between 1-2%, while the structure of public revenues in Romania follows a certain rule, respectively:

- The share of tax revenues decreases;
- The shares of insurance contributions and non-tax revenues increase.

THE RESULT OF THE BUDGETARY YEAR

The result of the budget year represents the difference between the total public revenues and the total public expenditures related to the year for which the budget was approved.

$$\text{Result of the budget year} = \text{Total income} - \text{Total expenses}$$

So, at the end of the budget year, one of the following situations can be found:

1. *The result of the budget year* > 0 \rightarrow *budget surplus* – is a very rare situation today, but possible (Table 3.1);
2. *The result of the budget year* $= 0$ \rightarrow *balanced budget* – situation even more special than the budget surplus (Table 3.2);
3. *The result of the budget year* < 0 \rightarrow *budget deficit* – case often encountered worldwide.

At present, most states have abandoned the principle of budgetary balance. The indicator of the share of the budget deficit in GDP is used for decision-making on budgetary policy. A share of over 3% of GDP is a large deficit that needs to be controlled by adopting restrictive budgetary policies, embodied in reducing public spending.

During the analyzed period, according to the data in table 1.1, budget deficits were registered between 2.60-2.90% of GDP.

The budget deficit in 2016 was below the forecast level at the time of approving the draft budget, due to the decrease of the amount of public expenditures by approximately 9.7 billion lei.

In 2017, the registered deficit was above the initially estimated value, the cause being the registration of public revenues in a lower value than the forecasted one, by approximately 2.9 billion lei.

In the following year, the estimated value of expenditures at the time of the adoption of the draft budget were exceeded by 7.97 billion lei, and the actual revenues were above their initial value by 7.59 billion lei. The share of the budget deficit in GDP was with 0.04 p.p. higher than expected.

Compared to the average results registered at EU-27 level, the weights of Romania's budget deficits in GDP are higher.

CONCLUSIONS

The budget balance, in most states, is an "optional" condition, a point for guiding decisions on public expenditure management. If the deficit is not far from the budget balance, the chances of adopting a deficit program for next year increase, and vice versa is when the share of the deficit in GDP signals STOP. This principle is an ideal of public financial management that is respected only theoretically or as far as possible.

At present, the budget deficit is a common phenomenon in most states. Its existence is caused by:

- Decreased productivity in the economy;
- Increasing the expenses related to some social programs;
- Excessive monetary issuance that is not accompanied by economic growth;
- Contracting the economy;
- Etc.

In every budget year, the state needs more and more financial resources to be able to cover most of the expenses. In 2016, of the total public expenditures, 92.36% were covered from public revenues, in 2017 - 91.59%, and in 2018 - 90.60%. From these data results that the public expenditure, from year to year, increase more strongly than the revenues that are collected. Thus, the budget deficits are also increasing, and their increase beyond the limits that can be financed in a non-inflationary way is an additional factor in deepening the imbalances in the economy.

The improvement of budget deficits in the future may have as a consequence the increase of the fiscal burden, which, in turn, will destroy the concept of financial discipline and will "promote" the tax evasion.

During the analysis period, comparing the EU-27 and Romania statistics, the possible targets towards which Romania's fiscal policy tends are observed. Regarding public revenues, a policy is established to balance the shares of fiscal, non-fiscal revenues and social contributions in total public revenues, which conditions the increase of average net salaries and the decrease of the tax burden, thus tax evasion.

The growth rate of total public expenditure is higher than that of revenue, which is a major problem when total public revenue consists mainly of tax revenue and less of non-tax contributions and revenue.

TABLES & GRAPHICS

Year	GDP(mil.)	Deficit(mil.)	Deficit(% GDP)
2004	RON 244,688.30	-RON 3,150.36	-1.29%
2005	RON 286,861.90	-RON 1,980.46	-0.69%
2006	RON 342,762.60	-RON 4,661.52	-1.36%
2007	RON 425,691.10	-RON 12,967.94	-3.05%
2008	RON 539,834.60	-RON 24,793.60	-4.59%
2009	RON 530,894.40	-RON 36,435.38	-6.86%
2010	RON 528,247.00	-RON 33,607.84	-6.36%
2011	RON 559,244.80	-RON 23,898.60	-4.27%
2012	RON 593,742.90	-RON 14,773.92	-2.49%
2013	RON 635,459.40	-RON 15,794.02	-2.49%
2014	RON 668,590.10	-RON 11,493.19	-1.72%
2015	RON 712,587.80	-RON 9,630.75	-1.35%
2016	RON 765,135.40	-RON 19,893.52	-2.60%
2017	RON 856,726.60	-RON 22,274.89	-2.60%
2018	RON 944,220.20	-RON 27,382.39	-2.90%

2019 RON 1,040,800.00 -RON 48,300.00 -4.64%

2020 RON 1,040,800.00 -RON 101,916.70 -9.79%

Table 1.1 Budget deficits for the period 2004-2020

Country	Year	Deficit(share of GDP)
Germany	1999	-1.70%
	2001	-3.10%
	2002	-3.90%
	2003	-4.20%
	2004	-3.70%
	2005	-3.40%
	2006	-1.70%
	2008	-0.20%
	2009	-3.20%
	2010	-4.20%
	2011	-1.00%
	2012	-0.10%
	2013	-0.10%
Ireland	2002	-0.30%
	2008	-7.00%
	2009	-13.80%
	2010	-32.30%
	2011	-12.60%
	2012	-8.00%
	2013	-5.70%
	2014	-3.80%
2015	-2.30%	
Luxembourg	2004	-1.30%
	2009	-0.70%
	2010	-0.70%

Table 1.2 Budget deficit as share of GDP in Germany, Ireland and Luxembourg

INDICATOR		Year		
		2016	2017	2018
GDP(mil.)		RON 765,135.40	RON 856,726.60	RON 944,220.20
PUBLIC EXPENDITURE (mil.)	Total	RON 264,260.60	RON 288,109.50	RON 332,451.20
	Health	RON 30,871.00	RON 37,093.60	RON 44,289.40
	Education	RON 25,265.30	RON 24,374.30	RON 30,100.40
	Defense	RON 12,791.30	RON 15,292.50	RON 15,893.00
	Social protection	RON 87,976.10	RON 100,004.90	RON 110,844.90

	General public services	RON 33,692.10	RON 35,899.50	RON 43,932.20
	Public order	RON 15,571.20	RON 17,060.10	RON 20,772.70
	Environment protection	RON 4,795.20	RON 4,425.30	RON 7,923.40
	Culture	RON 7,024.70	RON 8,593.10	RON 9,664.40
	Economic actions	RON 37,011.70	RON 37,873.70	RON 40,023.40
	Public development	RON 9,262.00	RON 7,492.50	RON 9,007.40
	Total expenditure per capita	RON 13,373.12	RON 14,666.58	RON 17,022.04

Table 1.3 Public expenditure for the period 2016-2018

INDICATOR		Year		
		2016	2017	2018
GDP(mil.)		RON 765,135.40	RON 856,726.60	RON 944,220.20
CHELTUIELI PUBLICE(mil.)	Total	34.54%	33.63%	35.21%
	Health	4.03%	4.33%	4.69%
	Education	3.30%	2.85%	3.19%
	Defense	1.67%	1.78%	1.68%
	Social protection	11.50%	11.67%	11.74%
	General public services	4.40%	4.19%	4.65%
	Public order	2.04%	1.99%	2.20%
	Environment protection	0.63%	0.52%	0.84%
	Culture	0.92%	1.00%	1.02%
	Economic actions	4.84%	4.42%	4.24%
	Public development	1.21%	0.87%	0.95%

Table 1.4 Public expenditure for the period 2016-2018 as share of GDP

ZONE	Year			The average (3 years)
	2016	2017	2018	
UE-27	47.30%	46.70%	46.60%	46.87%
ROMÂNIA	34.60%	33.50%	34.90%	34.33%
THE DIFFERENCE	12.70%	13.20%	11.70%	12.53%

Table 1.5 Comparison of the share of public expenditure in GDP (EU-27 VS Ro.)

ZONE	Year		
	2016	2017	2018
UE-27	7.00%	7.00%	7.00%
România	4.00%	4.30%	4.70%

Table 1.5.1 Public expenditure for health as share of GDP (EU-27 VS Ro.)

ZONE	Year		
	2016	2017	2018
UE-27	4.30%	4.30%	4.40%
ROMÂNIA	4.80%	4.40%	4.20%

Table 1.5.2 Public expenditure for economic affairs as share of GDP (EU-27 VS Ro.)

Year	Nominal value (mil.)	Real value (mil.)	Nominal evolution (n/n-1)		Real evolution(n/n-1)	
			Absolute value (mil.)	Relative value	Absolute value (mil.)	Relative value
2016	RON 264,260.60	RON 264,260.60	-	-	-	-
2017	RON 288,109.50	RON 279,717.96	RON 23,848.90	9.02%	RON 15,457.36	5.85%
2018	RON 332,451.20	RON 316,620.19	RON 44,341.70	15.39%	RON 36,902.23	13.19%

Table 1.6 The effect of inflation on public expenditure

PUBLIC EXPENDITURE	Year		
	2016	2017	2018
Health	11.68%	12.87%	13.32%
Education	9.56%	8.46%	9.05%
Defense	4.84%	5.31%	4.78%
Social protection	33.29%	34.71%	33.34%
General public services	12.75%	12.46%	13.21%
Public order	5.89%	5.92%	6.25%
Environment protection	1.81%	1.54%	2.38%
Culture	2.66%	2.98%	2.91%
Economic actions	14.01%	13.15%	12.04%
Public development	3.50%	2.60%	2.71%

Table 1.7 The structure of public expenditure

PUBLIC EXPENDITURE	EVOLUTION	
	2017/2016	2018/2017
Total	9.02%	15.39%
Health	20.16%	19.40%
Education	-3.53%	23.49%
Defense	19.55%	3.93%
Social protection	13.67%	10.84%
General public services	6.55%	22.38%
Public order	9.56%	21.76%
Environment protection	-7.71%	79.05%
Culture	22.33%	12.47%
Economic actions	2.33%	5.68%
Public development	-19.10%	20.22%

Table 1.8 The dynamics of the level of public expenditure

PUBLIC EXPENDITURE	EVOLUTION	
	2017/2016	2018/2017
Health	1.19%	0.45%
Education	-1.10%	0.59%
Defense	0.47%	-0.53%
Social protection	1.42%	-1.37%
General public services	-0.29%	0.75%
Public order	0.03%	0.33%
Environment protection	-0.28%	0.85%
Culture	0.32%	-0.08%
Economic actions	-0.86%	-1.11%
Public development	-0.90%	0.11%

Table 1.9 The dynamics of the structure of public expenditure

INDICATOR	Year		
	2016	2017	2018
GDP(mil.lei)	RON 765,135.40	RON 856,726.60	RON 944,220.20
Total	RON 244,078.19	RON 263,871.79	RON 301,206.24
Tax	RON 136,406.10	RON 140,245.80	RON 142,515.60
Non-tax	RON 17,938.30	RON 21,847.70	RON 27,122.30
Contributions	RON 61,274.40	RON 71,710.50	RON 98,100.80
Capital	RON 769.40	RON 830.40	RON 849.40
Venituri totale/cap de locuitor	RON 12,351.77	RON 13,432.73	RON 15,422.25

Table 2.1 Public revenue for period 2016-2018

INDICATOR	Year		
	2016	2017	2018
GDP(mil.)	RON 765,135.40	RON 856,726.60	RON 944,220.20
Total	31.90%	30.80%	31.90%
Tax	17.83%	16.37%	15.09%
Non-tax	2.34%	2.55%	2.87%
Contributions	8.01%	8.37%	10.39%
Capital	0.10%	0.10%	0.09%

Table 2.2 Public revenue as share of GDP

ZONE	Year			The average (3 years)
	2016	2017	2018	
UE-27	46.00%	45.90%	46.20%	46.03%
ROMÂNIA	31.90%	30.80%	31.90%	31.53%
THE DIFFERENCE	14.10%	15.10%	14.30%	14.50%

Table 2.3 Comparison of the share of public revenue in GDP (EU-27 VS Ro.)

Year	Nominal value(mil.)	Real value(mil.)	Nominal evolution (n/n-1)		Real evolution(n/n-1)	
			Absolute value(mil.)	Relative value	Absolute value (mil.)	Relative value
2016	RON 244,078.19	RON 244,078.19	-	-	-	-
2017	RON 263,871.79	RON 256,186.21	RON 19,793.60	8.11%	RON 12,108.01	4.96%
2018	RON 301,206.24	RON 286,863.09	RON 37,334.45	14.15%	RON 30,676.88	11.97%

Table 2.4 The effect of inflation on public revenues

REVENUE		Year		
		2016	2017	2018
PUBLIC REVENUE (mil.)	Total	RON 244,078.19	RON 263,871.79	RON 301,206.24
	Tax	55.89%	53.15%	47.31%
	Non-tax	7.35%	8.28%	9.00%
	Contributions	25.10%	27.18%	32.57%
	Capital	0.32%	0.31%	0.28%

Table 2.5 The structure of public revenue

REVENUE	EVOLUTION	
	2017/2016	2018/2017
Total	8.11%	14.15%
Tax	2.81%	1.62%
Non-tax	21.79%	24.14%
Contributions	17.03%	36.80%
Capital	7.93%	2.29%

Table 2.6 The dynamic of public revenue

PUBLIC REVENUE (mil.)	REVENUE	EVOLUTION	
		2017/2016	2018/2017
	Tax	-2.737%	-5.834%
	Non-tax	0.930%	0.725%
	Contributions	2.072%	5.393%
	Capital	-0.001%	-0.033%

Table 2.7 The dynamic of structure of public revenue

Year	Forecast	Reality
2017	11.20%	15.90%
2018	11.00%	14.80%

Table 2.8 The growth of the average net salary

Country	Year		
	2016	2017	2018
Luxembourg	1.9	1.3	3.1
Germany	1.2	1.4	1.8
Sweden	1	1.4	0.8
Malta	0.9	3.2	2
Czech Republic	0.7	1.5	0.9
Greece	0.5	0.7	1

Table 3.1 The budget surplus(% of GDP)

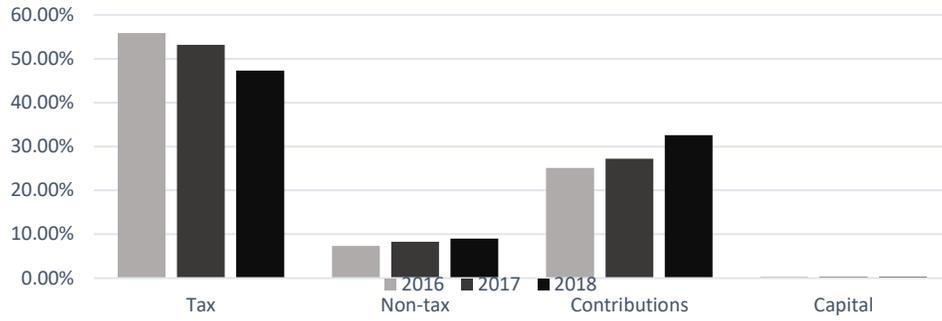
Stat	Year
Germany	2012
	2013
Sweden	2010
	2015
Netherlands	2016

Table 3.2 Countries from EU with a balanced budget in the period 2008-2019

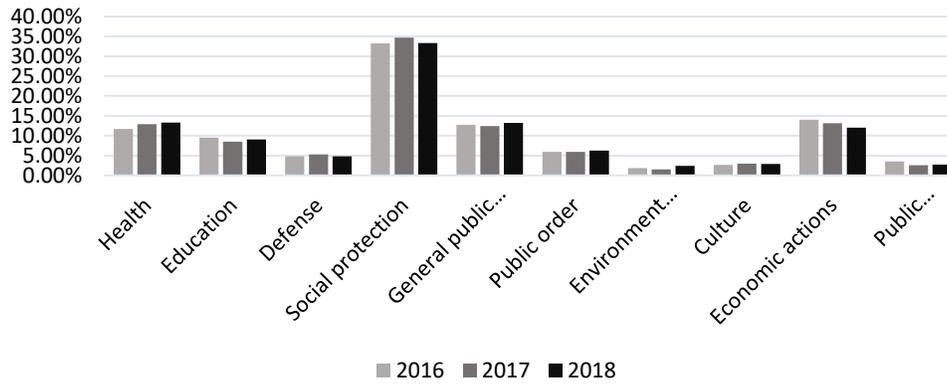
ZONE	Year		
	2016	2017	2018
UE-27	-1.40%	-0.80%	-0.40%
România	-2.60%	-2.60%	-2.90%

Table 3.3 The budget deficit as share of GDP (EU-27 VS Ro.)

Structure & Evolution of public revenue components 2016-2018



Structure & Evolution of public expenditure components 2016-2018



BRAND EQUITY THROUGH A MASCOT

Bulgaru Andreea Gabriela, Transilvania University of Braşov, Faculty of Sociology and Communication, Digital Media, 1st Year, andreea.bulgaru@student.unitbv.ro

Abstract:

The purpose of this paper is to analyze the means by which a mascot can become a successful component of brand equity through representation strategies of the so called brand, but also external factors to which it must obey, taking as examples varying representatives and elements which lead to their acclaim or failure.

Keywords: Mascot, Brand, Identity, Strategy

If there had been someone to ask me right in this moment what kind of snacks I enjoyed as a kid, the first brands springing in my mind would be Gusto puffs, Croco nibbles, Pom-Bar chips or Milka chocolate along with other names which I have to search in my mind for, like Lotto, Star and Heidi. There are, obviously, one of the most recognized brands and cover a large part of the Romanian snack market as showcased in the studies done by RetailZoom for salty snacks in 2014 (Vaschi, 2014) and 2017 (Vaschi, 2017): Gusto, Croco, Pom-Bar are either front runners or among the front runners in their niche market. Of course, numerous other brands are successful on the Romanian market such as Chio, Tuc, Boromir, yet the former seem to stand out in our mind: most likely, you envisioned their mascots, in particular the Gusto puppy, Croco the crocodile and Pom-Bar bear, while in the case of the latter you imagined a vague shape of the logo, phenomenon backed by research (Blake, Nazarian și Castel, 2014, prin Yakowicz, 2015; Levitin, 2002, p. 298).

Why is such a thing possible? The answer is given by Milka chocolate, over which a study done in 2010 showcased that 90% of consumers regard a viewed commercial featuring the purple cow as relevant to them while 75% deemed it appropriate only for the brand, associating it with "naturalness, authenticity, finesse, purity, joy and innocence" (Chirila și Rabontu). The Milka cow transforms itself into the main ambassador of the brand, its characteristics extending over the products, but also over the esthetic, cultural and social load, changing the buyers perception regarding the value of the product and their moral gain resulted from consuming the Milka chocolate. In short, this brand part of the large company named Mondelez succeeded in communicating all the desired information solely through its mascot, without resorting to fractured strategies, transforming into a literal cash cow.

How did such a thing work? The commercial mascot can be defined as "an imaginary character who represents a brand in an advertising campaign for a short or long period of time" (Barthelot, 2017). Unlike sports, it is one of the elements that make up the identity of a brand, along with name, logo, slogan, ambassadors, advertisements and design, differentiating it from its competitors by materializing the personality and providing a psychological landmark for buyers. In some cases, it can represent the entire basis of brand value, such as Milka chocolate, while in other situations it is only a part of the company's Marketing Mix when it comes to its products (as we will see in the Gusto puff, later in the report), and sometimes there is simply no one, but this does not stop companies from being successful, such as PepsiCo. This is possible because the three basic factors for building a brand value after Kelley and Kotler are followed (2016a, p. 158):

- (1) The initial choices for the brand elements or identities making up the brand;
- (2) the way the brand is integrated into the supporting marketing program; and
- (3) the associations indirectly transferred to the brand by links to some other entity.

So, if the mascot is not a guarantee for future success, why bother with it? Very simple: because if it is well built, following the rules, it has the ability to amplify the brand equity, accessing values that would be unavailable through the other elements, namely their ability to easily present the brand and from which consumers can create close relationships like those in real life (Fournier, 1998).

Let's go back to Milka in order to better understand how these factors work. First of all, the brand has as mascot the purple cow with the same name; it is not difficult to notice the associations created: the cow in a mountain

setting, drawn like a typical cow in the Alps, is a reference to the ubiquitous milk in the brand's chocolate, a clean, tasty and nutritious, while the color separately distances it from other products on the market and prevents the association with dairy foods which would mislead consumers. We could say that purple makes the potential buyer to associate it with luxury, or it is a simple strategy to ensure success through the lack of resemblance to the product (Frost, 1999, as quoted by Popa, Popescu, Tamba Berhoiu R.M., and Tamba Berehoiu S.M., 2010). It is presented only in tender poses, interacting with people and having a golden herd bell, a sign that it is domesticated and accessible to anyone who wishes. Also, the Milka cow is fully integrated into the brand through its associations related to chocolate's attributions and not its direct ones with chocolate, along with a constant presence on product packaging, advertising posters, promotional items (pens, backpacks, plush toys, mugs, etc.), and festivals (Milka Tender Town) that introduce consumers into the atmosphere presented by the mascot. Finally, associations are formed between the elements that the mascot presents and the product, but it is never identified with it: we see in the Alps, pure nature, milk, quality chocolate, tenderness and joy resulting from consuming the product, along with the ease of achieving these sensations. The cow becomes only the tool through which we can visualize this wonderful landscape and to which we can connect, representing a moral landmark, an entity to which we can appeal and which is always offered to us in the same form. Milka could have chosen to turn her mascot into a purple chocolate born in the Alps to convey the message directly, but this would have drained the valences at her disposal, that information that should not only be related to chocolate, but also to emotional reward and brand availability to "reflecting the basic values of consumers" (Berry, 2000, p. 134).

For a short time, the Star brand also had mascots for the assortments of snacks marketed during the 2000s and some time after 2010, namely a hamster, a squirrel, a woodpecker and a hedgehog called *Specialiști în ronțăială*, who gave lines like *Eeh, pufuleții!* or *Eeh, semințele!* (Double, 2010). The association between rodents and Star snacks is clear and light, which emphasizes the quality of its products, but it is limiting. Thus, no brand value is expressed through these mascots, there is no emotional reward resulting from consuming these snacks, there is no clear integration of them in the brand's marketing strategies often requiring the promise of awards or bringing an external element to increase sales and market attraction, as was a campaign with the game *Angry Birds*, and no association is found with other entities. We can argue at the penultimate point that Milka often organized promotional campaigns, but the prizes always consisted of "branded" objects - they always had the logo, colors or cow, not the products of a large company, or had anything to do with the mountain, as would be ski holidays ("*IQads*", 2006). No wonder these mascots simply disappeared, and Star opted to change his entire image and marketing strategies (Pascal, 2010).

However, these factors are not the norm, because there are brands that have not followed this "recipe" and are market leaders. Here the most obvious example is *Gusto* which had 70% of the market share in the puff segment in 2012 (Ciobanu, 2012) largely due to the fact that *Phoenix*, the company that owns *Gusto*, was among the first producers in Romania of these snacks, since 1992. But why was this company not surpassed by its competition, which had larger investments and sophisticated facilities, along with marketing strategies similar to those used by *Milka*? The answer would be again in his mascot, the puppy *Gusto*, which has remained the main association in people's minds when it comes to simple puff; In itself, he is not the smartest mascot to awaken unknown connections in people's minds between the dog and the expanded snacks, at most by the color yellow, but he managed to turn into a social brand (idem). The *Gusto* mascot was present on the market from the beginning in the same form, with no changes to its design, which offered a sense of security and stability to its consumers who were just going through a very difficult period, namely the sudden passage of from one political doctrine to another. This opened the possibility of developing a closer relationship, based on loyalty to a Romanian product which in recent years has aimed to serve humor through cartoons or comics on the packaging that include the mascot, "contributing to long-term profit long" (Brown, 2019 p. 103). Simplicity, antiquity and humor liken the *Gusto* puppy to a childhood friend of many Romanians to whom they have strong feelings, such as melancholy, trust, joy, fun, offering an atmosphere of familiarity and loyalty to the brand, extending to other product lines, such as those with toy surprises or dipped in chocolate, but not to a large extent. The last two varieties have their own ways of attracting and loyal consumers, such as uniqueness and "first-born opportunities" (Lieberman and Montgomery, 1988, p. 49), so that *Gusto* is a central piece only in salty puffs and a auxiliary for the rest.

As can be deduced from the three examples and according to François Gravet, marketing consultant for Butagaz represented by a famous blue bear in France, in an interview perhaps the most important characteristic of a mascot is its proximity to consumers (Marius, 2015). Often, when a marketing strategy is drawn up, team members focus predominantly on a logo rather than designing a possible mascot, considering it more complicated and expensive. A mascot is, in some respects, considerably more accessible than a PR representative or a star. Mascots “don’t demand pay raises, cheat on their spouses, or grow old” (Kelley and Kotler, 2016b, p. 332); you can always count on them to be a constant “employee” of the brand even after decades in the company, changing their appearance only according to the need of marketing strategies. They are also protected from scandals or bad reputations that are specific to celebrities and are much more flexible than these: if you need another picture, animation or advertisement you can easily get them from the mascot without logistical problems or additional costs, and they are more susceptible to the online environment, being “a strong element of the viral” (“Tubik Studio”, 2019). In addition, if the mascot is well managed, it can greatly reduce the company's monetary needs, as it would not require too many contracts with other external entities whose purpose is to create promotional or advertising materials.

The benefits are innumerable when it comes to mascots, but it is not enough to follow a formula similar to the one prescribed by Kotler at the beginning of this paper to properly represent the brand, but certain market variables must be taken into account. As Caufield states: “research is an important element in creating an attractive mascot” (2012, p. 20).

There are some conditions related to the use of mascots that are not necessarily related to the brand identity itself: sometimes mascots do not have a positive influence on brand equity and this is known in the interactions with users easily measurable in the online environment. A study conducted in 2013 (Kelley) showed how the context in which the mascot was, more than this in itself, increased or decreased the attraction of users on the Facebook platform when viewing the content of the pages of that brand. If it had the role of inducing sales by presenting some discounts or coupons, then the interactions decreased over time while the presentation of less interesting products or any event that can reproduce an emotion (holidays, daily activities) are more successful (idem).

In creating a mascot to support or enhance brand equity, various factors must also be taken into account to create a stable relationship with potential buyers, such as social and cultural ones. .

Individual factors include everything related to the individual, but which is not decided by society, such as age, sex, education, financial situation, habitat of a person without taking into account the influence of elements such as social norms, history or culture. Although a persona can be built based on which a mascot is made that can form relationships with potential consumers according to brand values, there are constantly different people with different needs who react differently, so there will be a different brand equity from one person to another. That is why segmentation should not be extraordinarily accurate, but should focus on differences among segments (Solomon et al., 2016, p. 8): a dinosaur nugget is presented to a child, an architect to a worker, etc.

Cultural factors are probably the ones that make a significant contribution when it comes to building brand capital, the mascots differing from continent to continent, country to country or even region to region. A very good example is the discrepancy between the elements that induce high brand value in the West compared to those in China, because there are major differences between the general views on life, traditions and history. If in the first we could say that this is ensured by “a consistent and clear positioning together with an authentic set of differentiators” (Kotler, Kartajaya and Setiawan, 2017, p. 63), in the case of the latter the emphasis is on the idea of *mianzi*, in translation dignity or “cheek” in Romanian (Filieri, Lin, D’Antone and Chatzopoulou, 2017). While Western cultures place greater emphasis on quality and notoriety, Asian cultures focus on “developing social relationships and gaining status” (idem p. 377). If in a nation like the United States customers prefer brand associations, the Chinese feel more comfortable through direct communication to form long-term connections than to be offered numerous data or offers (idem., p. 392). We can learn from KFC's success in China: Colonel Sanders' logo caused discomfort among fast food chain customers through lack of interaction, so the marketing team created their own mascot especially for the Asian area – the chick Chicky, which was not successful. only among children, but also adults, being present in all restaurants and considered a special guest at anniversary parties (Adler, 2003).

Another world from this point of view can be found in Japan, where there is a whole culture and history of mascots. Here a great emphasis is placed on their sweetness or how, the Japanese would say, *kawaii*, a word which already entered the global vocabulary, denoting "more often the association with children" and "with names that tend to include diminutives such as -kun, -chan and -py, used for the youngest or who have a lower social status" (Birkett, 2012, p. 66). Even the most unhappy feelings or inanimate beings can be turned into mascots with the help of this secret ingredient, as was the case with the depressive egg, *Gudetama*, which took the Internet by storm (Winn, 2016). *Kawaii* is deeply sedimented in Japanese marketing, so the brand value, in this case, is unimaginable without it, and mascots thus always have a physical presence; characterized as a society whose members have a formal character, they provide a space "in which visitors can interact in a playful manner with strangers" (Birkett, 2012, p. 72), receiving a special place in everyday communication. Such mascots have also begun to be used by state institutions to promote cities, villages, ministries (*idem*) or even for the police (Cho, 2012, p. 36).

At the same time, mascots raise ethical issues such as the huge influence they have on the still undeveloped minds of children. A study conducted on the impact that mascots have on children's up to 11 years old food choices showed how they play an important role in food preferences, although they could also be positive (Kraak and Story, 2014). Added to this is the need for governments to take measures to control such activity (Kraak and Story, 2015) so that it does not endanger the health of children to serve the enrichment needs of companies. In 2017, the European Consumer Bureau proposed a law banning the use of pets in promoting products for children with high amounts of fat, salt or sugar (Fosino, 2017), but in countries such as Chile such laws have been in force since 2015 ("Food Policy Snapshot", 2018). There are currently no studies on the impact of these measures on consumer perception or how they affect sales, but we could deduce from the study that admits the influence of mascots on motivation and intention to buy (Pairoa and Arunrangsiwed, 2016).

Tourist mascots are on the border between commercial and cultural, because they are used to attract tourists to certain locations so that profits are made, but at the same time they represent a certain civilization that must be reproduced in the most truthful way possible. These are used by countries such as Thailand (Wattanak, Kheokao and Pichetphan, 2021) and Japan (Birkett, 2012, p. 55) to attract people to rural areas, usually abandoned and poor; this topic would require more intensive study and access to a larger database.

In conclusion, when it comes to their power over brand equity, mascots are influenced both by the way the brand understands itself, but also by how others perceive it. Thus, there is no 100% clear guide on the most effective construction of commercial character to ensure success, but this does not equal to abandoning any attempt, but rather opens the possibility of meditation on all internal and external components. The mascot is an useful ingredient that has the opportunity to ensure we rise in the eyes of our consumers or can bring us down depending on the attention to detail, especially during a pandemic when the public looks at an ambassador to incorporate all the features of a brand now inaccessible.

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QUALITY OF INSTITUTIONS AND SHADOW ECONOMY

Maftai Alexandru-Mihail, Alexandru Ioan Cuza University of Iași, Faculty of Economics and Business Administration, Public Administration, alexandru.mihail.maftai@gmail.com

Abstract:

This paper examines the link between the quality of institutions and the shadow economy in European Union countries between 2003 and 2014. Using the World Bank's global governance indicators to compare the quality of institutions and a panel regression model, the research demonstrates a strong link between the type of previous political regime (communist, in the case of former communist states in Eastern Europe) and the size of shadow economy, as well as a significant inverse influence of the quality of institutions on the size of the shadow economy.

Keywords: Shadow Economy, Global Governance Indicators, Quality of Institutions

INTRODUCTION

Although the underground economy began to capture the attention of researchers in the early 1970s, studies attempting to quantify this phenomenon appeared relatively late in the early 1990s, with the first such studies being those of Smith (1994) and Schneider (1994).

So far, the literature does not provide a unanimously accepted definition to capture this phenomenon, there are divergences in terms of the types of activities included in the underground economy, how to quantify them or the purposes pursued. Measuring the shadow economy is also difficult, as Vito Tanzi remarked, because since we do not have a solid theoretical basis, it is almost impossible to us to quantify it because it is not known exactly what elements are included in the shadow economy. The difficulty of quantifying the shadow economy is a real fact and the data used should be considered as estimates of the phenomenon rather than accurate data.

The main objective of the research was to analyze the links between the quality of institutions and the level of the shadow economy in the countries of the European Union. In the first section, the literature is critically analyzed; the second section presents the research data and methodology; the third section presents the results of estimating the links between the phenomenon of the shadow economy and the indicators that measure the quality of institutions; the last part contains the conclusions and limits of the research.

1. LITERATURE REVIEW

The literature assigns a multitude of attributes to the underground economy, but mainly, they are positioned on a fundamental feature: the phenomenon includes economic activities that are not taxed. For example, Schneider and Kearney (2013) characterize the underground economy as a totality of “legal commercial activities that take place outside the area of government authorities”, noting that the underground economy “does not include illegal activities such as drug trafficking, smuggling, money laundering and embezzlement or household enterprises that, by law, do not need to register with the government”.

In a later paper, Schneider, Raczkowski and Mróz (2015) position the phenomenon of shadow economy around three distinct areas, namely the legal zone (tax optimization), the illegal zone (tax evasion) and the zone of informal or semi-illegal economy (operations performed and unregistered by households, the supply of goods and services without registration, authorization, permits or licenses and their inconsistent declaration, etc.)”.

On the other hand, Feige (1997) provides a different definition, characterizing the phenomenon as “inexact, encompassing a wide range of economic activities including the production and distribution of illegal goods and services as well as legal activities whose concealment from or misrepresentation to government authorities involves tax evasion or benefit fraud.”

Comparing the two approaches we will find substantial differences from the perspective of the scope of the underground economy. Schneider et al. positions the shadow economy in the sphere of activities that should be declared to the tax authorities, the non-declarable illegal ones not being included in this field; on the other hand,

Feige includes in the sphere of the underground economy also illegal unreported activities. The inclusion or non-inclusion of undeclared illegal activities in the underground economy is an important topic of debate so far, as financial resources from various activities such as drug trafficking could overestimate the size of the underground economy, in the context in which they would be included.

Other authors, such as Tudose and Clipa (2016), insist on defining the phenomenon and its economic and social effects. Accepting the broad meaning of the shadow economy, without specifying what type of activities (declarable or non-declarable) are included, the mentioned authors highlight the effects of the phenomenon: “it comprises all unregistered / undeclared economic activities having negative economic (damage functionality of the economy and reducing GDP) and social (in terms of social equity) impacts.”

In the literature, the main determinants of the shadow economy are "taxes, regulations, prohibitions, corruption" (Tanzi, 2002) and the quality of institutions (Dreher, et al. 2009). All these factors directly link the shadow economy to direct or indirect state actions.

Regarding the quality of state institutions, the literature has used, in most cases, different indicators. However, it dominates two sets of indicators for assessing institutional quality: the World Bank's governance indicators, which include voice and accountability, political stability, government effectiveness, regulatory quality, the rule of law and the control of corruption, respectively the indicators of the World Economic Forum that include property rights, ethics and corruption, unjustified influence, public sector performance or security.

The analysis of the quality of the institutions through the mentioned indicators is part of a more complex analysis of the concept of governance. In the vision of Francis Fukuyama (2013) good governance represents “a government’s ability to make and enforce rules, and to deliver services, regardless of whether that government is democratic or not.” Another definition of the term governance is provided by Mark Bevir (2008) who considers that it “expresses a widespread belief that state increasingly depends on other organization to secure its intentions and deliver its policies.”

Although the literature is abundant in terms of views on governance, we will focus on the definition provided by Kaufmann, Kraay and Mastruzzi (2011) characterizing it as a set of “traditions and institutions by which authority in a country is exercised.”

The aforementioned researchers segment the notion into three specific areas:

- AREA 1 - The process by which governments are selected, monitored and replaced;
- AREA 2 - The capacity of the government to effectively formulate and implement sound policies;
- AREA 3 - The respect of citizens and the state for the institutions that govern economic and social interactions among them.

In order to measure and characterize the 3 distinct areas, the researchers use 2 indicators for each area, each aggregate indicator having a score between -2.5 and +2.5.

AREA 1 comprises two indicators: Voice and accountability and political stability.

Voice and accountability quantifies the degree to which citizens are allowed to choose their own governments, as well as the freedom to express themselves, whether we are talking about acclaim or criticism of governments, freedom of association and freedom of the press.

Political stability quantifies citizens' perceptions of the likelihood of the government being ousted or overthrown by illegal means such as violent demonstrations, politically motivated violence, and terrorism.

AREA 2 comprises two indicators: government effectiveness and regulatory quality.

Government effectiveness assesses the quality of public services and the degree of their independence from political presences, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies.

Regulatory quality depends on the government's ability to formulate and implement sound policies and regulations that enable and promote private sector development.

AREA 3 comprises two indicators: rule of law and control of corruption.

Rule of law includes citizens' perceptions of the efficiency and effectiveness of laws, how much they are respected and how much people trust them. Citizens focus mainly on how the laws regulate the field of property rights, but also on the role and activity of the police and the judiciary.

Control of corruption mainly covers the way citizens relate to the efforts of the "state" or, rather, those who serve it, to eliminate corruption, especially the degree to which public power is used for private and personal purposes.

Among the works that provide assessments of the underground economy are those of economist Friedrich Schneider (2015) who conducts an analysis of the size of the underground economy over 11 years (2003-2014), in 38 member states of the Organization for Economic Cooperation and Development.

Among the works that evaluate the impact of the quality of institutions on the underground economy, it is worth mentioning the one made by Yamen and collaborators (Yamen et al, 2018). Although the ultimate goal of the analysis is to measure the impact of the quality of institutions on tax evasion, the authors start from the analysis of the data of the underground economy in each country, as determinants in quantifying the size of tax evasion.

Regarding the measurement of the quality of institutions, the paper uses the Global Governance Indicators of the World Bank. In this paper, the countries analyzed were the states of the European Union, separated according to the time of accession to the EU: before or after 2004. The researchers concluded that all indicators are "negatively and significantly correlated with tax evasion, so high values of indicators materialize in low levels of tax evasion. In fact, strong and significant links also appear between the indicators, which implies that they support each other." (Yamen et al, 2018). The regression analysis (Linear Mixed Model) reveals that only four indicators are significant ($p < 0.1$) and negatively correlated: control of corruption, government effectiveness, regulatory quality and voice and accountability.

Another study that analyzes the link between the phenomenon of the shadow economy, fiscal morality and the quality of institutions is the one conducted by Schneider and Torgler (2009). In this research, the quality of institutions is reflected by Global Governance Indicators and data on the shadow economy is taken from previous research by Schneider (2005, pp. 598-642).

One of the major hypotheses that the researchers tested is the extent to which "a low level of quality of institutions generates an increase in the underground economy, *ceteris paribus*." Following the analysis, the researchers concluded that there is a direct link between the level of the shadow economy and the quality of institutions, since an improvement in political factors, whether we refer to control of corruption or the rule of law, government effectiveness or regulatory quality, leads to a decrease in shadow economy.

The Ordinary Least Squares regression analysis indicates that only three of the indicators considered are strongly significant, namely: regulatory quality, control of corruption and government effectiveness, while voice and accountability and political stability are only significant. Also, the regression analysis shows that all indicators are negatively correlated with the size of the shadow economy.

2. DATA AND METHODOLOGY

This research focuses on a sample of 27 countries, all members of the European Union (excluding the United Kingdom), and the analyzed period is 2003-2014.

In the present paper we want to verify two major hypotheses.

Hypothesis 1.

There is a close link between the quality of institutions and the size of the underground economy measured as a share of gross domestic product.

Hypothesis 2.

There is a significant difference between the size of the underground economy between the western and eastern states, especially the states of the former Eastern bloc, of the European Union.

Regarding the quality of institutions, we will use the Global Governance Indicators provided in the World Bank database: voice and accountability, political stability, government effectiveness, regulatory quality, rule of law and control of corruption. For the size of the shadow economy, the data is taken from research conducted by economists Friedrich Schneider, Konrad Raczkowski, Bogdan Mróz (Schneider, Raczkowski & Mróz, 2015), who made an estimate of the shadow economy in the European Union, on a sample of 28 states (United Kingdom having the status of an EU member state), for a period of 11 years, respectively 2003-2014.

To provide an overview of the shadow economy phenomenon, we compiled a descriptive statistic for the European Union countries, in which we analyzed on the one hand the democratic states as well as the former communist states to highlight the difference between the two areas.

Analyzing the data from table no. 1. we find consistent differences between the average values of the shadow economy in democratic states and former communist states.

In terms of Western states, the lowest values of the shadow economy are recorded by Austria (7.50 Min./ 11 Max.), France (9.90 Min./ 14.70 Max.), Luxembourg (8 Min./ 10 Max.) and The Netherlands (9.10 Min./ 12.06 Max.).

The eastern states, or those that were part of the former Eastern bloc, have much higher values in terms of shadow economy, so we have Slovakia (14.60 Min./ 18 Max.), The Czech Republic (15.30 Min./ 19.50 Max.) and Bulgaria (30 Min./ 35.90 Max.).

Also making a comparison between the values of the shadow economy per country and the average value of the phenomenon in the European Union (20.70%) we will see that in terms of democratic states, only 4 countries are above average, these being Greece (25.43%), Italy (22.59%), Malta (25.92%), Cyprus (26.73%).

On the other hand, in the category of former communist states we have only two states whose values of the shadow economy are positioned below the European Union average, these being the Czech Republic (17.13%) and Slovakia (16.55%).

Table 1. Descriptive statistics of the underground economy by country (as % of GDP)

Country	N (years)	Average	Std. dev.	Min.	Max.
Democratic states					
Austria	11	8.89	1.28	7.50	11.00
Belgium	11	18.23	1.74	16.10	21.40
Denmark	11	14.70	1.57	12.80	17.40
Sweden	11	15.65	1.64	13.60	18.60
Finland	11	14.68	1.63	12.90	17.60
France	11	11.96	1.53	9.90	14.70
Germany	11	14.53	1.23	13.00	17.10
Greece	11	25.43	1.73	23.30	28.20
Ireland	11	13.28	1.21	11.80	15.40
Italy	11	22.59	1.75	20.80	26.10
Luxembourg	11	8.93	0.79	8.00	10.00
Malta	11	25.92	0.99	24.00	27.20
The Netherlands	11	10.47	1.27	9.10	12.70
Portugalia	11	19.86	1.19	18.70	22.20
Cyprus	11	26.73	1.20	25.20	28.70
Spain	11	19.81	1.31	18.40	22.20
Former communist states					
Bulgaria	11	32.99	1.56	31.00	35.90
Croatia	11	30.18	1.42	28.00	32.30
The Czech Republic	11	17.13	1.37	15.30	19.50
Estonia	11	29.18	1.15	27.10	30.80
Hungary	11	23.39	1.13	21.60	25.00
Latvia	11	27.51	1.83	24.70	30.40
Lithuania	11	29.68	1.48	27.10	32.00
Poland	11	25.69	1.38	23.50	27.70
Romania	11	30.31	1.73	28.10	33.60
Slovenia	11	24.74	1.22	23.10	26.70
Slovakia	11	16.55	1.20	14.60	18.40

Source: analysis performed in Excel by the author, 20.04.2021

Based on the above, we conclude that there is a major difference between the values of the underground economy between democratic states and former communist states. A justification for this phenomenon may be the fact that during the communist period the economic system was centralized, citizens did not own property and could enjoy very few possessions. Thus, since they lived in an authoritarian regime, they did not receive a substantial education regarding the market economy, the role and necessity of taxes or the contribution to the development of the state that the citizens have by paying their tax obligations.

At the time of the collapse of communist regimes, the transition from a centralized to a market economy omitted an important factor in the transition, namely the education of citizens about the new system in which they would operate. So, when the transition from communism to democracy was made, the citizens saw this more as an opportunity to get rich individually, as happened for example in Romania, which is why they adopted the behavior specific to the former period, carrying out undeclared activities for which they did not pay their contributions to the state. Therefore, we consider that the magnitude of tax evasion and implicitly of the shadow economy is mainly due to the custom of the former political regime but also to the fact that a large part of citizens have not yet managed to acquire the knowledge necessary to live according to the rules of a democratic regime.

The Global Governance Indicators are represented in table no.2. Similar to the underground economy statistics in EU countries, we segmented the research area between democratic states and former communist states in order to highlight the differences between the two areas. The values of the Global Governance Indicators are between +2.5 (high quality) and -2.5 (low quality).

Table 2. Descriptive statistics of the shadow economy and Global Governance Indicators

Variables	N	Average			Median			Std. dev.			MIN	MAX
		Total (EU)	Democratic states	Former communist states	Total (EU)	Democratic states	Former communist states	Total (EU)	Democratic states	Former communist states		
Shadow Economy	324	20.70	16.98	26.12	20.95	15.85	27.20	7.23	5.90	5.31	7.50	35.90
Control of corruption	324	1.01	1.47	0.36	0.99	1.50	0.33	0.79	0.68	0.39	-0.37	2.47
Government Effectiveness	324	1.13	1.47	0.63	1.03	1.57	0.71	0.62	0.51	0.39	-0.36	2.35
Political Stability	324	0.79	0.86	0.69	0.83	0.95	0.71	0.41	0.46	0.31	-0.47	1.69
Regulatory Quality	324	1.19	1.39	0.90	1.17	1.43	0.96	0.41	0.37	0.30	-0.04	1.93
Rule of Law	324	1.11	1.47	0.59	1.08	1.59	0.70	0.61	0.46	0.41	-0.21	2.10
Voice and Accountability	324	1.12	1.32	0.83	1.11	1.36	0.91	0.34	0.24	0.24	0.30	1.80

Source: analysis performed in Excel by the author, 20.04.2021

Analyzing the data from table no. 2. we will notice that there are major differences between the average of the underground economy at the level of democratic states (16.98%) and former communists (26.12%) but also between them and the average of the European Union (20.70%).

Also, the average value of the indicators for democratic states is between 0.86 minimum value and 1.47 maximum value, while in the case of former communist states the values are much lower, 0.36 minimum value and 0.90 maximum value.

A possible interpretation of these values could be the fact that in democratic states the quality of institutions is much higher compared to that of former communist states. One justification for this phenomenon could be that in most cases democratic states have a tradition of democracy with all that entails, from freedom of expression to control of corruption. On the other hand, the former communist states are often considered developing states, which is why they have much lower values, as they are still in the transition period from the practices of the former regime to democratic practices, a process that lasts a long time.

To test the hypotheses, we used a panel regression analysis with the following equation:

$$SE = \alpha + \alpha_1 * CoC + \alpha_2 * GE + \alpha_3 * PS + \alpha_4 * RQ + \alpha_5 * RoL + \alpha_6 * V\&A + \alpha_7 * PR + \varepsilon \quad (1).$$

where:

SE- shadow economy; CoC- control of corruption; GE- government effectiveness; PS- political stability; RQ- regulatory quality; RoL- rule of law; V&A- voice and accountability; PR – (former) political regime. The graphs in Annex 1 and Annex 2 show the distribution of the values of Global Governance Indicators for the analyzed countries.

3. RESULTS

Table number 3 shows the correlation matrix between the analyzed variables:

Table 3. Correlation matrix between variables

Variables	SE	CoC	GE	PS	RQ	RoL	V&A
Shadow Economy	1	-0.7533687	-0.756642059	-0.51019	-0.72731	-0.78849	-0.77549
Control of Corruption	-0.753368653	1	0.942491997	0.589963	0.892465	0.94655	0.921191
Government Effectiveness	-0.756642059	0.942492	1	0.613955	0.880616	0.939117	0.905083
Political Stability	-0.510192537	0.5899626	0.613954944	1	0.614658	0.635411	0.636181
Regulatory Quality	-0.727310639	0.8924649	0.880615939	0.614658	1	0.911597	0.891223
Rule of Law	-0.788488139	0.9465499	0.939116769	0.635411	0.911597	1	0.937845
Voice and Accountability	-0.775487585	0.9211907	0.905083438	0.636181	0.891223	0.937845	1

Source: analysis performed in EViews by the author, 20.04.2021

Analyzing the data from the first column of table no. 3. we will observe an inverse and very strong correlation between the 7 variables taken into account.

The values indicate that an increase of the 6 independent variables determines a decrease of the shadow economy phenomenon and vice versa. On the other hand, the high positive values between the variables mean that the 6 indicators considered are in a direct and very strong link with each other. These values are normal, because the variables in question are indicators for quantifying the same phenomenon, namely the quality of institutions, and the fact that they influence the phenomenon of the shadow economy so strongly corresponds to the results of other similar studies, presented in the literature review section: the higher the quality of the institutions, the lower the phenomenon of the shadow economy.

Table number 4 represents the analysis of the regression link between the present variables, at which point we added a “dummy” type variable, which represents the former political regime of the states, for democratic we added 0 and for the former communists we added 1.

Table 4. Regression analysis between variables

Dependent Variable: Shadow Economy				
Method: Panel Least Squares				
Date: 04/20/21 Time: 16:54				
Sample: 2003 2014				
Periods included: 12				
Cross-sections included: 27				
Total panel (balanced) observations: 324				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
Constant	32.2388	1.843864	17.48437	0
Control of Corruption	0.896403	1.136131	0.788996	0.4307
Government Effectiveness	-1.359684	1.32359	-1.02727	0.3051
Political Stability	-0.937502	0.897673	-1.044369	0.2971
Regulatory Quality	-4.785827	1.667154	-2.870656	0.0044
Rule of Law	-0.764761	1.578302	-0.484547	0.6283
Voice and Accountability	-4.299273	2.405716	-1.787107	0.0749
Dummy: Former Political Regime	2.158963	0.849152	2.542493	0.0115
R-squared	0.641199	Mean dependent var	20.70256	
Adjusted R-squared	0.633251	S.D. dependent var	7.230387	
S.E. of regression	4.378707	Akaike info criterion	5.815765	
Sum squared resid	6058.691	Schwarz criterion	5.909117	
Log likelihood	-934.154	Hannan-Quinn criter.	5.853026	
F-statistic	80.67313	Durbin-Watson stat	0.036883	
Prob(F-statistic)	0			

Source: analysis performed in EViews by the author, 20.04.2021

First, we find that the first research hypothesis is partially confirmed, because 64% of the size of the underground economy is explained by the variation of Global Governance Indicators. The hypothesis is not fully confirmed because for some indicators the regression coefficients are not significant, and for the control of corruption the coefficient is positive and statistically insignificant.

Second, we note that the variable **voice and accountability** is statistically significant with a probability of 0.0749 ($p < 0.1$) and negatively correlated with the underground economy. The result obtained coincides with the results of both works previously presented. In general, resorting to the underground economy denotes a degree of fiscal irresponsibility on the part of citizens, by failing to meet their tax obligations, and the fact that an increase in this indicator causes a decline in the underground economy is explained by the fact that when citizens' responsibility is increased, they comply with fiscal obligations, considering them fair.

The second statistically significant indicator with a probability of 0.0044 ($p < 0.01$) and negatively correlated with the underground economy is **regulatory quality**. The result coincides with the results of research conducted by Schneider & Torgler (2009) and Yamen et al. (2009). The decline of the underground economy as the quality of regulations increases is justified by the fact that the better defined and less ambiguous the laws, the greater the desire of citizens to comply with the rules, to the detriment of the underground economy. On the other hand, increasing the quality of regulation should not be confused with increasing the amount of regulation, as many potentially contradictory regulations can lead to the growth of the underground economy, with citizens becoming more reluctant to comply.

The third statistically significant indicator with a probability of 0.0115 ($p < 0.05$) and positively correlated with the underground economy is the **dummy variable**. This result confirms the second research hypothesis, showing that the current size of the underground economy in the former communist states is justified by their former political regime.

One of the unexpected results in our research is the positive sign of the **control of corruption** coefficient (+0.89), suggesting an inverse relationship with the size of the shadow economy. The result is contrary to that obtained in other studies mentioned above, requiring further research on this result. The situation is not unique; Yamen et al. obtain a similar result, but for different indicators (Government Effectiveness and Voice and Accountability), justifying that the positive sign appears "due to the presence of a suppressor variable."

On the other hand, for the other indicators (**Government Effectiveness, Political Stability, and the Rule of Law**) the coefficients are negative but statistically insignificant, unlike the results obtained by Schneider & Torgler (2009), in their research being significant and negatively correlated. Other authors (Yamen et al., 2018) also obtain insignificant values for the "Rule of Law" indicator.

Finally, the Prob value (F-statistic) indicates an appropriate degree of general significance of all independent variables. In our case Prob (F-statistic) is 0 which indicates that all the model variables significantly affect the dependent variable at a level of 1%.

4. CONCLUSIONS AND RECOMMENDATIONS

The results obtained from the regression analysis confirm the research hypotheses.

The first hypothesis was partially confirmed because we obtained an inverse and very strong correlation, which mainly means the influence of Global Governance Indicators on the phenomenon of the shadow economy. For two indicators, voice and accountability and regulatory quality, the coefficients are statistically significant, while for the other four indicators the coefficients are insignificant. The results are not in total contradiction with the literature, other researchers also obtaining insignificant values for one or more of the coefficients.

Regarding the second hypothesis, tested by introducing a dummy variable for the previous political regime, the result obtained confirms the hypothesis of a significant influence of the past political regime on the size of the shadow economy.

Our research continues the series of studies on the size of the shadow economy and its determinants, the novelty being the introduction of the former political regime in the regression model, a variable that proved to be relevant in justifying the size of the shadow economy in former communist states.

The main impediments in carrying out this paper are the limited and different data available, due to different models of estimating the size of the shadow economy, in the context of divergences in the literature on activities included in the shadow economy. In a possible continuation of the research, we intend to extend the analyzed period and to include in the sample other countries, both from the developed and from the category of the developing ones, from different regions of the world. We are also considering the inclusion of control variables in the model and the application of additional tests for data robustness.

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Annex no.1 Average values of Global Governance Indicators, in EU countries, between 2003-2014.



Annex no. 2 Average value of Global Governance Indicators, in EU countries, between 2003-2014.



THE DESTINATION BRANDING PROCESS – A PROPOSAL FOR THE SUSTAINABLE LOCAL DEVELOPMENT OF TOURISM WITHIN THE MĂCIN MOUNTAINS NATIONAL PARK

Malairău Victor, Babes-Bolyai University, Faculty of Geography, Master in Tourism Planning and Development, 1st year, victor.malairau@stud.ubbcluj.ro

Abstract:

This study addresses a current topic regarding the destination brand and its influence on the sustainable local development of tourism at the local level. Outlining a destination brand that can improve the current way that a place is perceived at the national level, but especially at the international level, is a long-term project, but it is vital in achieving the purpose of perpetuating the values of that place and safeguarding its heritage. The destination brand contributes to the sustainable development of an area if both the needs of stakeholders and the demands of tourists are in balance. This study provides conclusive results that can improve the decision-making process for stakeholders in the region and at the same time contribute to the promotion of the area and the improvement of living conditions for the inhabitants.

Keywords: Destination Branding, Sustainable Local Development, Geo-Brand, Trademark, Măcin Mountains National Park

1. INTRODUCTION

The tourism industry is situated among the largest and most profitable economic fields in the world with a significant increase in recent years (Amelung B., Blazejczyk K., Matzarakis A., 2007) and high suitability for the branding process. Many tourist destinations and attractions owe their popularity to the outlined brand. The choice of a holiday destination by tourists, respectively the purchase decision is often identified with the choice of the destination brand.

A brand is the analysis of the correlation between a product/service /person or more recently a place and their name, respectively their identity and reputation; Branding is the process of forming, planning and communicating name and identity, with the aim of creating or managing a reputation (Anholt S., 2007). Branding is one of the most important concepts in marketing, the shaping of a brand can be done for goods and services, as well as for places, people and concepts (De Chernatony and McDonald, 2001). As early as 1989, the extreme importance of branding was already known. Thus, when the Marketing Society organized a conference called "Immortal Brand", a famous quote from the Executive Director of the United Biscuits Group was used to advertise the event - "Buildings age and become dilapidated. Machines wear out. People die. But what live on are the brands."

American Marketing Association defines the trademark as: "a name, a term, a sign, a symbol or a design, or a combination of these elements to help identify goods or services to a seller or a group of sellers and to differentiate them from those of competitors".²⁴ The trademark is a distinctive sign through which a differentiation of the products is made, at the same time it represents a manufacturing guarantee and also an offer of after-sales services that does not accompany the anonymous products (Sasu V. D., 2004). The trademark is the property of the business and is registered with the relevant authorities, in the case of Romania we are talking about OSIM.

"If the trademark is analyzed from a synthetic perspective as a cumulation of characteristics specific to the product, the brand must be analyzed from a synergetic perspective, meaning the number of factors is higher than their strictly mathematical result" (Sasu V. D., 2004). The brand includes the trademark, brands represent not only the property of companies but also the value and importance that customers give, including internal customers and shareholders, is the sum of the meanings and significations of a product, beyond the use of that product or service.

²⁴ <https://www.ama.org/>

It can be summarized as follows: the trademark represents the totality of tangible elements through which we differentiate goods and services from distinct manufacturers and suppliers, whereas the brand is made up of the trademark plus what the consumer feels when he sees it, its notoriety.

Places are suitable for the branding process (Kerr G., 2006) but places have completely different characteristics from products or services (O'Shaughnessy J. and O'Shaughnessy NJ., 2000, Fan Y., 2006); Although a clear delimitation between products and places can be easily made, traditional branding models have not been sufficiently researched to see how they change when discussing the branding process of a place (Pryor S. and Grossbart S., 2007) and even less so when we refer to their application in the virtual environment (Briciu V-A., 2020).

Therefore, destination branding is a special type of branding, it has a set of differences compared to other areas of branding. It requires specific research and a theoretical foundation (Gudjonsson H., 2005, Anholt S, 2007). Branding is one of the developments that creates a connection between marketing theory and practice and the nature with the characteristics of places by identifying and linking a wide range of attributes and meanings associated with the destination in one marketing message, the destination's brand (Kavaratzis, 2004). Destination branding does not involve the marketing of local culture, on the contrary, the protection and promotion of its diversity. The concept of geo-brand can be seen as an intelligent response to sustainable local development (Freire Joao R., 2005).

The idea of sustainable development supports the involvement of the inhabitants of the destination in its management and promotion, as well as the co-optation of local stakeholders in creating a true and reliable local brand. The geo-branding process begins by outlining the identity of a destination; what this destination represents. Structuring a brand identity in order to position the destination comes as an alternative proposal to the old-fashioned clichés used in promoting tourism in a certain destination (Bouncken, Pick & Hipp, 2006).

The aim of this study is to outline a concept of the destination brand for the Macin Mountains in order to contribute to sustainable local development. Therefore, the stakeholders of the region will be able to promote the destination brand Măcin Mountains National Park. Thus, by increasing the number of tourists, it will be possible to improve the living conditions of the inhabitants, it will also be possible to preserve and perpetuate the values and heritage of the place. This must be done gradually by extending the tourist season so that the peak of the season does not generate anthropogenic pressure and does not contribute to increasing the ecological footprint.

2. DATA AND METHOD

2.1 Data Used

For this study, in order to calculate the arrivals, overnight stays and the average length of stay, monthly data were used, available free of charge on the TEMPO online platform, belonging to the National Institute of Statistics of Romania. The considered interval for the targeted area is from 2010 to 2020, respectively 11 years.

²⁵

For the audit of the destination, data provided by the Administration of the Măcin Mountains National Park on the official website <http://www.parcmacin.ro/> were used.

In order to quantify the outdoor activities that can be practiced, a series of dedicated web platforms were consulted, among which are:

- <http://www.parcmacin.ro>
- <https://www.maratonmacin.ro>
- <https://alpinet.org/>
- <https://speologie.org/>
- <https://www.aerial.ro>

In order to analyze the reviews for the study destination, the google reviews platform was used.

²⁵ <http://statistici.insse.ro:8077/tempo-online/>

2.2. Method

The literature pays insufficient attention to this aspect, but one of the key features of today's tourism is the reduction of the length of stay at a destination (Alegre J. and Pou L., 2006). The tourist circulation together with the tourist potential and the material base make up the tourist phenomenon. The tourist circulation best reflects the level of valorization of the tourist potential of a region (Pompei C. și Dezsi Ș., 2009).

First, the multi-annual average of arrivals, overnight stays and the average length of stay in the targeted area were calculated. It can be seen that the number of arrivals and overnight stays in the area is extremely small, this aspect is a strong argument in the motivation to conduct this study.

- Multiannual average of arrivals – 581/year
- Multiannual average of overnight stays – 1131/year
- The average length of stay – 1.95

The tourist destination for a long time has developed in an uncontrolled manner. But the fierce growth of competition in recent decades requires a different approach, in this sense the competitiveness of the destination depends on both the destination management and marketing strategies, as well as the tools applied for effective destination audit (Presenza A., 2006). In the tourist literature, the concepts of the destination audit are used for the diagnosis of the competitiveness of the tourist destination (Ritchie and Crouch, 2003).

The following steps have been taken to perform the destination audit and marketing planning: expressing the motivation to choose the destination, identifying the competitive advantages of the destination, structuring the SWOT analysis (weaknesses, strengths, opportunities and threats), quantifying the active tourism and forms of active recreation practicable in the targeted area, identifying target segments, comparative analysis of the competition and reviews analysis.

a. The motivation to choose the destination

The decision to choose the area of the Măcin Mountains was made because it has extraordinary tourist potential, but too little represented in Romania's tourism. Located in northern Dobrogea, the Măcinului Mountains are the lowest mountains in Romania, but the oldest (Hercynian orogeny). They have a rich tourist potential in all respects, both natural and cultural or of events and activities organized. I will try to target this potential in a strong and fresh destination brand.

b. The competitive advantages of the destination

Non-ranked list of competitive strengths

The age of the mountains - although hardly resembling some mountain formations, given the low height, the Macin Mountains are recognized as the oldest mountains in Romania. They represent the most obvious residual witness of the Hercynian orogeny at the end of the Paleozoic with the appearance of 'inselberg'.

The density of endemic species - this biodiversity paradise brings together:

- 181 species of birds, of which 37 are strictly protected internationally, being mentioned in the Habitats Directive and the Berne Convention; - 47 species of mammals; - 1436 identified insect species, with over 900 species of butterflies; - 11 species of reptiles; the tortoise (*Testudo graeca*) - a monument of nature; - 7 species of amphibians.

Uniqueness - Măcin Mountains National Park was declared a Biosphere Reserve in 1998, being the only area in the European Union where steppe-specific ecosystems meet along with sub-Mediterranean and Balkan forests.

History/archeological sites - The historical and cultural landscape in the Măcinului Mountains National Park is represented by numerous archeological sites. Archeological research has highlighted the existence of Eneolithic objects from the Gumelnița culture and the Neolithic development of the Hamangia culture.

Traditions and culture/multiethnicity - Among the notorious cultural events, the following can be mentioned: Teilor Festival, Coșia. Ethnic groups: Romanians, but also Turks, Tatars, Germans, Lipovan Russians, Italians, Megleno-Romanians, Macedonians. Languages that are spoken in the area: Romanian, Turkish, Crimean Tatar, Megleno-Romanian.

c. The SWOT analysis

The SWOT analysis highlights the main strong point - the uniqueness on the national market, being the only area of this kind in the country. The most significant weakness is the lack of a strategy for the development and promotion of tourism. In the case of opportunities is highlighted the increase of the number and diversity of visitors through the qualitative and quantitative improvement of the tourist offer and of the promotion. The biggest threat remains fierce competition from other much better-promoted mountain units.

Table 1. The SWOT analysis

STRENGTHS	WEAKNESSES
<ol style="list-style-type: none"> 1. Uniqueness on the national market, being the only area of this kind of ecosystem in the country; 2. Rich natural heritage: geological, botanical, zoological, mountain age (Hercynian orogeny); 3. Easy access to the Macinului Mountains National Park due to its low altitude; 4. Diversity of species, especially endemic ones; 5. Multiculturality / Multiethnicity. 	<ol style="list-style-type: none"> 1. Lack of a strategy for the development and promotion of tourism; 2. Reduced offer of complex tourist packages; 3. Insufficient tourist promotion of the destination; 4. Poor access infrastructure and a small number of tourist reception units; 5. Insufficient adaptability to modern market requirements.
OPPORTUNITIES	THREATS
<ol style="list-style-type: none"> 1. Increasing the number and diversity of visitors by improving the quality and quantity of the tourist offer and promotion; 2. Introduction of the area in regional, national and international circuits; 3. Increasing the number of tourist routes (without endangering protected species) and organizing outdoor events; 	<ol style="list-style-type: none"> 1. Strong competition from other much better-promoted mountain units; 2. Defective management of natural and cultural heritage; 3. Underdevelopment of rural tourism and ecotourism; 4. Natural threats: storms, fires, climate change;

<p>4. Possibility of purchasing floristic species, promotional or scientific materials by tourists;</p> <p>5. Partnerships between Măcin Mountains National Park and educational, scientific and cultural institutions.</p>	<p>5. Amendment of national legislation in the field.</p>
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d. The active tourism and forms of active recreation

Bicycle touring routes/hiking trails - lovers of lighter sports can admire the landscape and natural heritage of the Macin Mountains by cycling or just hiking. In the area are marked cycling and hiking trails of various difficulties they unite the communities adjacent to the park on pre-existing roads.

Equestrian routes - Horseback riding trips are organized in the Măcin Mountains, with routes of up to 4-5 hours, for experienced riders or 1-2 hours for beginners. The starting point of the route is Padocul parcului, located 4 km from Cerna, where, after a short accommodation horse and rider, you start the walk.

Extreme sport - Fans of thrills or extreme sports should know that paragliders are preparing in Priopcea, near Macin, one of the best areas in the country for free flight. Aerial Club is the only private aeroclub in the Galați-Brăila-Vrancea-Tulcea area where you can learn, in conditions of maximum safety, paragliding, model gliding and ultra-light aircraft.

The table below illustrates the list of outdoor activities practicable in the Măcin Mountains. Data were also collected on the locations of these activities. (Transylvanian Mountain Festival methodology)²⁶

Table 2. The outdoor activities that can be practiced in the Măcin Mountains

Leisure & Sports:		
Hiking:	YES	
Mountain biking:	YES	
Mountain running:	YES	
Climbing:	YES	
Boulder:	YES	
Via ferrata:		NO
Mountaineering:	YES	
Speleology:	YES	
Canyoning:		NO
Kayaking/canoeing:	YES	
Rafting:		NO
Paragliding:	YES	
Tree climbing / zip lines:	YES	
BASE Jump:		NO
Slope skiing:		NO
Off-piste skiing:		NO
Free ride:	YES	
Ski mountaineering:		NO

²⁶ <https://transylvaniamountainfestival.ro/ro/>

Cross-country skiing:		NO
Helischi:		NO
Snowboard slopestyle:		NO
Riding:	YES	
Golf:		NO
Open water swimming:	YES	
Diving:	YES	
Navigation:		NO
Total	14	12

e. The target segments

In accordance with the mentioned activities, it can be concluded that the main target segment of the Macin brand is sports enthusiasts. The secondary segments being families and nature enthusiasts. *Sports enthusiasts* - the Macin Mountains are an area of interference of classic sports with extreme ones, thus practicing hiking, mountain biking, climbing, paragliding, zip lines. *Family members* - they want to spend more time together taking part in activities that do not require much physical effort or specific skills so the destination is suitable for all family members. The present species such as the turtle and the equestrian park represent an increased interest for children. *Nature enthusiasts* - the Macin Mountains present a perfect area for the observation and research of the biotope and biocenosis. 1900 species of plants and 1682 species of animals are the main attraction of this market segment.

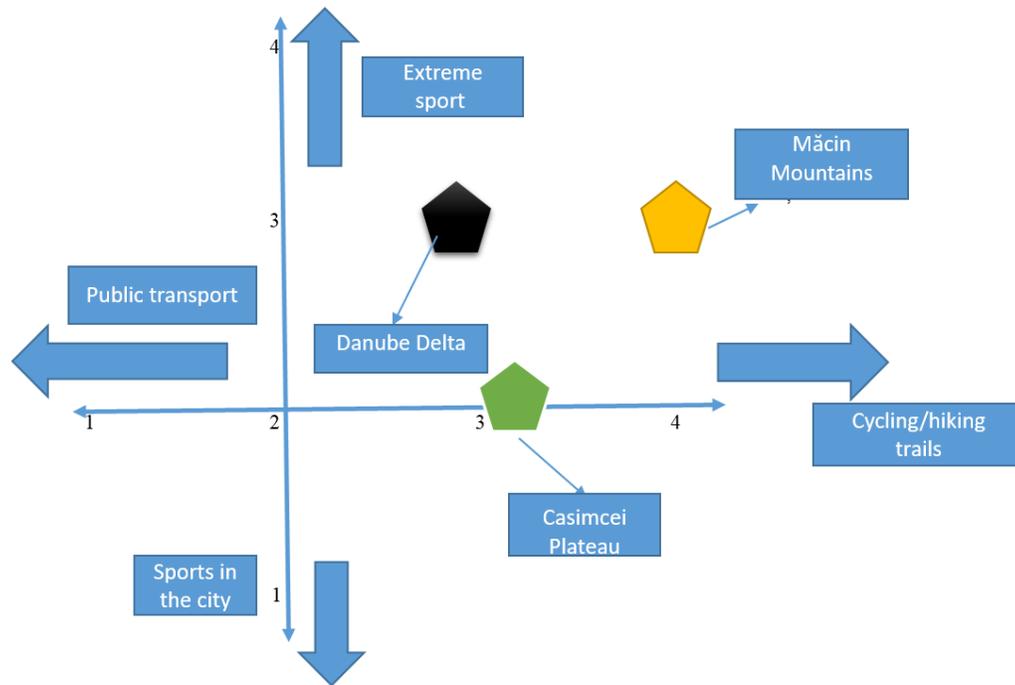
f. Comparative analysis of the competition

The evaluation of the destination on each asset and of the main tourist destinations with which it competes on those assets was made, respectively the Casimcei Plateau and the Danube Delta. The score given to the destination for a certain asset can vary from 0 to 4 (table 3). How the destination is positioned on the first two strengths in relation to the competition was represented graphically. For the sports enthusiasts segment, the attributes that prevail are the possibility of practicing extreme sports and the existence of cycling/hiking trails. Compared to the neighboring areas, it has a competitive advantage as can be seen on the value axis (figure 1).

Table 3. Comparative analysis for the sports enthusiast

Sports enthusiasts	Măcin Mountains	Danube Delta	Casimcei Plateau
Extreme sport	3	3	2
Bicycle touring routes /wandering	4	3	3
Equestrian routes	3	1	1
Total	10	7	6

Figure 1. Comparative graphical analysis for sports enthusiasts



g. The reviews analysis

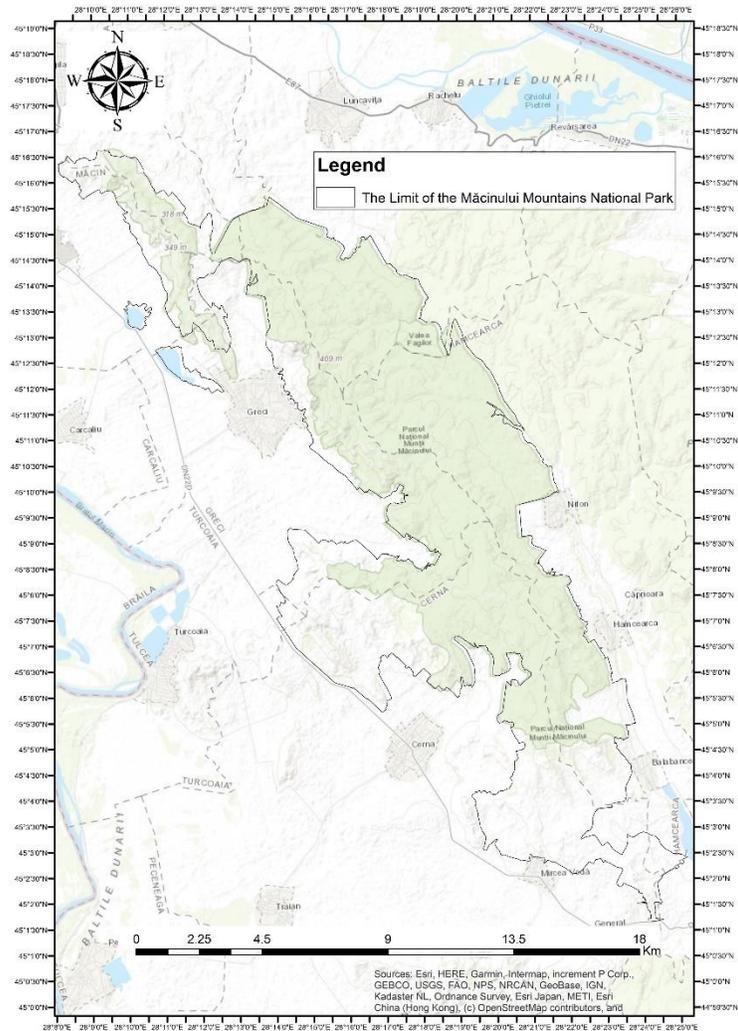
After observing most of the reviews, it can be seen that the Măcinului Mountains attract positive emotions that can be used to build the brand. Rational benefits: extraordinary landscape, climbing areas of medium difficulty, mountain biking trails, observation of fauna and flora, unique ecosystem. Emotional benefits: psychological relaxation, space for introspection and meditation.

2.2.1. Study Area

Măcin Mountains National Park is a relatively small protected area (figure 2), located in southeastern Romania, covering an area of 11,149 ha (Anthony B. and Moldovan D., 2008). Măcinului Mountains National Park is an integral part of the Natura 2000 Network. It is the only national park in Europe established for protection and promotion biodiversity in the steppe bioregion. According to the National Center for Tourist Information and Promotion Măcin²⁷, the average recorded temperatures are 22 ° C in summer whereas in winter the average temperatures are between -1.9 ° C and -1.5 ° C. This climate determines a unique ecosystem in Europe, with interferences of the types of Pontic-sub-Mediterranean, Central European and Asian ecosystems.

²⁷ <https://turism-macin.ro/ro/>

Figure 2. Location of the Măcin Mountains National Park (ROSCI 0123)



3. RESULTS AND DISCUSSIONS

Brand essentialization - the DNA of the destination

By analyzing the results of the previous stages, the brand values were outlined. This emphasizes the qualitative expression of the area in relation to the requirements of the target segments. The values that constitute the Măcin Mountains brand are the *uniqueness* that results from the unique ecosystem in the region. The *authenticity, age and diversity* of the natural environment through the multitude of species and their endemic character. *Multiculturalism* represented by ethnic communities and their traditions. The *permanence and perpetuation* of the nation through the rich history of the place, as evidenced by the archaeological sites. The *adventurous spirit*, given by extreme sports. *Harmony and psychological balance* being a perfect location for introspection and meditation.

Positioning statement

<The Măcin Mountains are a unique natural destination in Romania. The oldest mountains of Romania are waiting for you to discover their secrets, authentic culture, endemic species, beautiful landscapes. Practice light sports such as cycling, hiking or extreme sports such as paragliding, climbing. Rediscover yourself!>

The brand values

Among the most important values of the brand is *the uniqueness*, which resulted by merging the sub-Mediterranean forests with the Balkans and the steppe-specific ecosystem. So the Măcin Mountains are a synthesis between Europe and Asia. These aspects can be found in the sequences from the promotional video material, hereinafter referred to as pvm (figure 5) that represents the specificity of local natural landscape. *The age* is distinguished by the eroded geomorphological elements. Also *the great wealth of flora and fauna* and endemic species such as the Dobrogean Turtle - a monument of nature, the salamander and the butterfly being highlighted in the pvm. Being on the border between several nations for hundreds of years, Dobrogea, including the Măcin Mountains, has become a cultural crucible. The area also emphasizes the need to preserve *the tradition and history* that have been inherited in the culture of the Macin Mountains. Fragments of traditional dances and costumes are presented in the pvm, along with the specific scenery. *The adventurous spirit* is found through the multitude of sports that can be practiced in the mentioned area, cycling, climbing and marathon being presented in the pvm.

The brand slogan

”Rediscover your true nature!” ;

The words with which the brand can be identified

Multicultural, old, endemic, experiential, unique.

The brand personality

In the process of shaping the brand, I set out to make a connection between potential tourists, respectively the target segments and the values of the place/area. It was noticed during the analysis that the Macin Mountains have unique characteristics, their age is undeniable, the richness and diversity of natural heritage through the many species encountered and their endemic character. Also the cultural heritage of the ethnic communities that have settled over the years in the adjacency of the mountain, and the heritage that can be seen in the archaeological sites. A space of contrasts, it can be the perfect place to harmonize with nature, both through meditation and introspection, as well as through extreme sports such as paragliding and climbing. These elements were impregnated in the personality of the Măcin Mountains brand.

Visual identity of the brand

Logo design

A logo is a symbol, a graphic and visual sign which plays an important role in the communication structure of a company. It is a clear graphic element that makes it possible to distinguish between different trademarks (Adîr G., Adîr V., Pascu N. E., 2012). A logo is a signature of a company, it needs to be unique, appropriate, pragmatic, simple, but to convey a targeted message.

A simple logo was created (figure 3) that consists of only three elements, however the central element is distinctive. The turtle was chosen because it is the most representative species of the area - a monument of nature. To suggest the symbolism of the brand's permanence in time and the area, the Măcin Mountains being the oldest in Romania. The shell of the turtle is specific, it visually suggests a mountain range. The chosen shades are warm to present the warm climate at the destination. The rhombus was chosen because it contains both vertical and horizontal directions, it can be said that it is the symbol of the unification of matter with spirit, one of the main components of the Macin Mountains brand.

Figure 3. Logo design



Tourism promotional materials

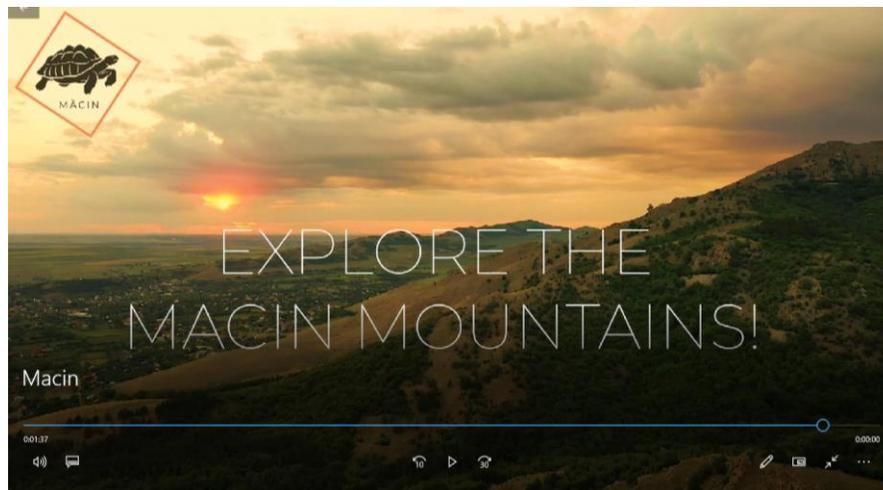
The brand creates a comprehensive system of links that contributes to the transmission of the values that a company creates. The power of a brand can result from the media they create, communicate and promote through audio-video spots, prints, banners, posters, catalogues, direct correspondence. (Sasu V. D., 2004)

The values of the destination brand will be presented in the promotional materials to reach consumers and determine the notoriety of the destination, one of the characteristics that make the difference between a trademark and a brand. In this sense, two types of promotional materials were developed, a tourist promotion catalog (figure 4) and a video material (figure 5).

Figure 4. The cover of the promotion catalog



Figure 5. The promotional video material (print screen)



4. CONCLUSIONS AND PROPOSALS FOR A SUSTAINABLE TOURISM DEVELOPMENT

The efficiency of a destination brand is demonstrated when its components convey a strong message and an identity that is embraced by stakeholders. An ingenious logo or some captivating images are not enough at all. Therefore, in the process of structuring the destination brand, the values of the community must be understood first and foremost so that the brand receives the full support of stakeholders. At the same time, the image perceived by tourists of the brand outlined for its development should be understood. These two directions must go hand in hand, namely knowing and understanding the identity of the targeted area and probing potential tourists about the image they perceive on the brand. A crucial step in shaping the destination brand is the prospecting of tangible and intangible tourist resources. Specifically, the cultural patterns of the native population in the targeted area, its traditions and customs, natural landscapes and historical aspects. These elements were included in the brand proposal that was outlined in this study. Especially in promotional materials, respectively logo, promotion catalog, video material. So that the expectations of the tourists that are formed when they view these promotional materials, coincide with their feelings and experiences when they reach the promoted destination.

The study provides clear results that can improve the decision-making process for stakeholders in the region. More precisely, it outlines a concept of the destination brand. It can be adapted or partially included in the shaping of the Măcin Mountains National Park destination brand, the need for an approach in this regard being obvious. There is a need to increase the number of tourist events, to diversify the types of tourism practiced simultaneously with the intensification of the promotion of the area. The study supports the sustainable local development of tourism by extending the tourist season. So that the valorization of the economic potential does not increase the anthropic pressure on the environment. In order to achieve the previously stated objectives, a series of measures can be implemented, among which can be enumerated: outlining tourist packages for periods of 5-7 days at the extremities of the season, both at the beginning and at the end (April-May, September-November); It is necessary to diversify the types of tourism practiced in the area: educational tourism, voluntourism, event tourism, hunting tourism, cultural tourism, agrotourism, wine tourism (all season).

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THE INFLUENCE OF LEADERSHIP STYLE ON HEALTH SYSTEM EMPLOYEES MOTIVATION

*Mircioiu Corina-Elena, Bucharest University of Economic Studies, The Faculty of Management, 3rd year,
corinaelena20520@gmail.com*

Abstract:

Based on the typology of leadership style depending on the managerial and psychosociological characteristics involved, this study aims to highlight the possibility that the degree of motivation of subordinates in an organization to be influenced by the style of leadership. In order to quantify the motivation, 110 employees from two medical institutions in the south-east of the country were involved in the research, to whom an electronic questionnaire was applied to highlight the extent to which they motivate certain aspects related to work, but also various elements related to the leadership of the organization. According to the research results, it is observed that there are leadership styles through which the motivation of employees increases (bureaucratic, laissez-faire and democratic leadership), but also styles that have a negative effect on it (autocratic leadership). At the same time, the organization's membership in the public or private environment does not statistically significantly influence the leadership style practiced by its management, nor the degree of motivation of subordinates.

Keywords: Leader, Motivation, Leadership Style, Subordinates

INTRODUCTION

Leadership style is one of the factors that essentially conditions the activities and processes within the organization, as well as an important determinant of its performance (Fodor, 2009; Popescu & Vidu, 2018). It expresses the use of knowledge, qualities and skills in relationships with subordinates and in the effective conduct of work processes, but also how to make decisions (Nicolescu & Verboncu, 2006), an essential aspect in motivating employees and ensuring the success of the company.

The purpose of this paper is represented by the desire to highlight the influence that the leadership style practiced within the organization exerts on the degree of motivation of employees in the medical system.

This paper is structured in five chapters, the first of which contains information on the concepts of style and leadership, the relationship between the two terms, and one of the most common classifications of leadership style in the literature. The second chapter highlights the influence that the leadership style exerts on the motivational involvement of subordinates and its effects, and the chapters with numbers three, four and five bring to the fore the applicative side of the paper, respectively the research methodology, the results obtained in following the statistical analysis, but also the conclusions of this research.

Style is the man himself. - Buffon

1. PRESENTATION OF THE CONCEPTS OF LEADERSHIP AND LEADERSHIP STYLE

Among the first attempts to address and explain the phenomenon of leadership are those that appeared in the early twentieth century, with studies by Terman (1904), which bring to their center the characteristics of successful leaders, thus ranking first of interest the personal traits of some prestigious leaders, as well as the functions performed by them. Currently, the concept of leadership is considered a complex process of group dynamics, which involves the integration of established relationships between leader and subordinates and how these relationships evolve (Szilagyi, 2012).

From an etymological perspective, the term "leadership" comes from the Anglo-Saxon word "lead" which means a path. Thus, we come to the meaning of the word, taken in Romanian, "leader", as the one who guides or the one who shows the way to others (Roşca, 2015).

Leadership is the process of persuasion or example through which the leader or a leadership team causes a group to pursue the goals proposed by him or shared by him and his followers. In any organized group, members

perform different roles, one of which is leadership. The person holding the role in question performs or causes certain tasks or functions that are essential for the group to achieve its goals (Gardner, 1990).

Leadership is the interpersonal influence exerted in a defined and directed situation, thanks to communication processes, towards the fulfillment of certain goals (Tannenbaum et al., 1961). Yukl (1994) also appreciates that leadership is the process through which the leader of the group influences its other members in order to achieve the specific goals of that group.

In the past, the leader had the role of planning, organizing, coordinating and controlling the overall functioning of the organization to which he belonged. At present, these tasks are complemented by more complex and nuanced ones that bring to the fore the fact that the leader must know how to motivate and inspire employees, how to spread positive attitudes in the workplace and how to induce employees to feel contribution and importance in the company (Palmer, 2001). Moreover, he supervises the hiring of people suitable for the company's activity, coordinates the formation of teams, negotiates and resolves conflicts in the internal and external environment, the task of ensuring the continuous development of the organization being also very important (Roşca, 2015).

Obviously, this influence exerted by the leader that famous authors talk about is achieved both by what the leader presents (qualities, knowledge, skills) and by how he presents, ie the style he adopts. Most of the time, in practice, the style is characterized by a much greater importance compared to the content, being appreciated even when the latter leaves much to be desired. This cannot be said the other way around because a well-documented, relevant and highly elaborate presentation will not be as valuable if the way it has been exposed to the public does not arouse interest and capture the attention of others.

In addition, it should be mentioned that in the center of all processes and activities is the man, without whom they could not have been achieved. So, both for performance and for leadership and style, man is the essential entity because, without his presence, style cannot be manifested, the act of leadership cannot be committed, and performance cannot be achieved.

Over the time, there have been countless attempts to classify leadership styles and identify the variables that determine their effectiveness. If leadership style is defined as the cognitive and social decision-making mechanism in the organization, the following coordinates can be outlined (Iacob, 2012): (a) decision-making practices; (b) professional, organizational and social-human competence; (c) the attitude towards the collective objectives of the working group; (d) motivation techniques; (e) attitude towards the employee.

Rensis Likert, one of the main proponents of the human resources orientation, tried to compare management styles and their influence on labor productivity, conducting an analysis of low-productivity and high-productivity workgroups. Following this, it was concluded that, in the more productive groups, the leadership style was focused on people, and not on production as in the case of the other groups.

Taking this study as a point of reference, Likert (1961) stated the essential ideas arising from the analysis:

1. Organizations can be managed effectively using the principle of supportive relationships, which emphasizes that the relationships between members of organizations and management must materialize in a support of the individual's achievement as a person and the expression of his importance and personal value. This style has become a necessary tool in eliminating the tendencies of non-cooperation and passivity in work.
2. There is a concordant relationship between group cohesion and productivity as it will be much easier for a properly united and coordinated group to perform its assigned tasks.
3. The concept of participatory management, through which the importance of cooperation between leaders and subordinates is emphasized in order to set objectives, performance levels, but also the responsibility of each member, has a special importance in establishing a more efficient work climate.

The existence or acquisition over time of personality traits justifies the manager's preference to adopt a certain leadership style, but this is just one of the factors that influence the style practiced. In general, these factors can be classified as (Zlate, 2004):

- Factors that concern the leader - personality traits, experiences, knowledge, temperament, skills, talent.
- Factors that concern the subordinates - their personality traits, competencies, but also the expectations of each one after establishing the relationship with the manager.
- Factors related to the situation - the particularities of the situation encountered, the type of organization, the time pressure.

Particularly important is the ability of the leader to understand, to take into account the specified factors and to adapt their behavior according to them, which shows two of the essential characteristics of a true leader: receptivity and flexibility. Also, Tannenbaum and Schmidt, in 1973, complete the classification of the factors influencing the leadership style, bringing into discussion the "forces of the social environment", practically, the elements with impact outside the organization (Zlate, 2004).

In specialty literature, there are a multitude of criteria according to which leadership styles are grouped. One of the most important of which is represented by the managerial and psychosociological characteristics involved. Therefore, according to this criterion, the following taxonomy results (Fodorea, 2008, apud Nicolescu & Verboncu, 1977):

1. Autocratic leadership - it is characterized by a strict supervision of subordinates by the leader, information flows directed mainly from top to bottom and use as a way to control the induction of fear of employees.

2. Bureaucratic leadership - has as main feature the realization of the communication in written format, the emphasis is on the preparation of documentation and its stamping in order to control the activity and largely affects in a negative way the morale of employees as it discourages initiative and capacity for innovation.

3. Laissez-faire leadership - the practice of this style largely ensures the freedom of action of subordinates, thus noting the lack of control, its application being predominant in the early stages of small firms or in enterprises focused on techniques state-of-the-art in which highly qualified specialists work.

4. Democratic leadership - defined mainly by sociability, flexibility and cooperation, communication being achieved effectively between all hierarchical levels, observing the pleasant and friendly atmosphere in the organization.

2. THE INFLUENCE OF LEADERSHIP STYLE ON EMPLOYEES MOTIVATION

The concept of motivation refers to the internal state of the employee, who orients and directs his behavior by satisfying certain needs, being determined by the art and talent of the leader to inspire and influence. Once aware of this fact, the chance to obtain favorable results both at the level of the organization and at the individual level emerges (Levința-Perciun et al., 2012).

Most classical theories of motivation such as those invoked by Maslow (1943), Herzberg (1959), Alderfer (1969), Vroom (1964), Adams (1965), McClelland (1970) try to emphasize and justify the elements that underlie the basis of motivational involvement. (Constantin et al., 2008) However, from the examples of daily life, it stands out that many people say they are interested in new activities, exciting or with a high degree of difficulty, although only a small part of them insist, they continue to act in difficult times and manage to find resources to fuel their motivation in such moments.

From here, following a specialized study conducted by Constantin et al (2008), the distinction between the qualitative aspect of motivation (the direction of motivational commitment) and the quantitative one (the power of a person's motivation) emerges. In practice, a distinction is made between involvement and motivational persistence.

As a result of what has been stated above, the following aspect can be stated: it is not enough for employees to be motivated only in the first phase, but they must be helped and determined to keep their motivation, resorting to different stimuli. Given that the goal will always be the performance and success of the organization, several steps are needed to contribute to the well-being and satisfaction of staff. An enterprise in which unmotivated

people work can never be compared to an enterprise whose human resources show ambition and interest in their work.

Having as a point of reference the classification of leadership styles presented in the first chapter of this paper, we can analyze the effects that the practice of the four types of styles has on the mood and motivation of employees.

In organizations where autocratic leadership is practiced, the chances are very high that subordinates will feel unimportant or consider that they do not contribute to the success of the enterprise due to the fact that decisions are made only on the basis of the ideas and judgment of leaders. The feeling of compulsion can be felt strongly by the staff as autocratic leadership involves absolute authoritarian control over the group. However, there are cases where the presence of this style is beneficial, but it depends on factors such as the situation, the type of task the group is working on and the characteristics of the team members (Cherry, 2020).

Autocratic leadership can be used successfully in situations where decisions need to be made quickly, without the need to consult with a large group of people or in certain projects that require strong leadership to get things done quickly and efficiently (St. Thomas University, 2014). Basically, the application of this style does not denote the power of motivation on subordinates, but if it is used only in absolutely necessary cases, it can lead to success.

Hypothesis 1: Autocratic style negatively influences employee motivation.

Unlike the first style presented, the second, bureaucratic leadership, is based on the entire line of authority and not on the decisions of a single leader. The theory behind bureaucratic leadership was developed by Max Weber, one of the three founders of sociology. According to him, the practice of this style denotes the existence of a chain of command with clearly defined roles and expectations for each level of authority, focuses on allocating the most suitable person to an appropriate position and on hiring, dismissing and promoting staff according to experience, performance and compliance (Lee, 2020).

Employees may feel motivated due to the opportunity of a long-term career, with the condition of following the rules and good performance, but may be demoralized due to the fact that the focus is on the organization, not on a person's contributions, and creativity, innovation, personal development and free thinking being suppressed (Lee, 2020).

Hypothesis 2: Bureaucratic style negatively influences employee motivation.

Laissez-faire leadership, also known as delegated leadership, is what allows team members to make decisions. Researchers have found that this is generally the leadership style characterized by the lowest productivity among group members (Anbazzhagan & Kotur, 2014). Despite this, it is important to recognize the advantages of this style as it contributes greatly to increasing employee motivation and self-satisfaction in terms of creating an environment that facilitates their development.

It is noteworthy the freedom given to employees to make decisions, the encouragement of innovation, but also the chance for employees to show their knowledge and skills. However, using laissez-faire leadership is usually efficient in situations where subordinates are highly skilled, experienced and prepared (Cherry, 2020).

Hypothesis 3: Laissez-faire leadership has a positive impact on employee motivation.

The fourth style of leadership presented, the democratic one, denotes the greatest efficiency and motivating power among subordinates as it allows everyone to assume a participatory role in the decision-making process (Amanchukwu et al., 2015), creativity and discussion are encouraged, and ideas are freely exchanged.

While the democratic process tends to focus on group equality and the free flow of ideas, the head of the group is there to take the lead. Researchers have concluded that democratic leadership style is one of the most efficient types and leads to high productivity, better contributions from group members and increased morale (St. Thomas University, 2014).

Hypothesis 4: Democratic leadership has a positive influence on employee motivation.

Following the research, an idea emerges: the management of a public institution does not resemble that of a private enterprise. In the case of the first type of leadership, decisions are often reactive, based on intuition and

experience, detailed tasks take up a lot of space on the agenda and strategic decisions matter less. Instead, leadership in private organizations focuses heavily on efficiency and strategic management and the leader's concerns are closely related to elements of rationality and control (Hîntea et al., 2010).

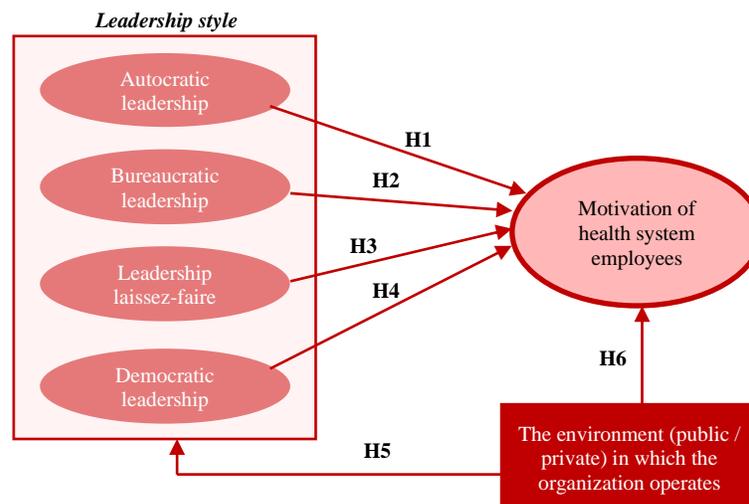
Hypothesis 5: The leadership style differs depending on the institution's membership in the public or private environment.

Over the time, human resources practices in private organizations have evolved, which does not seem so obvious in the case of the public system. In most private companies, the motivation system denotes greater functionality than the public area because more emphasis is placed on people. As far as the public area is concerned, employee motivation is achieved through a slower and more difficult process, but it is important that it exists.

Hypothesis 6: The degree of motivation of employees differs depending on the institution's affiliation to the public or private environment.

A synthesis of the hypotheses of the present research is illustrated by the following figure, which has the role of highlighting the basic concepts of the paper and the relationships between them.

Figure 1. The influences between leadership style, organizational environment and motivation of subordinates



Source: author's conception

3. RESEARCH METHODOLOGY

The present research was carried out in two important institutions in the field of health in Constanța County. The first of these is represented by the County Emergency Clinical Hospital "Sf. Apostol Andrei", the largest medical unit in the southeastern region of Romania, which provides permanent medical services for a population of over 760.000 inhabitants. The second institution in which the research was performed is the Medical Recovery Hospital "Vraja Mării", in Eforie Sud, the first accredited private hospital in the region that aims to fully capitalize on the sanogenic factors specific to the area. I chose these two institutions, one coming from the public environment, and the other from the private environment, in order to highlight the connecting elements, but also differences regarding the leadership style adopted and the employee motivation system.

The research on the influence of leadership style on the motivation of employees in the health system was conducted based on a three-part questionnaire. The first of these focuses on the demographic characteristics of the respondents, namely the profession, work experience, the institution in which they work, holding a management or executive position. The second part of the questionnaire brings to the fore the motivational factors, but also the extent to which they contribute to the motivational process of subordinates, and the last

part outlines aspects related to the leadership of the organization. The processing of data from respondents and the analysis of its results were performed using the program IBM SPSS Statistics version 27.

The survey was conducted on the basis of the electronic questionnaire presented previously, which was distributed in the two hospitals. Following its application, 110 answers resulted, 56.4% coming from the Medical Recovery Hospital "Vraja Mării" and 43.6% from the County Emergency Clinical Hospital " Sf. Apostol Andrei". From the point of view of the profession, the structure of the sample is a diversified one, a significant share being held by general nurses (25%), doctors (17%) and BFT nurses (15%). It is also worth mentioning that 44.5% of all respondents have work experience between 1 and 5 years, 31.8% from 5 to 10 years and 23.7% more than 10 years.

4. RESULTS ANALYSIS

During this chapter of the study, attention was focused on the analysis of information provided by respondents in order to highlight the link between the concepts addressed. Next, the presentation and exemplification of the two perspectives according to which the application part of this paper was developed is made.

4.1 The relationship between the leadership style adopted and the motivation of subordinates

In the first phase, the analysis of the answers was performed from the point of view of the leadership styles practiced in the institution and the way in which the motivational involvement of the subordinates by them is conditioned, with the help of the table below being presented the fundamental coordinates of the research.

Table 1. The degree to which leadership style influences employee motivation

Independent variable	Non-standard regression coefficient (B)	Standard error (SE)	Standardized regression coefficient (β)	t statistic	Statistical significance (p)	Tolerance	VIF
Constant	0.769	0.257		2.993	0.003		
Autocratic leadership	-0.106	0.072	-0.112	-1.480	0.142	0.599	1.669
Bureaucratic leadership	0.032	0.088	0.034	0.365	0.716	0.392	2.553
Leadership laissez-faire	0.455	0.116	0.389	3.907	0.000	0.345	2.897
Democratic leadership	0.418	0.077	0.481	5.409	0.000	0.432	2.312
$R^2 = 0.641$; $F_{(4,105)} = 46.891$; $p = 0.000$							

Source: author's calculations using IBM SPSS Statistics

Multiple Regression was used in order to assess the influence of each leadership style (autocratic, bureaucratic, laissez-faire and democratic) on the motivation of employees in the health system. The results showed that the four variables explain 64.1% of the variation in the motivation of employees in the medical system ($R^2 = 0.641$; $F_{(4,105)} = 46.891$; $p < 0.001$). The analysis showed that autocratic leadership ($\beta = -0.112$; $t = -1.480$; $p > 0.05$) negatively influences employee motivation and bureaucratic leadership ($\beta = 0.034$; $t = 0.088$; $p > 0.05$), laissez-faire style ($\beta = 0.389$; $t = 3.907$; $p < 0.001$) and democratic style ($\beta = 0.481$; $t = 5.409$; $p < 0.001$) have a positive influence on employee motivation.

It is also noteworthy that in the case of the first two leadership styles the influence is statistically insignificant, while, for the other two styles, the significance of the influence is observed. Comparing them, democratic leadership has the greatest unique contribution, but it is also observed that the laissez-faire style also makes a significant contribution in terms of employee motivation. Therefore, the hypotheses formulated are largely confirmed, especially those with numbers three and four regarding the positive implications of the practice of laissez-faire and democratic leadership style on the motivation of employees in the medical system.

This analysis was performed in order to highlight leadership styles through the practice of which increases the capacity and, implicitly, the effect of the training function of subordinates. In this way, it can be seen that the most advantageous of these are democratic leadership and laissez-faire leadership due to their contribution to

creating an environment that facilitates employee development, but also the fact that they focuses on the free movement of ideas.

4.2 The impact of the environment in which the organization operates on the motivation of subordinates and the leadership style practiced

The second practical side focused on emphasizing the possibility of a prevented influence from the type of environment in which the institution operates to the leadership style practiced and the degree of motivation of subordinates within that institution, the following table highlighting the main indicators used.

Table 2. The influence exerted by the environment in which the institution operates on the leadership style practiced and the degree of motivation of the employees

Variables	Public Environment (N=48)		Private Environment (N=62)		Levene Test		Independent-Samples t-Test	
	M	DS	M	DS	F	p	t	p
Motivation	3.713	0.814	3.788	0.755	0.228	0.634	-0.501	0.618
Autocratic leadership	2.786	0.775	2.484	0.837	0.071	0.790	1.941	0.055
Bureaucratic leadership	3.354	0.804	3.315	0.843	0.101	0.752	0.250	0.803
Leadership laissez-faire	3.260	0.617	3.230	0.706	0.210	0.648	0.238	0.812
Democratic leadership	3.844	0.888	4.157	0.884	0.333	0.565	-1.841	0.068

Source: author's calculations using IBM SPSS Statistics

Independent-Samples t-Test was used to determine if there were significant differences between the different leadership styles practiced in public and private organizations. The obtained results highlighted the fact that there are no significant differences between the average score of the variables that quantify the leadership according to the institution's affiliation to one of the two environments.

Thus, none of the four types of leadership classified according to the managerial and psychosociological characteristics involved, respectively autocratic ($t_{(108)} = 1.941$; $p > 0.05$), bureaucratic ($t_{(108)} = 0.250$; $p > 0.05$), laissez-faire ($t_{(108)} = 0.238$; $p > 0.05$) and democratic ($t_{(108)} = -1.841$; $p > 0.05$) is not influenced by the environment in which the organization operates. Therefore, it does not prove the veracity of the hypothesis according to which the leadership style practiced at the level of the institution differs depending on the environment (public or private) in which it operates. However, despite the fact that the differences are not statistically significant, one can observe the tendency to practice the democratic style in the environment of private organizations and the autocratic style in public institutions.

The same type of test was also used to make a comparison between the motivation level of public employees and that of private employees. The results obtained showed that there are no significant differences between the average score of the variables that measure motivation for employees in the public environment ($M = 3.713$; $DS = 0.814$) and employees in the private sector ($M = 3.788$; $DS = 0.755$; $t_{(108)} = -0.501$; $p > 0.05$). Therefore, the analysis emphasizes that the motivation perspective does not differ depending on the environment in which the organization operates, and the degree of motivation of employees is kept at about the same level regardless of the institution to which they belong.

CONCLUSIONS

The purpose of this research is to outline the impact that the leadership style preferred by the management of the institution in the health system has on the motivational involvement of subordinates. The research was based on the information provided by employees of two renowned medical institutions in Constanța County, through the answers to the questionnaire written and applied to them.

The main results that emerged from the analyzes emphasize the essential character of the leadership style practiced at the level of the organization regarding the motivation of its employees. Thus, it is observed that the application of an autocratic style denotes a decrease in the motivational involvement of employees, but the practice of bureaucratic, laissez-faire and democratic leadership favorably influences employee motivation,

the latter being statistically significant. It is also noted that the greatest contribution to employee motivation is democratic and laissez-faire leadership.

Moreover, there may be differences between the leadership styles practiced at the level of institutions depending on their membership in the public or private environment, but they are not considered to be statistically significant, which can also be said about the degree of motivation of employees due to the fact that it manages to stay at about the same level regardless of the environment in which the organization operates.

The results of this research can be used by the management of institutions in the country, whose activity is part of the health system, in order to improve the practices regarding the leadership style adopted by managers. In this way, they can manage to increase the motivation of subordinates in order to improve the quality of medical services and, implicitly, to direct organizations to performance. The main limitation of the present research is represented by the small sample size, which conditioned some trends regarding the differences between the averages from the perspective of statistical significance.

Future studies on the topic may focus on the distinct aspects of motivational employee involvement and leadership style in institutions depending on the different characteristics of employees such as profession, hierarchical level, work experience, age, gender, level of education, job expectations etc.

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PROPOSALS TO IMPROVE THE METHODOLOGY FOR DEVELOPING AND SUBSTANTIATING INVESTMENT PROJECTS IN AGRICULTURE

Nițu Andrada Elena, Bucharest University of Economic Studies, The Faculty of Agrifood and Environmental Economics, 3rd year, nituandrada18@stud.ase.ro

Abstract:

The interest in investment projects has become more and more, since 1959 until now. The methodology of this research consists in the elaboration of a bibliometric analysis, this being a quantitative research method similar to an inventory of the activity of publishing documents in the field of investment projects. The analysis was carried out through the query of the existing database in the Scopus platform, this platform containing: books, scientific papers, journals and others. The query led to the display of 4,490 scientific documents, existing in the database, containing in English the words "investment project" in the title, in the summary or in the keywords of the documents. The Scopus platform was accessed on 8 January 2021 and involved the inclusion of all publications regardless of the date on which they were published. The results of this research show the evolution of scientific interest in the field of investment projects. From 2010 until the time of the interrogation, January 2021, 2,990 documents were identified, almost double in number compared to the documents identified in the Scopus database that were published for the period 1959-2009.

1. INTRODUCTION

Since the date when Romania became a Member State of the European Union, January 1, 2007, it has received financial support from it through the Union's policies, for all sectors of development of the country. Since 2007, Romania has been able to access large sums of money from structural funds, rural development, direct payments in agriculture and others. The projects are financed through allocated European funds, cohesion policy and the common agricultural policy. These investments can be made in the following areas: the area of environmental and transport infrastructure, the modernization of administrative capacity, the development of enterprises, the improvement of the agricultural sector, the increase of the sustainability of farms. With the help of these projects, one can contribute to the modernization and economic growth of Romania through the correct management of the implementation and access processes of funds.

The purpose of this research is to determine the interest in investment projects and to highlight the evolution of the documents published in the Scopus database, since the moment of identifying the first scientific document. The quantitative analysis of bibliometric type was used. This method consists of using the specialized program, in this area, VOSviewer. The data that was used for bibliometric analysis was downloaded from the Scopus platform and processed in VOSviewer (version 1.6.16.0). With the help of these applications, the evolution over time of the scientific interest in the field of investment projects has also been observed. In this work it was found that in the period 2010-2021, 2,991 scientific papers were published and indexed in the Scopus database, in the period 1999-2009 1,033 scientific papers were published and, from the first document indexed in the platform, from 1951 to 1998, 466 scientific documents were published.

The results of the interrogation were analyzed and it is noted that in the Russian Federation there is a much greater interest in scientific research in the field of investment projects compared to other states. Interest in this area has also been noted in other countries, such as China, Poland, the United States of America and the United Kingdom. In Romania, only 20 documents have been identified in the field of investment projects.

2. REVIEW OF THE SCIENTIFIC LITERATURE

Direct investments consist in the distribution of an amount for the development of capital, which, used in a correct way, helps to obtain a return on top of the capital initially invested. These investments can be seen as a stimulus in economic activities in any field. European funds have a positive impact on local and national development in Romania, they have also led to the increase of the national gross domestic product.

The realization of an investment project represents a capital expenditure at present, with the desire to obtain some gains, a profit, which has a positive impact on the enterprise. For that reason, the analysis of an investment project must be extremely careful and well-developed in order to be able to indicate whether the gains that the undertaking obtains are large enough to cover the capital expenditure initially incurred, also taking into account

the risk incurred. The state has the role of exercising a fiscal policy that encourages investment, which helps the country's economic growth.

Performance evaluation is carried out to identify the best investment projects using different static and dynamic methods. A correct assessment of the project can help to rationally distribute economic resources. The problems of economic efficiency reflect the impact of the implementation process of the investment project on the external environment and take into account the ratio of the results and costs of the project, which are not in relation to the interests of the beneficiaries, these can be quantified. The effectiveness of the project also depends on the point of view of the participants: the investor is interested in the ratio of the income received from the loan to the interest deducted from the dividend, the client has as its objective the return in the form of an additional profit from the project, and the manager of a company wants additional income in the form of salary increases. The investment must have a repayment period, determined for it to be paid for itself. Where project revenues are allocated uniformly over the years, the repayment period shall be calculated by dividing the total investment costs by the amount of annual revenue.

An important role in an investment project is played by risk analysis, in order to increase the possibility of a sustainable economic profit. This analysis can also help reduce negative events. In order to be able to assess the risk of the investment project, one chooses between quantitative methods and qualitative methods.

3. RESEARCH METHODOLOGY

The notion of bibliometry was first used in Alan Pritchard's 1969 book "Statistical Bibliography or Bibliometrics" and saw through it an interpretation of mathematical statistics on scientific documents represented by books, articles and other documents.

Scientometry is a form of knowledge that has as objective the quantitative study of scientific research activity. Bibliometry is a branch of scientometry, having a quantitative study of all published scientific documents. This method of research is similar to an inventory of all documents published at the level of an institution, a country, in a certain period.

The bibliometric analysis was carried out with the help of the information obtained from the query of the existing database in the Scopus platform, where information on books, scientific journals, scientific papers and other documents was found. Scopus provides a database that can form the basis for the drafting of quantitative analyses on research progress in the most diverse areas, including investment projects.

To develop this quantitative analysis of scientific interest in the field of investment projects, the VOSviewer software product (version 1.6.16.0), designed by Nees Jan van Eck and Ludo Waltman, was used in the Center for Science and Technological Studies at the University of Leiden. VOSviewer allows the analysis of the words in the document title, keywords and summary of documents existing in the Scopus database, in order to be able to highlight the link between these words.

In VOSviewer there is the possibility to make different maps that graphically represent the links between the words that appear most often in the documents identified in the Scopus database, the links between the authors, the number of publications per author, the countries where most documents on the field of investment projects have been published and others.

The query of the database available in the Scopus platform was carried out on January 8, 2021, with the code: TITLE-ABS-KEY ("investment project"). In this query, 4,490 scientific documents existing in the database were displayed, containing in the title, summary or in the keywords of the documents, in English the term "investment project" regardless of the date on which they were published. No filters were selected to query the database on the affiliation of the authors or on the countries where the scientific documents were published.

4. RESULTS AND DISCUSSIONS

The Scopus database query led to the identification of 4,490 scientific documents in which the term "investment project" was found in at least their title, summary or keywords (Table 1).

Table 1. Number of scientific documents containing the term "investment project" in the title, summary or keywords of the documents existing in the Scopus database, depending on the year of publication

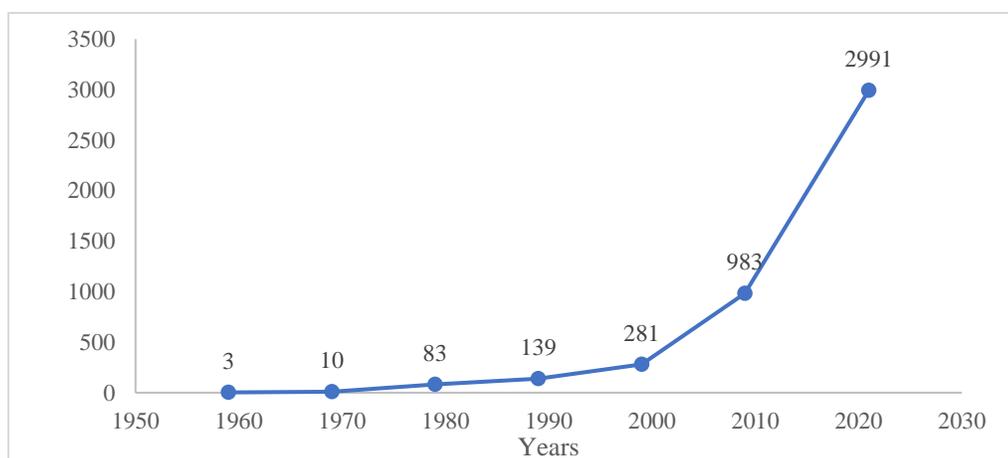
Period	Number of scientific documents identified	Increased scientific interest from one period to the next for the topic of investment projects (expressed as a percentage)
2010-2021	2.991	204,28%
2000-2009	983	249,83%
1990-1999	281	102,16%
1980-1989	139	67,47%
1970-1979	83	730%
1960-1969	10	233,34%
1950-1959	3	-
Total	4490	-

Source: Own conceptualization, following data processing

According to Table 1, it can be seen that in the period 1950-1959, respectively 1960-1969, only 13 scientific documents were drawn up on the subject of investment projects. This indicates that the field of investment projects was not a concern until the early 1970s, however this has changed since the 70s, when interest in scientific work on investment projects increased by 730% compared to the period 1960-1969. Between 1980 and 1989, the interest in the field studied in this query increased by 67.47%. Since the 90s it can be seen that the interest in the field of investment projects has increased by 102.16%, since 2000 this interest is almost 3 times higher than in the period 1990-1999. Another significant increase was observed in the last 10 years, the period 2010-2021, where 2,991 scientific documents were identified, being 204.28% more papers than in the previous period.

The interest for document research in the area of investment projects was an upward one in the period 1960-2020, the interest being maximum in 2020. (Figure 1.)

Figure 1. Graphic representation of scientific publications by year

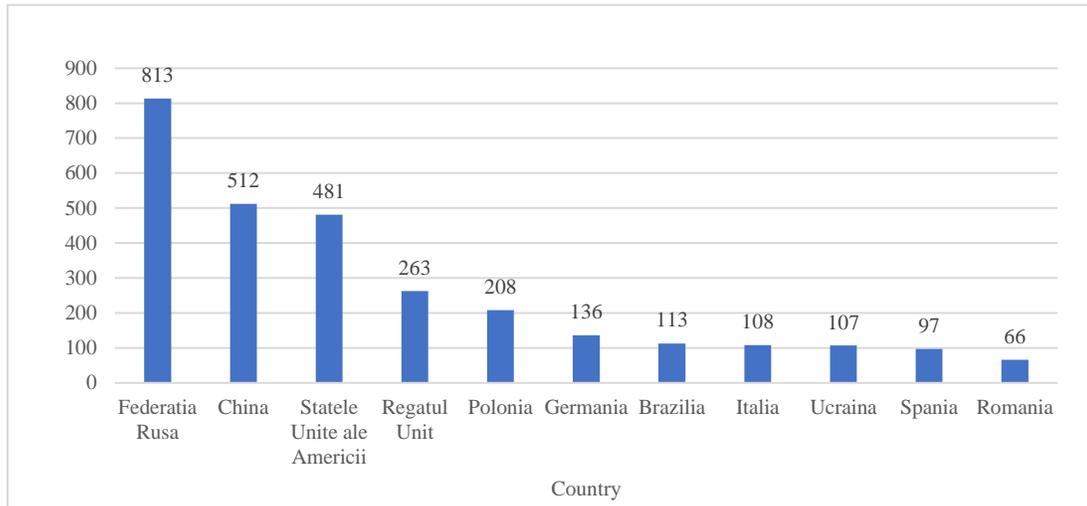


Source: Own conceptualization, following data processing

The Russian Federation, China and the United States of America are the countries that provide the Scopus database, 1806 scientific documents on the conduct and documentation of scientific activity, that is, in the proportion of 40.22%. Among the top 10 countries with a considerable number in this field of research are the United Kingdom, Poland, Germany, Brazil, Italy, Ukraine and Spain. As for the number of documents published in Romania, he contributed to addressing the topic of investment projects with 66 appearances,

meaning 1.46% of the total appearances in the Scopus database. In Romania, 13 authors have been identified who have written two scientific documents on the topic of investment projects.

Figure 2. Graphic representation of scientific publications, depending on the country



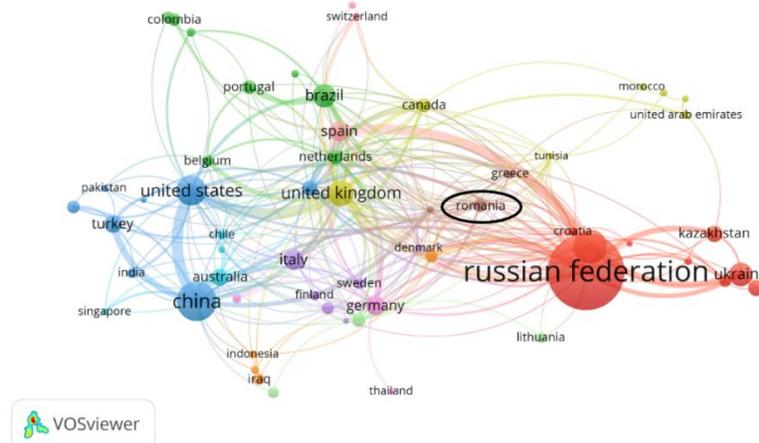
Source: Own conceptualization, following data processing

Bibliometric quantitative analysis involves studying the situation between authors from different countries, concerned about the field of investment projects. In order to be able to interpret the data that has been analyzed, the general map of the VOSviewer software product will be used. It was designed on the basis of the following criteria:

- Unit of analysis: Authors
- Method of quantification: Counting
- Scientific documents were ignored if they had authors from more than 20 countries
- Minimum number of scientific documents for a country to appear on the map: minimum five occurrences

According to figure 3., it can be noted that there are published scientific documents in which Romania is involved in collaboration with countries such as: Brazil, Spain, Germany, Iran and others. This collaboration aims at the elaboration of documents on the topic of investment projects.

Figure 3. The link between the scientific publications in Romania and those of other countries where there are published documents related to investment projects



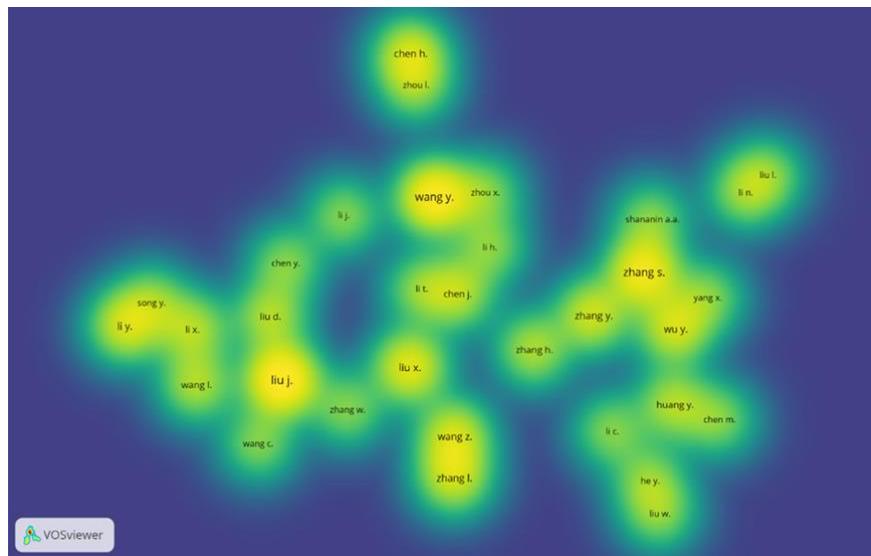
Source: Conceptualization in VOSviewer, following the processing of data from the Scopus database

The issue of investment projects is treated all over the world, so it is absolutely normal to have collaboration between professionals from as many scientific centers as possible.

Bibliometric quantitative analysis involves studying the situation of collaboration between authors interested in the topic of investment projects. The data that was extracted from the Scopus database was integrated into VOSviewer, where the map in Fig.4 was designed. , based on the following criteria:

- Unit of analysis: Authors
- Research method: Counting
- Scientific documents were ignored if they had more than 20 authors
- The minimum number of occurrences for an author to be able to be represented on the map: three publications or appearances (out of 4802 authors, only 144 meet this criterion, which is a percentage of 3%).

Figure 4. Graphic representation of authors found in the Scopus database with publications on the topic of investment projects



Source: Own conceptualization in VOSviewer, following the processing of data from the Scopus database

Liu Jing (author ID Scopus: 56430188900), affiliated with Xidian University, Xi'an, China, is the author with the most published documents on the topic of investment projects (9 publications). This is followed by Wang Yuan (author ID: 57211282750), affiliated to Tencent, Shenzhen, China, who published 8 documents on the topic of investment projects.

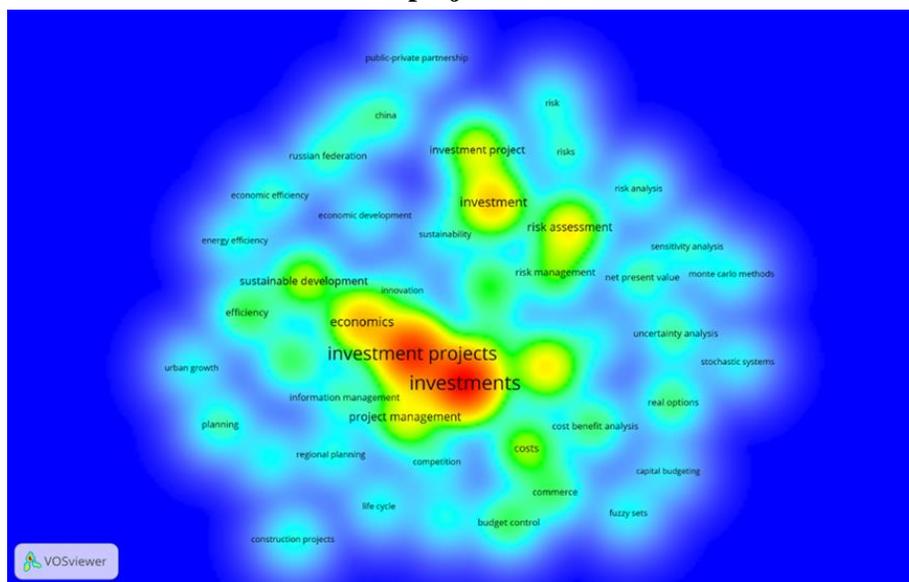
Table 2. Graphic representation of scientific publications , depending on the university in which they were published

University	Number of scientific documents
Russian Academy of Sciences	67
Moscow State University of Civil Engineering	64
North China Electric Power University	49
Plekhanov Russian University of Economics	49
Peter the Great Polytechnic University of St. Petersburg	47
Gediminas Technical University of Vilnius	39
Financial University under the Government of the Russian Federation	37

Source: Own conceptualization, following data processing

In the top of the Universities that published articles about investment projects the first two Universities are from the Russian Federation with 131 scientific publications, the Russian Academy of Sciences with 67 scientific documents and the Moscow State University of Civil Engineering with 64 scientific documents. In third and fourth place are north China Electric Power University and Plekhanov Russian University of Economics, both of which have 49 published scientific documents. (Table 2).

Figure 5. The density of the keywords found in the case of the scientific documents in which the issue of investment projects is addressed



Source: Conceptualization in VOSviewer, following the processing of data from the Scopus database

Finally, the bibliometric quantitative analysis involves the realization of a density map of the keywords found within the 4490 scientific documents whose topic concerns the investment projects. The keywords extracted from the Scopus database were uploaded to VOSviewer, where the map in Figure No. 5, which involved selecting a minimum limit of 25 occurrences of a word. This led to the estimation of 48 terms, or 0.50% of the total 9606 terms identified at the time the scopus database query was conducted.

5. CONCLUSIONS

Finally, the objective of the research has been achieved and the conclusions are as follows:

- The data was downloaded from the Scopus platform and processed in VOSviewer;
- The Scopus database introduced the term "investment project" and 4490 documents containing this term were identified in the title, summary or keywords in the period 1950-2021;
- Since 2010, the interest in publications on "investment projects" has been three times higher than in the period 2000-2009;
- The Russian Federation provides the Scopus database with the most documents;
- Romania is in collaboration with countries such as: Russian Federation, Germany, Greece, etc.
- The authors with the most publications were: Liu Jing with 9 publications and Wang Yuan with 8 publications;
- Most of the documents were published in the Russian Academy of Sciences, numbering 67;

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CURRENT DEBATES ON CLOUD ACCOUNTING AND ITS CONNECTION TO BLOCKCHAIN

Pîrvulescu Ioana-Ilona, Lucian Blaga Univeristy of Sibiu, Faculty of Economic Sciences

Abstract:

The objectives of this article are to understand the meaning of cloud accounting and whether it is favorable for performance of the organization and the economic growth it can bring if implemented in a company. The usage of it in business and daily life has grown rapidly in recent years. However, measurement and research on the impacts of that usage remain relatively scarce and new. Through this article an examination of the economic contribution of cloud technology is made by estimating the size of the 'cloud economy' in the United States, and Japan.

Keywords: Blockchain, Accounting Process, Cloud Accounting

1. INTRODUCTION

Key technological and procedural advancements can have a deep impact on professionals across different industries. New technology trends require professionals to shift long-held working styles to reap the advantages of these new strategies.

The future of accounting is heavily impacted by an array of different factors, including tech advancements like machine learning, artificial intelligence and automation, as well as shifting government and industry standards.

In this context, technological advancements have urged the development and use of cloud accounting which is now spreading in organizations, with different speeds from one country to another, depending on a number of technological, economic and socio-cultural determinants.

The last decade of the 20th century brought significant advantages to data communication, technology evolved rapidly and social networks appeared. The internet became faster, more reliable, less expensive and has expanded in almost every area. But most importantly, it has challenged the very foundations of the traditional business model. Furthermore, the new generation of smart mobile devices has encouraged the spread of cloud services.

Accounting, as an important management means and informational system, is affected by economic environment factors. Accounting should be able to adapt to the new economic environment, and provide a boost to the economy.

The term 'cloud computing' itself was coined in 1996 withing a Compaq internal document. The term 'cloud' was originally linked to the concept of distributed computing, which went mainstream at Apple-spawned General Magic in the early 1990s, with even earlier mentions in academic work before that.

To assure the security of the files created for cloud accounting blockchain is used.

A blockchain is basically a distributed database of records or a publication of all transactions (digital events) that have been executed and divided between the participating entities. Each transaction in the public register is verified by the consensus of most participants in the system. Once entered, the information cannot be deleted. The block contains a secure and verifiable record of each transaction ever made.

2. WHY IS CLOUD ACCOUNTING GOOD FOR BUSINESS?

Small business owners can stay linked to their data and accountants using online accounting software. The platform will work with a wide range of third-party business applications. It's scalable, affordable, and simple to use. There is no need to install and run programs on a desktop computer while using the cloud.

Cloud computing technology offers affordable and enhanced business communications that may have previously been out of reach for many companies. Faster communication with more options can help ease the move to a decentralized model, which is becoming increasingly popular for many companies.

Through cloud computing accountants spend less time on administrative tasks such as data entry, and chasing up documents, and spend more time on valuable revenue generation activities.

Specialists in the field believe the future belongs to the ones who will embrace the new technological developments and adopt its innovative vision. For businesses of all sizes and kinds, the cloud computing represents an outstanding opportunity to avoid large expenses and time-consuming operations. Therefore, they can focus on development.

Furthermore, storing all important data in a blockchain cell will increase traceability, transparency, and tradability, as well as have a significant effect on any industry that relies on the supply chain. It improves the trustworthiness, security, and openness of data exchanged across a company's network, resulting in cost savings and new efficiencies.

3. HOW CAN CLOUD ACCOUNTING INFLUENCE THE BUSINESS?

Business software, like other software, undergoes maintenance cycles for security updates and bug fixes. Cloud computing shifts the responsibility for upgrades to the cloud software provider, which can streamline technical support. The job of training and maintaining a full IT department that is responsible for network infrastructure, security patches, and other IT-related issues, operating system upgrades and crewing users help desks is fast becoming a thing of the past.

Many businesses rely heavily on collaboration, and cloud computing can provide quick, dependable, and simple collaboration for team members all over the world. Any member of the team can access files in the cloud at any time to review, update, or provide input.

A remote employee can add a scene to a multimedia file or website, upload it to the cloud, and share it with a team of designers.

Furthermore, a graphic artist may make a last-minute modification to an ad or flyer, get it accepted by management or the client, and send it to the printer without ever having to show a physical package or presence.

Multiple people may work on the same file or project at the same time, making teamwork more productive and effective.

When compared to storing all data in a central database, blockchain can provide greater protection. This method ensures the protection of electronic cash transactions while also allowing for the use of a dependable mechanism.

4. CHALLENGES AND RISKS ON THE IMPLEMENTATION OF CLOUD ACCOUNTING

Cloud computing is a new technology that has created a slew of problems in data and information management. Security and privacy, as well as portability, interoperability, computing performance, and reliability and availability, are just a few of them.

Security and privacy.

When it comes to security and privacy, cloud computing faces the most difficulties. Encryption, security hardware, and security software can be used to solve problems in this area. The security dangers of cloud computing have become a reality for all businesses, large and small. As a result, it's critical to install a secure BI cloud application that can take use of appropriate security measures.

Portability.

Another problem is portability, which requires software to be quickly transferred from one cloud provider to another. There can't possibly be a vendor lock-in. However, this is not yet possible since each cloud provider's platform uses a different standard language.

Interoperability.

Interoperability refers to the ability of a platform's framework to integrate services from other platforms. It's possible thanks to web services, but creating them is a difficult task.

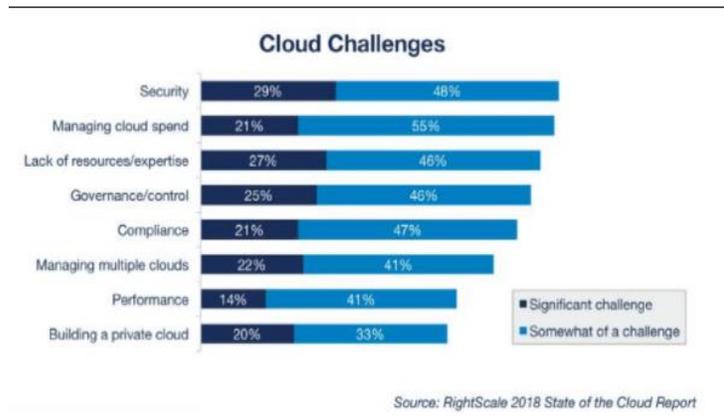
Computing performances.

On the cloud, data-intensive applications necessitate a lot of network bandwidth, which means a lot of money. Low bandwidth does not provide the computational efficiency that a cloud application needs.

Reliability and availability.

Since the majority of companies now rely on third-party providers, cloud platforms must be secure and scalable.

All of the problems and risks listed above can be solved by implementing blockchain. Cryptography protects blockchain transactions. Each transaction is signed using a private key, which can then be checked using a public key. The signature becomes null if the transaction data changes. As a consequence, the block will be overlooked and will not be added to the chain. The block can be trusted with information due to the elimination of error treated by real-time transaction monitoring with no double spending.

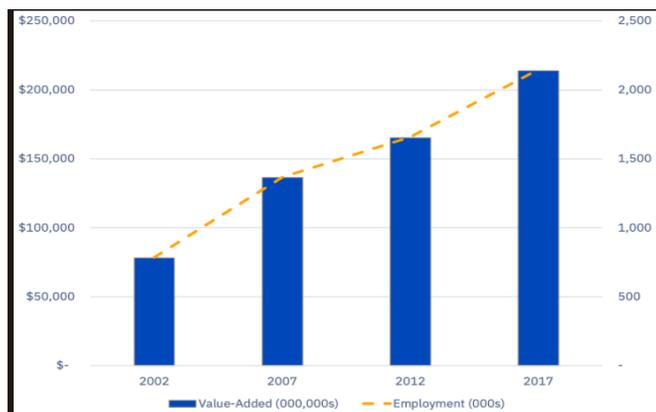


Source: RightScale 2018 State of the Cloud Report

5. ECONOMIC CONTRIBUTIONS OF THE CLOUD TO THE UNITED STATES ECONOMY

Startups that have expanded using the cloud are more productive than those that have developed using traditional local data storage and computing methods. Alford and Morton (2009) found benefit-cost ratios ranging from 5.7 to 15.4 based on various scenarios, confirming the US government's expectations of large cost reductions by moving ICT systems to the cloud. Their research reveals that over a 13-year investment life cycle, ICT cost savings could be as high as two-thirds. According to Deloitte (2018), organizations can expect to get a \$2.5 return on their investment in public cloud services from a range of vendors.

Figure 1. Estimated cloud growth 2002-2007 (source: <https://internetassociation.org/publications/examining-economic-contributions-cloud-united-states-economy/>)



The data above are based on a subjective judgment of which product lines and sectors make up cloud computing in the US economy; however, academics studying high-tech businesses and activities frequently adopt an expert-based methodology. Future extensions of this research might benefit from more refinement and comments on the applicability of the identified product lines and industries. In addition, the author suggests that his 2017 projections be updated after the 2017 economic census data is released in order to validate and enhance them.

6. CLOUD COMPUTING AND ITS IMPACT ON THE JAPANESE ECONOMY

Japan is one of APAC's top public cloud marketplaces, with a compound annual growth rate of around 18 percent, from US\$8 billion in 2018 to US\$18 billion in 2023. Japan's adoption of advanced public cloud technologies is continuing to grow.

While cloud computing as a General Purpose Technology (GPT)⁴ may have a favorable impact not just on the ICT industry but also on the overall economy, its market appears to be increasingly transitioning to one with oligopolistic features. This is due to the nature of its network externalities, as well as the fact that service is given not only for data storage but also through service models such as SaaS (Software as a Service), PaaS (Platform as a Service), and IaaS (Infrastructure as a Service).

Figure 1. Recent development of cloud infrastructure service (including IaaS, PaaS and hosted private cloud services) market. Source: Synergy Research Group's press releases. Note: Some data is taken by the author from a chart within the press release.(source: https://e-tarjome.com/storage/panel/fileuploads/2020-02-03/1580723794_E14315-e-tarjome.pdf)

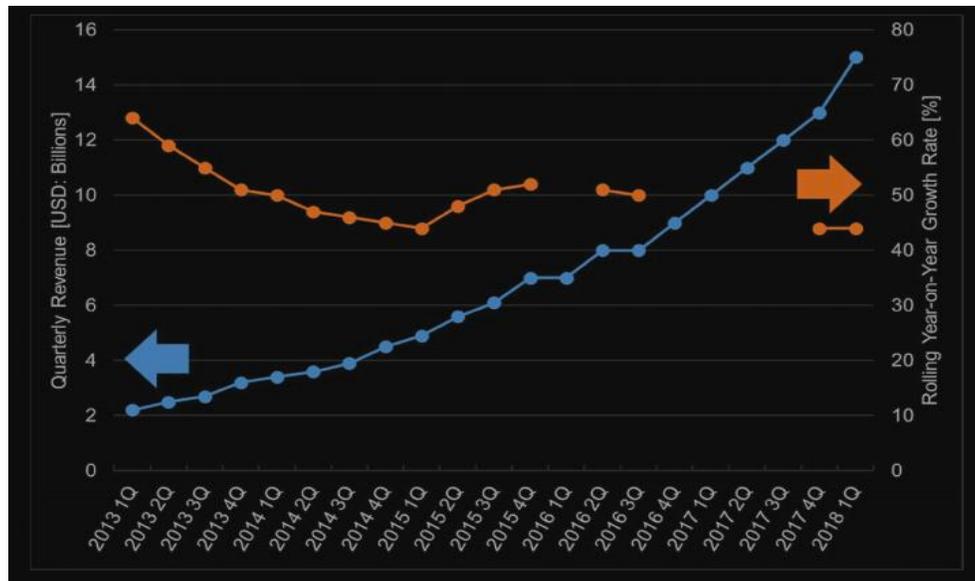


Figure 1 shows how the cloud infrastructure service industry (which includes IaaS, PaaS, and hosted private cloud services) has changed in recent years. The data comes from Synergy Research Group public releases. Quarterly revenue has been consistently increasing, with a rolling Year-to-Year growth rate of more than 40%.

7. CONCLUSIONS

The last ten years have seen a tremendous advancement in information technology. As IT tools and devices pervade almost every part of our lives, the distinction between technology and society is blurring. SME growth would almost certainly be supported by cloud accounting. Cloud accounting is the best option for any company that wants to keep up with its rivals, since it offers a variety of advantages such as cost savings, high security, ease of use, and more. Cloud accounting offers great customization to any company that adopts it, allowing any business, whether small, medium, or large, to implement cloud software according to their needs.

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THE SUSTAINABLE DEVELOPMENT OF GLOBAL VALUE CHAINS IN THE EUROPEAN UNION

CASE STUDY: TONY'S CHOCOLONELY

*Radu Andra-Maria, Faculty of Business Administration in Foreign Languages,
radu10maria18@stud.ase.ro*

Abstract:

The European Union is the primary provider of foreign investment in the world, with the investment stocks amounting to over €7 billion by the end of 2017. More than 50% of the global trade today involves global value chains, including services, raw materials or components cross borders. Immediately after being incorporated into final products, the products are shipped to consumers all over the world. During modern days, trade is dictated by the business choices of companies to outsource, invest and perform operations anywhere the requisite expertise and materials are available at competitive quality and cost. As such, all countries involved in this process retain some value and gain from the export of the final product. Throughout time, various studies have analyzed the status quo and the potential future of global value chains. This paper aims to answer to the following question - how should the European Union ensure the protection of human rights and the environmental standards through the sustainable development of global value chains? As a case study, the value chain of Tony's Chocolonely, a Dutch chocolate producer and distributor, will be analyzed.

Keywords: global value chains (GVC-s), sustainable development, labor market, Tony's Chocolonely, cocoa production

INTRODUCTION

Today, business operations are organized in many phases, and also take place in more than one region. In order to produce the finished goods, companies import intermediate goods from a variety of suppliers and, in many situations, these vendors are based overseas. Value is created at each point of the supply chain, and goods can cross the border multiple times before they are eventually ready for consumption. (Friesenbichler, Kügler et al. 2020)

According to the World Development Report 2020, Global Value Chains (GVCs) are responsible for almost 50% of global trade today and the number only keeps rising. (World Bank, 2020) However, Bain & Company have confirmed through Achieving Breakthroughs Results in Sustainability that only 2% of companies and organizations fulfil their sustainability goals. (Bain Company, 2016)

Trade in the form of GVCs represents an important part of fulfilling the UN Sustainable Development Goals (SDGs) by 2030 and they represent an important pillar of a circular economy. Though a specific goal for the exact purpose of global trade has not been set in the SDGs, it remains important for the trade community to keep searching for different ways in which the commercial policy can help implement and promote sustainable development objectives in the world, in order not to negatively impact the environment. As well as that, the human rights of workers, consumers and residents can sometimes be disregarded or even negotiated in trade, such as rights to health, food, water, education and work conditions.

If these rights are overlooked, GVCs will gravely affect the opportunities trade brings to a country's growth and result in an obstructive outcome of the international trading chains. Through this paper, I want to analyze the practices a company can pursue in order to enhance the sustainable development of a global value chain, bearing in mind the EU regulations. As such, an in-depth research on the business model and its ethical implications on the global value chains of Tony's Chocolonely will be pursued.

LITERATURE REVIEW

Global Value Chains

The definition of the value chain was first proposed by Michael Porter in 1985 as a part of his pioneering work on competitive advantage (Porter, 1985). The chain is a related series of value-added operations, and Porter believes that a strategic advantage cannot be gained by looking at a company in seclusion; and that it derives from a wide range of discreet activities in the design, production, promotion, delivery and support of goods and services.

In past few decades, production methods have experienced a major transition, led by a decline in shipping costs and a decrease in barriers to foreign trade. The phases of development that used to take place inside a state have been sprained, having passed beyond national boundaries. (Muradovna 2020)

The United Nations pledged its "World Investment Report" to the GVCs for the first time in 2013. As recent rapid growth in international trade has largely been dominated by trade in goods, the study of Jan-Otmar Hesse and Patrick Neveling shows that a growing share of global trade has resulted from the global disintegration of manufacturing processes organized by major transnational companies. (Hesse and Neveling 2019).

The GVCs are in a constant process of development and regulation, and their future is fostered by various entities.

Key actors

International trade policy is an exclusive competence of the EU, which means that the EU has the authority to legislate on trade issues and to sign international trade agreements. While the framework for EU economic policy is laid down by the European Parliament and the Council, much of the powers fall within the European Commission, which is responsible for the exact purpose of trade agreements. (Kang 2013)

The World Trade Organization (WTO) is an international organization concerned with the terms of trade between states. It is responsible for the exact purpose of encouraging developed countries to build the value and resources required to engage successfully in GVCs and to facilitate free trade. The WTO Agreements lay down legally binding principles which are part of the public international law and which all Member States must obey. (De Bièvre and Hanegraaff 2021)

Furthermore, multinational companies and lobbyists have a major impact on EU trade policy. The EU consults representatives as a way of gathering expertise and understanding the needs of all community parties, including trade unions and non-governmental organizations (NGOs). However, multinational companies appear to have more influence in decision-making, with 88% of all closed-door talks being held with the Directorate-General for Trade in Transatlantic Trade and Investment Partnership agreements with businesses. (Buonanno 2016)

The benefits of a Global Value Chain

Immediately after the Industrial Revolutions, various advantages of the GVC have been registreted from an economic point of view. In advanced nations, GVCs have access to more reasonably priced materials, greater choice, and economies of scale. Meanwhile, GVCs are seen as a quick path to industrial development for developing economies. Baldwin (2011) suggests that multinational fragmented development enables developing markets to join global supply chains rather than creating them.

Participation of the GVC is an important player for the exact purpose of fostering the economic growth. Specifically, the willingness of countries to thrive relies on their inclusion in the world economy. (Gereffi and Lee 2012). Montalbano et al. (2018) affirm the positive relationship in between involvement in international actions and firm results, both in terms of responsibility and role within the GVC. Likewise, the World Bank (2017) study reveals that dynamic GVC-related international production-sharing practices were the major driving force behind power and international GDP growth in 1995.

Literature also correlates a higher productivity with GVCs. In particular, efficiency can be increased by relocating some sections of output within the GVC across different networks (Amiti and Wei 2009). The fundamental point relates to the transfer by a company of the least effective manufacturing phases to focus on more profitable core operations. In addition, companies benefit from inexpensive, better-quality supplies by offshoring; it can also lead to production improvements through the reorganization of the company's activities or induce technological transfer from international suppliers. (Crisciolo and Timmis 2017)

The costs of a Global Value Chain

There are ups and downs in each scenario we are facing nowadays. As such, while the GVCs offered various advantages, there are authors that tackle the downsides brought by those on the current state of the society.

Sustainable development

Global trade is continuously developing in terms of GVCs, fostering advancement of the trading community and growth of the countries in trade. However, when the success rate of GVCs is so high, the negative effect they have on society and the environment tends to be neglected. There are a lot of reasons why organizations deem it would be inconvenient for them to pick up more sustainable ways of working, such as sustainability not fitting into general business plans, lack of common set rules for the exact purpose of sourcing sustainability and many others. (Jamagidze 2020)

Nowadays, 25% of organizations named lack of resources or investments as their main obstacle for not implementing sustainable means of trading in work. Nonetheless, it is insisted that the result of trading would be even more efficient if the idea of sustainability was implemented in the society and economy more often. It could be an inconvenience for companies to pay more attention to being sustainable, but it might also raise their success rate higher than before. (Renukappa and Egbu 2007)

Environmental rights and standards

The dispersed development scheme and the opening up of international trade have encouraged firms to move their manufacturing plants to countries with less or no environmental restrictions and have expanded access to and demand for the exact purpose of environmental assets in those countries. For example, initially, there was little demand to no for raw materials, such as wood or metal, in Mexico. (Paulo and Krzak 2018)

Furthermore, there have been allegations of multinational businesses struggling to dispose of their radioactive waste adequately, ignoring regulations for the exact purpose of the distribution of hazardous waste, leading to undisclosed locations for industrial waste materials. (Mrdakovic Popic 2015)

There are plenty of administrative regulations already implemented in the systems of many countries which regulate the maintenance and treatment of the environment. Every country has set different, but achievable environmental standards for the exact purpose of protecting the environment, as there is an immense amount of matters that require attentive protection, such as air, soil, and water. (Kim and Wilson 1997)

While trading systems are extremely necessary and in need of further development, sometimes the trade policy can tie closely with environmental rights and even cross over some set boundaries. A question stands to wonder if there are some environmental standards that are worth neglecting for bigger forms of success, or if trading should be regulated with stricter boundaries. (Wilkinson 1999)

Labour market

As trade affects a country's growth, it also affects the improvement of human rights, such as basic nourishment or a chance of employment. While multinational corporations are not necessarily responsible for such matters, there is also the debate that weaning these rights into the fabric of the international trading system could improve the efficiency in the workplace. (Meyer 1996)

This type of issue affects not only workers, but customers and residents too. If protection and regulation of human rights were placed among the objectives of trade reform, a great number of people could be influenced positively by this outcome and trade would be able to achieve the reform it deserves. However, plenty of organizations do not put human rights as high on their agenda as others, not linking human right policies with the trade policies and consequently seeing them as opposites. (Wilde and Chandler 2020)

There are authors that argue that some rights do not carry as much weight as others, especially when you are being paid a certain sum of money to complete your job. It is still debated which carries more weight in the trade industry - respect for the workers and customers, or the efficiency of the organization's work. (Noh 2020)

Policies on sustainable Global Value Chains

A variety of trade based tools are used to foster responsible action and improve the resilience of global supply chains. These include numerous trade regimes and arrangements, such as the Generalized System of Preferences (GSP) or free trade agreements (FTAs). There are also various private sector owned programs, such as the Global Reporting Initiative, the Equator Principles, ISO 26000 on Social Responsibility, and the Conflict-free Gold Standard proposed by the World Gold Council. (Bilal and Seters 2015)

On an European level, Trade and Sustainable Development (TSD) is included in all current EU trade agreements to guarantee that trading parties comply with international conditions in the fields of sustainable economic, social and environmental advancement. (Puccio and Binder 2017)

FTAs can also contain provisions relating to the conservation and growth of small businesses in the context of sustainable practices. Countries will demand that international firms from more industrialized countries establish local factories as part of the arrangement and require these firms to exchange technologies and train local staff, which is the goal of the numerous FTAs between emerging and developed countries. (Hara and Kanai, 1994)

Business implications of the sustainable Global Value Chains

When the governmental regulations fail to fully address pressing issues, different parts of the society can be action-takers in this regard. When it comes to GVC-s, the highest power is in the hands of large scale corporations.

Barin Cruz and Boehe (2009) discussed the corporate social responsibility (CSR) practices companies can pursue in order to promote and adapt a sustainable global value chain. Differentiation techniques are an essential component of the sustainable GVS, since a CSR-related commodity and service features a characteristic type differentiation. Certification thus plays a vital role as long as it is recognized and assumed to be trustworthy by customers. The consistency of CSR procedures in the supply chain is a criterion for the exact purpose of the integrity of certification.

Moreover, sustainable GVCs focus on knowledge building on sustainability standards across the chain. And if all actors in the chain are not self-evident, they know that they have space to act. Building knowledge of the availability of components and raw materials to end consumers, the approach referred to above falls on a successful turf, becomes more cohesive and leads to rising competitive advantage. (Barin Cruz and Boehe 2009)

METHODOLOGY

Through this research I want to analyse the ethical implications of one of the most sustainable corporations in the European Union, Tony's Chocolonely. Tony's Chocolonely is a Dutch chocolate producer that manufactures peculiar flavors along the lines of "dark milk pretzel toffee," "milk caramel sea salt", or "white raspberry popping candy.". They are not a typical chocolate manufacturer. Their key focus is not financial success. Their target, as stated on each chocolate bar, is "towards 100 percent slave free chocolate." (Kraaijenbrink, 2019)

Tony's Chocolonely has a fascinating backstory. It all began in March 2004, when the Dutch journalist Teun van de Keuken researched the chocolate production industry and discovered that there was not even a single brand selling 100% slave free chocolate. (Kraaijenbrink, 2019)

Van de Keuken handed himself in to Dutch officials as a chocolate convict in 2003 after filming himself eating a few chocolates. He attempted to sue himself for profiting from child slavery by his chocolate use. Since the courts declined to hear his case, he travelled to West Africa and met several former child slaves who had been abused on cocoa plantations in Côte d'Ivoire who were able to testify in his case. Finally, in 2007, the courts decided unanimously that they would not sue van de Keuken that if they did, they would be required to prosecute any chocolate buyer in the Netherlands. (Tony's Chocolonely)

Before moving on with the discussion, it is important to understand the status quo of the chocolate producers in West Africa. Côte d'Ivoire and Ghana are the epicenters of the West African cocoa industry. These two countries contain 60% of the world's cocoa production. (Athreya, 2011) Cocoa prices dropped by about 36% in 2017 and have yet to rebound. According to the most latest figures, West African cocoa farmers earn \$0.78 a day on average, which is just around 30% of the minimum standard of living in Côte d'Ivoire or Ghana. (Amanor, 2020) Child labour and exploitation are major issues for cocoa farmers in Côte d'Ivoire or Ghana. According to the most recent Cocoa Barometer survey from the VOICE Network, an advocacy organization of cocoa NGOs, 2.2 million children operate in West African cocoa cultivation. (Fountain et al., 2018) According to a 2018 survey, at least 30,000 people are victims of industrial slavery in Ghana or Ivory Coast's cocoa industries. Children and adults are expected to work for no wages on cocoa farms. The number of casualties is

likely to be even higher since cocoa grown unlawfully in natural areas was excluded from the report. (Tony's Chocolonely, 2019)

Coming back to the analysed company, Tony's Chocolonely was established in 2005 and started to produce chocolate. The company's goal is to ultimately make "100% slave free chocolate the standard." The organization has a well-defined roadmap and timetable, with three main goals: to increase awareness beginning in 2005, to lead by example, beginning in 2012, and to encourage other businesses to act, beginning "the sooner the better." (Tony's Chocolonely)

Tony's Chocolonely seeks to do this largely by paying farmers an extra fee on top of the initial farm gate cost and the usual fairtrade benefit that they currently earn, as well as by promoting accountability in the supply chain by keeping close ties with farmers and carefully monitoring the cocoa beans they purchase. (Tony's Chocolonely, 2019)

Tony's Chocolonely's key aim is to produce chocolate that is free of slavery, and they strive to do this by paying a higher price to the producers from whom they purchase. Tony's claims in the Annual FAIR Report that poverty is the underlying cause of illegal child labour and trafficking, and that the best way to properly address the problem is to give farmers a reasonable wage for their cocoa beans. (Tony's Chocolonely, 2019)

It is important to have in mind some of their successful practices up until now. To begin with, Tony's Chocolonely pays a premium price to its suppliers, allowing cocoa farmers to make a living. They arrive at this number using a living wage model built especially for the exact purpose of this reason. In 2019, they introduced a per-kilo price of \$2.10 in Ghana and \$2.20 in Ivory Coast as a new market standard in collaboration with Fairtrade. In addition, Tony's pays the extra fee directly to the cooperatives they partner with, ensuring that all participants in the supply chain (such as local and foreign traders, cocoa producers, and chocolate bar manufacturers) do not all collect a share of the increased profit. The cooperative's participants decide how to spend the premium among themselves. Tony's Chocolonely want to make sure that at least half of the fee is charged in cash to the producers. A portion of the fee would be paid on recruitment and management of the cooperative societies. It is also used to buy vehicles, such as a truck to carry cocoa sacks from farmers. (Tony's Chocolonely, 2019)

Although Tony's Chocolonely's has distinctly optimistic ambitions and statements, their real-world effect and the consequences of their decisions are rather unclear. For the remainder of this research, I will examine the company's messaging and tactics in the light of the measurable effect that the company has recently consciously reported in their Annual FAIR Report.

To begin with, Tony's Chocolonely claims that if farmers are paying a living wage, they would be less likely to employ children as labour. However, the research on child labour in the cocoa industry does not entirely support this statement. According to the authors, infants often serve on cocoa farms due to a lack of adequate access to school, whether their parents wish to train them to operate the farms when they hit the age of adulthood, or merely due to a scarcity of adult employees, which they claim is one of the key causes of child labor occurrence. (Vigneri et. al, 2016)

Moreover, considering their persistent assertion to be on the journey to liberation, Tony's is still highly evasive about how they deal with the topic of slavery. According to the 2018 Global Slavery Index, at least 30,000 exploited people are forced to work on cocoa farms in Côte d'Ivoire and Ghana, according to the company's Annual FAIR Report. (Tony's Chocolonely, 2019) They do not describe what constitutes modern slavery in their report, and they do not have a description anywhere on their webpage. Furthermore, while they meticulously monitor cases of illegal child labour and have successfully settled a few instances in the last two years, they have no blueprint for monitoring or reacting to cases of slavery that they might face. Even after their well specified roadmap, timetable, and priorities of raising public awareness and ultimately persuading the rest of the chocolate industry to pay farmers competitive benefits, there is no other concrete intervention or initiative in their battle against exploitation in the sector. They will be unable to assess their effect in the future due to a lack of credible evidence on the prevalence of slavery in the West African cocoa supply chain. Yet again, Tony's Chocolonely means that by taking a single clear step, they would be able to eliminate the complicated issue of slavery in the West African cocoa supply chain. It is shocking that a corporation whose main objective is theoretically the elimination of slavery has no clear evidence of the efficacy of their acts.

While being declared an organization whose prime purpose is ostensibly to revolutionize the entire chocolate market in order to eliminate child labour and trafficking, Tony's Chocolonely and every other fair-trade chocolate company have remarkably little in contrast. While Tony's Chocolonely's efforts are unquestionably a step in the right direction in such a struggling market, they are unable to adequately back up their arguments.

RESULTS AND DISCUSSIONS

The question that remains to be answered after this analysis is: is it possible to consume ethical chocolate in a capitalist society? And this can be further expanded on a corporate level: how could a multinational enterprise ensure a sustainable global value chain?

The most important aspect that is mentioned by authors is the fact that Tony's Chocolonely is still an Western corporation which wants to make a change in the less developed world. Bama Athreya critiques the Western corporations and organisations who signed the Harkin-Engel protocol thus excluding any genuine conversation with West African aboriginal advocates or organizations and precluding the prospect of a focused, constructive debate about what needed to be done to resolve the underlying causes of trafficked labour. Although Tony's Chocolonely didn't even exist until after this protocol was established, they are still responsible for taking part in a skewed discussion about oppression. (Artheya, 2011)

Amid its attempts to exist primarily to resolve the issue of slavery in the chocolate sector, Tony's Chocolonely is now heavily involved in the industry on its own; the company's net sales were €69.6 million from October 2018 to September 2019. Although Tony's Chocolonely seems to be making a meaningful impact in the industry by offering farmers a liveable wage, maybe more lasting and substantial change will come from West African organisations and businesses with a larger interest in reinvigorating the industry and overcoming its difficulties.

Indeed, still, Tony's Chocolonely is currently the most responsible major corporation in the global chocolate industry. In order to promote growth in cocoa-producing countries, the organization is committed to paying farmers living wages. In principle, sustainable prosperity could lead to a reduction in illegal child labour and, eventually, the abolition of slavery in the cocoa-producing countries of Côte d'Ivoire as well as Ghana. However, these arguments are fundamentally misleading, particularly when applied to the company's actual conduct. The company's messaging is suspiciously welcoming and entertaining, which serves to conceal the shaky ethics of a globalization whose ostensible main purpose is to help. Although Tony's Chocolonely is an ethical business pioneer, it would most definitely struggle to uphold its promises.

When thinking about what can be done in order to ensure the level of environmental and social sustainability of GVC-s, some measures need to be taken on an international level. The society is alarmed by the fact that workers in low-paying, labor-intensive working environments have possibly grown accustomed to their working conditions and deemed them acceptable and might not be aware of their rights and obligations due to financial restraints and the complexity of legal documents. At the same time, we are deeply concerned by the neglect of sustainable production as well as the exportation of transnational corporations as a result of a lack of resources and investments. Moreover, necessary environmental measures are often not implemented by trading corporations, with emission policies not being strict enough and recycling not being the main policy. From an environmental point of view, according to Air Transport Action Group (2020), while Global Value Chains require international transportation, there are limited eco-friendly and affordable transportation solutions, which resulted in emitting 915 tons of CO₂ of trading aviation back in 2019. Therefore, what can be done? To begin with, Member States have the opportunity to follow the example of the French Corporate Duty of Vigilance Law. The French Corporate Duty of Vigilance Law requires major French corporations to recognize and avoid threats to human rights and the environment that may arise as a result of their commercial practices. These operations may include those of the firm, its vendors or subcontractors, businesses it controls, and others. (European Coalition for Corporate Justice, 2017). At the same time, the European Commission is invited to propose a legislation regarding TNCs in order to reduce CO₂ emission throughout the GVCs, while encouraging recycling policies as well as to allocate higher amounts of funding to the European Green Deal Investment Plan.

At the same time, as the concept goes beyond the EU borders, the European Council can also be involved. As a suggestion, they could develop a continent-wide research and development plan regarding an eco-friendly

and affordable energy source for trading transportation. Yet, the World Trade Organisation (WTO) could also try to promote their platform in order to operate and efficiently be monitored via Trade Data Monitor.

As the internal market is a shared competence in between the European Union and Member States, this means that the Member States should also implement the supervision of different companies' approaches towards their labour force conditions, as well as to consider implementing more eco-friendly alternatives, such as introducing a wider range of railway connections to lower the use of import and export trucks which reduces the petroleum emissions and provides increased production export speed.

CONCLUSION

To sum up everything that has been stated so far, in a global economy where activity is becoming highly decentralized across nations, while at the same time being closely connected to cross-border GVCs, the EU plays an important role in achieving the proper sustainable growth of the global economy. However, in the context of globalization and increased competitiveness, environmental and human rights may be forgotten when firms outsource their manufacturing to states with lower wages and less strict environmental conditions to ensure their strategic advantage.

Thus, the EU is confronted with an output paradigm that, on the one hand, might theoretically encourage the growth of rich nations' economies. From the other side, it can be used to defend unjust labor practices and environmental degradation. More efficient strategies must also be sought to guarantee that the maximization of profits for businesses does not come at the cost of human rights and the environment, some examples being provided at the end of the previous chapter.

At the same time, Tony's Chocolonely is an example of company that successfully designed a sustainable global value chain, while fostering the global economy. Clearly, everything has ups and downs and so is the scenario of Tony's Chocolonely – while it brings benefits to the people along the value chain, some are still questioning the ethical approach of an European chocolate producer.

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CAMPING TOURISM AS A SOLUTION FOR ADAPTATION DURING THE COVID-19 PANDEMIC

*Stan Mara, Bucharest University of Economic Studies, Faculty of Business and Tourism,
stanmara19@stud.ase.ro*

Abstract:

Nowadays, due to the COVID-19 pandemic that started in 2020, people search for places to get away, they feel the need to go on vacations, and because of the actual obligation of social distancing, one of the places to get away with their families is in nature. In 2020 the sales and production of caravans and motorhomes blew up in Europe, especially in Romania, and still, no one thought to improve the 1995 Romanian campground infrastructure plan, to help individuals open campings that can contribute to the recovery of the tourism economy.

By creating a network of campings, near important tourist spots and many sports activities in the surroundings there will not only be a new interesting way to discover Romania, but this will attract many "always on the wheels" individuals. Many people plan excursions with their caravans and motorhomes all over Europe. Why wouldn't they also come to Romania?

Keywords: Camping, Covid-19, Recreational Vehicle, Rv, Motorhome, Romania

1. INTRODUCTION

The inspiration for this research is built on the knowledge in the field that was gained during the working years within the sales and marketing department of S.C. Elcani S.R.L, along with the daily need to keep up with the various changes in the recreational vehicle system.

The purpose of this study is to clarify the pursuer about the benefits he can get when buying a recreational vehicle along with some advantages that come with them, and the need for developing this type of tourism in Romania.

The study aims to combine the information collected within the survey specially made to discover the hopes and preferences of RV/motorhome users, individual studies that relate to this domain, and the practical use of campsites and recreational vehicles.

Furthermore, to understand better the phenomena, especially during the COVID-19 pandemic, there were several analyses made to prove the trend is growing and there are plenty of reasons to try this side of tourism. The study defines and explains a wide variety of methods to develop the camping industry within Romania's beautiful borders, managing to elaborate the research from an original point of view, along with the theoretical support presented in the first chapters.

2. LITERATURE REVIEW

Camping tourism provides the world's most popular tourist accommodations (e.g., 31% of all tourist beds in Europe are located in campgrounds)²⁸. In 2018, the European Union had 23 200 campsites available, with 352 million nights spent. Romania had only 58 registered campgrounds in the year 2018, just 0,25% of the total EU's campgrounds.

This tourism sector is strongly related to nature and the mobility of travelers that come with their own accommodation facilities (e.g., tents, recreational vehicles, mobile homes etc.)²⁹, but has always been an under-researched sector³⁰. This activity attracts a large number of people, including families of all backgrounds³¹ that associate camping experiences with family gatherings, serenity, nature and emotional healing³². Due to the lack

²⁸ Albert Salo, 2020

²⁹ Josip Mikulic, 2017

³⁰ Christopher a. Craig, 2020

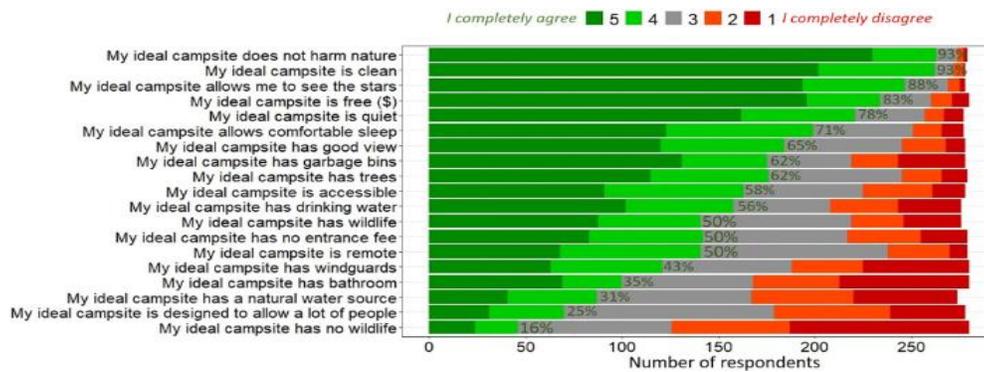
³¹ Yixuan Tong, 2020

³² Josip Mikulic, 2017

of knowledge about this sector, there are many drawbacks when it comes to creating a well-prepared space where people enjoy escaping everyday life, adventure or even seeking solitude³³.

Campgrounds can be set near popular tourist attractions, protected areas and near locations with high tourism potential. When it comes to camping activities, we can notice that some (barbeques, motorbiking, etc.) can damage the biodiversity, that can be seen on the spot or in time³⁴. Nature-human interaction can be beneficial for both sides if there are certain boundaries that humans would respect. Camping strongly relates to nature, when setting a camping that embraces nature and gives campers the feelings that they search for, managers can find guidance from certain rules and measures. From Figure 1, we can see the expectations that tourists have when booking for campsites. The majority of respondents desire a campsite that does not harm nature, is clean, quiet, in all words respondents hope for tranquility and peace.

Figure 1. “Numbers of respondents from the field surveys agreeing with each statement on expectations towards campsites. Agreements are presented in variations of green and disagreements on variations of red. Proportions (%) of respondents completely agreeing (dark green bars) or agreeing (light green bars) are provided. The number of participants differ between questions due to missing data.”



Source: Agathe Colléony, 2021

As the year 2020 was heavily affected by the COVID-19 pandemic, many countries have imposed travel restrictions inside and outside their borders³⁵. This made it difficult for tourists to travel outside the borders, and mainly traveled within the country.

Using Google Trends, Figure 1 & Figure 2, a public web service that shows how often a certain term was searched, we were able to see that in the pandemic year 2020, the words “rulota” (caravan/RV) and “autorulota” (motorhome) had the most searches.

Figure 2. The growth of “rulota” (caravan) searches in Romania in the last five years



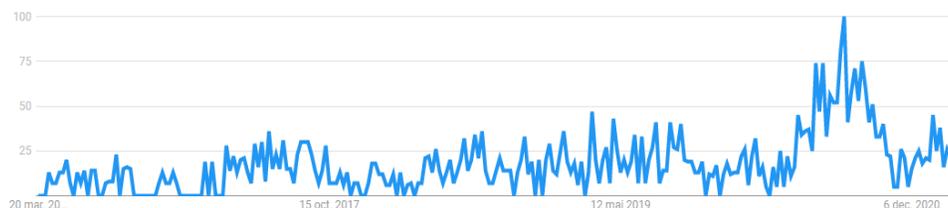
Source: <https://trends.google.com/trends/explore?date=today%205-y&geo=RO&q=rulota>.

³³ Mathilde Skov Kristensen, 2021

³⁴ Colleony, Geisler & Shwartz, 2021

³⁵ Tanjena Rume, S.M. Didar-UI Islam, 2020

Figure 3. The growth of “autorulote” (motorhome) searches in Romania in the last five years



Source: Google Trends

3. RESEARCH ON CAMPSITE TOURISM IN ROMANIA

This research aims to show that Romania’s camping infrastructure needs to be developed to save the tourism industry during and after the COVID-19 pandemic. There are very few studies that analyze the impact of coronavirus on the tourism industry, nor on the growth of RV’s/motorhome purchases during the 2020 pandemic. Since the first outbreak in late December 2019, the tourism industry slowly collapsed. This infectious disease spread across the globe, causing havoc on the respiratory system.

Most countries shut down their borders and imposed national quarantine to control the spreading of the virus. Public transport such as planes was suspended. The first lockdowns were held for the most part during the spring of 2020. When summer came and restrictions loosen people wanted to go on holidays, but travelling outside the country’s borders was very strict so they had to travel more at a national level.

Another motivation for this study is the impact that COVID-19 had on the environment and the responsible way to restart the tourism industry. As many industries and companies shut down their operations, there was a major pollution shift in the world³⁶. CO₂, water, noise pollution were significantly reduced. Also, there were fewer tourists in important natural areas of the world, giving attractions time to recover from many years of suffocation and damage made by visitors.

The camping facilities that exist in Romania are in bad condition, poorly organized, and overpriced for what they provide. By creating a network of campgrounds, near important tourism attractions there will not only be a new fresh and exciting way to discover Romania, but it will also attract many “always on the wheels” and foreign tourists.

3.2. Survey on preferences for recreational vehicles and campgrounds

The survey’s format is composed of 24 mixed questions in Romanian from which, 15 open questions, and 9 multiple-choice questions. To assess the opinions, respondents were asked, throughout two open-questions, to evaluate Romanian camping zones in comparison to those in the rest of Europe.

The main focus of the questions was analyzing customer expectations when selecting a camping facility. Also, since there is little and old infrastructure to help landowners organize proper camping, it was important to learn how customers view the Romanian facilities.

Some essential piece of information that the respondents were asked, was about the hobbies and activities they enjoy doing when they leave for a holiday. When deciding to arrange a camping site, it is crucial to provide guests with a variety of activities, especially when they come to escape the city’s crowdedness and pollution.

3.2.1. Respondents and procedure

For this study, a web-based questionnaire was conducted in Romania between July 27th and November 30, 2020.

³⁶ Tanjena and S.M., 2020

The participants in this study were both camping users and recreational vehicle owners who are members of the RV/motorhome communities on Facebook. The survey was transmitted via Facebook groups and received 214 responses, from which about 16% were incomplete. The group consisted of 56.5% male and 43.5% female, 90.7% came from urban areas, and only 9.3% from the country-side. The 90.7% of people who live in cities are the ones that desire the most to enjoy nature. Human well-being is connected to the environment. Nature has provided ecosystems, diversity, all of which affect one's quality of life.

3.2.2. Use of recreational vehicles in Romania

For this research there was a self-study made to show that the number of recreational vehicles registrations in 2020 increased, compared to previous years, as a result of travelling restrictions. The data for the analysis was gathered from DRPCIV³⁷. It was observed that in 2020, there were 3528 RV's and motorhomes registered, 156 more than in 2019, and 565 more than in 2018 (Table 1).

Table 1. The situation of recreational vehicles registrations 2018-2020

Year	January	February	March	April	May	June	July	August	September	October	November	December	Total
2020	193	193	203	136	221	334	416	408	387	387	323	327	3528
2019	128	153	243	341	336	343	407	289	278	377	259	218	3372
2018	122	157	227	248	333	307	351	296	260	286	247	129	2963

Most of the vehicles registered are second-hand, only a small part are new, but in 2020, there was a growing number of new recreational vehicles registered instead of second-hand ones. This growing number of registrations can represent a motive for the Ministry of Tourism to analyze in great detail the opportunity to create a camping network in Romania.

When analyzing the data from Table 2, without taking into account other aspects (statistical constraints) we can say that the values of the correlation coefficients can be interpreted as follows:

There is a very weak inverse link between the number of caravans and the number of nights (-0.127). Some of those who rent caravans, do not spend the night at the hotel.

There is a direct link of low intensity (+0.312) between the number of caravans and the number of covid diseases. Those who use caravans are less likely to get Covid-19.

There is a direct link of low intensity (+0,357) between the number of caravans and the number of international departures. Those who rent caravans go abroad to a small extent.

Between the number of caravans and the number of occupied beds there is a direct link of medium to strong intensity (+0.578). Some of those who rent or travel with caravans also occupy beds in hotel rooms or similar. In other words, some people use caravans for travel and comfort during the day, but they prefer to sleep at the hotel or in similar spaces.

We also entered these values in SPSS and found that these correlations are statistically insignificant. This is largely due to the small size of the records. Only 11 months. However, two other variables were correlated:

Number of nights spent at the hotel and international departures. Direct link of strong to very strong intensity (+0,841). The interpretation is obvious, those who go abroad usually book a room at the hotel in a very large proportion, during the whole period of travel.

Hotel bed occupancy rate and international departures. Direct link of strong to very strong intensity (+0,841). Similar interpretation: those who go abroad tend to contribute to the increase in the occupancy rate of beds in hotels or similar spaces in a very large proportion, throughout the period of travel.

³⁷ <https://www.drpciv.ro/news-and-media/statistica>

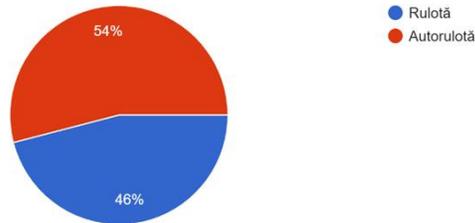
Table 2. Data gathered for the correlation study

		Monthly											
		Foreign country											
		Number											
		Hotels; holiday and other short-stay accommodation; camping grounds, recreational vehicle parks and trailer parks											
		2020-02	2020-03	2020-04	2020-05	2020-06	2020-07	2020-08	2020-09	2020-10	2020-11	2020-12	2021-01
Night Spent	Romania	261.297	70.468	5.306	3.976	27.292	66.198	70.013	72.611	58.090	45.685	38.588	
Sit inmatriculari		193	217	136	221	334	416	408	387	387	323	328	
		-0,127											
		2020-02	2020-03	2020-04	2020-05	2020-06	2020-07	2020-08	2020-09	2020-10	2020-11	2020-12	2021-01
Nr cazuri Covid	Romania	3	1.029	11.978	14.811	24.045	41.275	77.544	125.414	217.216	440.344	587.944	697.898
Sit inmatriculari		193	217	136	221	334	416	408	387	387	323	328	
		0,3122											
		2020-02	2020-03	2020-04	2020-05	2020-06	2020-07	2020-08	2020-09	2020-10	2020-11	2020-12	2021-01
Plecari internationale	numar	1.326.811	653.204	141.318	301.951	653.204	874.654	982.245	894.985	711.704	475.929	449.551	
Sit inmatriculari		193	217	136	221	334	416	408	387	387	323	328	
		0,3566											
		2020-02	2020-03	2020-04	2020-05	2020-06	2020-07	2020-08	2020-09	2020-10	2020-11	2020-12	2021-01
Net occupancy rate of Romania		28,90	:	7,90	6,90	14,40	31,20	42,40	29,00	19,60	14,20	12,60	
Sit inmatriculari		193	217	136	221	334	416	408	387	387	323	328	
		0,5783											

As we can find in Figure 4, most of the potential customers own a motorhome. The most common length of standard motorhomes is around 5,5-8,5m and width about 2,200. RV's have approximately the same dimensions. There are also bigger and luxurious motorhomes and RV's, but just a few in Romania.

Figure 4. Representation of what type of recreational vehicles users are interested in: blue – caravan; red - motorhome

Sunteți interesat de o rulotă sau o autorulotă?
198 de răspunsuri

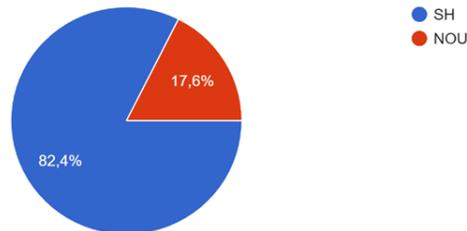


Source: Created by author

From Figure 5, it's understood that most of the Romanian RV and motorhome buyers are interested in buying a second-hand vehicle (82,4%). From this, we understand the camping should not be yet arranged for bigger and over 100.000 EURO vehicles. Each camping can have some bigger parking spots for luxurious vehicles.

Figure 5. Representation of the desired type of recreational vehicle: blue – Second-Hand, red – new.

Sunteți interesat de un produs SH sau NOU?
205 răspunsuri



Source: Created by author

3.2.2. Results

Based on the responses from the questionnaire, we were able to identify the main demands from most age groups. Our respondents' range in age from 20 to 70 years old, and surprisingly, most of the camping users share the same interests in activities and expectations. Focusing on just three main open-ended questions: Q1) "What are your thoughts about campsites in Romania?", Q2) "What interests you most when looking for a campsite?", Q3) "What leisure activities do you prefer?". By using open questions, we were hoping to receive personal answers where Romanians could share all their thoughts, experiences and expectations when looking for a campground to spend their holidays/weekends.

The respondents will be divided into five groups, on 10-year range, and find their key statements in Table 3 and Table 4. For the first group, which ranged in age from 20-30 years old, the most common issue for Q1 was not the entrance price, but that campsites did not comply with basic hygiene requirements; for Q2 the most common answers were: clean restrooms and spaces, tranquility and the campsites should be close to shops; for Q3, the preferred activities were biking and hiking. For the second group, with year range 31-40 years old, for Q1 they answered that Romanian campings are poorly organized, and again unsanitary; for Q2 they search for campgrounds that provide clean spaces and restrooms, tranquility, playgrounds for children and electricity sockets available in every intended vehicle place; for Q3, the activities preferred were hiking, biking and visiting important attractions. Moving to the third group, age range between 41-50 years old, Q1 most of the answers were related to unsanitary restrooms as the previous groups, small spaces for the recreational vehicles, poorly organized and promoted, crowded; for Q2, most of the respondents wished for more shadier places, as most RV's and motorhomes do not come with awnings; for Q3, fishing was a new activity that arouse interest. For the fourth group, 51-60 years old, at Q1 there were unclear complaints, not a very good opinion in general; for Q2 the answers were related to peace and cleanness; and for Q3, again the same activities: biking, hiking, fishing/swimming. In the end, for the last group, 61-70 years old, at Q1 in general the answer was "bad infrastructure"; for Q2 there were cleanness, shady, access to utilities as most requested; and for Q3 the activities were: hiking and fishing.

To summarize the findings of the research, there are sufficient reasons to conclude that most Romanian campgrounds do not provide campers with clean restrooms. Since it is critical to keep everything clean and sanitized, especially during this COVID-19 pandemic, camping managers should consider upgrading or replacing the bathrooms.

As all age categories expressed a desire for peace and tranquility, campsite administrators must consider implementing "camping rules", which include quiet hours in the afternoon and at night.

Last but not least, very important aspects to take into consideration by camping managers are the activities that can be done in campings or near them. Managers can easily make partnership contracts with small businesses around the camping that rent bikes, motorbikes, small boats (if the camping is near a lake or sea), horse trips, etc., this way managers will not have additional responsibilities.

3.2.3. Discussion

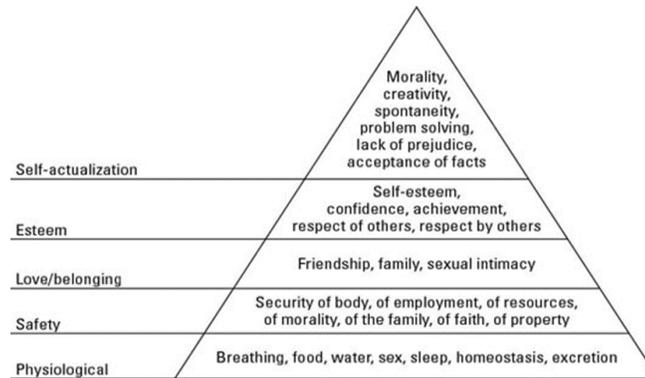
Human well-being is connected to the environment. Nature offers ecosystems, diversity, climate, all of these influence the quality of life. A decrease in nature contact often due to time spent indoors and on screens might lead to obesity, mental health issues, perceived barriers (fear), anxiety, and lots of other health issues³⁸.

Caravan beginners seek wild adventures off-camping. After a while, when using wild places to camp becomes tedious and tiring, they start searching for organized camps where they can relax and find all the facilities they need (ex. freshwater, arranged installations for emptying the grey water tank, electricity, toilets, showers, etc.).

To understand better what campings should provide for their customers we can use Figure 6 - Maslow's pyramid of needs.

³⁸ Gregory N. B.; Christopher B. A.,2019

Figure 6. Maslow's pyramid of needs



Source: Google Images

Starting to analyze from the bottom, campgrounds can and must provide some of the physiological needs as food, water, bathrooms. For food and water, campings can be arranged near restaurants or mini-markets. People that search for a camping to spend their holidays or weekends usually come prepared with food, water, and other necessities but it would be better if they could also buy some of the products near the camping.

Bathrooms are necessary because in an organized camping people that come with an RV or a motorhome expect the best conditions. Even if they have bathrooms in the vehicle, it is not recommended to use the showers often because the fresh-water tank is mostly used for cooking. In this case, people would prefer to use the camping bathrooms for washing and other necessities to save the clean water in the vehicle for cooking.

For sleep, camping owners should make a program with quiet hours in the afternoon and at night that all customers should respect.

Safety is another issue that needs to be addressed. Safety is very important especially if the camping is located near a forest. Due to deforestation and bad organization from the county council bears come to search for food in the campings, near tents and vehicles. Before making a camping near a forest the owner should make a partnership with the county council to hire rangers that can place food deep in the forest so they don't need to come near people. Campsites can promote the county, by bringing customers to the local shops, in this case, the council should help the camping become safer. Another safety solution would be to surrounded the camps with a fence and have video surveillance.

For love and belonging there should be special places created for groups where they can make a barbeque, play games, etc. Children have a big impact on the wellness of their families. Most often, parents do not have a pre-made plan with the activities for their children. For this, the best solution is organized activities for children (discovering the surroundings, hunting insects, biking, dancing, painting, etc.). These activities should be organized every day to keep the children entertained and make them more attached to nature, to learn taking care of it from a young age.

4. CONCLUSIONS

Camping tourism is a form of travelling with your accommodation. Many tourists prefer the comfort of a caravan/motorhome instead of a hotel room because they can "move" their holiday house wherever they enjoy it.

After the COVID-19 pandemic outbreak, the tourism industry collapsed. As the governments imposed many restrictions for people that want to cross the borders, tourists were forced to travel within the country's borders. People bought caravans or motorhomes to travel the country, but in campsites, even the outdated camping infrastructure is not used. In 2020, there were also registered 13 new campings.

The results of the research show the respondents' preference for caravanning, camping, and caravan tourism. The high number of caravans purchased by potential tourists is a direct effect of the Covid-19 pandemic that changed consumption and holiday habits.. Isolation, personalization of living space, proximity to nature make caravan camping a top choice in the travelling options for tourists. This form of tourism offers you

independence, freedom of movement, accommodation, dining space and fusion with nature (Nature-Blended), fresh air, privacy and intimacy, safety, health protection, spending time with loved ones (family and friends). Camping areas must be brought to European standards, to allow us to provide a variety of tourist attractions and holiday areas, from mountain tourism to green tourism, eco, rural, seaside tourism, from soft tourism to Creative Tourism and caravanning tourism to the interested people.

For a well-developed camping tourism network, there should be a lot of promotion inside and outside the country. The advertisements should consist mainly in online marketing of the authorized campgrounds in Romania and the nearby attractions. To promote this almost new concept of tourism on a small budget, campsite managers can collaborate with economic faculties (ex. The Bucharest Academy of Economic Studies, Faculty of Business and Tourism, Marketing, etc.) and art faculties (ex. Bucharest National University of Arts, Faculty of Computer photo-video image processing) to form teams of students that would compete in creating the most beautiful advertising (the project should include video advertising, promotion message, and method). In exchange, students can receive various prizes.

In the end, I consider this paper a motive for the Ministry of Tourism to reconsider the tourism infrastructure plan in Romania, to help camping owners develop the best campgrounds so we can start exporting Romanian tourism. Campings are a unique way to explore and travel any country, even during pandemic times, this shows that camping tourism can be seen as a solution for adaptation during the COVID-19 pandemic.

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