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Résumé: *L'intégration dans l'Union Européenne représente pour la Roumanie une option stratégique fondamentale, une alternative viable et, en même temps, la plus bonne garantie de la promotion de ses intérêts nationales, respectivement à un développement de la société roumaine fondée sur les valeurs de la démocratie, de l'économie de marché qui est capable d'assurer un développement pondéré, une stabilité et une prospérité à long terme.*

Pour l'intégration dans l'Union Européenne, la Roumanie doit accomplir un ensemble d'objectifs et de principes établis pour toutes les états qui veulent adhérer à cette structure socio – économique communautaire.

Le contexte historique dans lequel s'inscrivent les démarches de la Roumanie visant son intégration dans les structures communautaires se placent sous le signe des changements profonds intervenus dans la société roumaine après 1989, concernant la construction d'une société démocratique et l'instauration d'une économie de marche et sous celui de la nécessité de certaines réformes structurales intérieures de l'Union Européenne à la fois, doublée par un inévitable élargissement aux pays européens souscrivant aux mêmes valeurs démocratiques.

A la suite de la mise au point de la procédure de ratification de l'Accord Européen, le premier février 1995, conçu comme moyen de préparation du pays selon des règles imposées a priori, la Roumanie se trouve en phase préparatoire sur les plans politique, économique, culturel, législatif, institutionnel etc., pour qu'elle soit admise à titre de membre à part entière de l'Union Européenne.

Dans les années qui viennent, les principaux objectifs de la Roumanie seront les suivants:

Sur le plan national:

- a) de consolider les institutions démocratiques et d'assurer leur fonctionnement approprié;
- b) de créer un milieu économique viable (mécanismes et institutions) et fonctionnel spécifique à l'économie de marché, répondant aux exigences européennes (de l'UE), ce qui implique: d'adapter graduellement et de reprendre l'acquis communautaire; d'introduire et implémenter les principes et les pratiques concurrentielles de l'UE; d'aligner les politiques en matière d'aide d'état; d'adapter le régime de création et de fonctionnement des entreprises publiques et des monopoles à celui communautaire;
- c) de développer la restructuration même, d'une manière soutenue et équilibrée à la fois, d'une économie compétitive dans un puissant climat concurrentiel;
- d) d'aligner toute la société aux standards communautaires;
- e) de développer et consolider la société civile.

Sur le plan communautaire, européen:

- ✓ de consolider la stabilité et la sécurité européenne;
- ✓ de promouvoir la coopération internationale;
- ✓ de développer des relations de partenariat authentique.

Les principes généraux visent des politiques intérieurs et extérieurs des parties concernées, étant en même temps les éléments essentiels de l'intégration.

Ces principes généraux portent sur:

- l'engagement des parties de ne pas introduire des règlements contrevenant aux dispositions déjà négociées (la clause "stand-still" ou bien status quo);
- l'asymétrie, quant'à l'octroi de concessions commerciales, étant donné le fait que, durant la première phase de la transition, les Etats de la Communauté Européenne sont ceux qui accompliront leurs engagements, tandis que les concessions acceptées par la Roumanie seront mises en oeuvre lors de la deuxième phase de la transition;
- pendant la période de transition, les parties concernées doivent procéder, de commun accord, à la vérification périodique et à l'amélioration des concessions mutuelles et à l'accélération du calendrier de leur application (la clause d'accélération) à la fois.

L'accord inclut une période de transition qui doit s'achever en 2007.

Les dispositions de l'Accord Européen réunissent les aspects d'ordre économique à ceux d'ordre politique et socio moral. Dans ce sens, la Roumanie a fait certains progrès importants pour créer une économie de marché. Du point de vue juridique et institutionnel, on a réalisé des progrès remarquables en ce qui concerne l'assimilation et la mise en pratique de l'acquis communautaire.

Politiquement, on dispose des institutions démocratiques d'un Etat de droit, ce qui exige que

les droits fondamentaux de l'homme soient respectés en grand mesure.

Du point de vue économique, l'accélération de la privatisation et la restructuration des entreprises d'Etat sont en plein déroulement.

On constate qu'il y a encore certaines convulsions sociales, même dans les secteurs clé de la société roumaine, tels que l'industrie, la recherche scientifique, l'enseignement et la santé.

Par malheur, on a fait trop peu des progrès peu importants dans l'acquis d'un niveau de développement économique compatible au statut de membre de l'Union Européenne.

Pour l'instant, dans les conditions d'une économie marquée de disfonctionnements, d'une absence chronique d'efficacité et des exigences imposées à tout membre de la communauté, la Roumanie ne réunit pas encore les conditions européennes, car le problème économique de l'intégration dépasse de beaucoup la durée d'un gouvernement.

C'est pourquoi, l'intégration européenne vue d'une perspective purement économique devrait être, dans le meilleur cas, incluse comme desideratum d'avenir et non comme priorité absolue du moment présent.

Le statut de membre de l'Union Européenne suppose, du point de vue économique, la mise en oeuvre de quatre libertés fondamentales, au moins: la libre circulation des marchandises, des services, du capital et de la main d'oeuvre, ce qui suppose, évidemment, l'élaboration détaillée, de manière professionnelle (avec professionnalisme) d'une stratégie de développement par secteurs, branches, sous branches et même par agents économiques.

Il faut y ajouter que chaque pays membre doit s'aligner aux politiques économiques, ce qui pose de nouvelles difficultés pour un pays comme la Roumanie:

✓ l'adhésion à la politique agricole commune pose la question suivante: à quoi servirait l'agriculture roumaine, qui dispose d'un potentiel exceptionnel, dans les conditions d'une surproduction agricole communautaire ?

✓ l'adhésion de la politique monétaire commune pose des problèmes tels que ceux concernant le poids par lequel la valeur par laquelle le "leu" roumain va entrer dans la monnaie unique européenne et, de là, les conséquences sur l'évolution de la masse monétaire;

✓ l'adhésion aux politiques industrielles communautaires.

Quant'à la libre circulation des marchandises et des services, qui repose essentiellement sur l'élimination des barrières tarifaires entre les pays membres, cela suppose que les biens économiques circulent librement d'un pays à l'autre. Il est clair qu'une telle situation privilégie les pays développés qui ont une productivité du travail supérieur et défavorise les pays moins développés.

Comme la Roumanie dispose à présent de très peu d'avantages comparables, qui puissent

soutenir la compétitivité sur les marchés extérieurs, il est évident que la réalisation de la libre circulation des biens économiques pourrait transformer notre pays dans un marché pour les autres pays communautaires.

Ce sont uniquement les agents économiques à même de fructifier le peu d'avantages compétitifs de l'économie qui résisteront.

La libre circulation du capital en Roumanie, du point de vue juridique et institutionnel, a les conditions appropriées en tant que composante de la politique communautaire. Malgré les imperfections, la législation permet l'attrait/ la séduction du capital étranger et, par conséquent, la bourse de valeurs comme institution fondamentale du marché de capital fonctionne. D'ailleurs, de nombreuses firmes européennes ont fait des investissements directs et de portefeuille dans notre pays. Leur volume est insuffisant car le capital étranger évidemment ne migre pas vers la Roumanie, qui, actuellement, ne peut offrir que peu d'avantages comparables. Certes, avec certaines corrections législatives et un comportement plus incisif envers les phénomènes joints à l'économie souterraine et à la corruption en général, le capital étranger peut être attiré avec plus d'intensité à l'avenir. La libre circulation de la main d'oeuvre semble avoir un seul sens de déplacement, de l'intérieur vers l'extérieur.

Dans l'hypothèse d'une libre circulation de la main d'oeuvre, il est difficile à croire qu'il y ait trop de roumains qui préfèrent travailler en Roumanie, pour un salaire moyen par économie inférieur à 130 euros, par rapport à une moyenne européenne d'environ 4.350 euros. Selon une étude réalisée par le Bureau Européen de Stratégie "Eurosat", le salaire de 0,75 euros touché par un employé de Roumanie pour une heure de travail est de 30 fois moindre que la moyenne consignée dans les Etats de l'Union Européenne, dont le montant est de 22,7 euros.

Vu la participation de la Roumanie sur le marché européen des formations/qualifications professionnelles, la stratégie envisage l'adaptation/ l'appropriation du système roumain d'éducation et de formation professionnelle aux critères du processus européen d'éducation. On envisage également de mettre d'accord les formes d'enseignement et les programmes d'étude appliqués dans notre pays d'une part, et celles des Etats membres de l'Union Européenne d'autre part.

Les politiques gouvernementales suivent la mise en place de mesures visant la protection des catégories sociales défavorisées, pour obtenir des progrès sensibles en ce qui concerne l'éradication de la pauvreté.

L'indice le plus concluant que la Roumanie sera sortie d'une longue crise – celle qui persiste encore – pourra consister dans le rythme nettement supérieur de la formation brute de capital. Le déficit même de la balance commerciale pourrait provenir des acquisitions de plus en plus importantes d'équipements et de technologies performantes, menant/ conduisant à une image

économique plus proche de la réalité:

- on estime que le produit intérieur brut (PIB) par personne/ habitant, évalué à la parité du pouvoir d'achat, pourrait atteindre quelque 7.250 euros en 2004, par comparaison à environ 6.000 euros en 1999;

- les politiques macroéconomiques d'ajustement structurel favoriseront la reprise d'une croissance économique dans les conditions d'une régression de l'inflation, prenant en compte une réduction progressive du taux annuel d'inflation, jusqu'à 10%, à la fin de 2004.

Pour le chômage, on connaît le même changement de trend, à partir de 2001, quand on a marqué sa réduction. L'avancée économique après 2004 va approcher ce phénomène des dimensions normales dans une économie fonctionnelle de marché, tout en atténuant, de manière sensible, le phénomène de migration.

La croissance de la productivité du travail – résultat de la normalisation du milieu d'affaire, l'amélioration du management microéconomique et de la modernisation technologique de certains secteurs est associée à des augmentations relatives au salaire réel.

La croissance du déficit commercial a besoin, voire dans les conditions de l'intensification des flux d'investissements étrangers directs, d'un financement extérieur supplémentaire, réalisé par d'autres entrées de capital.

Le poids du service de la dette extérieure dans les exportations de marchandises et de services a représenté 21,5% en 2000 et représentera environ 16% en 2004, surtout après la baisse de l'intérêt et l'élargissement des termes de remboursement (le rapport entre le volume de la dette extérieure et les exportations - de 90-95% - s'inscrit également dans des limites acceptables).

A partir de ces considérations, le poids de la dette publique totale dans le produit intérieur brut oscille autour de 30% tandis que celle des intérêts annuels afférents a baissé à 5,65% en 2000, s'estimant qu'elle va baisser encore jusqu'à 4,55% à la fin de 2004.

Ces évolutions sont vouées à renforcer la confiance des marchés financiers et des opérateurs étrangers dans la solidité du développement économique roumain.

Dans l'hypothèse de la continuité des actuelles politiques et sur le fond d'une économie non restructurée, les tendances suivantes sont préfigurées à l'horizon 1010:

- dans les conditions du libre développement, sans interventions directionnelles, l'économie roumaine va évoluer les 9 ans qui viennent à un rythme moyen annuel de croissance du PIB de quelque 2,50%; ce rythme moyen de développement n'est pas satisfaisant puisque la différence absolue entre les valeurs du PIB des pays développés et le PIB de la Roumanie va augmenter, tandis que la convergence des systèmes économiques restera un objectif irréalisable à long terme;

- la tendance de ralentissement de la croissance vers la fin de la période est plus dangereuse que le rythme même; elle exprime l'incapacité d'adaptation de l'économie roumaine aux conditions et à la dynamique de l'économie mondiale;

- le taux d'accumulation va augmenter légèrement de 21% à 28%, augmentation insuffisante pour une relance économique spectaculaire. Grâce à la continuation du processus de privatisation de l'industrie et du secteur des infrastructures, les investissements étrangers vont atteindre 12% du montant total des investissements annuels. Faute d'un milieu intérieur d'affaires puissant, il est difficile d'estimer si l'économie roumaine puisse se développer de manière durable et rapide de l'économie roumaine;

- le développement des exportations dépassera celui des importations, ce qui mènera, à partir des années 2007-2008, à la stabilisation de la dette extérieure de Roumanie (qui représentera 36-37% du PIB, c'est-à-dire 88% du volume des exportations le long d'une année). Pourtant, le déficit commercial actuel se maintiendra à l'avenir, existant le risque de devenir chronique faute de compétitivité;

- le taux de l'inflation – en moyenne de 17-18% va accentuer l'instabilité macroéconomique et le manque d'attraction de l'économie roumaine. Le cours d'échange nominal du "leu" va se déprécier à un rythme inférieur à l'indice des prix de consommation, ce qui va déterminer une appréciation réelle, de presque 30% pour la période envisagée;

- la moyenne du taux d'augmentation du salaire moyen brut réel de l'économie sera supérieure de 3% à la moyenne du taux de croissance économique;

- le taux du chômage baissera graduellement jusqu'à 6,2% au niveau de l'an 2010; chose explicable, dans le contexte des politiques économiques actuelles vouées à maintenir une situation qui n'engendre pas de tensions sociales;

- le déficit budgétaire restera très élevé (5% du PIB) pour une durée de 4-5 ans, (en estimant qu'il va) allant descendre jusqu'à 2,2 du PIB.

Un aspect particulièrement important du processus d'adhésion consiste dans le développement du processus d'information de l'opinion publique roumaine sur l'Union Européenne, sur sa structure et son fonctionnement, sur les bénéfices et les coûts de l'intégration, de même que sur les démarches et les actions des autorités roumaines dans ce sens.

La qualité de membre de l'Union Européenne aura un impact majeur sur toutes les facettes/ tous les aspects de la vie économique, politique et sociale. Les implications économiques seront prépondérantes, mais on assistera aussi à des mutations radicales dans les domaines politique, sécuritaire, social et culturel.

Du point de vue politique, les mécanismes de prise des décisions devront être reconfigurées,

dans le sens d'un transfert de compétences vers les institutions communautaires; mais, en même temps, la Roumanie bénéficiera de la possibilité de participer, dans le cadre de l'Union Européenne – les complexes processus collectifs de décision ayant de la sorte la possibilité de promouvoir et de mieux défendre ses intérêts.

Les principaux bénéfices offerts par l'adhésion à l'Union Européenne sont:

- ✓ un climat politique et économique stable qui stimulerait un développement durable;
- ✓ une prédictibilité et une stabilité accrues du milieu économique;
- ✓ une compétitivité accrue sur le marché intérieur, ce qui motivera et stimulera les agents économiques autochtones à une croissance de la productivité et de l'efficacité par le développement de nouveaux produits et services, à l'introduction de technologies modernes et à la réduction des coûts de production;
- ✓ le développement du commerce, un stimulant important pour l'économie nationale et le marché de la main d'oeuvre;
- ✓ un plus grand accès aux marchés de capital et d'investissements européens, aux nouveaux équipements et aux systèmes d'informations, au know-how managérial et aux techniques organisationnelles des pays développés;
- ✓ la présence des agents économiques roumains sur un marché unique de grandes dimensions et d'une portée particulière;
- ✓ des opportunités spéciales offertes par l'implémentation européenne et monétaire;
- ✓ l'opportunité de participer pleinement aux processus de prise des décisions sur la future configuration de l'Europe;
- ✓ / la consolidation du prestige et du statut de la Roumanie dans ses relations établies avec d'autres acteurs étatiques, du point de vue politique et économique à la fois;
- ✓ l'obtention des droits venant de l'octroi de la "citoyenneté européenne" pour les citoyens roumains;
- ✓ la perspective de perfectionnement professionnel et l'accès au marché européen d'emploi/ de main d'oeuvre pour les citoyens roumains.

A ces avantages, il faut ajouter, tel un corollaire, le coût aux termes d'opportunité manquée qu'engendrerait la non - adhésion de la Roumanie à l'Union Européenne:

- l'isolement et l'éloignement des processus de prise des décisions, des mécanismes de PESC, impliquant des difficultés et des dépenses plus grandes pour une imposition autonome sur la scène politique et économique;
- l'isolement économique de la Roumanie, dans les conditions où l'Union Européenne détient actuellement environ 60% du commerce extérieur roumain;

- la réduction des possibilités d'accès aux produits roumains devant les mesures de défense commerciale et des obstacles techniques pratiques par l'union Européenne vis-à-vis des pays tiers;
- l'accentuation du décalage économique de la Roumanie et des pays de la région, qui adhéreront à l'Union Européenne, surtout grâce à l'impossibilité de bénéficier des fonds communautaires de développement;
- la diminution des chances d'alignement en perspective à l'acquis communautaire tenant compte que l'intégration intracommunautaire évolue sans cesse;
- les difficultés pour obtenir le consensus au niveau de l'Union Européenne pour l'adhésion d'autres pays candidats, dans les conditions de l'accroissement du nombre des Etats membres;
- la réduction des possibilités de la Roumanie de développer une agriculture compétitive, à cause du retard d'intégration dans les mécanismes de la Politique Agricole Commune.

En ce qui concerne les coûts qu'il faut subir pour mener l'économie et la société roumaines aux standards européens, il est à remarquer que ces sacrifices et efforts sont inhérents pendant la période actuelle de transition, qui, s'ils ne sont pas arbitrairement déterminés par les exigences de l'Union Européenne Ils sont aussi le prix de la réforme indispensable pour la relance de la Roumanie.

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FINANCING SOCIAL PROTECTION EXPENDITURES IN ROMANIA

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Abstract: *Social protection represents an important subject of debates in Romania, concerning the closing accession in the European Union. The social protection systems have an important role in the European Union, in the European's life, their families, as well as from the point of view of the influences it has upon propelling the society and the economy. These guarantee incomes to persons in difficult, permitting them, in the same time, to accept and to adjust the economical and social evolutions, which favours the social cohesion and economical dynamism.*

Social protection shows a great present interest, there are few cases when such a subject doesn't interest each person, since the title implies him as human species, as valuable being.

In the history of a nation, certain moments occur that call for the intensification of the efforts in order to go beyond some special economic and social processes.

In case of Romania, the passing to the market economy represents an essential condition to revitalize the economic activity and to improve people's living conditions. The first and the most important characteristic in Romania's transition is to accomplish it through a crisis stage; but it is different from other crisis situations, because it grasps not only one or other aspect, but all aspects of material and spiritual existence of society. Therefore it's natural that the analysis of this characteristic should be the starting point of our approach.

It is a cruel irony to find that in the glossary of transition terms as poverty, threshold of poverty, minimum decent living and subsistence limit became as familiar as those like economic reform, reorganization, privatization, macro stabilization and so on. Therefore people have the right to assistance and social protection to increase or especially to keep welfare. Hence they must benefit by the protection and assistance they need to play their role in society.

In all the countries of the world there are people who live under special conditions and it's necessary to offer them a special attention, taking into account the importance and traditions and cultural values of each nation in human protecting and development; that is why it is well-known the importance of international cooperation in improving the living conditions in all countries. All of these are achieved through social politics.

The social policy represents a system of objectives and means of analysis with which the state performs the allocation of public resources and the distribution of revenues under the humanist vision of social justice. It should be analyzed from two points of view: politically and economically.

From the political point of view, in the course of history, the function of social protection was gradually replaced with the assistance one and a shifting from the defense of civil rights (life, property) to economic and social rights (the right to work, the right to social assistance in case of illness or old, the organization and direct carrying out some social services and so on).

Romania's economic, social and political changes paved the way for changes in the social protection field, a process that increased the social duties of the state.

Social protection is materialized in social programs that include measures and instruments meant to assure the development of life standard and improvement of life quality, as well as people protection against the negative effects that may occur in certain periods determined by different economic and social conditions.

The Romanian society is more than ever in a crucial point. We must simultaneously deal with the destructive effects of strong seismically social-economical actions of the last half century, made worse by their late replicas but we also have to re-launch a developmental process to become a modern, competitive society, with a high level of social cohesion, which stands for the common objects of the whole European construction in which Romania last enlarged.

The critical social situation of Romania is generated fundamentally by the unfavourable economical evolution of the last past period of the social regime, emphasized by the transition. A major characteristic of the Romanian economy in the previous decade was its incapacity of maintaining a sufficient increasing rhythm that is to permit the recovering and overcoming the level of the Gross Internal Production of 1989. In 2000 all the Central European countries, except the Czech Republic overcame, from the point of view of the GIP the level it had in 1989. Comparatively, the level of the present GIP in Romania is approximately 80% of the 1989 level.

The existing social problems in Romania are not the exclusive results of the underdevelopment but they are rather the results of the successive crises the Romanian society has confronted with. The actual crisis is the result of the combination of two distinct factors: the legacy of an irrationally developed economy, hardly being able to be reshaped and the incapacity of

reshaping it, a fact which produced rather smaller or even negative effects of the down resources: financial indiscipline almost generalized, the delay, as well as destructive privatisations, the crumbling of agricultural property with the blocking of the agricultural re-launching, the crisis of the production system of the public services.

For the success of any social protection programmes the resources on which it is base as well as the mechanisms used in expenditure funding must necessarily be taken into account. Even the difficult economical conditions, the chronically low financing of the social sector even in connection to the limited capacity of Romanian economy together with a certain institutional deficit we must be aware that, without a substantial correction of the low financing and the institutional deficit we can't talk about accomplishing an efficient national system of social protection.

The level of financing the social programmes was, in the last years of the socialist regime, the lowest in connection to all the other former European social countries. As a reaction to the socialist shock of the transition it developed modestly in a clear inferior rhythm to the other European countries being in transition, relative disparities as a consequence being emphasized. The increase in this domain in our country was one of the slightest: in 1993 by 1% compared to an average of 6,6% in the European countries being in transition. The first shock of poverty, from the period 1991-1993 was partially due to this deficit of social protection. Starting with 1990 and until 2002, the effort of financing the social politics increased continuously but in a very slow pace, as a result rather of the increasing social pressures than of a political willingness of dropping the social costs of the transition. The slow increase of the budgetary effort for social programmes was in fact made vanished by the decreasing in real terms of the financing of the social politics.

At present, from this point of view, we are still far to the other European countries in transition and to the EU's social and politic options, too. We can, as a conclusion, estimate that financing social politics in our country is far from the European model.

For accomplishing the social objectives in our countries, as part as the European accession process, substantial corrections are needed in the following years.

Taking into account the dates of the above chart, we can notice that the balancing of social protection expenditures in Romania (18,2% in 2001) is much beneath the one recorded in the EU (27,61% in 1999). Still, we can notice beginning with 1998 an increase of the social protection expenditures ratio in GIP, an apparently positive evolution from the point of view of the necessity of ensuring a higher population social protection. But concerning the extremely powerful pressure of the needs of the social protection, especially as a result of the powerful increase of the number of retired persons, in this period the increasing of the social protection expenditures ratio in GIP is

rather the result of the game of figures and it doesn't mean an improvement of the social protection of the citizens.

Chart no.1 Public social expenditures, as 1% fount GIP

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Romania	16,6	17	16,5	15,2	15,5	16	15,7	15,9	17,3	18,4	17,2	18,2
EU countries	25,5	26,5	27,7	28,8	28,4	28,3	28,5	28	27,6	27,6	-	-
Bulgaria	21,2	24,5	27	22,8	21	18,3	16,3	17	19	21,2	-	-
Hungary	22,7	29,6	31,9	31,3	32,3	-	-	23,8	24,4	23,5	-	-
Czech Republic	23	24,2	22,9	25,9	25,5	23,3	23,1	25	24,8	-	-	-

Source: *National Report for Human Development*, Romania (2000); Abramovici, G., Social Protection in Europe, Statistics in focus, EUROSTAT, (nr. 1/2002); *Ministry of Finance*

Concerning the social protection expenditures due on average, to a citizen, these have increased, in real terms, on the whole of the European Union countries while they have drastically decreased in Romania.

Chart no.2 The evolution of the social protection expenditures per citizen, in constant prices

	1991	1992	1993	1994	1995	1996	1997	1998
Romania	79	67	58	62	69	72	50	75
			100	108	120	125	85	130
EU countries	104	110	113	115	117	119	120	122
			100	102	104	105	106	108

The source: the Financing of the social protection in the member countries of the EU and in Romania. The National Institute of Economical Research, Bucharest.

On the whole of the member countries of the EU; the social protection expenditures per citizen, in real terms, increased with 8% in 1998 compared to 1993 and with 22% in 1998 compared to 1990. In Romania the social protection expenditures, in real terms, decreased by 25% in the period 1990-1998. Still, in the period 1993-1998, the above-mentioned indicator registered a slight recovery except on the year 1997 when the social protection expenditures per citizen, in real terms, decreased to 85% compared to 1993 and beneath 70% compared to the previous year.

Concerning all the components of the social protection, the state efforts reported to the economical capacity of the country is mostly lower in connection to the other European countries for the social advantage as well as for sustaining of the basic social service especially of the education and health sectors.

In the domain of the social financial transfers (retired pays, children allowances, unemployment assistance, social contribution), so of the effective social protection, the effort has remained relatively at the same level, even with slight annual variations. In spite of the poverty burst, not even after 11 years, the additional effort in this domain doesn't see a visible emphasizing: it has overcome a little 10% from the GIP in the recent years. But if we take into account that after 1990 the number of those who need social support has increased, we can estimate that the effort for assisting those in difficulty has actually decreased.

The fundamental social services – health and education- received in the first years of the transition a special attention, after which it was mostly sacrificed. The budgetary effort (as a percentage from the GIP is much more inferior to the other countries in transition which are not in some crisis situations as well as to the other western countries: 5-6% of the GIP for both sectors).

The expenditures on education varies around 3 -3.5% from the GIP. In some time, these expenditures stand for, in other countries, an average to 4,8% from the GIP.

For health Romania allowed small founds too, but continuously increasing in the last years. Beginning with 1998 by the introduction of the health insurance system, the financing of this sector increased in connection to the previous years, reaching 4.2% from GIP in 2001 to 2.6% in 1997. Despite all of those, these sums are small comparatively to other countries in transition and to the countries from EU.

It is advisable to be introduced in the social politics priorities the increasing of the expenditures for education and health, knowing that the public investments in these sections were, systematically much smaller than needed. Education and health represent an essential source of the sustainable economical increasing.

The explication of the deficit of social protection isn't the configuration of the present economy, but it lies in a set of conceptions and political values. The total volume of public expenditures is now extremely reduced in connection to other countries in transition. Romania uses for public expenditures 35.5% from GIP. The social public expenditures are substantially lower to the other countries not only towards the capacity of the economy but also as a percentage from the budget.

In the distribution of the budgetary funds, a systematically priority was given to the expenditures for sustaining the economy. The sustaining of the economical increasing is an absolute

priority from the point of view of the social politics. Though the problem is that most of the budgetary resources were swallowed by the subventions of some economical areas that didn't succeed in becoming functional. Besides, the sustaining of the economy became a transfer instrument through abrasive speculative mechanism, after even criminals, towards the rich groups.

Beyond the absolutely correct statement that the state must have an important - including financial- role in reshaping the economy, in most cases, due to the lack of experience in administration of a such large process of reshaping and to the numerous confusions in the economical politics stressed by the pressure of different interests groups, the economy has represented an important black hole that absorbed unproductively the resources that could have been allowed to re-launching of the economy and a viable feasible social protection. Many cases of using the budget in economy in which the resources were used not for reshaping but for compensating the inefficient functioning can be identified: even worse, some funds were misused. It is also important the fact that it was often pleaded the need for the protection of the jobs. Such a policy proved in many cases to be counter productive: instead of a transparent social protection that should offer the social conditions for economical reshaping, the intervention of the budgetary resources maintained inefficiency.

The financial indiscipline and the real economical difficulties many factories are experiencing, have led to an unexpected effect. If in the first phase of the transition the attention was paid mostly to the cutting down of the direct economical subventions (which were, at least, controlled and transparent), in the second phase of the transition there was the mistake of a completely non-transparent and uncontrolled subvention system, the acceptance of the non-payment of taxes and social contributions or the rephrasing and exempting, the supporting of un-efficient loans which finally are covered by the budget, too. In the year 2001 the morons to the social insurance funds were over 7.300 billions lei, which represents 6.32% of the GIP. In this way, the problem of the economical crisis was transferred under the shape of the budget crisis in general, of the budget that supports in particular the social politics.

The pressure of reducing the public expenditures or of their strict control, in order to avoid the budgetary deficit, sacrificed constantly the financing of the social programmes. The financing of education and health was especially affected, the consequence being the deterioration of the human capital and the reducing of the economical development on medium and long term potential.

In any country, the resources for the social programmes are structurally limited. Coming from charges, taxes, contributions over a certain limit, these affects in an adverse way the primary process of the economical production of a welfare. In a social- economical context in which the

political will of public must be included there is a point of balance between the total of produced economical resources and the resource given to social programmes.

Romania has from this point of view a special position comparatively to other European states, except the ones confronting special situations, the social effort is at its lowest level. From this point of view it is estimated that the financial effort for sustaining the social politics will increase considerably under the pressure of social problems and the European accession imperatives too. We must know that at a given point of the European ascension of Romania, there will be asked in a clearly way the increasing of the social public expenditures.

It is useful, from this reason, that this increasing should be planned since now, its peace being, evidently, based on the dominant political will.

The Romanian government thinks that on long and medium term, at least at the level of the actual European conception over the social intervention of the state, the legitimate objective in this domain is the reaching of a social politic expenditures level of 25% of GIP.

Three scenarios concerning the dynamic of the public social expenditures can be taken into account:

A) The conservative scenario: the social public expenditures will remain on short/medium terms constant as a percentage of GIP, though they will increase as an absolute value as an effect of the economical increasing.

B) The scenario of a firm, social engagement, with a two-phase increasing of the effort:

- 2003-2005 – the annual increasing by 0,5% of the GIP
- 2006-2010 – the annual increasing by 1,5%
- The reaching of objective: 2010

C) The conservative scenario with a slower increasing by the effort, determined especially by the random pressures:

- The annual increasing with an average of 0,5% of the GIP
- The reaching of objective: 2016

The first scenario doesn't involve a structural change of the social invention of the state. This scenario isn't likely to take shape. Two pressures will be done in the future to increase the public social effort: the harder need to absorb the gathered social problems and the pressure of the European accession through assimilating the political social configuration promoted by EU. Therefore is most likely that in the following years the government will have to increase the politic social effort.

The second scenario is based on the political will stressed by the rapid solving of social problems generated by the transition. Even courageous, it is realistically from the point of view of

the economical and fiscal frame on medium/long term which Romania engaged to follow through the Pre-accession Economical Programme. In the first phase of three years, taking into account the multiple economical difficulties, as well as the high level of taxes it is foreseen an average annual increasing of 0,5% of the GIP. On long term, due to the structural economical changes and the strength of the fiscal administration, an increasing of the social expenditures by an annual average of 1,5% of the GIP must be done so that till 2010 Romania should achieve a ration of social expenditures comparable to those of the countries of EU. This scenario makes a part of the accession process in the EU. Till 2007, Romania will have already done a major effort to make the alignment to the European standards in the following three years after the accession, this effort being in general terms finished. Due to the explosive gathering of social problems, it is most likely that soon the social effort shall increase in a quicker rhythm.

The main difficulty in putting into practice this scenario is the identification of the budgetary chapters whose weight will inevitably have to decrease.

The third scenario, the conservative one, seems less probable. Through the combined pressure of the two factors – the worsening of the social process and the pressures of the accession in the EU process – the increasing of the social effort will be quicker than the one foreseen in the scenario.

Concerning the insurance of the resources for taking measures of social protection, the increasing of the taxes (including here the social contribution, too) doesn't stand for an available source any more. The level of the main taxes is comparable to the international average. The exception is the level of the social insurance contribution that is one of the highest in the world. Romania has now the highest level of social insurance from Europe. To diminish the disadvantage of fiscal competitiveness which we have in the domain, it is obvious the necessity of its reducing.

There are now other important sources of increasing the politic financial resources which could be orientated towards the social programmes. First the presumed economical increasing as well as the elimination wished to be at the fastest pace, of the sick economical areas, consuming budgetary resources, will increase in absolute terms as well as relative terms (as 1% of GIP) the available resources for social programmes.

Secondly the low volume of the public income as a percentage of the GIP must be mentioned. At present Romania has a level of public income of only 3.8% in 2001 from the GIP. Comparatively, the central - European more advanced countries from the point of view of the transition process have a level of public income of about 40% of the GIP. Many states from the EU have even bigger budgetary incomes.

The main cause of this situation besides the short taxes range is the weak connection between taxes and social connection. Even if the direct help of the enterprises from the public

budget has reduced in volume, the indirect support by the total accumulation of the morons has continued without stopping. The un-payment of taxes has been encouraged, too by the given of numerous re-establishing and unconditional payment abolitions which have created artificial waits and have given birth to loses of substantial incomes at the state budget as well as to the diminishing of the credibility of the fiscal system and have crated the image of a lack of correctness concerning the distribution of the fiscal effort from the social point of view.

Additional to the increasing of the budgetary effort it is vital to mobilize the financial resources of the civil society. As the standard life increases, there are favourable premises for sustaining and stimulating the increasing of the direct contribution of the public to contribute to programmes of social interests. From this point of view, the actual rule has marked a change of attitude. It has become obvious that the transfer of primary responsibilities from the social domain to the civil society represents an abdication of the public authorities from their responsibilities and in the same time, an act whose consequence is the aggravation of the social problems. The entire assuming of the responsibility in the domain of social problems comprises the objective of building a complex and efficient social partnership, too. Two essential lines of such a partnership must be promoted:

- The attraction of the social partners of the civilian society to the accomplishing of social programmes, the public authority assuming itself, in the name of the public too, the central organisational part,
- The completing of the public programmes with the private initiatives

It is also important the identification and the attraction of external available resources, especially from the EU.

The increasing of the social, public expenditures, answer to more and more emphasized social pressure, will have to be devoted towards a group of five priority directions:

- The increasing of financial support for health and education is absolutely essential. The existence of a population that doesn't match the standards of required health will limit the increasing relation on medium and long term of the economy. The insufficient education will reduce the chances of integration on the labour market and will lead to the apparition of a structural higher ration of the unemployment.

This will generate pressure on the social protection expenditures and will increase artificially the budgetary costs. Such an evolution may cause very big problems from the point of view of sustaining on long term of the financial situation of the retreated pay system, increasing in a substantial way the depending ration of this.

- The quantitative and qualitative increasing of the opportunities of occupancy by the multiplying of the active programmes. The sustaining of the re-launching of the economy and the

creation of new working places represent a major purpose. The chronic unemployment is an extremely severe problem that can cause the disintegration of the personal life of the family and social isolation. A rapid increasing of the working place is vital for reaching of some fundamental balance for a modern society.

- The increasing of the social transfer. Taking into account the economical decline from the period 1997 – 1999 which accentuated the deterioration of the life conditions of the most exposed population categories, the social transfer should register a substantial increasing. The unemployment won't increase drastically although the Romanian economy hasn't passed completely through the cycle of restoration.

- The decisive intervention for abolition in general lines of some situation of extreme poverty and of social exclusion (abandoned children, without minimal conditions for development in their own favourites, homeless persons etc.)

- The rapid increasing of institutional capacities from the social sector politic

It can be said that the social politics deficit had a drastic contribution to the deterioration of the social situation in the transition time. The social and human cost of the difficult process of changing were low compensated by the social politic .It saved a large part of the working class having become very vulnerable, (especially in the sector reaching the retired pay limit) but it did very little for a large segment extremely poor and rapidly becoming poor. Not only from the point of view of the economical strategy but also from that of social politics ,an important part of social costs was unavoidable.

The practical conclusion is that by reconsidering the social politics an important part of the social accumulated problems can be solved.

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FORD'S REVOLUTION ON TRANSPORTATION – THE START UP OF MASS TOURISM

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Abstract: *By the beginning of the last century Ford looked for a solution to make profitable his business: cars production. As the buy power was fable he decided to increase the wages of his own workers. This was only the begining that change the whole economic life. The highways covered it and the wide space of US arrived to be travelled democratically and easily, including by the working class. They started to build hotels, motels, restaurants, service stations etc. for the new kind of "workers": the tourists.*

And after the 2 nd WW the borders were crossed over. The American style gets into Europe and „tourism” took the front page all over the world.

The new millenium needs new tools to burst the development. Tourism might be one of them.

To start this ideas on the latest spirit of the "tourism" I cote from "Tourism – principles and practice" edited by Logman in 1998, in comparison some "myths" and "realities" of nowadays tourism: Myth: most of the tourism is international. Reality: 80% of the travels are inside the home country. Myth: the majority of the tourists travel by planes. Reality: the majority of the travels are land ones, average distance is 65 miles. Myth: the work in tourism provides opportunities to travel and lean foreign languages. Reality: almost of the staff in tourism works in hospitality and has no contact with the tourists.

We can find out that unexplored area might bring dramatic surprises! We can already discern that the two restrictions for practicing tourism – mass tourism – known as time disposal and money availability might be a myth too.

We can prove it by analyzing the development of leisure sector in US. At the century's beginning, Henry Ford was looking for a solution to turn profitable his business: cars' construction.

But, because of valueless wages of the American working class, he could not reach that minimal level, that production and critical number of units that could afford a successful business. It is Ford's decision to increase his own workers' wages that have changed, in our opinion, the entire world's economic system. Ford has started a process that has developed as a *boule de neige*: it has afforded the Americans to live over their income, as it was appreciated as normal in the former economic system. Today we can see its result when the "financial and invisible products" are the majority of the value of the nations' economy, mainly of the developed ones. The simplicity, or may be the lack of profoundness of almost of the Americans, whose life relies on exclusive power of money, has determined them to adopt a new faith (near that brought by Pilgrim Fathers – the liberty of human being) and a new God: the Car. The highways have covered the US in order to satisfy the fretting and the restlessness of that people of immigrants, their nomad spirit¹ and have subordinated the hole economy and development to the new God. The uninhabited space of America could thus, since then, easily and democratically be traveled, even by the working class. All along the highways quickly have issued hotels, motels, restaurants, entertainment facilities, etc. Not for the rich people – that have kept staying closed in their world – but for the crowd. Quantity bring small profits but many of them. And, as the desire to have more is in Americans' blood the consolidations have started: hotels, restaurants, services etc. brands (chains) have appeared. And all BIG, huge, gigantic and in expansion all the time. We have to point out that every one of these giants has its own philosophy (coming from that one of the successful owner). After the 2 nd WW the borders of US were "blown out". Their philosophy, capitals and ways of management have spread out in the whole world for new profits. Globalization has started, by a special arrangement of people' travel. This is the way that, unexpected, the American working class was put to entertain itself: simply, in order to assure the critical mass of a profitable production for Ford and his'. In fact in order to increase the present profits even during its free time. Long later, after the 2 nd WW this conception has found a democratic expression and mass media brought its humanist dimension. Tourism, as that is the way this use of the free time is known, will become the forerunner, the model and the promoter of globalization.

The next moment, that we can also remark in Great Britain, is that one of the exigency of reconverting the flight industries from the war to civil production. In this sector huge capitals and a special labor force have been concentrated and have to be protected for and during the Cold War. In almost of the situations it is clear that the costs of a flight can not be covered only by flight tickets' income. Let's count: the costs to over flight several countries, over several borders, the repayment of the infrastructure, of planes, then the "small" costs with fuel, wages etc. the reservation' systems

¹ se the dictionary for the right sense of the word traveler

etc. And yet, anyone knows that a charter flight is cheap. And yet, planes are flying, tourists, businessmen etc. fill the world. HOW? Using the same principle of Ford, but in a retrograde sense: paying of the large bourse of the state, that is it is subsidized as much as it is needed, but still with the crowd money. And, flying over the borders of Great Britain or US (the main producers after the WW) we have to involve several countries. Politically, (by agreements) the same opportunities were built for all of them, as it was done for the developed countries. Economically, the profits were globalized by a declared better distribution of the costs and the opportunities.

In 1932, long before to here about globalization, in Europe the first Skal club was founded – the club of the executives in tourism. Today it counts over 30000 members. In 89 countries, organized in 500 clubs. Which is the main activity? Monthly meeting to lunch – to socialize. Technocrats from different sectors: hotels, aviation, restaurants, travel agencies etc. meet here to be together and exchange impressions. Most of them are modern nomad technocrats; graduates of some prestigious specialized schools, they adopt the philosophy of a transnational group and are itinerate by different countries, by their headquarter. They are modeled by the philosophy of their group. The transfers from one company to an other are very seldom. But Skal club offer the opportunity to meet the concurrence and to exchange opinions in an informal occasion and to have an excellent lunch, on company's moneys, in a selected society. But their own philosophy is the continuous expansion of their company: other ways they will be itinerate to a second class area or worse paid. Their common interest gives them the same life's goal: expansion, maxim profits. Other ways, they will disappear. Essentially, for the technocrats of a transnational company's management, usually with thousands of employees the maxim profit is not compulsory. Only that level of profit that assures the fidelity of thousands of shareholders of their company. The main objective of a technocrat is to keep staying in the group and if possible to open a new subsidiary, which, at the end, might be a job of one of his family's member. Or, the first civil global structures have issued in tourism field, which was at the same time model but experience, confident expectation too. In Bucharest the Skal club has begun after the arrival of foreign managers. By courtesy some Romanian were accepted too, despite their poor income standard. Or, the earth moves through people. And these new leaders of American spirit take the decisions, in the global structures.

We can conclude, for the time being that the development of mass tourism was not a natural phenomenon, as a result of life standard's increase but more like a deliberate intervention, inside the developed societies, in order to extend economical growth. And this fact has a "global" nature and can be among the first global movements.

If you would sheet with attention the press between wars you will find out that, the leaders that acceded to the power before the 2nd WW, rely their speeches on the revanchist matters but also on promises for a better life. In the middle of the crises they arrived to determine the economic relaunching. Either it is about Hitler, Mussolini or Churchill everyone promised and realized a better life standard that that one before the crises. After the 2 nd WW, first for the winning powers the “great modern migration” named tourism, mass tourism, has started. At the beginning modest, with 24 millions in 1950 till 100 millions in the 6 th decade. Marshal Plan has had a hidden social component. For the average German it said: fist a bicycle, than a house, than holidays abroad. Starting with the 6 th decade the defeated countries get also into the world of tourism.²

All these show us that tourism is an important sector of the world economy. And more, the “derived” effect of this activity, the psychological one upon the population named tourists and that one named tourism workers is, may be, more important that the economic results. But we have to point out *qui prodest?* The statement that globalization is restricted by the communication and transportation is validated for tourism too?

When talking about mass tourism we assume its dimension and democratic character that allow the access to a better life for a large number of populations. But the analyze of regional tourist flows relieve that tourism is not for everyone. Either we refer to outgoing – that is the social effect of reword for the population of issuing countries – or to incoming – that is the impulse given to the economy of receiving countries.

In '50 th, 71 + 17 %, that is 88 % of destinations were the countries that win the WW. (exception Germany because of occupation by Allies). Only on 7 th decade outsiders as Hungary, Czechoslovakia, Romania, Yugoslavia have jointed, may be as a consequence of political position. Till then the incomes were shared between the rich. But, these were also the countries where mass media and communications were developed and allowed the approach to globalization. The last decade of the millenium changes the hierarchy, but only temporally, as we estimate and it is shown by the forecasts until 2020. Statistics show for whom tourism is a chance: for the developed countries that share the incomes and expenses, leaving also small amounts for small countries. In fact is a normal state, as these countries are the main issuing ones too. To send its owns earns to other destination would be a worse business. So, in this way, the developed countries “reword” their worker for their understanding and effort and keep their profits. And this is possible through globalization. And, for developing countries, tourism is a “chance” ventilated by the international organizations. We shall shatter an other myth. We use to say today that in the former communist countries the life was hard. It is true. But the concurrence of the systems, mainly during the Cold

² for the communist countries we can find a similar process but inside the area of communist system borders

War has obliged the communist rulers to take measures that would have prove to their own people the superiority of the communist system. And it is just the tourism, by the SOCIAL CONTRACT (similar to that one closed tacitly in the winning countries) between power and people.

The start of the "tourism industry" was the Ford decision to rise the wages of its workers in order to sell its cars and boost its profits. Not the touchable side of the transportation but the effect of it.

A FEW POINTS OF VIEW RELATED TO THE NECESSITY OF STATISTICS IN EUROPEAN INTEGRATION PROCESS

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The Romanian European Integration is a complex and long time procedure, a part of globalization process. The economic interstate integration is the result of interdependences among the national economies pursuant to international division of labor development and international specializations. For a solid scientific knowledge of national economies of various international integrationist forms UNO, IMF and other international organizations classifies these economies depending of a lot of criteria.

In international statistics the determinate factors for settlement places and roles for states economies are:

- the economic potential;
- the capitalization degree.

The developmental level of one country is characterizes of a macroeconomics indicators system. The evaluating of these is the elemental attribute of social and economic statistics.

The realization of objectives which are mentioned in the Agreement about European Union in chief, about Economic and Monetary Union quality statistical instruments. These instruments permit to Community Institutions, Governments and Economic Agents to take decisions on strength of a harmonized and reliable statistics. For the countries from European Union was elaborated a reference frame-The European National and Regional Account System(ENRAS)-1995.This has a statistical role which permits an analytic and systematic description of what is appointed as” total economy”-her components and relations with other economies.

Because statistics is indispensable, is necessary the harmonization between Romanian

Statistical Institution and Eurostatistics. Romania adopted a new „Law of Statistics,, (in operation from 24 may 2001) which is the base of his statistical system and confers on new competences for National Institute of Statistics (NIS).NIS competences are: the elaboration of statistics, the responsibility to interpret them, to oversee the economic politics and to elaborate economic and social studies on demand. NIS had substantial assistance from EU for the administrative capacity consolidation and legislative harmonization. The EU support was materialized in Phare Program, which is still in course of scroll. The Program of agriculture and regional statistics adjustment to European Statistics System (2000).The program puts the accent on introduction of agricultural and regional statistical instruments in accordance to one used-up in EU, and has the following objectives:

- the creation of eight regional statistics offices and the supply for infrastructure;
- the organization of courses for specialized personal preparation;
- primary assistance for NIS to supply the national agricultural census(foreseen for 2002);
- initiation and development of three statistical studies in align with Regional Development Agency:
 - IMM demography;
 - goods on road transport;
 - social statistics(life conditions, poverty).

Phare 2001 program continue the support for the Romanian statistics harmonization to the European one. Phare 2001 program is orientate on four priority areas:

- quality statistics – following the creation frame for the elaboration of correct and reliable statistical dates;
- statistics in the environment protection area – the elaboration of environment statistics methodologies(dregs, pollution and waters utilization);
- financial and governmental statistics – the elaboration of a unique data base for financial indicators compliant to Comunitary acquis demands;
- the NIS capacity consolidation – to elaborate statistical studies in social and economic area.

Phare 2003 program, continue the assistance for the development of the statistical system from Romania, with the following objectives:

- consolidation of NIS capacities(redesign the site of NIS);
- harmonization of statistics related to new economy;
- development of new modules in the social statistics area;

- development of the statistics concerning the services;
- development of the National Account System (NAS), especially the satellites account segment;
- implement the matrix related to social accounting (a matrix which emphasize the role of human factor in economy).

Were considered a success the establishment special instruct center in statistics. This center is open for NAS experts and personal of ministry too. In this mode, it can obtain the proper frame of applies the statistics.

In the last years, we attended to an accelerate development of digital technologies for daily life. This process gave birth to a complex society characterized through dynamism. This process is known as “new economy”.

Internationally since year 2000 with the occasion of European Council Special Session from Lisbon was recognized a new facto New Economy, his objective is the settlement of system Europe on-line to contain persons companies and public jobs.

This system has some objective:

- speed up and cheaper internet;
- internet using stimulation;
- major investment in the peoples qualification for use this technology.

The complexity of this society represents a veritable challenge for statistics. Statistics must create incorporate statistics methodologies, able to foresee technological impact about society.

The dynamism of these phenomenon development in societies does necessary the statistical accommodation to the rhythm of registers for real situations, which have to be correct and then to transmit them in the same accelerate rhythm

Romanian statistics propose to registrate some new technology indicators:

- measure of telecommunications features and mass-media services;
- settlement for IT education infrastructure;
- measure the level of informatics development in house-keeping.

Statistics has the duty to surprise the reconversion from an industrial economy to new economy,

Another objective of Phare 2003 programs is the development of NAS (the main system for macroeconomic evidence and analyses, used in the international statistics by international organism as UNO, IMF, etc.

NAS is an excellent tool of report about economic structure and evolution NAS verifies the

statistical hypotheses and substantiate the decisions of economic politics.

NAS is representing the „spinal column" of statistics, both of them being situated in a strong relationship.

NAS objective is the synthetic and schematic presentation of economies fluxes between sectors (emphasize in economic integrated accounts table), supply and demand of goods and services too (emphasizes in the input – output table)

The elaboration of national accounts is an statistics and economic activity which debate the available information and present the economic situation of the country.

Strategy for the accounts elaboration has to base an analytic activity concomitantly with the verification of utilization conditions.

One elemental problem of national accounts elaboration (in new in NAS 95 version) - is making input – output table. This table was proposed since 1968 NAS version, but more as a complementary activity for countries which wish that. The NAS 95 version integrates the input – output review.

The input – output system three types of tables:

1. The resources and utilizations table;
2. The table which binds resources and utilizations tables of the institutional accounts sectors tables;
3. The input – output table (IOT) symmetrical.

The experience demonstrates that elaboration of input-output table represents an essential element of GDI evaluation, especially in a difficult period of an economy. GDI is one of the most important macroeconomics unit of the national accounts. This could be calculated through three different methods:

- through production method (or through supply);
- through expenditures method (or final demand);
- through incomes method.

The national bookkeeping methodology proposes a complete and integrate vision the national economy.

The general synthesis which present the integrated economy accounts is form by:

account 0 - the goods and services account

account 1 - the production account

account 2 - the distribution and utilization of incoming account

2. 1. The primary distribution of incoming account

2. 1. 1. The exploitation account

2. 1. 2. The allocation of primary incomes account

2. 2. The secondary distribution of incoming account

2. 3. The redistribution of incomes in nature account

2. 4. The incoming utilization account

accounts of accumulation:

account 3. capital and financial account

3. 1. The account of other assets modifications

3. 1. 1. The account of other volume modifications for assets

3. 1. 2. The revaluation account.

accounts of patrimony:

account 4 the accounts of patrimony

4. 1. The opening of patrimony account

4. 2. The variations of patrimony account

4. 3. The patrimony shut down account

the account of current operations:

account 5 - the account of the remainder world (the account for external operations)

The accounts elaborate by NAS can be decomposed in three main categories.

1) current operations accounts:

1.1 the production account (I)

1.2 the distribution and utilization of incoming account (II)

2) accumulation accounts (III)

3) patrimony accounts (IV).

The production account registered operations incident to the process of production, thus it comprise the production in resources and the intermediate consumption in utilizations.

The distribution and utilization of incoming accounts (II) contains the distribution and utilization of incoming in four stages:

1) Primary distribution – is adverted to the formation of incomes direct from the process of production and their allocation between production factors and the public administration. It permits the procurement of exploitation overplus and primary income.

2) Secondary distribution – is adverted to the redistribution of incoming through transfers

and permitted to obtain of available incomes.

3) The redistribution of incomes through social transfers in labor – permitting to obtain the available adjusted income.

4) The utilization of incomes - show the mode as the income is spent and saved-up. It permits the procurement of economies.

The accumulation accounts (III)-are accounts of flux and register the causes of active's variations (on the left side, positive or negative)

The accounts of accumulation are containing:

1) Capital account – show the measure in which the acquisition minus the cession of unfinancial active were financed thorough economy and capital transfers. It does to appear a capacity of finances or a necessity of finances.

2) The financial account – describe with financial instruments the active and passive variations.

The patrimony accounts (IV). These accounts have as object the description of actives, passives and net value in the beginning and to the end of the units exercise

the account of current operations:

account 5 - the account of the remainder world - describe the relations among resident and non – resident unit. The general scheme of this account consisted of:

- current operations accounts;
- accumulation accounts;
- patrimony accounts.

The goods and services account (account 0) – has as objective emphasize of resources (production and imports – registrated in the left side of the account) and the utilization of goods and services (intermediate consumption, ultimate consumption, stocks variation, acquisition minus etc.). Being a well-balanced account through definition, it has no balance.

The aggregates are synthetic indicators which measures activity results on the ensemble of economy. These are sizes of elemental reference for macroeconomic analysis and for international compares.

The Maastricht Treaty represents a new stage in the NAS utilization-because he establishes the convergent criteria's based on national account indicators. Among international comparison principles of macroeconomics dates, can establish:

- the oneness condition for every indicator contained in compares;
- the oneness conditions for statistical calculation methods;

- the same reference year for all compared dates;
- the expression of all economic aggregates in a unique currency.

The macroeconomics calculation problems are resolved by using NAS.

But international comparisons must be limited in real terms at structure and dynamic comparing. We can't do comparisons in absolute digits because the macroeconomics indicators are expressed in every national currency.

The indicators expression in unique currency (USA dollar as a rule) achieved:

- through middle currency rate of exchange implement, or
- through using national currency purchasing power parity in report with USA dollar.

Settlement of PPP, in the European Compare Program (ECP) is a part of United Nation's International Compare Program, which was launched in 1979. The aim of this program is to realize an international compares of GDI volume and its expenditures components. ECP represent a volume compares of GDI realize after expenditures method, with the identification of ultimate demand components: consumption, investment, import and export.

International GDI compare presupposes the achievement of three conditions:

- the utilization of the same definition for GDI;
- the same currency evaluation for GDI;
- the same price level for GDI estimation.

The countries which assist in European GDI compare carry out generally first condition. The other conditions are not available because GDI value is shown in national currency. PPP does feasibly these conditions achievement.

The main expenditures elements of GDI are:

- the ultimate consumption of house-keepings, of public administrations and of private administrations:
- the gross formation of capital (contains the gross formation of fixed capital and stocks variation):
- import/export balance (the net export). In the case of final consumption, the classification achieved after aim. For the gross formation of fixed capital, the classification is realized by product's type. The general classification shall be alike for the countries of a certain group.

If the prices are in national currency the interpretation of price coefficients cause the introduction notion of: purchasing power parity (PPP). For a given product PPP between currency A and B can be define as a number of units from B currency needed to buy in country B the same

quantity of goods which is bought in country A with a unit of A currency.

PPP evaluation method consist in using price indexes calculated on the strength of goods and services price from country which does the comparative calculus reported goods and services price from standard currency country.

Thus we can use price indexes PAASCHE and LASPEYRES:

- Price index Paasche:

$$I_{1/0}^{PP} = \frac{\sum p_1 q_1}{\sum p_0 q_1}$$

Which will be for A and B countries:

$$I_{A/B}^{PP} = \frac{\sum p_A q_A}{\sum p_B q_A}$$

- Price index Layspeyres:

$$I_{1/0}^{PL} = \frac{\sum p_1 q_0}{\sum p_0 q_0}$$

Which will be for A and B countries:

$$I_{A/B}^{PL} = \frac{\sum p_A q_B}{\sum p_B q_B}$$

Due to a different weights implement the results are different to eliminate these influences we have to use the price index FISCHER, which is a geometric average of Paasche and Laspeyres indexes.

$$I_{A/B}^{PF} = \left(I_{A/B}^{PP} \times I_{A/B}^{PL} \right)^{1/2}$$

Fischer index satisfies differently tests such as: "time reversibility" and „factors reversibility" and is used mainly in economic statistics. This index presents also a conceptual and practical disadvantage such as:

- require as both Laspeyres and Paasche index to be calculate –what leads to growth costs and delay results publication;
- the Fischer index is not easy to construe as the Laspeyres and Paasche indexes.

But the Fischer index, being a symmetrical average of Laspeyres and Paasche indexes, can estimate correct the theoretical index. In specialty studies is spoken about another symmetrical index, the Tornqvist index which is a geometric well-balanced average of individual volume indexes.

$$I_{1/0}^{PT} = \Pi \left[\left(i_{1/0}^q \right)^{1/2(g_1^v + g_0^v)} \right]$$

g_1^v and g_0^v are share value $\frac{v}{\sum v}$ calculated for each product.

The price index Tornqvist can be obtained replacing the relative amounts (q_1/q_0) through the relative price (p_1/p_0) thus the Fischer index can be obtained:

$$I_{A/B}^{PF} = I^{PL} \left(I_{A/B}^{PP} \times I_{A/B}^{PL} \right)^{1/2}$$

Which is equivalent to:

$$I_{1/0}^{PF} = I_{1/0}^{PL} \left[\left(I_0^{PT} / I_{1/0}^{PL} \right) \left(I_1^{PT} / I_0^{PT} \right) \left(I_{1/0}^{PP} / I_1^{PT} \right) \right]^{1/2}$$

I^{PL} and I^{PP} - price indexes Laspeyres and Paasche

I_0^{PT} and I_1^{PT} - price indexes Tornqvist calculated in the current year and respective basic year conditions

Economic theory suggests that a symmetrical index which utilize equal weights in two situations is preferable both Laspeyres and Paasche.

Practical choose symmetrical indexes Fischer and Tornqvist has a secondary importance, because all symmetrical indexes are estimated each other

Table 1	GDI ¹⁾	mil. USD
	2001	2002
1.Ultimate consumption (UC)	34.211,2	37.825,3
2.Investments (I) ²⁾	9.038,3	10.525,8
3.goods and services export (E)	- 3.084,0	-2.602,0
4. GDI (UC+I+E)	40.165,5	45.749,1

Source: RNB – annual report – 2002

- 1) GDI calculates to the average course USD – ROL;
- 2) The investments containing: The gross formation of fixed capital, stocks variation and statistical difference.

For the year 2002 we can observe a growth of GDI against 2001. This fact confirms a growth of Romanians economy.

2002 - GDI was with 4, 9 % bigger then 2001, on the background of goods and services export and private investments development.

GDI increasing was initially prognosed to 5%, subsequently revised to 4, 7%, arrived in the last to 4, 9% - the highest rhythm of growth registered in the candidate countries for the espousal of EU.

Relation GDI with another economic indicator points us the importance of it's calculation in a unitary way. Thus in the internal and external publications is spoken of equilibrium relation among the saves up investment and the current accounts balance.

Countries	GDI (increasing rates) %		Currency account balance mil. USD		Currency account balance weight in GDI %	
	2001	2002	2001	2002	2001	2002
Bulgaria	4,1	4,8	-842,2	-677,4	-6,2	-4,4
Czech Rep.	3,1	2,0	-3272,5	-3807	-5,7	-5,3
Poland	1,0	1,3	-7166	-6700	-3,9	-3,6
Romania	5,7	4,9	-2223	-1573	-5,5	-3,3
Slovakia	3,3	4,4	-1755,9	-1938,9	-8,6	-8,2
Slovenia	3,0	3,1	30,9	375	0,2	1,7
Hungary	3,8	3,3	-1967	-2771	-3,4	-4,0

Table 2: GDI (increasing rates), the foreign trade and the current account balance for the Central and Eastern European countries

Source: RNB –annual reports 2002, annual and monthly reports of these countries national banks – 2002, IMF and others papers.

From analysis GDI increasing rates are noticed the low performance of Poland (1,3%) and Czech Republic (2%) , the others countries registering rates between 3,1% and 4,9% .

Czech Rep., Slovakia and Hungary tried to pass the economic growth from one based on export, to one stimulated by internal demand, led to the growth of budgetary deficits and internal unbalances. Romania and Bulgaria registered the highest economic growth rates (4, 9% and respective 4, 8%) on the background consolidation investments consolidation, of reduce the net imports and private consumptions stimulation.

Analyze of the current accounts balance show the deficits of current account increasing, in majority of countries

Weight deficits of current account in GDI show us as that:

- Only Hungary is the country which bred in order for they diminished;
- The incomes from touring; good and services imports increasing;
- In Poland was held below check through proper monetary politics;
- Czech Republic and Slovakia are registered easy diminutions of deficits with help Commercial balance improvement;
- Romania and Bulgaria registered the biggest decreases ale deficits: Romania due to diminish the imports and breed the current transfers, Bulgaria by reason of diminution commercial deficits, breed the incomes from touring and reduce the interest pays;
- Slovenia finishes the current account with surplus in the last two years, due to breed else

quick exports against import.

Thus as the size deficits (-) or surplus (+) permits us to asses Eastern and Central European countries in hierarchic order. But the graveness unbalance compared with GDI been better expressed in percents (current accounts balance weight in GDI – CCB / GDI) - in this mode the hierarchy between these countries changes. Beginning with the year 1999, calculus concerning the PPP did yearly, this fact permits us a good analysis of countries development levels.

From analysis results the role of statistics in the future development of economies and is obvious as the statistics is a future science. Thus statisticians shall prepared answers to new economic problems: Indicators for the characterization of the new style of, increasing and deliver the incomes, the inequalities in the incoming level, new communities, etc.

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QUELQUE CONSIDERATIONS SUR LA MONDIALISATION DU TOURISME

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Résumé: *Le secteur du tourisme est marqué par une dualité d'effets: d'une part, il est créateur d'emploi et de richesse et contribue au bien-être et à la cohésion sociale, mais d'autre part, s'il est mal maîtrisé, il peut menacer les équilibres socio-économiques et environnementaux. La mondialisation est susceptible de favoriser ces effets négatifs. La prise en compte de l'ensemble des conséquences liées à la croissance des activités touristiques ne s'est fait que récemment, sous l'impulsion notamment des institutions internationales. Une véritable volonté politique reste indispensable pour un développement maîtrisé du secteur.*

Une industrie créatrice de richesses

L'industrie du tourisme créatrice de richesse et d'emplois, est un facteur de cohésion sociale et de bien-être dans la population. Vecteur de rencontre et d'échange, elle peut contribuer à influencer positivement l'ensemble des clivages planétaires. Née de la démocratisation des transports et de la hausse constante du niveau de vie, l'activité touristique a véritablement explosé depuis cinquante ans. Ainsi, la part du tourisme dans l'économie mondiale ne cesse d'augmenter et dépassé régulièrement les taux annuels de croissance du PNB mondial, d'exportation de marchandises et de commerce des services mondiaux. L'industrie touristique représente le premier poste des échanges internationaux (476 milliards de dollars en 2000) et a généré, de façon directe ou indirecte, 10,8 % du PNB mondial en 2002 et 11,3 % en 2001.

La croissance du secteur devrait s'établir en moyenne à 4 % par an entre 2001 et 2011. Les arrivées internationales de visiteurs qui atteignent le chiffre de 700 millions aujourd'hui devraient

doubler dans les vingt prochaines années, selon l'Organisation mondiale du tourisme (OMT): près de 1,6 milliards en 2020 pour une population mondiale estimée à 7,8 milliards d'individus. Les recettes annuelles générées par le développement de l'activité s'établiront alors, selon ces mêmes estimations, à 2000 milliards de dollars par an, contre 443 milliards en 1997. Le secteur touristique constitue désormais un puissant moteur de développement économique en raison de ses effets multiplicateurs et d'entraînement sur le reste de l'économie. Il est un grand pourvoyeur d'emplois (le secteur hôtelier à lui seul en a généré près de 11,3 millions dans le monde en 1995; en 2002, le chiffre atteindrait près de 212 millions pour l'ensemble des activités touristiques et pourrait se situer à plus de 260 millions en 2011). Pour certains pays en développement, comme les petits États insulaires, dotés de faibles ressources ou pour certaines régions en déclin, le tourisme est parfois la seule option économique viable.

Maîtriser et anticiper les risques

Mal maîtrisé, ce secteur peut engendrer de véritables risques sur les économies, les équilibres sociaux et environnementaux. Le développement économique s'accompagne en effet de mutations sociales et culturelles. L'impact du tourisme dans ce champ est particulièrement sensible, en raison de son rôle de vecteur du développement et de promoteur des échanges économiques et culturels. Le tourisme incite et procure les moyens financiers nécessaires à la protection, à l'amélioration et parfois même à la réhabilitation du patrimoine culturel mondial (monuments et sites historiques, musées...), éléments essentiels à la promotion de l'ensemble des activités touristiques. Pour des motifs analogues, le tourisme est un facteur de découverte et de valorisation des coutumes et cultures sociales. Le tourisme contribue donc à la reconnaissance et au respect de la pluralité des identités culturelles.

Toutefois une activité touristique trop forte, comme toute concentration de population sur un espace restreint, a des conséquences souvent très lourdes sur l'environnement. Ainsi, par exemple, l'usage insouciant des douches, bains, piscines et arrosage des pelouses des hôtels ponctionnent souvent lourdement les réserves d'eau locales, alors que les habitants en manquent pour leur usage personnel ou pour l'irrigation. Une étude réalisée par le Fonds mondial pour la nature (WWF) en Espagne, où le problème du partage de l'eau se pose avec acuité, révèle que la consommation d'eau d'un touriste étranger s'élève à 880 litres par jour, contre 250 litres en moyenne pour les Espagnols. On imagine aisément ce que peut être l'écart dans des pays comme la Jordanie ou Madagascar.

Par ailleurs, l'implantation irréfléchie d'équipements touristiques trop lourds modifie également l'équilibre du milieu naturel. L'érosion du littoral pose désormais problème dans de nombreux pays.

Selon le Programme des Nations Unies pour l'environnement (PNUE), les trois quarts des dunes de sable du bassin méditerranéen ont disparu en raison de l'urbanisation touristique. Le tourisme provoque aussi des comportements individuels destructeurs : des milliers de touristes qui emportent en souvenir une plante ou un fragment de corail finissent par détériorer massivement les écosystèmes.

Mais, dans le même temps, certaines pratiques touristiques, dont la plus scandaleuse est l'exploitation sexuelle des enfants, peuvent exercer des effets déstabilisants pour les communautés d'accueil et engendrer des coûts sociaux importants. Ces effets sont plus prononcés pour les économies en transition et en développement, plus

fragiles et donc plus sensibles aux phénomènes d'acculturation. Ces coûts sociaux et culturels sont fortement dépendants de la capacité des autorités locales à maîtriser et gérer les flux touristiques.

Vers un « tourisme durable »

La prise de conscience de cette dualité s'est faite au cours de cette dernière décennie. La volonté de relever le défi du tourisme durable a donné lieu il y a plus de trente ans aux premières expériences telles que le tourisme alternatif, qui restèrent cependant en marge du système prédominant et le fait d'entrepreneurs isolés. C'est à partir des années quatre vingt que la réflexion a trouvé un ancrage institutionnel et que toute une série de textes et de codes de conduite a vu le jour. C'est le cas notamment dans la dernière décennie du XX^e siècle. Cette prise de conscience s'inscrit dans le contexte général d'une sensibilité accrue des opinions publiques et des gouvernements aux préoccupations environnementales. Les conférences de Rio (1992) et, plus récemment, de Johannesburg ont permis la diffusion de ce concept en soulignant la nécessité des modes de développement plus aptes à préserver les ressources de la planète. Ainsi l'Agenda 21, qui constitue un programme exhaustif définissant de nouvelles stratégies de développement, a-t-il été adopté.

Le terme de « tourisme durable », utilisé par l'OMT à partir de 1998, s'inspire de ce cadre. D'une manière générale, il est conçu comme une façon de gérer « toutes les ressources permettant de satisfaire les besoins économiques, esthétiques et sociaux et de préserver l'intégrité culturelle, les écosystèmes, la biodiversité et les systèmes de soutien de la vie ». Il recouvre les notions de responsabilité, d'équilibre, d'éthique. Cette nouvelle démarche s'appuie sur l'idée que les effets indésirables générés par l'activité touristique sont susceptibles d'affecter à long, voire à moyen terme, la demande et les bénéficiaires.

Coordonner les activités touristiques

Sous l'impulsion des institutions internationales, de nombreuses initiatives réglementaires ou opérationnelles ont vu le jour. Dans cette perspective, des chartes des déclarations et des codes de bonne conduite concernant des aspects généraux ou des destinations spécifiques ou encore différents acteurs du secteur touristique-appelant à de profondes évolutions dans la manière de développer le tourisme - ont été élaborées par des organismes internationaux, des agences gouvernementales, des organismes professionnels du tourisme et des ONG. Ils proposent en général une synthèse des principes clés du développement durable appliqué au tourisme, tels que le principe de précaution, de prévention, de réduction des impacts territoriaux et environnementaux du tourisme, de gestion des flux et de l'énergie, de protection des écosystèmes.

Parmi les documents les plus importants figurent, au plan international, la déclaration de Manille sur le tourisme mondial (1980), l'Agenda 21 pour l'industrie du tourisme et du voyage et, plus récemment, le Code mondial d'éthique du tourisme adopté par l'assemblée générale de l'OMT (1999) et par l'Assemblée générale de l'ONU en 2001. La France peut d'ailleurs s'honorer d'être à l'origine, avec d'autres États, de ce dernier texte. Celui-ci énonce les principes éthiques qui devront guider le développement touristique ainsi que les droits et obligations respectives de tous les acteurs publics et privés du secteur. Seul l'engagement de ces derniers à l'égard de ces orientations normatives permettra que le tourisme évolue de manière équitable et au bénéfice de tous: États, opérateurs touristiques, touristes et, surtout, populations locales.

Texte de référence, ce code se présente comme une synthèse des textes précédents, assortie de la prise en compte de préoccupations nouvelles. Il vise à promouvoir un « nouvel ordre touristique mondial », équitable, responsable et durable, au bénéfice partagé de tous les acteurs, dans un contexte « d'économie internationale ouverte et libéralisée ». Les organisations onusiennes se mobilisent désormais pour faire connaître et promouvoir le développement durable du tourisme. Le PNUE a noué des partenariats avec les associations internationales de professionnels du tourisme et leur communique des informations et des exemples de bonnes pratiques écologiques. Dans certains Etats, surtout du Nord, la politique du tourisme s'intègre de plus en plus à l'aménagement du territoire et au développement local. Les pays en développement et les économies en transition commencent également à prendre des mesures de gestion de leur patrimoine culturel et naturel. De son côté, l'industrie du tourisme a mis en place plusieurs types d'initiatives volontaires comme le système de management environnemental. De très nombreuses actions ont été engagées par les entreprises, individuellement ou collectivement, promouvoir le tourisme durable aussi bien dans les pays développés que dans les pays en voie de développement. Les formes de tourisme alternatif se développent et, selon certaines estimations, l'écotourisme capte

désormais entre 3 et 5% du marché. Enfin, les ONG font avancer l'exigence du tourisme éthique et responsable par leur action de lobbying auprès des instances internationales et nationales, leur participation aux processus de concertation, leur effort de formation et d'information des voyageurs. Elles interviennent aussi activement dans l'organisation ou le soutien aux mouvements qui militent pour la protection des richesses naturelles ou culturelles et la défense des intérêts des communautés locales.

Tourisme et mondialisation

En définitive, maîtriser la mondialisation est devenue une donnée incontournable de notre monde interdépendant. Pour cela, il faut une véritable volonté politique, volonté souvent affichée mais qui passe par trois évolutions clés :

- - Un renforcement des outils existants. Les textes actuels ne sont pas contraignants et peu de normes sont réellement effectives. Il n'y a pas toujours d'organisme de contrôle et de vérification des engagements. Le respect des principes édictés sur la base du volontariat est d'autant plus difficile que l'industrie du tourisme englobe un ensemble impressionnant de sous-secteurs, de petites et moyennes entreprises et se compose d'une multitude d'acteurs. Elle est de ce fait très diversifié et fragmenté. Pour s'appliquer pleinement, les principes d'un tourisme durable, responsable et éthique, requièrent que les États et les institutions internationales se mettent d'accord sur un processus de mondialisation mieux maîtrisée et plus solidaire.

- - Une meilleure connaissance du secteur touristique fondée sur des données fiables. Dans ce domaine, des progrès notables ont été accomplis grâce aux comptes satellites du tourisme permettant de disposer de statistiques standardisées et comparables d'un pays à l'autre. La conférence de Vancouver de mai 2001 a fait des recommandations pour leur mise en œuvre progressive. Mais un effort demeure indispensable dans le champ des études d'impact des projets touristiques, centrées aujourd'hui davantage sur leurs conséquences environnementales que sur leurs impacts sociaux et culturels ou sur les systèmes de valeurs locales qu'il s'agit de préserver. Cela constitue un handicap sérieux pour l'appropriation des démarches touristiques par les populations locales, qui est l'une des conditions essentielles du tourisme éthique. De même, la Commission du développement durable de l'ONU a préconisé, en avril 1999, la définition des normes internationales de publication et d'évaluation des résultats du tourisme durable, afin de mieux apprécier son bilan. Les travaux de recherche dans ces domaines doivent être encouragés et soutenus à tous les niveaux et la France s'y engage pour sa part.

- - Une politique de coopération solidaire. Tous les acteurs mettent en exergue l'importance d'intégrer les critères écologiques et sociaux dans les conditions de délivrance des prêts et des aides

publiques concernant les projets touristiques aux niveaux locaux, national et international. La traduction de cette exigence dans la pratique des bailleurs de fonds internationaux constitué une voie d'avenir et un puissant levier pour promouvoir le tourisme durable, à condition toutefois d'assortir ces programmes et actions de dispositifs permettant de donner un appui financier et technologique adapté aux contraintes spécifiques des économies en développement et en transition.

Conclusion

Dans ce contexte, les priorités de l'Autorité roumaine pour Tourisme visent à organiser une activité touristique qui soit respectueuse de nos patrimoines naturels et culturels et qui s'exerce au bénéfice des territoires d'accueil. Avec environ 4,93 millions de touristes par an, la Roumanie est le pays moins visité au monde. Notre pays confère aussi un rôle particulier dans le nécessaire réflexion sur le tourisme de demain. À l'instar de nombreux autres pays, la Roumanie doit ainsi faire face à de nouveaux défis dans le domaine de l'offre touristique. Ces défis sont liés à de nouvelles attentes de la société et notamment à ce qu'une place plus importante soit accordée à l'éthique et à la recherche d'authenticité. Au cœur de ces problématiques, le développement et l'aménagement durables de notre territoire constituent donc des priorités pour de l'Autorité roumaine pour Tourisme et pour tous les acteurs de ce secteur.

Développement du tourisme et aménagement durable du territoire vont de pair. Plus que jamais, en effet, la politique du tourisme vise à faire de ce secteur une activité qui concilie développement économique et respect de l'environnement. Favoriser une organisation des territoires fondée sur la qualité, l'attractivité et la concertation: tel est, en substance, l'esprit dans lequel l'Autorité roumaine pour Tourisme et, avec lui, les acteurs du tourisme travaillent. Ceci passe, par exemple, par la maîtrise des concentrations spatiales et temporels propres au tourisme, la prise en compte des risques naturels ou encore la gestion des déplacements.

Autre volet de notre action: le conseil aux entreprises sur la qualité, l'organisation de réseaux et le développement d'une politique partenariale. Les PME ont en effet un rôle essentiel à jouer dans l'élaboration d'une stratégie de développement d'un tourisme et d'un aménagement durable. Un programme a été mis en place à leur attention. Il concerne la sensibilisation sur les particularités et les points vulnérables du territoire, le financement de pré-diagnostics pour évaluer les impacts environnementaux, les incitations pour la mise aux normes de qualité environnementale ou encore la mise en place de relations équitables entre les intermédiaires et les fournisseurs de services touristiques. Au total, ce programme leur permet de s'adapter aux exigences de protection de la nature.

L'Autorité roumaine pour Tourisme a aussi initié une réflexion sur le nécessaire évolution de renseignement et de la formation professionnelle, afin d'y intégrer le tourisme durable. Il s'agit aussi d'encourager l'élaboration de stratégies environnementales dans les entreprises touristiques et la mutualisation des expériences entre les grandes entreprises, les PME, les collectivités locales et les associations. L'avenir du secteur passe également par la mise en œuvre «d'Agendas 21» locaux du tourisme qui fournissent aux collectivités locales un schéma global pour conduire un développement touristique durable.

On le constate l'ensemble de ces questions est désormais au centre de la réflexion et de l'action l'Autorité roumaine pour Tourisme. Nous sommes, pour notre part, persuadé de leur importance fondamentale pour le développement harmonieux du tourisme dans tous les pays où il est appelé à prendre une place croissante dans l'économie et où il constitue, par conséquent, la clé du progrès social et de l'emploi.

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FINANCING ROMANIAN SOCIAL POLICIES

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Abstract: *In our paper, by means of the term „merit good” we have found an economical justification of social policies, together with their moral justification. After presenting how Romanian authors define social policies, we analysed the financing possibilities of these policies in Romania after the political changes in 1989.*

This paper also presents the latest governmental specifications concerning the system of income taxes, available from the 1st of January 2004 in Romania. Emphasizing that taxes and fees are the main sources of the public budget; we make a critical analysis of the side effects of the taxation policy upon the citizens' incomes.

1. The merit goods – the connection between economy and social policies

In society there is a category of goods called „political- economical”¹ goods, those provided by means of the political system. The above-mentioned category is composed of non-private goods, respectively public goods and merit goods (term coined by R.A. Musgrave).

- A) The **public goods** are the political-economical goods provided by the government with the intention of respecting the consumers' desires. The consumers must be supported in obtaining these goods, because they manifest characteristics which make them difficult to acquire individually: social security, national defence, public lighting. Theoretically, providing public goods aims at improving all individuals' standard, and, should their interests be encroached, at providing compensations.
- B) The **merit goods** are those which:

¹ W. Ver Eecke – *The Concept of Merit Good*, p.137

- Provide the *possibility conditions* for something that consumers on the market desire, even if these goods are not totally approved. (For example, education is, in itself, a difficult process that many individuals would abandon, but in order to occupy a position on the labour market, the minimum level of education represents the possibility condition). This is an argument that W. Ver Eecke takes from Kant's philosophy and transposes in the economical field, thus enriching the meaning that R.A. Musgrave gave to merit goods. If the economical theory accepts as fully justified the existence of solely those goods which meet the needs of the consumers on a free market (i.e. private goods), then the merit goods ensure precisely the pre-conditions of their fulfillment.
- *Do not presuppose the idea of individuals' compensation for any inconvenient they cause* (for example, the policies against smoking do not include compensations for the inconvenients caused to smokers) and do not aim at meeting the general interest.
- *May be divided into three groups*: those related to the minimal state and justified by the fact that they are possibility conditions for the free market; those related to the neo-liberal programmes and justified by the fact that they increase economical efficiency; those related to the consumers' line of reasoning and, implicitly, to their level of education.

The term „merit good” does not belong to the conceptual system of normative economy discourse, whose ground rule is maximal satisfaction of the consumers' preferences. W.Ver Eecke's intention is to justify the existence of these goods, and implicitly, of the social economical vision. His justification is based on two categories of aspects:

- *objectivity* related aspects, which should be accepted in the same way the market regulations are, because they are objective, neutral;
- aspects related to the *concordance with the consumers' desires*.

Further on, we shall present the way in which other authors interpret merit goods²:

According to Stiglitz, the merit goods are those goods which the government imposes on the individuals in order to be consumed (seat belts, sanitary education).

Boiley shows that the inefficiency of some fund allocations is produced as a consequence of underestimating personal benefits out of a good consumption. Individuals underestimate the merit of some goods in expressing their preferences, hence the necessity of calling these goods merit goods.

Among the most important cases, with a general character, which cause the appearance of the merit goods, we mention:

² Apud: D.Ciucur, I.Gavrilă, C.Popescu – *Economics*, p.356

- a. The case when a group of individual consumers do not express their preferences for the goods with important, positive effects;
- b. Failure to predict and take measures against probable catastrophes, diseases and accidents;
- c. Distorsion of individual preferences as a result of incomplete information sources with regard to the existent options, of some false images of reality created by advertisements or the mass media.

To synthesize:

- The public good is no person's property, being managed by the authorities: „it follows that the state interference in providing public goods production is determined by political option.”³
- The merit goods must be provided in all states, by all forms of government, regardless of their political, democratic, or liberal orientation. Providing these goods is both morally and economically justified.
- Both public and merit goods must be provided by means of the political system.

2. The concept of „social policies” and their financing

Defining the concept of „social policies” is more difficult than it first appears to be. In a *general meaning*, the social policies are defined as the attitudes, programmes and actions directed to solving different social problems, which are quite numerous. In a *restrictive meaning*, social policy concerns only the institutions of social welfare.

Between the two acceptances, the Romanian authors work their own definitions:

- Social policy is a system of concepts and political programmes destined to maintaining, protecting and developing the vital sources of society.⁴
- By social policies we refer to activities performed through the state (strategies, programmes, projects, institutions, actions, legislations) with a beneficial effect on the individual, family or community in a society.⁵

Social policies are adopted in a space bordered by the economical component and the human (moral) general component. The optimal state lies between these two extremes, but not necessarily midway. It would be desirable to reach a favourable approach of social policies, in which the economical part, the political one and the human general aspects should have their clearcut roles which are to be taken into account if the efficiency of practical actions is desired.

³ Mărginean, Ioan – *Social Policy Economy*, p.23

⁴ Lotreanu, Nicolae – *Concepts and problems of social policies*, p.225

⁵ Preda, Marian – *Romanian Social Policy between Poverty and Globalisation*, p.15

There is more than one model of social policy, that is why copying a model is not justified. What needs to be insisted upon is the necessity that in Romania „the economical transition should be accomplished *in concordance with the new level* of the world economy, which obviously asks for particular exigencies”.⁶

Funding possibilities

On an international level there are significant differences between countries concerning the funding of social policies. Moreover, within the same country, one can notice funding possibilities which differ from one component to another. There are two major systems of financing social policy:⁷

- a) *total funding, directly from the state* (national) budget;
 - b) *funding from the national budget and from distinct social funds.*
- a) The former system presents the advantage of simplifying the procedures. All taxes are directed to the national budget, from where they are allocated to different destinations, including the social ones. Moreover, the expenses are allocated consequent to a comparative analysis of the needs for each component supported by public budget funding while observing its balance terms.
- The disadvantage is the negative effect of bureaucratic centralization and the danger implied by the power allotted to public administration. Still, centralization refers solely to the budgetary funds and to their allocation. The action is de-centralized; the danger of centralization is genuine only in a totalitarian system.
- b) The combination of funding from the general budget and from special funds, system which has become internationally general, was imposed consequent to the introduction of new social benefits, which triggered the need for new taxes. These taxes were transformed in social contributions. As a matter of fact, the contributions to the social funds are a special kind of taxes. The tax-payer becomes entitled to social benefits. But it is only the legal right which is created, without settling the amount in advance. The amount is subject to the type of fund, to the economical and social conditions and to individual factors (lifespan, sickness, unemployment etc).

The democratic authorities have adopted major changes in social policy funding beginning with the change of political regime in Romania. The communist regime in our country had replaced combined funding of social policies with direct funding from the state budget; had eradicated

⁶ Mărginean, Ioan – *Social Policy and the Market Economy in Romania*, p.5

⁷ Mărginean, Ioan – *Social Policy Economy*, p.33

private funding and some social policy components as well, but had transformed others in general benefits (free state-run education, free medical assistance).

At present we witness a return to the combined public funding and to the public and private mixed system in the social field.

3. Taxes – main source of public revenues

The revenues from the public budgets are obtained from tax duties and from the particular activity of the state. In our modern society, the taxes paid by the population have come to stand for significant percentage values compared to the revenues obtained. The proportion of the gross domestic product attracted to the state by means of taxes indicates the general level of taxation. In comparison with other countries, the level of taxation in Romania is an average one (the tax revenues to the public budget are of about 33% of GDP). In the following table we illustrate the evolution of tax burden comparatively with our country.

Table 1 – The evolution of tax burden in some OECD countries and in Romania

Country	1990	1991	1992	1993	1994	1995	1996	1997
France	43,7	43,8	43,6	43,9	44,2	-	-	-
Germany	36,7	39,1	38,9	39,0	39,2	-	-	-
Italy	39,1	39,7	42,1	47,8	42,3	-	-	-
Great Britain	36,4	35,8	35,4	33,6	34,0	-	-	-
U.S.A.	29,4	29,5	29,5	29,8	29,7	-	-	-
Japan	31,3	30,8	29,2	29,1	29,1	-	-	-
OECD	39,6	40,1	40,8	41,4	39,4	-	-	-
Romania	-	35,2	34,0	31,3	28,2	28,8	28,1	26,8

Source : Gavrilaş Gheorghe – *Finanțe publice*, p. 69

The tax policy represents the economical policy with regard to tax contents, tax typology and tax functions in the context of the budgetary revenues. It consists of a set of governmental decisions whose aim is to influence the social and economical activity with the help of revenue flexibility and of the expenses in the public budget.

It appears that one way of reducing the tax burden is restraining the sphere of activity of the public policies, which is quite reduced in our country. As a matter of fact, reducing the allocations in one field is accompanied by an increase of the allocations in other fields. There is one single

aspect which is unavoidable, that is the continuing growth of the public budget dimension, which is accomplished by tax increase and / or introduction of new taxes.

One way of camouflaging tax constraints is a proliferation of fees and contributions. Many of these contributions have, as a matter of fact, the status of taxes: that is, a tax constraint consequent to which no direct benefit follows for the tax payer. A significant deviation from the object of taxation is represented by the total or partial tax exemptions as well as by using very different marginal rates of taxation (a stricter taxation of the higher revenues). To the purpose of a safe collection of the population's tax constraints, detailed regulations have been adopted and sanctions are stipulated in case of evasion. Besides, acquittal of tax obligations is considered to be a test of honesty, the individual's credentials.

The global income tax was introduced in Romania starting with January 2000, so that all sources of personal income should be considered.

Tax on wages

We shall first analyze the wage taxation, the wage being the main source of income in modern economy. The taxation level is periodically modified; for the tax year 2004 it has been valid since January and was published in the Official Gazette number 4 / 6 January 2004.

In the year 2004, the gross minimum wage is of 2,800,000 lei (60 Euros, for an exchange rate of 1Euro = 40.500 lei). The taxable wage is subject to a *five-phase taxation with different rates*. According to the new tax code, operative since the 1st of January 2004, two indemnifications are not subject to taxation: the indemnification for maternity leave pre- and postnatal, and indemnification for child support, until the age of 2. This measure was taken to stimulate birth rate.

<u>Taxable monthly income:</u>	<u>Value of tax:</u>
- Up to 2,400,000 lei (60 Euros)	- 18%
- Between 2,401,000 lei – 5,800,000 lei (61 - 143 Euros)	- 432,000 lei (10.5Euros)+ 23% for the sum in the interval
- Between 5,801,000 lei – 9,300,000 lei (144 – 230 Euros)	- 1,214,000 lei (30 Euros) + 28% for the sum in the interval
- Between 9,300,001 – 13,000,000 lei (231 – 321 Euros)	- 2,194,000 lei (54 Euros) + 34% for the sum in the interval
- Over 13,000,000 lei (over 321 Euros)	- 3,452,000 lei (85 Euros) + 40%

Tax on Corporate body profit

The standard rate of the profit tax is of 25%. The taxable profit is determined starting from the accounting profit.

Table 2: The level of the profit tax in 2000 for countries in South-Eastern Europe

Country	Percentage of legal rate	Percentage of effective rate
Romania	25	21.0
The Czech Republic	35	10.9
Hungary	18	13.1
Poland	34	22.1
Slovakia	40	16.9
Slovenia	25	12.4

In order to support micro-enterprises, the tax applied to these is of only 1.5% of the income. A micro-enterprise must fulfil the following criteria: a turnout of up to the equivalent of 100,000 Euros, less than 10 employees and 100% private capital.

4. Considerations over tax constraints

A) A situation which deserves special attention refers to the *distorting effects of salary taxation on population and, consequently, on its active behaviour on the labour market.*

- By a cost – benefit type of analysis, employees decide over the benefits of working longer hours in order to obtain a higher income for which they must pay more taxes. At a marginal rate of 40% which is beginning to be applied for incomes over 13,000,000 lei, the value of tax constraints almost equals the supplementary net profit allotted to the respective individual.
- The level of the tax constraint should eliminate the contradictory effects in case of persons seeking to find employment rather than accept the status of social allowance beneficiary. It is good to avoid the attitude of the unemployed, who consider that it is not worth “striving” to obtain a job. The strategy to follow cannot automatically be one of reducing the amount of the unemployment benefit, but one which should aim at the level of work-related income and taxes. Otherwise, some individuals stay dependent on social security, which is a real trap of poverty. At present, starting from the 1st of January 2004, the gross minimum wage is 2,800,000 lei, the net income is 2,295,680 lei (57 Euros) while the unemployment allowance cannot be over 50% of this minimum wage.

- The pensions lower than 8,000,000 lei are not subject to taxation, but the low and average wages are; this aspect is an inequity, especially since a policy of massive retirement was adopted, and the rate of dependence had already arrived at 1,5 pensioners per employee in the year 2004.

B) *As for the direct wage tax*, criticism can be made against the fact that:

- there are few cases of deduction;
- there are no deductions for the purpose of buying and building of houses, of long-term facilities;
- there are no deductions for private insurance subscribers;
- financial difficulties of single parental families are not considered.

C) *Company profit taxing* was situated at the meeting point of two contrary interests: the increase of budget revenue on the one hand and providing the incentives for lucrative investments on the other hand. The effects of the taxing measures in the year 2000 was that, the annulment of taxing facilities in the previous year led to a revenue loss in the GDP estimated to about 2%.

D) The law stipulates *discounts on the tax for agricultural and forestry related profits* and a tax increase on the profit obtained from gambling. But individuals obtaining a high profit from agricultural activities could have paid taxes. Even though the deadline for the first payment of the agricultural tax was the 1st of September 2002, the Ministry of Public Finances delayed it until the year 2006.

E) *The residence tax* seems to be considerably increased for the second residence, if the owner does not rent it, fact which implies anyway financial obligations towards the state as a result of renting income.

F) An indirect type of tax on consumption is *the value added tax (VAT)*, with a standard quota of 19%. The level of efficiency of this tax, introduced in 1993 as a modern form of taxation, had a descending trend. It has a much stronger influence on the poor strata of society than if the VAT value had been differentiated according to two categories of goods: those of strict necessity, with inflexible demand related to price, and goods with flexible demand. The positive news is applying a reduced VAT, of only 9%, for situations such as: book, magazine and publication deliveries (except for those with advertising purposes), deliveries of medical prostheses, visiting museums, memorial houses, human and veterinary medicines, hotel fees.

G) *Excise taxes* have been paid since 1993 for goods labeled as luxury products, for goods considered to be harmful (alcohol, tobacco) and to those subject to a saving process (fuel). Ever since the beginning, managing excise taxes has proved to be difficult.

H) *Utility taxes* for public goods are applied without a strict connection between the level of taxation and the effective use of the good (e.g.: the road tax).

I) *Customs duties* manifest a decreasing trend leading even to elimination, justified by the preparations to enter the European Union. The total volume of these taxes represented, in the year 2000, 1.1% of the GDP.

J) The level of the *Contributions to the Social Security* and to the *Social Health Insurance* is established on a yearly basis by the Law for budget adoption. The positive aspect is constituted by their decrease, a trend which has become obvious in the later years.

K) *The most serious drawback of the present taxation system is the incomplete collection of taxes and the disregard in collecting the outstanding taxes in due time.* The budgetary income has had a descending trend. Consequently, it is currently intended to pass from the progressive tax to the introduction of single tax quota (with the debatable percentage of 23%).

A “tax revolution” is practically motivated:

- because the global income tax did not give the expected results and proved to be a failure;
- because this would be an easily applicable tax;
- it is difficult to be eluded by an employer – he does not perform difficult calculation;
- it is easy to collect;
- allows for higher incomes for more work;
- it is flexible, easy to alter at both ends, without limitations.

It is believed that this will provide incentives for work and will stimulate the middle class, who will not have any reason to conceal their profits. It is appreciated that this will greatly facilitate citizens’ relations with financing services, which will no longer require forms difficult to fill in. Bureaucracy will be simplified, because anyway, there was no control system in Romania to verify the citizens paying their taxes.

Among the debatable negative aspects we mention: individuals with big and very big incomes will fully benefit from it, while the most affected will be the unemployed; the progression of deductions will create a very complicated system; the employers – whose current work-related expenses are 52%, will have to pay 50%, which is a minor advantage; questions appear such as: will the same percentage be applied for a student who works only during the holidays?

Essentially, the intention is to raise awareness among the citizens as to their obligation to pay taxes as well as a more carefully considered management of budgetary incomes.

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ACTION PROGRAMS OF E.U. FOR UNIFYING NATIONAL STRATEGIES IN TRANSPORTS' AREA

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Abstract: *In the near future, the European Union, through the common politics adopted in the area of transports, wishes to solve both the acute problems connected to congestion, pollution, accidents and to make modular interference between all means of transport, completely safely and with environment quality assurance. The coming out of new members with peculiarities and specific problems diversifies the concept of facilities and quality services. For this reason the E.U. has devised action programs in all subsystems of transport, programs that include a series of activities and regulating measures whose purpose is to increase transport's quality, as well as to harmonise national legislation with the European one in this field.*

General Elements

Transports are crucial in our economic and commercial competition. This sector covers 1.000 billion Euro that represents 10% of the total production of E.U., having 10 million employees. Transport assures the drawing closer of Europe citizens and is a landmark for expanding the united Europe. E.U., through the common politics of transports, wishes to solve both the acute problems connected to congestion, pollution, accidents and to make modular interference between all means of transport, completely safely and with environment quality assurance. In the White Pages of transports, initiated on the 12th of September 2001, E.U. outlines a daring set of guiding lines for not less than 60 activities, programs and measures until 2010.

This is just a primary step that needs that is to be concluded in the near future, considering the particularities imposed by the actual situation.

The coming out of new members with peculiarities and specific problems diversifies the concept of facilities and quality services.

Based on general principles of White Pages concerning the optimal use of infrastructure, facilities offer, services modernisation, etc. there are followed:

- Revitalisation of railways through the expanding and correlation of networks with offering facilities and competitive services of a high quality at the same time with harmonising legislation in the area;
- Securing a balance between the growth of air and road transport through expanding the airport capacity and lowering noise and the other pollution made by airplanes;
- Creating the Trans European channels of auto transport at the same time with increasing security on roads and setting unitary taxes. Also, it is followed the development of a superior quality in the urban transport and its efficient transformation.

For this purpose, Transports Division of E.U. covers all possible kinds and forms of transport for the entire range of problems.

Action Program of E.U. in auto transport

The action program devised by E.U. for increasing the quality of road transport includes measures for regulating the penalties and auto revisions until the end of 2001 for:

- Efficient promoting, unitary interpreting and monitoring the legislation concerning road transport;
- Establishing the liabilities for certain crimes against law, committed by own employees;
- Regulating the conditions for withdrawing from circulation of motorcars

At the same time, there is stipulated the increase of the number of checking-ups for obeying the proportion between the actual time of driving and that of resting, the promotion and assurance of more attractive and satisfying working conditions in auto transport, the stipulation of legal regulations that should allow the correct revision of the oil price increase.

As E.U. politics on road transports is concerned, this aims at reducing half of the number of pedestrians that are killed in road accidents by 2010 and, at the same time, it will harmonise national laws with the European ones by 2005, especially those regarding the speed regulation and that of consuming alcoholic drinks.

There is also intended to issue a law by which all car producers will have to attach safety belts to all chairs.

The auto instructors are suggested to describe dangerous cases of driving, to encourage driving under the conditions stipulated by law and to make continuous efforts for fighting against the use of alcohol, medicines or drugs while driving a car.

The members of the committee aim at promoting a law, applicable in E.U., which can allow and encourage the independent researches in the area through setting up a committee of experts that are to develop their activity within the Committee.

Urban Transport

As the urban transport is concerned, the main objective to achieve is creating a transport as civilised as possible. Apart from these there are the efforts for using this means of transport more and more in the near future, as a result of replacing gas with hydrogen in the case of cars. These daring attempts need support, including managerial measures, integrated services of urban transport and the promotion on the market of some vehicles with a low potential of pollution or completely non-polluting.

The production of a new type of cars- with an electric motor combined with a heat engine and cars that work with natural gas or, in a not very distant future, those with hydrogen cells – all these seem very attractive.

As the researches in the area are concerned it is followed the idea of an integrated road transport system which is to be linked to a railway system for developing a civilised transport system both for the passengers and for the goods.

Referring to transport development it is worth mentioning the initiative of 6 Euro-regions, which include the most important trasportators in this domain, by means of which it is desired to point out the needs of road transport. Thus it was obvious that an international information system is necessary and this should include both data about the traffic and control data so as to be an efficient collaboration between countries as road traffic is concerned, especially on holidays when jams occur.

At present there are projects referring to the creation of an European network of information for road traffic, the introduction of electronic systems of taxation, etc.- a network that is wanted to be functional in the entire E.U. This project is a priority, as 1.2 billion of Euro are to be invested, sums of money from either European programs for financing or different regional, local authorities. To put this project into practice, all the countries from E.U. should agree.

Action programs of E.U. in railway transport

The committee issued a set of laws for railway transport sector to promote a decent market for national transport of goods and passengers, as well as to promote a high level of security,

establishing the clear implications of each party. At the same time it was followed the updating of some laws concerning the railway regulations/conventions and the promoting of services for an international transport of passengers under high security and quality conditions. Furthermore it is considered the promotion of a directive for determining material damages in case of delays or non-fulfilment of assumed obligations, the creation of a new railway infrastructure for passengers, different from that of goods transport, as well as the reduction of the impact of this transport type on the environment.

The researches in the area come to support the creation of background of interoperability between railway, road and navy infrastructure. There are considered new technologies which bring about the improvement of the capacity of the means of transport: trains with more wagons , distributing optimal hours for operating, procedures for maintenance, etc. and the result will be more competitive services. On long term, it is considered the promotion of a system based on a new source of energy- cells with hydrogen.

As the European Railway System is concerned (ERTMS), this is a project system set up in 1990 and developed with the help of the committee. This system represents a giant leap forward in the area, at present being just tested.

The main activity is to monitor and assure a low interval of operation of trains, allowing a train to operate on all European railways and having one system of command, while at present there are over 11 types of command systems in Europe.

Some countries of Europe have already initiated the phase of system application and, in the following years, they will use this system for the most important railways. At present the system is in the testing phase and it will become the cheapest system of railway operation.

Action Programs of E.U. in air transport

Of all forms of transport, air travel has seen by far the most impressive growth in the European Union over the last twenty years. In terms of passenger-kilometers, traffic increased by an average of 7.4% a year between the year 1980 and 2001, while traffic at the airports of the 15 Member States increased five-fold since 1970. Despite the impact on air transport of the 11th of September terrorist attack it's expected that the traffic trend will recover in the coming years.

Following the major crisis which hit the industry in the early 90s, efforts to restructure and deregulate the European market have enabled airlines to operate successfully again.

The Commission's work program in the field of air transport is intended to tackle some issues which are confront with: the saturation levels reached at airports, the overloaded air traffic

control system, the fragmentation of European airspace, the competition and to assure, at the same time, the free access to the whole of the Community market.

The air transport sector in the European Union was liberalized in three successive stages.

The first "package" of measures adopted in December 1987, measures which:

- it limited the right of governments to object to the introduction of new fares;
- it allowed some flexibility to enable airlines in two countries which had signed a bilateral agreement to share seating capacity. Until then, absolute parity had been the rule.

In June 1990 **a second "package"** of measures opened up the market further, allowing greater flexibility over the setting of fares, freight and capacity-sharing.

The last stage of the liberalization of air transport in the European Union was the subject of a **third "package"** of measures, which were adopted in July 1992 and applied as from January 1993. This package gradually introduced freedom to provide services within the European Union and led in April 1997 to the freedom to provide cabotage, i.e. the right for an airline of one Member State to operate a route within another Member State.

The main measures are as follows:

- **Community license:** the market is open to all airlines which hold a **Community air carrier's license** (Council Regulation (ECC) No 2407/92). For a company to obtain this license, most of its capital must be held by Member States or nationals of the European Union. The latter must also exercise effective control over the company. The technical capabilities and financial capacity of the companies concerned are sanctioned by means of national certificates. The third "package" stipulates that companies must submit a two-year development plan to the authorities and provide proof that they will be able to cover their operating costs for a period of three months without income. Lastly, companies, which use leased aircraft, are required to take up adequate insurance.
- **Freedom of access to the market** is laid down in Regulation (EEC) No 2408/92. This text opened up all international air routes in the European Union to all companies that hold a Community license without any restrictions as from 1 January 1993. Since April 1997, unconditional access to all domestic markets has been granted to all airlines in the European Union.

The most important safeguard measure in the Regulation on access to the market concerns public service obligations, which enable governments to maintain services considered essential for harmonious development within their territory.

This is done in two steps. Firstly, for a given route, the Member State publishes the **public service obligations** that will be imposed on the carrier in terms of capacity, flight frequency and fares. Then, if no carrier states that it is prepared to provide a service, the Member State may

restrict access to the route concerned to a single carrier and decide to grant that carrier financial compensation in exchange for compliance with these obligations.

- ***Freedom with regard to fares and rates*** was an essential part of freedom of access to the Community market. Regulation (EEC) No 2409/92 stipulates that airlines are no longer required to submit their fares to the national authorities for approval. All they have to do is to inform them forty-eight hours before applying the new fare. The Regulation does, however, provide for control mechanisms to be reintroduced in exceptional circumstances.

Generally, a fare increase can not be objected to if there is a high level of competition on the route concerned or if legal provisions or practical contingencies do not hamper the arrival of new competitors, e.g. saturation at an airport. Conversely, if it is established that airlines are involved in a price war that has already led to two consecutive and general drops in fares and none of them is making any profit on the route concerned, the national authorities may object to a fare reduction.

It has not been necessary so far to apply such a measure since 85% to 90% of passengers now travel at reduced fares within the European Union. The Commission has, however, noted that the "fully flexible" fares, which are not subject to any kind of restriction as regards changing the reservation, the length of stay at the destination, etc. are still excessively high on some routes.

E.U. Funds available for transport infrastructure

Regional European Fund for Development

It is the biggest of the 4 E.U. funds that was and will be the main means of financing transport infrastructure. Between 1994 and 1999 this fund financed with 13,9 billion of Euro transport projects in: Spain, Portugal, Italy and Greece.

The decision to involve E.U. funds for transport infrastructure belongs to the local and national authorities and not to the European Commission of Transports, with the exception of the projects which exceed 50 million Euro.

Each country that is in the process of adhering to EU makes its National Plan for Development, based on needs and possibilities, negotiating with EU, Community Support Framework (CSF) which will generate between 20 and 50 Operational Programs. The companies interested in accessing the funds will set up contacts with local transportators and with the Ministry of Finance, or with that of Integration if it is case.

INTERREG

INTERREG program is accessible to development projects in the border area between countries. The European Commission invites the members to advance projects for regional integration of European countries. These requests are published in the official journal of E.U.

Cohesion Fund

This fund is available for the countries that are adhering only after they have become members of EU. 50% of EU Cohesion Fund, representing 18 billion Euro is available to transport projects for the period between 2000 and 2006. Only 5% of these sums have been used because there are conditions of selection referring to the importance, impact, number of people involved and the last but not the least the size of users.

ISPA

Instrument for a Structural Policy for Pre-Accession is a fund of grants for programs applicable to the adhering countries adhering to EU for preparing and achieving European standards. Since the 1st of January 2004, most existing ISPA projects or the new ones which haven't been financed and are for the adhering countries, will be transferred into the Cohesion Fund for ISPA Funds.

PHARE

PHARE funds are applied to 10 candidate countries to EU among which there is Romania, too and they are focused on two aspects of creating the administrative capacity and of investment support which includes the development of a major infrastructure. PHARE budget is of 1,5 billion EURO/year, until 2006. This won't be valid for the countries that adhere to EU from the 1st of January 2004, it will be only the main instrument of financing for Romania and Bulgaria.

PHARE grants are generally little as sums and are usually given for co-financing with other institutions, even with the European Bank for Development and Reconstruction, the European Bank for Investments or World Bank.

PHARE projects are selected by each government as long as they coincide with the direction of the National Program agreed together with European Commission

Trans – European Networks (TENs)

European Commission proposed the adoption of the directions of Trans-European Network for Transport called TEN-T **to be able to pay an instalment on (a conta)** This fund is available for projects concerning new routes of operation towards Eastern Europe, having a budget of 220 billion Euro.

TEN-T projects are partially financed by the Cohesion Fund.

Most funds are directed to railways and motor corridors

In 1996 TINA program (Transport Infrastructure Needs Assessment) was launched for studying the necessities to co-ordinate transports, applicable to 11 countries, members of EU.

European Bank of Investments

With the headquarter in Luxembourg it is the main form of financing long term projects. The bank can administrate a volume of 39,4 billion EURO/year, available also in transport projects out of which 10% also applicable to countries from Central and Eastern Europe. For the financing

projects of adhering countries the bank asks for national guaranties and for EU agreement to grant facilities of Pre-Accession.

Moreover the European Bank of Investments finances projects from TENs in a quantum of 50 billion EURO until 2010.

Conclusions

One can conclude that the economy of the European Union, and especially its dynamics, will impose the conceptual redefining of the notion of transport, both with the extensions to the classical ways and domains and especially to the intermodular domains of transport combined and different, where the request and the offer of this segment of the market will push the transport system to the higher and higher quality requirements.

Romania has no other solution but to continue the efforts to adapt and interconnect with this new system that is taking shape, moreover having one big advantage that after 2007 it will be in the first line of the continuous extension of the European Union, an extension which cannot be made without an infrastructure and a transport system that are redefined and powerfully implemented in the union's economy.

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HUMAN RESOURCES FROM THE PERSPECTIVE OF SUSTAINABLE DEVELOPMENT

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Abstract: *The concept of sustainable development exceeds the traditional vision over the progress; it is based on the idea of chance equality between present and future generations. Modern development can be sustainable only if the interaction between its components (environmental, economical and social) is centred on man and the supplying of his needs. The utilization of the entire potential of the human being and the assuring of a higher quality of life constitutes the essence of the sustainable economical development, man being the primary protagonist the final addressee of the development.*

The sustainable human development facilitates the understanding of the natural correlation between economical growth and the formation of the human capital. Thus, the sustainable human development generates not only the economical growth, avoiding the environment degradation and the resource waste, but it also distributes its benefit in a fair way.

In the context of Romania's firm intentions of adhering to the European Union, the quantification of human development, realized by the calculation of the Human Development Index, shows a modest development degree. Romania must make efforts to approach the level of this indicator to the level in the European Union member states.

1. Human resources-motors of sustainable development

Proceeding from the idea of chance equality between generations, the sustainable development proposes to realize an economic environment which, through its entrances and going outs to be in dynamic consistence with the natural environment and with the present and future interests of the generations, which coexist and come in turn. In this context, by the continuation of

his preoccupations concerning the future of Romania, N.N. Constantinescu¹ underlined the three principles: the principle of economic efficiency, of social efficiency and of ecological efficiency on which transition must rely on, in order to respond to the rules of progress; he also underlines that the realization of the economic efficiency principle is a “sine qua non” condition for the achievement of the other two. In order to illustrate the above ideas, Lester Brown, one of the initiators of the trend named “sustainable development” draws the conclusion that “we need a new moral compass, one to guide us in the XXIst century, a compass based on the principles of satisfying the human needs in a lasting manner.”²

This new model, sustainable development or viable, supposes the interaction of three systems: environment system, economic system and social system. Due to the fact that the economical growth is the first condition of the economic development, it is clear that in this interdependence the main role is taken by the economic, which must emphasize the efficacious utilization of the resources. The environment is not anymore seen as a supplier and the economic as a beneficiary of the resources, but three are analyzed the effects of the economical growth upon the environment, and a new term is formulated: the concept of eco- development, which is the achievement of economic growth and development by avoiding the degradation of the environment, the growth of the degree of valorification of the resources and stopping the waste of unregenerate resources.

The sustainable development is a complex and long- lasting process, which must be understood by knowing all its dimensions: human, economical, technological, and ecological and the dynamic interdependence between them. These dimensions can also be found in the interaction of three already mentioned systems: the environment system (of natural resources), the economical systems and the social system (of human resources).

The economical resources must be tackled in a double way: as a stock (or the potential which exists at a certain time) and as a flow, which means attracted in the economic circuit (production factors). In this way, they influence the economic by the quantity, structure, quality and efficiency of their utilization. Even if in time the resources grow in volume and know structure and quality improvements, they are rare, limited, and insufficient in comparison with the needs, their dynamic being slowly than that of the needs. In this way we arrive at the first axiom of the economic science: the human being has to satisfy its unlimited needs with limited resources. It is the first element that we must think about when dealing with a long- term approach of the development growth.

¹ N.N. Constantinescu, „Reform and Economical Straightening”, Editura Economica, Bucuresti, 1995

² Lester Brown, „The World’s State, Editura Tehnica, Bucuresti, 1999, p. 38

As far as the natural resources, in the book “The Non- dissipative Technology”³ there are identified the main causes of the growth of their consumption, as being: the growth of the population on Earth and the aspiration towards a standard of living as high as possible, as well as the wasteful behavior of natural resources. The authors underline that the saving of natural resources may contribute to the attenuation of the difficulties tied to the covering of the growing need of natural resources and they group the ways of saving the natural resources into two important categories:

- The I. Category aims at the possibilities of growing the technological, communication, ethics, etc.

As early as its appearance, the man has tried to perfect the relation resources- needs, taking into account the compulsions; what is now new is the meaning of the word “limited”. The word does not constitute anymore a mere finding, but an alarm signal.

As far as the natural resources are concerned, they occupy the first place among the economical resources, expressing the physical and intellectual capacities (from the quantitative, structural and qualitative point of view) that the population is able to offer to the economical activity. The importance that must be given to the population in the substantiation of the growth strategy objectives comes; first of all, from the necessity of insuring the relation between the production and consumption, of the relation between consumption and accumulation, an essential condition of any well balanced economy. In this case we can speak of the “limitation of resources” and if so, how must we deal with it?⁴ The limits of human resources are generated by the limits of other resources and not by the dimensions of the population (in accented growth in the world and in slow growth in Europe). The part of human resources, which is to be used in the production process in order to generate a useful effect, is the man-power (labour), whose quality and efficiency depends on the investments that have been made in the professional training. Taking into consideration the learning and creative capacity of the individuals, the human potential proves, it seems, the only unlimited resource that we have. The long-lasting global strategies must consider the alternative of massive investments in education, in overpopulated areas, because the transformation of that population, through professional preparation, from primary resource, consumer, to derived resource, value creator, is the only way towards a slackening of the world economy relations.

In our days, the investments in health, education and nourishment are more and more central elements of national investment strategies. Even if the whole problem of development has been extended in order to include the investment in the human being as an essential component, may be the most important one, in the development strategy, the concept of human development is more

³ M. Zaira Murgu, Henry N. Mc.Carl, George Preda, Constantine Sharpe, *The Non- dissipative Technology of Natural, Energetic and Material Resources*”, Editura International University Press, Bucuresti, 2003

⁴ Silvia Cristina Marginean, „The Economic Development and the Population”, Editura Continent, Sibiu, 2003, p. 17, 21

and more widened, it stopped expressing only investments in the human capital⁵ and the development of human resources. The Program of the United Nations for Development (PUND) elaborated in 1990 defines the human development as “an enlargement process, of diversification of the people’s opinions” in all the domains of the quality of life no matter if they are in relationship with the material condition, personal security or political status.

Today we use the term “sustainable human development” which means largely expressing opinions and the use of the human capacities, the consequence of the molding of the human capital in such a way that these ones to be capable of contributing to the satisfaction of the needs of the present generation, without compromising the needs satisfaction of the future generations⁶. The sustainable human development facilitates the understanding of the natural relation between the economical growth and the formation of the human capital. In this way, the sustainable human development generates not only the economical growth by avoiding the environments degradation and the waste of resources, but it also distributes the benefits in a fair manner.

The problems that the international community deals with (the growth of poverty and the social-economic casting out of some categories of the population) have lead to the appearance – in the economical and sociological thought of the last years – of the notion of “lasting and sustained human development” which gives priority to the problems of the population in poverty, by enlarging its possibilities and opportunities to participate in taking decisions upon the problems that affect it, by also facilitating the social dialog, insuring in this way the basis for the restoration of trust in social and political actions.

1. Human Development Index

In order to quantify the degree of development of the human resources, it has been elaborated the Human Development Index (HDI). It expresses, on an average, the intensity of the simultaneous presence of more characteristics, considered essential, in order to characterize the condition of the social-economical development from a country. Such characteristics, represented through indicators, which have a great synthesis capacity, are:

- The economical development, represented through the GDP (Gross Domestic Product) level on an inhabitant (PPP US \$-calculated at the parity of the power of buying in USA dollars) as a measure of the life standard;
- The level of education, calculated as an arithmetic balancing average between two indicators: the degree of literacy (67%) and the degree of enrolment in instruction (33%);
- The health state, represented by the life expectancy of birth.

⁵ The human capital involves the qualification, the talent, the competence and the abilities of the individuals, to which are added the results of education and the care of health.

⁶ The Romanian Government-, „The Report of Human Development in Romania”, Bucuresti, 1995

In order to be able to aggregate these three variables, different in their content and form of expression, we must proceed a preliminary calculus of the partial indexes, and in the final part we determine the HDI as a simple arithmetic average between the three partial indexes. The size that HDI can take is situated between 0 and 1. It allows not only a hierarchy of the countries (regions) in this way: countries with a high HDI, countries with a medium HDI, countries with a low HDI, also to determine the priorities of economical politics, which will mainly be centered on the human, and also the evolution of the progresses registered in time and space in regard to the human development. All the developed countries from Europe record HDI values of more than 0,9.

HDI is calculated in Romania too, on countries, regions and on national level. The value of the basis of which has been determined the HDI in the years 2000 and 2001 may be seen in the table 2.1.

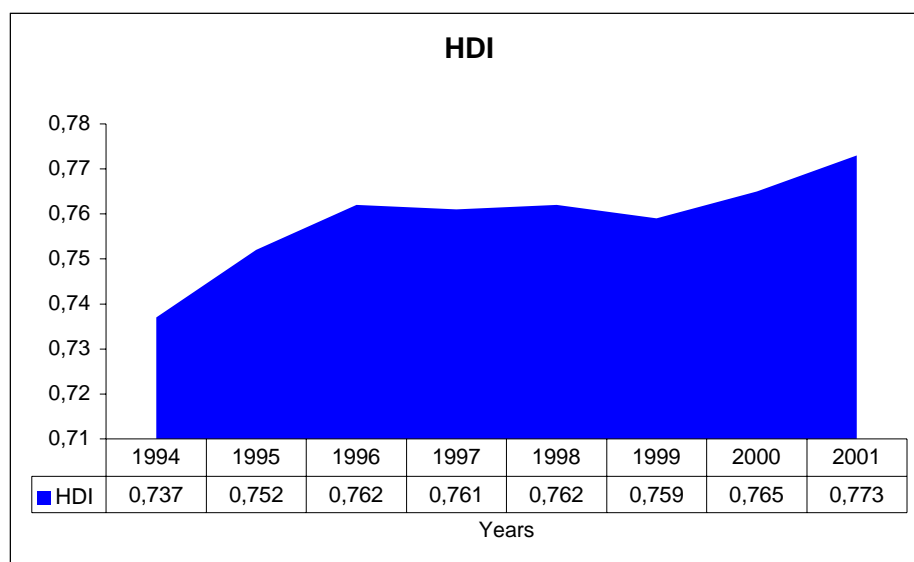
Table 2.1. The components of Human Development Index, 2000 and 2001

Nr.	Indicators	Values	
		2000	2001
1	Life expectancy Index	0,758	0,76
2	Education Index	0,868	0,88
3	GDP Index	0,670	0,68
4	Human Development Index	0,765	0,773

Source: National Human Development Report 2001-2002, PNUD data 2003

An appreciation of the HDI evolution in Romania, in the period 1994-2001, can be seen in the figure 2.1., reflects an oscillatory evolution, without major evaluations from one year to another and situates our country in the category of countries with a medium human development indicator.

Figure 2.1. Human Development Index Trends in Romania



If the period of time 1994-1966 there has been an improvement of the HDI level, in 1999 there has been registered a diminution, after which a resumption of the upward trend, by reaching in 2001 the highest value from the whole analyzed period. The reached levels show a modest development degree, especially in the context of Romania's firm intention of adhesion to the European Union.

To these relatively modest results of the indicator, a first contribution has had the diminution of GDP and implicitly that of GDP/inhabitant; the economical component of human development is the black ball permanently given to Romania. The costs of transition have been higher in Romania, in comparison with other central and East-European countries, firstly due to the slower rhythm of transformations. The GDP level is low in regard to the demands of the development for the recovery of the lagging behind. The solution would be the economic growth and that of the economic performances through an efficient rule.

The influence of the other factors has been minor, due to the fact that between 1995-1998, the life expectancy of birth remained at the same low values (69 years old), this being the result of the economics' compulsion, a slight growth being registered after 1999, but for an improvement of the life hope we need time, in conditions of market economy and free initiative, promoted through the reforms reintroduction. The education index has registered a slight tendency of growth in the analyzed period, based on the growth of the degree of involvement in instruction; the degree of literacy of the adult population has remained at the same high level that has been registered in the last decades (97%), this being one of the most favorable aspect inherited from the previous system.

A comparative approach of the development degree of the human resources confirms the modest position that our country has in an eventual classification of the European countries. Our country has to make special efforts for approaching the level of this indicator to the ones of the countries, which is member in the EU. Romania defines as a strategy objective the obtainment of a HDI of 0,8 in the years 2005-2010, which would allow the alignment of our country in the same line with the countries that have a high human development. These efforts must first of all center on the economic aspects, finishing by increasing the gross domestic product, but also by improving the health state of the population, materialized in the growth of the medium life length.

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A FEW CONSIDERATIONS ABOUT SUSTAINABLE DEVELOPMENT IN THE FUTURE

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Abstract: *This work presents a few considerations about sustainable development in the future, at global level. The approached problems are about the core development challenge (the windows of opportunity, opportunities in demographic transition, in the urban transition, the socio-economic transformation in special terms) and the action lines for the long-term problem.*

The new vision that is looming much stronger about the world future sustainable development starting to the necessity of the equality chances of the human generations that coexist and revolving to life on Earth Planet.

The sustainable development blend in a superior synthesis, the sustainable economic growth, conservation and improvement of natural-human health, social justice and assure the democratic ambiance in the social life. In the perspective of this vision, already it is pass into appreciation and measure the nations wealth with an aggregate index – HDI (Human Development Index), in its structure came, beside the economic quantitative expression of development, the value of the natural, human and social capital too. ¹

The preoccupations about sustainable development on each country level but at global level too are the result of a complexity of problems that concern: the poverty in middle of the wealth, the degradation of the environment, the loss of trust in institutions, the incontrollable expansion of urbanization, the incertitude of a place of work, the juvenile estrangement, the traditional values removal, the unemployment and other financial-economic or geopolitical crises.

Inside the sustainable development it is pursue the interaction of the compatibility of four systems: economic, human, ambient and technologic, to assure the present needs satisfaction,

without compromising the future generation's capacity to assure their needs. For realising the compatibility condition of the four systems that interfere, the strategy of sustainable development included, as an essential element, the progress simultaneity in all four dimensions. In our country a similar vision of the future has developed, since 1976, N. N. Constantinescu in the work "The economy protection of the natural environment".

In first chapter of the World Development Report 2003 it is written in a figurative mode that the sustainable development "is about people and how we deal with each other. It is about our home planet and its fabric of life. And it is about our aspirations for prosperity and posterity."² Also, this Report takes a comprehensive, longer term, and dynamic view of sustainability, with a clear focus on poverty reduction.

Because most current estimates suggest that 2 billion people will add to the world's population over the next 30 years and another billion in the following 20 years, the core challenge for development is to ensure productive work and a better quality of life for all these people.

Although in the 1960s and 1970s the Club of Rome and many other groups forecast that the Earth would rapidly run out of key natural resources, the reality shows that the changes in technology and in preferences have allowed substitution of new resources for existing ones. On a global level also led to major strides in eliminating disease scourges (smallpox and river blindness), and in addressing new problems (ozone depletion). Anyway there are some negative social and environmental patterns that must be not repeated in the next 50 years if development is to be sustained: poverty - declining, but still a challenge, inequality - widening, conflict - devastating, fresh water - increasingly scarce, air - polluted, soil - being degraded, forest - being destroyed, fisheries - declining.³

As we well know economics, societies and culture, nature, evolve but they evolve at different speed, creating stresses that need to be addressed and managed. Although globalization and technological change offer many benefits, they can have detrimal effects if institutions at local, national and international levels do not evolve fast enough to deal with the adverse spillover effects. These processes, if managed well, can create new opportunities; here we advert to four of them: scientific and technological innovation, income growth, population growth, and urbanization. If the first two have an immediate and certain influence providing new opportunities to satisfy the changing preferences, the last two, by contrast, are one-time changes, and the opportunities they offer are perhaps less well recognized.

To benefit from scientific and technological innovation, institution are needed that can stimulate and diffuse technological innovations and avoid or mitigate any deleterious consequences.

¹ ASE, *Economie*, Ediția a șasea, Editura Economică, București, 2003, p. 220

² *World Development Report 2003*, The World Bank, Washington D.C., 2002, p. 1

³ *Ibidem*, p. 2-3

A projected growth in global income of 3 percent a year over the next 50 years implies a fourfold increase in global GDP, but that could place a strain on the environmental and social fabric if there is too little attention to shifting consumption and production patterns.⁴ The investments made (including those in human capital) must be more environmentally and socially responsible through appropriate investment criteria, that will go a long way toward putting development on a more sustainable path.

The global demographic transition is well underway, even if it is not yet complete. This is a major opportunity. World population is expected to stabilize by the end of this century at 9 billion to 10 billion people, 20 to 30 percent lower than forecast in the 1960s and 1970s. This slowdown is due to factors like: more educated, employed women and smaller families, creating a need for more education for children, widespread dissemination of modern contraceptive technology. Of course, the speed of the transition, and the resulting population size and structure, will vary by region and by country. If fertility rates drop faster, many countries will have to deal sooner than expected with another problem – an aging population. On the other side, in Africa's country changes in the incidence of disease will have profound effect on health expenditures.

With declining fertility, the age structure of the population changes, opening a window of opportunity in developing countries for a few decades - a window they can use for catching up and raising welfare for all.⁵ But the potential benefits will materialize only if the members of the working – age population are gainfully employed and have opportunities to expand their assets base. Eventually, dependency ratios⁶ rise again as these workers age, and the window of opportunity starts to close, as it will soon begin doing in East Asia and Eastern Europe.

Lower rates of population growth will reduce pressure on natural resources, but this could be counterpoise by the increase in per capita consumption. Admittedly there must adopted the technologies and the growth path for production and consumption that assure a sustainable use of the natural resources. To benefit from the opportunities a stabilizing population provides, it is essential to anticipate the problems and to identify the development strategies for passing through the transition period (the next 20 to 50 years) without making the conditions that generate other conflicts or resources degradation.

The transformation over the past 150 years made possible the passing of the rural society to the urban society – more open, inclusive and innovation-oriented. The transition from village to towns, and from cities to metropolitan area corresponds to the different functional capabilities of larger, higher-density conurbations.

⁴ Ibidem, p.4

⁵ Ibidem, p.5

⁶ It is the dependency ratio of the non-working-age population (under 15 years old and over 64 years old) to the working-age population (ages 15 to 64).

These potential benefits could easily transform in to facts if the investment climate is improved through better enabling rules and frameworks and better physical infrastructure. Stimulating and attracting investments – in particular, by the small and medium-size enterprises that provide most of the jobs for growing urban populations – is the key to accommodating the expected growth in urban populations and ensuring their ability to pay for needed urban services and amenities.

We set out that the social and economic transformation (from traditional rural to modern urban) is manifested spatially. The ecosystems too, are defined spatially. The changes, the result of local development pressures, do not show up at national and global levels until they accumulate, but they provide early warning of problematic consequences of current development patterns.

It's important to look at where people are now and where they are likely to be in the future. The world's population increased by more than 3.5 billion people in the past 50 years, and 85 percent of these added people in developing and transition countries doubled, in stark contrast to the declining numbers in this category in high-income countries. The number of cities with a population of more than 10 million people went from 0 to 15 in developing countries but only from 1 to 4 in high-income countries.⁷

The population growth by 2-3 billion will be almost exclusively (97%) in developing and transition countries and virtually all of it will be in urban areas. Dealing with these people's needs, will be a major challenge, since there is not much experience in industrial countries that can be adapted to their needs, they will live in two areas that are difficult to manage: fragile rural areas and mega cities, each of them requiring correspondingly different approaches to their development.

At the global level, the sustainable development could be alleviated if the eight goals established science in 1990 reached by 2015: eradicate extreme poverty and hunger, achieve universal primary education, promote gender equality and empower women, reduce child mortality, improve maternal health, combat HIV/AIDS, malaria and other diseases, ensure environmental sustainability, develop a global partnership for development.⁸

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⁷ Ibidem, p. 7

⁸ *World Development Report 2004*, The World Bank, Washington D.C., 2003, p. 2

THE AVAILABLE INSTITUTIONS AND SUSTAINABLE DEVELOPMENT

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Abstract: *This paper tries to respond, in the World Bank vision, to the following question about the available institution and sustainable development: What are institutions? What are the key functions of the institutional environment in promoting human well-being? What are barriers to the emergence of such an institutional environment? How can these barriers be overcome?*

The transposition of the sustainable development concept in practice must resolve the institutions problem, because near the economic, financial, social, environmental aspects, there must exist institutions that coordinate the programs, the strategies applied at the global level.

If institutions are to protect people and a broad portfolio of assets, they must respond to and shape the major changes that will unfold over the next 50 year: urbanization, technological innovation, economic growth, shifting social values, changing scarcities for environmental and natural assets, and stronger linkages among nations. Institutions thus must stable, but they also must be capable of changing and adapting, and new institutions must emerge.¹

At the question: *What are institutions?* The World Bank considers that they are the rules and organisations, including informal norms, which coordinate human behaviour. They are essential for sustainable and equitable development. The forms existing at present could be considered good but insufficiently efficient; for that all humanity must be receptive, must change the old way of thinking and must be open for understanding and transposing in practice the sustainable development. The World Bank's Report is offering a lot of examples and suggestions for improving the quality of the available institutions and the necessity of building other new ones.

¹ *World Development Report 2003*, The World Bank, Washington D.C., 2002, p. 37

Another question that must get the answer is referring at the key functions of the institutional environment in promoting human well-being. It must pick up signals about needs and problems – particularly from the fringes; balance interests – by negotiating change and forging agreements, and by avoiding stalemates and conflicts; execute and implement solutions – by credibility following through on agreements.

Of course, these institutions could face a lot of barriers to the emergence: dispersed interests, the difficulty of forging credible commitments to protect and nurture persons and assets, institutions that are not inclusive, etc. These barriers could be overcome if we take in consideration that sometimes social and economic development offer opportunities for change; the initiatives to channel information can also serve as catalysts for change; the information can empower people by giving them more voice in public services and allowing greater transparency and accountability in the activities of governments and firm.²

The following figure shows us some of the links between the components of institution, what is easy to change and what is difficult to change.

Social norms, rules and organizations for coordinating human behaviour

Social capital	Institutions			Organization
	Rules			
	Informal	Formal		
Trust	Rules	<i>Easy to change</i>	Regulations	Government agencies
Network		↑	Laws	Firms
Shared values		↓		Civil society organization
Norm				Police
Religion	Traditions	<i>Difficult to Change</i>	Constitutions	Courts

Traditional informal → Modern formal

Source: *World Development Report 2003*, The World Bank, Washington D.C., 2002, p. 38

We observe that on the informal end, the institutions go from trust and other forms of social capital to informal mechanisms and networks for coordination. On the formal end, they include a country's codified rules and laws, and the procedures and organizations for making laws.

² Ibidem, p. 38

Two important dimensions of coordination are “others” and “future”, as the Report of the World Bank accentuates these. For example, markets are institutions with coordinating functions, that must serve *others* and invest for the *future*, need the support of other institutions to ensure confidence, control and the right incentives. Particular challenges for these other institutions are to commit to protect and nurture people and assets / and to serve dispersed interests. Firms, government, and civil society are positioned to act and to influence the actions of others, playing complementary roles in coordination.

A serious problem could appear where formal institutions are weak because activity will locate in the informal sector – in many developing countries the share of workers in the informal sector is more than 60 percent. Therefore a substantial proportion of economic activity is deprived of potential productivity – enhancing support, and many also escape guidance from institutions that manage environmental and social aspects. The government and formal institution are called down to be more welcoming and supportive of private actors with appropriate safeguards to ensure the public interest is not compromised. Also the institutions must succeed in separating the power of government and providing major checks and balances, communities and the private sector will be covered and environmental and natural assets will be not hurt through inappropriate investments and conservation.

On the other side it was observed that there has been a sharp increase in the active membership of civil society organizations in the past two decades. The civil society organizations have become more capable, sometimes acting independently, sometimes influencing the activities of government and the private sector. The media also play an important monitoring role that could improve accountability and reducing incentives for corruption in government.

The institution tied to sustainable development must protect the assets and these define and support control rights in terms of access to and use of assets central to human well-being. The protective institutions also arise to manage assets that are not amenable to private ownership.

Many theoretical and empirical studies conclude that there are strong causal effects from good institutions, measured by such variables as rule of law to higher incomes per capita. According to one study, better voice and accountability would raise national income per capita incomes.³ Another study suggests that per capita incomes would grow at least 2 percent per year in all countries if they would only protect property rights (public and private) and pursue more competitive market policies.

The economic development must be supported through the social commitment to developing protective institutions. To be efficient the institutional environment must pursue three functions –

to pick up signals, to balance different interests, and to implement decisions. Signals of social and environmental degradation can be based on scientific measurements (for example the air quality), or voice and feedback, but they would be effective only if there are constituencies for information and action.⁴ The ability to pick up signals is closely associated with the ability to balance interests but receptivity to signals depends on social and political relations, too. In Europe information that helped establish a common understanding of who suffers from a problems and who contributes to the problem was essential in shifting the balance in favour of reducing transboundary pollution, even when negotiation – not authority – did the balancing. For balance and for unbiased signals, it is essential to have supportive institutions in place.

There are theoretical reasons to think of democracy as conducive to environmental protection and economic efficiency in general (democracy helps give weight to dispersed interests and freedom of expression and association helps society pick up signals and adjust to change).

Democracies have a greater tendency to do the following:

- Put their land area under protection
- Sign and ratify multilateral environmental agreements
- Belong to environmental intergovernmental organizations
- Meet reporting requirements for the Convention on International Trade in Endangered Species of Fauna and Flora
- Have a National Council on Sustainable Development
- Have environmentally relevant information publicly available.

The study found that democracies are more likely to make an environmental commitment, regardless of their level of income.

Implementation is an extension of balancing and when the balancing is between suppliers and customers in a marketplace, the balancing and implementation functions may be one and the same. Balanced decision making in boardrooms and national legislature is not worth much if it not implemented – or if the steps from policy to implementation are too far apart. Institutions assist in coordination, but encouraging the emergence of good institutions is itself a coordination problem. Three barriers to building and supporting institutions are important:

- Organizing dispersed interests - it takes more for people to come together and build a school than it takes for them to build individual homes.
- Forging credible commitments - it takes more to commit to helping each other in the future and over a longer period than to helping each other today.

³ Ibidem, p.42

⁴ Ibidem, p. 44

- Promoting greater inclusiveness - it takes more to coordinate for the common good when access to assets and voice are exclusive, unequal, and undemocratic.

Freedom of expression and association, trust, and political accountability provide some institutional machinery to coordinate dispersed interests, both in picking up signals and in giving them balance. Democratic institutions and the popular vote, despite many weaknesses, lower the costs of coordinating dispersed interests⁵.

Improving service outcomes for poor people requires strengthening the three relationships in the chain – between client and providers, between citizen and policymaker, and between policymaker and provider. Knowledge is essential to scaling up service delivery. Although it emerges locally, it is a global public good – precisely what aid is designed to finance.

What is needed is a set of institutional arrangements that will give policymakers, providers, and citizens the incentives to adopt the solution and adapt it to local conditions⁹. In the World Development Report 2004 there is point out the essential aspects of the basic services seeking ways of making them work for poor people.

In education there is a trade-off between the need for greater central authority to capture society wide benefits, such as social cohesion, and the need for greater local influence because student learning is difficult to monitor at the control level. The trade off is sharper when the concern is the quality of education rather than the quantity.¹⁰

In the infrastructure sectors – such as water, sanitation, transport, and energy – the rationale for government intervention is different from that in education and health, and so should be the policy responses.

While it is well recognized that the quality of institutions affects the management of assets, it is less well recognized that the distribution of assets and voice affects the evolution of institutions in the long term. Poorly distributed assets can affect adversely the quality of institutions and their ability to solve problems. Because of this reciprocal relationship between institutions and the distribution of assets one can get locked into vicious circles. These circles are not deterministic, but extra effort is needed to break out of a vicious circle. This is easier when greater inclusiveness in access to assets is assured from new additions to the asset base, such as with broad investment in primary education.

How can protective institutions be formed to give dispersed interests effective channels? In a wide range of cases, society relies on guardians, or custodians, to look over something of value. An example is when participatory approaches in projects ask people to speak their mind. The

⁵ Ibidem. p. 49

⁹ *World Development Report 2004*, The World Bank, Washington D.C., 2003, p. 12

presumption behind this empowering people's voice is not only that people have a right to speak on their own behalf. It is also that city people, for example, can benefit from hearing from people in more remote areas about what goes on in the forest, about the effects of cutting trees or damming rivers. In important ways, high levels of inequality and deprivation can be harmful to efficiency and growth. The presence or absence of inclusiveness in institutions and in access to assets tends to have *long-lasting effects*.

Economic forces that create differences in income and wealth serve a positive function by creating incentives to allocate resources efficiently. But poverty and inequality can be harmful through other important mechanisms; at the macro level, damage can be done in the political process. Institutions and government policies are essential for assets to thrive, through the rule of law and macroeconomic stability.⁶

An equitable distribution can facilitate the emergence of institutions to negotiate change and thus help adopt and implement good policies - particularly to address externalities and public goods. At the micro level, sharp differences in income and wealth are also costly. Imperfections such as those found in capital markets may allow individual potential to be wasted when individuals are very poor.

Institutional reform happens when the actors take advantage of opportunities for change, and use instruments of change at their disposal. The institutions that mediate social interaction must foster both stability and change. A measure of stability and predictability in the rules governing society is necessary for the people to have confidence to work together, to challenge each other to improve their communities, and to invest in their future. A vibrant civil society and such institutions as a democratic legislature can provide for dynamism - including that in rulemaking. In a society founded on broader consensus and certain ethical principles, these institutions are simultaneously given force and anchored to give predictability and confidence.⁷

Some institutions - such as constitutions - are designed to make change exceptionally difficult. Constitutional changes typically require a much higher degree of voter consensus than do lesser legislative reforms. And a two-chamber legislature requires that coalitions be built in alternative ways for changes to pass. Other institutional means of providing stability and commitment are so-called checks and balances, that is, independent veto players. High court justices appointed for life, and systems with separation of power among branches of government can ensure that radical departures from the norm are not made in haste. Institutions may also be designed to facilitate change in one direction and not in another.

¹⁰ Ibidem, p. 16

⁶ *World Development Report 2003*, The World Bank, Washington D.C., 2002, p. 53

⁷ Ibidem, p. 55

The stability provided by all these institutional mechanisms depends on whether they rest in shared values, so that relevant actors abide by them. In general, multiple review procedures and systems of checks and balances work only when political and economic power are not too concentrated.

The demands that societies place on their institutions also change as a result of observing other societies. In recent years the transnational social movement for indigenous rights, the sweep of independence movements across Eastern Europe, and the multinational campaign for transparency in governance show that new social demands can spread rapidly across borders.⁸

A suite of tools is available for catalysing changes in institutions: tools that provide information to enhance the voice of neglected stakeholders, and forums held for collective problem solving. Unaccountable power structures are often vulnerable—and thus potentially responsive—to the exposure of information, so having more information available can be a catalyst for change used by reformers, entrepreneurs, and civil society. A broad set of studies shows the power of information disclosure in environmental performance, in both developed and developing countries.

Some changes come about easily, some only with other structural changes—such as changes in technology, endowments, and values. Changes in labour market conditions, combined with public and government action, have contributed to phase out slavery and elevate women's status. And women with more voice, clout, and knowledge have delivered fertility declines and better-educated children. Economic growth, better transport, and the successful growth of cities give poor people a broader choice of employers, neighbourhoods, and service providers.

Today, perhaps the most significant structural change is the information revolution, with the potential not only to increase knowledge and the use of knowledge but also to improve accountability.

Dynamic development is sustainable when it is forward looking and responsible. Therefore it must be assessed not only by such indicators as poverty, natural resources, forest coverage, and ocean temperatures but also by the institutional environment that helps this information emerge, gives it weight, and ensures that it is acted on. These specification barriers are more easily overcome by fostering inclusiveness.

The main messages of this Report are that sustained development requires that a broad portfolio of assets thrives in order for people to thrive, and that managing this broad portfolio well requires better institutions. The quality of institutions themselves influences, and is influenced by, the distribution of assets. As a result, more inclusive access to assets and more inclusive authorizing institutions allow implementing institutions to better protect assets and people, and to facilitate

⁸ *Ibidem*, p. 57

well-being. In short, the more people that are heard and the more diverse interests that are voiced, the fewer assets that are wasted.

Inclusiveness can be increased in a number of ways. With greater access to education, agricultural land, and security of tenure, people are better-endowed citizens. They have something to lose, and something that can grow—they can be more forward looking, trusting, and see greater value in creating and supporting good institutions. In such a setting they can better accumulate, manage, and protect a variety of assets, including environmental and social assets. As stakeholders they can become more cooperative, creative, and willing to take risks.

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THE INTERSECTORIAL LIMITS OF PRODUCTIVITY AND EMPLOYMENT DYNAMIC IN SERVICES

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Abstract: *The employment dynamic in services depends first of all upon the services demand. On one hand, an increase of population income leads to an increase of services demand. On the other hand, a low productivity in the services sector causes an increase of prices, which in turn will cause a diminishing demand for services.*

Considering the following elements: the income elasticity of demand is greater than 1; price elasticity of demand is less than 1 (on average the demand/price is inelastic) then the effect determined by income elasticity of demand on services dynamics overcomes the substitution effect determined by price elasticity of demand. That determines a higher rate of production growth in services sector than the rate of productivity growth in the same sector.

As a result, the percentage of people employed in services of all the people employed in the national economy is increasing.

In the economic theory of our country, an interesting development of Baumol type models is presented in the study realised by Jula D. and Jula N. (1999). The motivation of the analysis is derived from the fact that final services (personal and collective) represent a considerable part – and in continuous growth – of the national market. In order to evaluate the services development trends and their impact upon the economic growth rhythms and global direction, the authors begin by analysing the factors that determine the specific market supply and demand evolution.

The service sector is considered a sector with very high production factors consumption. However, in the mentioned study we begin from the Baumol (1967) and Fuchs (1968) findings, who say that labour productivity and, generally, the output of the production factors from services

has a slower evolution than in other sectors of the economy (especially, than in the branches of processing industry). Mainly because of these causes, but also because of resource management, the services price has a faster growth trend than other national economy branches. These evolutions are a setback in supporting services sector financially, mostly for the public services, but also for the personal services.

Financing the expenses involved in accessing the personal services and the public services, and from here their development, depend eventually upon the capacity of the enterprises, households and public administrations to draw the required resources. Considering government's important role in supplying the public services (either directly or by transferring funds towards the producers or consumers), the evolution of public expenditure and the level of taxation that support these expenses represent the fundamental parameters in appreciating social and economic policies.

A main factor that determines the evolution of personal and collective services is the increase of social expenditure and especially the one related to human capital (education and professional formation, social insurance) and social protection. The evolution of services is also influenced by the general dynamic of the economic activity, by the social and economic policy adopted, but also by the evolution of foreign trade and international economic co-operation. In the analysis drawn by Jula D. and Jula N. (1999) it is considered that along the above mentioned factors, the general economic perspectives – estimated by the evolution of the main macro-economic variable (gross national product, public consumption and population consumption, the gross capital formation and the structure of gross investments) – influence as well the supply and the demand of final consumption services.

The general reasons presented above allowed drawing a theoretical framework that would explain the role and the evolution of services generally and of personal and collective services especially.

The production in the service sector is considered to be an increasing function related to population real income and to different autonomous factors like technical progress and product level innovation in the case of the producers, or the appearance of new service demands at the consumer level.

A factor negatively influencing the demand for services is the relative increase of prices due to a slower evolution of productivity. Services weight in the overall economy depends on the services elasticity related to income (it is assumed that this elasticity is >1) and it depends upon the elasticity related to prices (elasticity assumed to be averagely weak).

To explain the dynamic of occupancy in the final consumption service sector a few theoretical considerations and explanations are required. On one hand, the increase of the

population income (and the influence of autonomous factors) leads to the increase of the demand for services. On the other hand, the relatively poor labour productivity determines the price increase, evolution that leads to a decrease of the services demand and the re-dimensioning of the demand for complementary goods (the substitution effect is negative, by definition, for normal goods). Jula D. and Jula N. (1999) prove that if we accept a few simple hypotheses (services demand elasticity related to income is >1 , and the price related elasticity is averagely weak – the demand related to the prices is inelastic), the effect induced by the elasticity demand-income upon the services dynamic exceeds the substitution effect generated by the elasticity demand-price, so that the production growth rate is higher than the labour productivity growth rate in the same sector. From the different intensity evolution between the two variables results the increase of the weight of the population occupied in services in the total of the population occupied in national economy.

The above presented evolutions are based on a relatively simple theoretical model.

We consider S to be the volume of the demand for final consumption services (personal and public) and dS to be the absolute change of this volume in a time interval. We can consider that S is an increasing function related to population income (V) and a decreasing function related to the level of prices (p) found on the service market. We also accept the hypothesis saying that the level of these prices is a decreasing function related to labour productivity dynamic in services (w). It is symbolically written:

$$S = f(V, p(w)) \quad (1)$$

The absolute shift of the services demand volume (the total differential of the function S) can be written in this case as follows:

$$dS = \frac{\partial f}{\partial V} dV + \frac{\partial f}{\partial p} \frac{\partial p}{\partial w} dw \quad (1)$$

The service supply (S_0) depends on the resources drawn in the production process of those specific activities. On a short term, this supply is varying according to the number of workers in the service activities (L) and labour productivity recorded for those workers (w). That is:

$$S_0 = wL \quad (2)$$

The services supply shift (the total differential of the function S_0) is written as:

$$dS_0 = L dw + w dL \quad (3)$$

In the model developed by Jula D. and Jula N. (1999) it is assumed that at the initial moment, there is an equilibrium on the service market ($S=S_0$). Furthermore, it is accepted the hypothesis of the balanced evolution of the respective market, so that a change in demand induces the corresponding supply change ($dS = dS_0$). That is:

$$\frac{\partial f}{\partial V} dV + \frac{\partial f}{\partial p} \frac{\partial p}{\partial w} dw = L dw + w dL \quad (4)$$

By simple algebraic transformations, the equation (5) can be written like this:

$$\left(\frac{\partial f}{\partial V} \cdot \frac{V}{f}\right) \cdot \frac{f}{V} dV + \left(\frac{\partial f}{\partial p} \cdot \frac{p}{f}\right) \cdot \frac{f}{p} \cdot \left(\frac{\partial p}{\partial w} \cdot \frac{w}{p}\right) \cdot \frac{p}{w} dw = Ldw + w dL \quad (5)$$

By definition, the services demand elasticity related to population income (e_v), the services demand elasticity related to services price (e_p), respectively services price elasticity related to labour productivity in those activities (e_{pw}) is calculated as:

$$e_v = \frac{\partial f}{\partial V} \cdot \frac{V}{f} \quad \text{and} \quad e_p = \frac{\partial f}{\partial p} \cdot \frac{p}{f} \quad e_{pw} = \frac{\partial p}{\partial w} \cdot \frac{w}{p} \quad (6)$$

With these explanations, the relationship (6) can be written:

$$f \cdot e_v \cdot \frac{dV}{V} + f \cdot e_p \cdot e_{pw} \cdot \frac{dw}{w} = Ldw + w dL \quad (7)$$

In the relationship before:

f – services production function

L – services employment

w – labour productivity in services

V – population income

D – the differentiation operator

e_v - services demand elasticity related to population income

e_p - services demand elasticity related to services price

e_{pw} - services price elasticity related to labor productivity in the respective activities

We divide the relationship (8) by f . Knowing that $f = wL$ we get:

$$\frac{dL}{L} = \frac{dV}{V} \cdot e_v + \frac{dw}{w} \cdot (e_p \cdot e_{pw} - 1) \quad (8)$$

$$\text{that is: } r_L = r_V \cdot e_v + r_w (e_p \cdot e_{pw} - 1) \quad (10)$$

relationship in which:

r_L – services employment change rate;

r_w – services labour productivity change rate;

r_V – population income change rate.

If we admit the hypothesis that final consumer services (personal and public) are ordinary goods, then the price related demand elasticity for these goods is negative. Assuming that for services, the price related demand is inelastic, in other words, the negative demand-price elasticity for services is higher than -1 , that is, a price increase by 1%, the decrease in demand is not higher

than 1%. Furthermore, knowing that labour cost is an element with important contribution in the production cost, it means that the increase in labour productivity, with the effect of a decrease of this total cost element, can potentially lead to a price decrease on the goods and services market. Further on, considering the fact that in the production cost structure there are other elements with a significant contribution, we admit the hypothesis that for an increase of 1% in labour productivity, the price doesn't decrease by more than 1%, in case all other conditions remain unchanged. This means that the price change elasticity related to the change in labour productivity is negative, but not less than -1 (the services price is inelastic related to labour productivity).

If

$$-1 < e_p < 0 \quad (9)$$

and

$$-1 < e_{pw} < 0 \quad (10)$$

results that

$$0 < e_p e_{pw} < 1, \quad (11)$$

so

$$-1 < e_p e_{pw} - 1 < 0. \quad (12)$$

We assign to $-\alpha = e_p e_{pw} - 1$ and then, obviously, $0 < \alpha < 1$. With these explanations, the relationship (31) becomes:

$$r_L = r_V e_V - \alpha r_W \quad (13)$$

that is:

$$r_L > r_V e_V - r_W \quad (14)$$

We assume further that the services demand related to prices trend is, generally, elastic, that is the demand-income elasticity is equal to one or slightly above one.

In these conditions,

$$r_L > r_V - r_W \quad (17)$$

Admitting that in the national economy, at least as a trend, the population income change with rates comparable to those of labour productivity on national level, productivity marked W and calculated, for instance, by dividing the gross national product to the total employed population. That is,

$$r_V \cong r_W \quad (15)$$

Then,

$$r_L > r_W - r_W \quad (16)$$

We note with dr_w the difference between the overall labour productivity dynamic and the services labour productivity dynamic (productivity differential). In the mentioned hypothesis, regarding the demand-income elasticity and the demand-price elasticity, if this difference is positive (labour productivity in services has a slower evolution than the national economy labour productivity), then the services employed population change rate is positive. That is, the service sector creates work places, and more over, it increases the weight of the services employed population in the overall employed population.

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SERVICES IN ROMANIA DURING THE TRANSITION PERIOD 1990-2000

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Abstract: *The transition of national economy towards a development model based on the concept of free market has also determined the process of reconsidering the role of services in the modern economy. This process is supported by two trends:*

- *the market restructuring, which generates a new model of social division of labour;*
- *an international level of services, which combined with Romania's international openness, generates a reevaluation of services role in national economy.*

As percentage of PIB, the services in Romania during 1990 – 2000 have seen a significant rise. This dynamic is due partly to positive evolutions in the services sector and partly to a great decrease of gross added value in the other sectors. In the services sector different service categories have had different evolutions, the highest development marked by non-market services.

Although these evolutions are within the international trends of increasing the role of services in national economies, the results obtained in Romania during 1990 – 2000 represent only the beginning of a process of adjusting the national economy structures to the world economy evolutions.

The transition of the national economy towards a development model based on the market principles started the process of reconsidering the services role. This process is sustained by two trends (Ghibuțiu, 2000):

1. the market reorganization, which leads to a new labour social division model;
2. the services internationalization, that, associated to Romania's economic opening towards the world, has as effect a re-evaluation of the services role in the national economy.

Nationally, the beginning of the transition process has started in the conditions of the absence of an adequate legislation and of economical mechanisms specific to market economy. The consequence has been an economic activity decrease, inflation increase, unemployment increase, budget deficits and of external debt increase, a national currency depreciation.

In Romania, in between 1990 and 2000 we can identify three periods that present certain specific characteristics:

- 1990-1992, the beginning of the reform period;
- 1993-1996, period in which the economic growth was resumed;
- 1997-2000, period in which the economic processes were influenced by the economic policy shift.

4. The Period 1990-1992

Between 1990 and 1992, the gross domestic product recorded such a decline that in 1992 it represented 75% of the gross domestic product of the year 1989. The important decrease of the internal resources used for consumption and development was due to the inefficient use of the elements of economic potential. In the same period it has also been recorded an increase in the degree of penetration of the imported products on the national market, mostly meant for consumption. This was parallel with the aggravation of the budget deficit and with the balance of payment, with the extension of the arrears and the de-capitalization of the economic agents. In the forming structure of the gross domestic product, the most powerful decrease was recorded by the gross added value from transport and communications, industry, trade and constructions (see table 1). The gross added value from agriculture was situated during the whole period above the values recorded in the year 1989 (table 1). We can also notice a trend of increase of the gross added value in some services like transport and communications, finance, banking, assurance, education, health.

Table 1

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
GDP, of witch:	-5.6	-12.9	-8.8	1.5	3.9	7.1	3.9	-6.1	-4.8	-2.3	1.6
Agriculture	37.3	-12.3	-12.9	13.8	2.9	4.7	-4.2	-1.3	-10.4	3.4	-15.8
Industry	-16.7	-12.8	-13.7	1.0	3.4	5.6	6.9	-8.0	-5.3	-1.5	6.1
Constructions	1.1	-19.4	-5.6	24.7	27.4	7.8	3.8	-19.3	-4.5	-2.3	6.3
	2.1	-7.6	1.6	-2.5	2.5	5.8	10.7	*	*	*	*

Services, of witch:											
Transports	-21.4	-8.8	-4.0	2.8	0.8	1.7	6.4	-9.5	-10.0	-2.9	3,1
Trade	9.3	-25.6	-9.1	-9.1	-0.9	21.8	12.5	-10.8	4.1	-2.5	*
Education&health	8.5	3.4	7.4	0.6	5.4	7.1	12.5	-8.5	1.6	-2.4	*
Finance-banking	17.3	-0.3	39.7	0.5	1.7	1.4	-14.2	-22.6	1.9	-9.4	*
Public Adm.	14.0	-8.0	10.8	1.9	9.7	4.4	-7.1	-3.2	-3.4	-9.3	*
GDP - S	28.8	-5.7	50.8	0.5	1.7	-2.9	-5.3	-53.4	198.0	0.5	-15.8
Taxes&subsidies	-34.7	-26.0	-5.7	-89.8	-0.2	11.6	4.4	11.3	2.0	-7.2	0.9

Source: National Bank of Romania, *Annual Report, 2000*

The structure of the gross domestic product after usage records significant changes in the period 1990-1992. In the condition of the decrease of the gross domestic product with approximately 25%, the weight of the population's final consumption increases in GNP from 57.9% to 62.2%. Public consumption has increased because of the absolute increase of the public consumption by 29% and the decrease by over 32% of the private consumption. A significant part of the resources used in the national economy were drawn from international economy: the net export was negative the whole period so that in 1990 the net resources drawn from the exterior represented almost 10% of the total of the resources used in the national economy. That weight has decreased to almost 4% in 1991 and has increased again in 1992.

The international trade of Romania has been influenced by a series of external and internal factors. Among external factors we notice the dissolution of **COMECOM**, the embargo imposed to Iraq and to former Yugoslavia, the international economic decline at the beginning of the current decade. These evolutions had as an effect as well as the loss of some traditional markets, as the increase of the import prices for a series of goods (especially raw materials and energetic resources). As far as internal factors, we notice the decrease of the competitiveness of the exports, as a result of the economic evolutions above mentioned.

The unemployment was recorded in Romania starting with the month of February 1991. The unemployment rate was at the end of 1991 of approximately 3% of the civil active population (337

thousand people). During 1992 the unemployment rate has increased to 8.4% (approximately 929 thousand people).

The inflation recorded high values starting with November 1990. Compared to October 1990, at the end of 1992 the consumption prices have increased over 13.3 times. This evolution has been determined by the increase by almost 16 times of the prices for food goods, 12 times of the prices for industrial goods and approximately 10.5 times of the prices for services.

5. The Period 1993-1996

In 1993 the economical decline was stopped and starting from 1994 a reconstruction of the economical environment takes place, by resuming the growth, the decrease of the inflation rate and the unemployment rate, the reorganization of the main macro-economic and financial equilibrium, the extension of the privatization process. Changes in the economic mechanism take place, namely the introduction of VAT, the elimination of restrictions regarding commercial addition and elimination of subventions. The process of macro-stabilization is continued in the following years. The weight of the private sector in creating the gross domestic product reached 52% in the year 1996 (24.5% in industry, 86.3% in agriculture, 74.4% in retailing, 67.4% in other services delivered to the population).

After 1993, as a result of recovery of the process of economic development, the weight in GNP of the population's consumption increases to 71.7% in 1996. The gross formation of fixed capital (gross investment) increases between 1993 and 1996 by almost 48%.

External resources represent, from now on, an important means of sustaining the national economic growth. The external trade was influenced by the measures adopted for perfecting the economical mechanism: the decentralization of trade, based on progressive withdrawal of the state from the economy and the expansion of the private sector; the changes in the exchange rate conditions (including the introduction of the limited convertibility to the operations of current account); the introduction of a modern rate system; the support of the export by fiscal measures. As an effect to these measures, the export increased by 72% in 1996 compared to 1992. In the same period the import increased by 58%. Still, in the whole period between 1990 and 1996, the import exceeded the export, the negative balance of the current account leading to the accumulation of the external debt.

At the end of 1989, Romania had external claims of over 2 billion USD and an external debt situated at low values (174 million USD). Romania's external debt increased to 7138 million USD in 1996.

Regarding the inflation, in December 1996 the consumption prices were higher than in October 1990 over 170 times. These evolutions were determined by the successive liberalization

(gradual) of the prices, the continuous depreciation of the exchange rate of the national currency, the elimination of the direct and indirect subventions to some products. Effects to intensify the inflation were induced by the weak economic performances, the increase of the interests to current credits, the large technological consumptions by the unit of product, the increase of salaries under social and trade unions' pressions. The maximum level of the inflation rate was recorded in the year 1993 being of 295%. In the following years, the inflation rate progressively diminished: 61.7% in 1994 to 27.8% in 1995 and 56.9% in 1996.

The increase of unemployment was moderate in the interval between 1993 and 1996, still reaching up to 1241 thousand people in January 1995. The unemployment slightly decreased in 1995, with approximately 250 thousand people, from 11.1% in January to 8.9% in December 1995 (998 thousand people). Else, the slightest unemployment rate from the whole period 1993-2000 was recorded in the months of July and August of 1996, namely 6% of the active population.

6. The Period 1997-2000

The third phase of the transition process is marked by the change in the economical policy that intervened as a result of the new political options manifested after the elections in November 1996.

In 1997 the gross domestic product decreased by 6.1%. This evolution can be explained by the decrease of the gross added value in industry by 8%, by 19.3% in constructions and by 11.2% in services (see table 1). In agriculture, the favorable natural conditions led to an increase of the vegetable production, but to a decrease of the production in animal breeding and in the volume of agricultural services made the gross added value in agriculture to decrease by 1.4%.

In the gross domestic product use, the gross formation of fixed capital has increased by 1.7%, the weight of gross investments in the gross domestic product being of 21.2%, and the investing rate calculated as a ratio between the gross formation of fixed capital and the total gross domestic product was of 20.8%. The final consumption decreased by 4.3%, especially as a result of the decrease of the population's consumption by 3.7% and the public administration's consumption by 8.5%. The evolution of the private consumption was determined mainly by the decrease of the real average salary.

The external resources used in the national economy (the net imports) decreased from 8.4% of GDP in 1996 to 7.1% in 1997. That evolution is explained by an increase of exports by 2.1% and by the decrease of imports by 4.7% compared to the year before. Still, the support of positive net imports proves that an important part of the resources used for consumption and development was ensured by external sources.

In 1997 the inflation rate, measurement based on the population's consumption prices, was situated very high above the levels recorded in 1996: the population's consumption prices in December 1997 were higher than in December 1996 by 154%. However, in this period, the monthly inflation rate has reached an absolute maximum for the whole period 1996-1997. The current account of the payment balance has recorded in 1997 a deficit of 2338 million dollars, deficit mostly coming from economic exchanges with the Russian Federation (the energy import). The external debt reached 8391 million dollars, especially because of the support of a negative claim of the commercial balance and of the external debt service.

In 1998, the national economy continued its decline started after the first semester of 1997. This way, the gross domestic product decreased by 4.8%, the average annual inflation rate was 59% and the unemployment rate reached in December 1998 the level of 10.3%, comparatively with 8.9% in December 1997. The commercial deficit (FOB/CIF) was in the year 1998 of 3521 million dollars, comparatively with 2848 million USD in 1997. The evolution of the gross domestic product is explained by the activity decrease, especially in industry, constructions and agriculture. In transport and communications the gross added value has also decreased by 10%.

In the GDP use structure, the gross investment decrease led to a decrease of the investment rate and to the decrease of the weight of this unit in the gross domestic product. The weight of the final overall consumption in the structure of the gross domestic product increased as a result of the gross investment decrease and diminishing of the reference base. The exports (FOB) decreased in 1998 by 1.6%, reaching 8299 million USD, and the imports (CIF) increased by 4.8%, recording 11821 million USD. Out of these trends, resulted a trade deficit FOB/CIF of more than 3.5 billion USD.

In 1999, the gross domestic product has decreased by 2.3% comparatively to the year before. The most important decreases took place in construction, services and industry. In the GDP use structure, the final consumption has decreased, as well as the population's consumption. The gross formation of fixed capital has also significantly decreased comparatively to 1998 (-4.2%). The net exports of goods and services was of - 4.3%. The annual inflation rate in 1999 (calculated as annual average) reached 45.8%, and in December 1999, compared to December 1998, the prices for consumption goods have increased by 54.8%. The unemployment rate recorded 11.5% in December 1999, compared to 10.4% in December 1998.

In 2000, the economical decline was stopped, and the gross domestic product recorded a slight increase (1.6%). This increase was possible due to the increase of the gross added value in industry, constructions and services, but was limited by an extremely poor agricultural year/season (- 15.8% the gross added value in agriculture). The national economy evolution in 2000 was encouraged by the increase in the national demand: the gross investments have increased by 5.5%

and the final consumption by 1.7%. Maintaining a negative balance of the current account allowed important external resources to be drawn in order to sustain the economic growth. This way, the net exports increased to 5.8% of the gross domestic product.

The sudden dissolution, after December 1989 of the central planned system led in a first phase to the deepening of the disturbance effects of the structural unbalances. These were amplified by the insufficient training of the political class, managers and generally of the whole population in order to act in the democratic conditions and market mechanisms. The unfavorable circumstances in which the transition process started in Romania and also the way in which the reform was administrated explains to an important extent the obvious dysfunctions accompanying that process.

According to “The National Strategy of Development of Romania on Medium Term” (Romanian Government, 2000) the main economic processes that took place in the first decade of economic transition in Romania can be summed up as following:

1. The essential transformation of Romanian economy in the last decade consists of the opening of the former autarchic socio-economic system towards the rest of the world, in unleashing the process of connecting Romania to the new evolutions occurring on international and European level. In the foreign trade, the relations between Romania and the European Union have become dominant.
2. The persistence of a high inflation rate was one of the main causes of the risk increase in the Romanian business environment.
3. The slow rhythm of reorganizing can be explained by the small capacity of re-technologising, a characteristic induced by the compression of the investment rate.
4. As a result of the liberalization policies on the basis of a poorly structured system, a double deficit developed in Romania in the transition period: (a) budgetary and (b) of current account.
5. The labour market was affected by unbalances, at the level between the active population and the inactive population, as well as the occupation rate.

7. The Economic Structures' Dynamics

The main characteristic of the dynamic of the macroeconomic structures in the period 1990-2000 is represented by the powerful decrease of the weight of the secondary sector (industry and constructions) in the general economic activity (figure 1).

This doesn't represent a real reorganization process but it is a reflection of the collapse of the industrial production in the last decade, especially in the periods 1990-1992 and 1997-1999. Thus, at the end of 1992, the gross added value in industry was smaller than in 1989 by 37.3%. Then it increased between 1993-1996 by almost 18%, but it decreased again by 14% between 1997

and 1999. Even if in 2000 the gross added value in industry has increased by 6.1%, for the whole period 1990-2000, the gross added value created in industry decreased by 32.7%.

The weight of the primary sector in the gross domestic product has followed a declining trend. On this ground, the agriculture has recorded a series of fluctuations, partly caused by natural factors and partly by adopting some reform measures. The most important decreases were recorded in between 1991-1992 (-23.6%) and 1995-2000 (-26.2%).

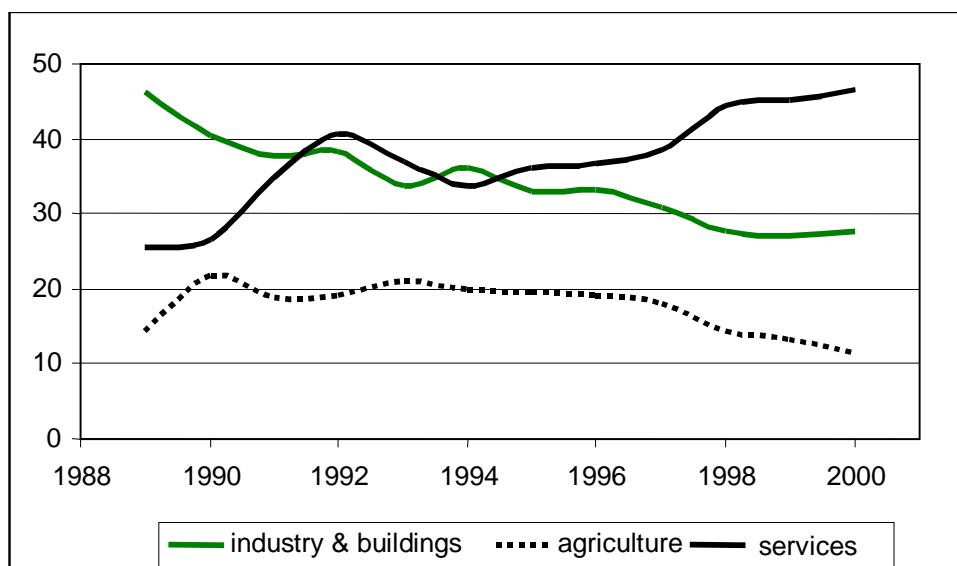


Figure 1

As a weight in the gross domestic product, the services recorded a significant growth: from 25.5% in 1989 to 46.6% in 2000. But this evolution is only partly due to some positive dynamics in the respective sector and partially to a powerful increase of the gross added value of the other branches. In commerce and tourism, the gross added value decreased in the same period by approximately 17%. On the other hand, the gross added value increased by over 40% in education, health, culture, real estate transactions, by approximately 8% in financial and banking systems and by approximately 10% in public administration.

Following the evolutions presented above, the weight of the gross added value in the market services delivered to the population increases. According to the methodology promoted by the European Office of Statistics (EUROSTAT), the market services delivered to the population are those activities that make the object of selling and purchasing on the market – having the main beneficiary the population. They are produced by companies with incomes made by selling of at least 50% of their own production, irrespective of the price names they use (tariff, tax, selling price). The following activities are included in these services: hotels and restaurants, the activities

of the tourism and touristic assistance agents activities, gambling and other recreational activities, laundries, dry cleanings and dye works, hairdressers and other services for natural persons (body maintenance, marriage agencies, parking services, undertakers, etc).

In order to methodologically harmonize with the statistic system of the European Union, monthly research in Romania regarding the detailed commerce and market services follow as statistic indicator the total business figure obtained by the enterprises where these are the main activities. For market services supplied to the population, monthly data are obtained on the basis of selective research in the companies having as main activity supplying of market services for the population. The panel sample for 2001 includes approximately 2200 enterprises.

Starting from these methodological specifications, we mention the fact that the weight of the gross added value from the transports and telecommunications in the gross domestic product increases by 3.7% between 1989 and 2000, and the weight of commerce and tourism (including hotels and restaurants) by 7.4%. The biggest increase is obtained in non-market services, such as education, health, culture, where the weight of the gross added value in the gross domestic product increases in the interval 1990-2000 by 9%. In public administration we also record a slight increase of the gross added value in the gross domestic product (from 2.5% in 1989 to 3.8% in 2000) (fig.2).

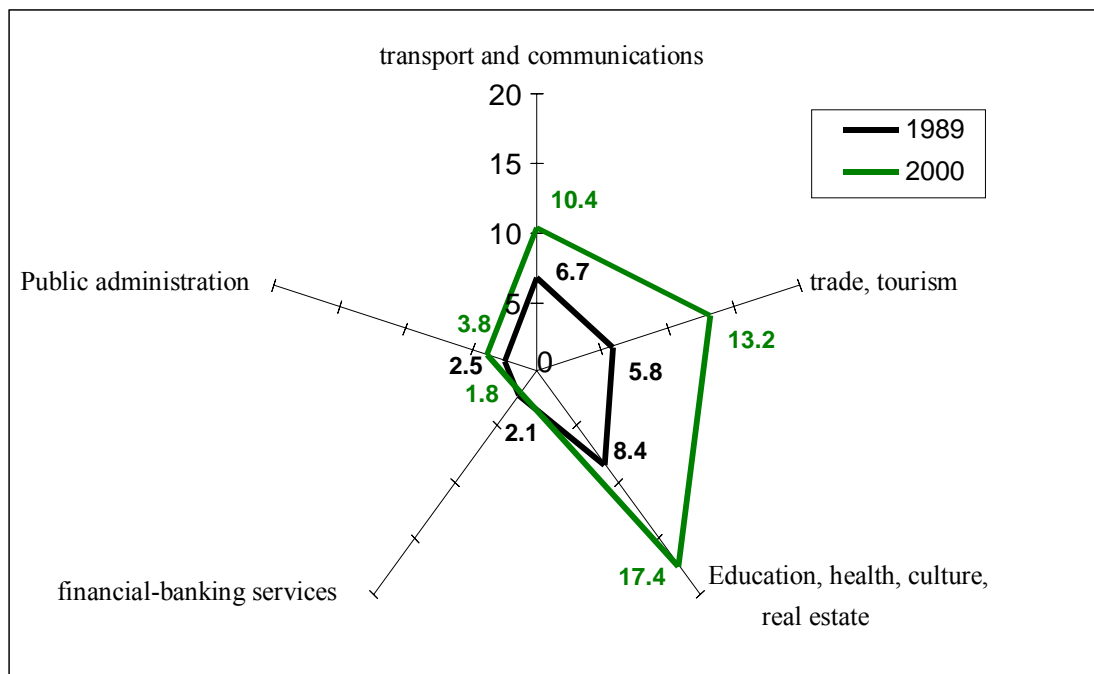


Figure 2

Even if the above mentioned dynamics fit in the international trend (of increasing the role of services in national economies), we still consider that the evolutions record between 1990 and 2000

are only the beginning of a process of adaptation of the national economic structures to the global evolutions in the world economy.

Consequently we appreciate that the conclusions of a UNCTAD study still remain viable:

“As long as the developing countries don't make a substantial effort to develop an adequate services sector – including production services – and to promote the tight integration of this sector in the rest of the national economy, these countries will experience the same effects upon development that they have experienced with their incapacity to fit in the first industrial revolution for over two centuries. The impact is as obvious as it gets: economical involution” (Mateo and Cramer, 1989).

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SPECIAL FEATURES OF DEVELOPMENT OF THE ROMANIAN MARKET ECONOMY

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Abstract: *Romania provides significant comparative advantages to the western countries having significant economic power to invest in. the main issue is whether this country with enormous consumer and labor market facilities will be able to attract the investors from the west to settle in the long run or likewise Hungary will be proved to be a temporary stage for foreign investments. Due to the efforts of the joint ventures to minimize costs the Italian investors already tend to turn from the Romania market and prefer investments in Tunisia instead. Pursuing the aim to attract and keep the foreign capital it is vitally important for the country to adapt to the development of technology and to establish lifelong learning.*

The Main Geographic Features of Romania

Romania, which is located in the southern-eastern part of Central Europe, is a country coping with difficulties of the market economy transition. Among the countries bordering Romania – Moldavia, Ukraine, Serbia-Montenegro and Hungary – the latter is the most developed country.

The Constitution, which was accepted by the Parliament on December 8, 1991, and confirmed by a referendum, held on December 8, 1991, declared Romania a country of parliamentary democracy. Bucharest, the capital located in the southern part of the country, was established in the XV century. The most populated cities are Brasov, Constanta, Timisoara, Iasi, Cluj Napoca and Galati. Romania is consisted of 265 cities, 2686 villages (NUTS 5), 41 counties and the capital (NUTS 8) and 8 development region (NUTS 2).

The most important harbor cities : Constanta, Mangalia, Sulina are located at the Black Sea, Tulcea, Galati, Braila, Giurgiu at the Danube. After accomplishing the Danube-Maine-Rein channel

in 1992, due to the building up the Danube-Black Sea channel, a direct connection between the North Sea and the Black Sea was established. Bucharest-Otopeni and Bucharest-Baneasa are the most important airports managing a regular, international turnover beside the 15 domestic intercity lines. The length of train-line network amounts to 11380 kilometers from which 3866 are electrified. From the total length of 72816 kilometers of road network only 114 kilometers are motorways.

Spontaneous and Responsible in Setting up the Market

The building of a new economy, the setting up of a new market in Romania represent a very complex process. It occurs spontaneously and it is thoroughly conducted. The experience gained so far has outlined the lack of practical and theoretical support, lack of ideas according to which the transition to market economy should be guided by spontaneous forces without the state's interference.

The main error in all programs inspired by INF is in the "shock of market", it consist in believing that the spontaneous emergence of the capitalist market economy occurs together with the introduction of private property with price liberalisation, monetary stability and with the introduction of free competitive markets.

The spontaneous emergence of market economy could have disastrous effect for Romania in its competition struggle with other countries if we take into account the low level of economic development in which economy finds itself.

In cases in which markets do not emerge as a result of spontaneous entrepreneurial action, the ones must be created through responsible public action even through the state's action. "The error of spontaneity of which all conventional strategies of transformation have suffered so far, led to policies whose purpose is the implementation of market economy without having the smallest preoccupation of making market creators"¹¹.

The success in building the market and the market economy depends largely on the existence of a strategy and on its degree of scientific grounding. The objective necessity of a strategy has its origin in the responsible character of people's activity, in the complexity of the relatively long transition process and of setting up the new economy. The strategy ensures by means of the present the link between past and future. Building the new economy means building the future and anticipating and choosing it becomes the purpose and the fundamental strategic objective in the activity of the society's main forces.

¹ Kregel Ian, Matzner Egon, Grabher Gernot, *The market shock*, Ed. Economică, Bucharest, 1995, pag. 128-129

The strategy must contain the main methods and means that will be used in the construction of the new society. The global strategy must synthesise partial strategies namely sector, branched regional strategies.

These strategies constitute a guidance only of they are in relation with the main trends to be found in the Romanian, European and world temporal environmental .

The building of the new economy will not be made without taking into account other countries' experience regarding transition even if this transition accrued in other periods of time and history and it cannot be taken as an example any longer.

Integrity Organizations

After the collapse of socialism together with KGST (COMECON), in the transition countries the effort to create integrity zones in Western Europe was highly appreciated. Romania signed an associate partnership agreement with the European Union and a free trade agreement with EFTA (European Free Trade Agreement) in 1993. Also in this year Romania was accepted to be a member of The European Council and was rendered the most favored nation principle in its trade with the US. Beginning with February 1, 1995 Romania is an associated partner country of the European Union. From July 1, 1995 it is a full right member of CEFTA (Central European Free Trade Associations). In its bilateral trade agreements with Israel, Turkey and Moldova the trade several products are declared to be tax-free. Romania maintains diplomatic relationship with 176 countries.

The country is member of the following international organizations:

- International Monetary Fund (IMF);
- United Nations Organization (UNO);
- World Bank;

International Financial Corporation (IFC).

The Market Economy Processes in Romania

Several conflicts and uncertainty featured the restructuring of the market structures beginning parallel with the transition of the economy, which were materialized in the protection of the ruling state ownership and in minimizing the cost of the market economy transition, respectively the growth of economy, which was based on domestic resources, hanged in 1997, resulting thus the financial and social conflicts to be emerged. The restrictive measures of the year the year 1997 are still current in Romania but the long lasting restructuring process makes the stable building up the

market economy uncertain. The first successful year after the handing was 200 when it was the first time to observe the strengthening performance of the economy. In year 2000 the agricultural performance declined by 14 percent, while the industrial output grew by 8.2 percent. The industrial production and the dynamic export performance fueled the growth. However, beyond the success of the economy the discrepancies of the restructuring are still to be observed. During the elections in 1999 the results were achieved by implementing stricter monetary policy and export incentives, but it is still a pending issue what to do with the liquidation or privatization of the state companies in loss the imbalance of the state budget is escalated. In an effort to reach equilibrium a 6 percent supplementary tax has been introduced, which was abolished gradually till the beginning of 2001.

The unpredictable legal and regulatory system, the strong bureaucracy, the corruption and the forced privatization significantly undermined the economic image of Romania abroad. However, beside the negative sides, the country has several attractive investment incentives as well.

The Facilities of the Romanian Economic Environment

In Romania the legislation is less restrictive that proves to be encouraging factor to the foreigners to establish enterprises in Romania. The government is granting additional incentives to enhance the establishment of joint ventures. Especially significant the government support is when the destination of the foreign working capital is one of the underdeveloped, so-called D' zones, since among the social-economic measures of the government the regions featured by deep industrial, structural crises and mass the redundancies, were designated. The reason for implementing these measures was the aim to enhance the performance of the economy by encouraging private investments in the crises stricken regions. The main incentive for the investors setting in these zones is a package grating long-term significant tax incentives. Since the end of 1998 the government labeled 29 territories as D' zone.

The main incentives of the zones are the following:

- Exemption from custom duties and VAT for machinery, equipment, accessories and transport vehicles imported for investment purposes into the zone;
- Exemption from duties for materials needed to perform activities in D' zone;
- Exemption from profit taxes for the whole period of staying in D' zone;
- Exemption from payment of fees for registrations of such land, where the traditional agricultural activity is changed or the land in use in made to be a part infrastructure investment.

Those enterprises are to be met the requirements whose headquarter is located in D' zone and which perform their activity within the same zone. The enterprises performing likewise

activities as management consulting or which are actors of insurance and banking transactions or distributing such products within D' zone which were manufactured outside the zone are exempted from these rights. The enterprises that comply with the conditions above receive an investment certificate issued in D' zone from the Regional national Development Agency (ANDR) and they have to provide advisory services concerning the choosing of the location of the headquarter and the identification of business partners and relations.

Further Romanian features provides advantages for the investors:

- the domestic market is the second largest in Central-Europe regarding its size (22,43 million consumer);
- the strategic location of the country determinates by the connection to the Balkans;
- wide facilities of transportation by see and air (Constanta is the largest harbor at Black Sea);
- Trained labor force;
- Relatively low cost of labor;
- Diverse industrial structure;
- Diverse natural resources (for example fat soil);
- Significant potential of tourism facilities.

Foreign Trade and Investment Facilities

The establishment of economic and trade relationship with the developed industrialized western countries is the priority of the Romanian foreign economy policy. The share of the European Union in the Romanian foreign trade exceeded the 60 percent. The bilateral trade with Germany especially dynamically developed, however Germany is only the second largest trading partner of Romania after Italy, contrary to the other Central and Eastern European countries. Beside the two countries above the most imported targets of the Romanian export are France, Great Britain and turkey. More than a half of the import is from Italy, Germany, Russia, France and Hungary.

In the past decade Romania received foreign investments in value of only about 6 billion USD, which is an extraordinary modest level of investments. Almost half of the investments are from the Netherlands, Germany, France, US and Cypres , 8435 enterprises, which represents 11.22 percent of the all 75346 companies with foreign partners in ownership registered in Romania are joint ventures with German participation.

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IL MANAGEMENT DEL RISCHIO NEL COMMERCIO ESTERO. FATTORI DI RISCHIO NEL COMMERCIO CON PRODOTTI AGRICOLI ALIMENTARI

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I managers delle aziende che operano nel commercio estero preferiscono adottare, nel campo del rischio e dell'incertezza un'attitudine attiva, indirizzata verso l'assunzione del rischio.

Dagli studi intrapresi dall'economista americano Zur Shapira con riferimento alla percezione imprenditoriale del rischio, risulta che il 75% dei manager intervistati considerano che in generale, il rischio può essere controllato, ed di conseguenza loro preferiscono di assumerselo. Per fare questo si può utilizzare un modello di management del rischio, che non si vuole essere esaustivo e che potrebbe comprendere le seguenti fasi: l'identificazione dei fattori di rischio; l'identificazione dei metodi che possono essere utilizzati nella copertura del rischio; la scelta della soluzione ottima per la copertura del rischio; l'implementazione della soluzione scelta.

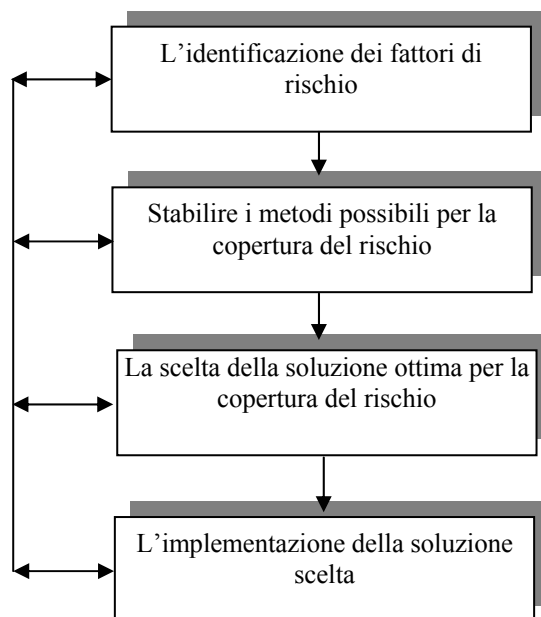
Nelle aziende di commercio estero, i managers possono utilizzare vari modelli di management del rischio. Fra i tanti vari modelli, propongo l'utilizzo di uno che non si desidera essere esaustivo riguardo il tema trattato, e che comprende le seguenti fasi:

- a) l'identificazione dei fattori del rischio;
- b) la determinazione dei metodi possibili di copertura del rischio;
- c) la scelta della soluzione ottima per la copertura del rischio;
- d) l'implementazione della soluzione scelta.

L'identificazione dei fattori di rischio ha come finalità la stima della vulnerabilità delle aziende che svolgono la loro attività di commercio estero, in un ambiente esterno possibilmente sfavorevole, l'accento essendo messo sulle possibilità di produzione di vari eventi non desiderati e la possibilità di registrare perdite potenziali. In questo scopo sono prese in considerazione le caratteristiche *delle operazioni esposte al rischio.*

Essendo modellato dalle trasformazioni di natura sistemica dell'ultimo secolo, il mercato agricolo ed alimentare mondiale e' stato caratterizzato dall'instabilità; dalla fluttuazione dei prezzi; squilibri della richiesta e dell'offerta fra diverse zone geografiche del mondo; della modifica delle preferenze dei consumatori, la preoccupazione degli organismi internazionali per la crescita della qualità dei prodotti e l'assicurazione della scurita' dei prodotti alimentari.

Figuran.1 - Modello di management del rischio nel commercio estero con prodotti agri alimentari



I principali fattori di rischio che hanno avuto un impatto essenziale sull'evoluzione del commercio con prodotti agri alimentari, all'inizio del secolo XX, sono stati i due conflitti mondiali e la crisi finanziaria del 1929-1932. Questi due eventi hanno avuto come conseguenza, la diminuzione maggiore del commercio mondiale con prodotti agri alimentari.

Il mercato mondiale continua ad essere caratterizzato da forti squilibri della richiesta e dell'offerta anche nel periodo 1950–1972. Nell'intervallo 1972-1975 si sono registrati numerose crisi alimentari e addirittura di fame in molti paesi del mondo (in generale nei paesi poco sviluppati). Paesi come *Zimbabwe, Sudan, Etiopia, Botswana, Bangladesh*, sono stati caratterizzati da importanti squilibri alimentari conseguenza dell'impossibilità di assicurare un regime alimentare necessario avendo come fonte la produzione interna oppure gli importi. La causa principale e' stata la siccità prolungata, in *Africa sotto-Sahariana* oppure le inondazioni di *Bangladesh*, che hanno generato riduzioni della produzione agricola interna e la perdita dei posti di lavoro che esistevano in questi paesi nel campo dell'agricoltura.

I paesi sviluppati hanno esercitato forti pressioni sul prezzo dei cereali. Gli Stati Uniti hanno bloccato gli esporti di soia. La produzione mondiale ed il commercio internazionale con prodotti

alimentari sono caratterizzati da un forte sviluppo nel periodo 1975–1994, come conseguenza della modernizzazione dell'industria e dell'infrastruttura rurale.

La riforma della politica agricola dell'*Unione Europea*, conosciuta anche come il *Programma McShary* (1992), l'espansione dei programmi per il supporto degli agricoltori americani accordati dal Governo degli *Stati Uniti* e l'accelerazione dei processi integrazionisti, possono essere considerati come fattori di rischio che hanno distorsionato il commercio mondiale con prodotti alimentari.

Nell'intervallo 1994 fino ad oggi il mercato agro alimentare mondiale e' stato fortemente influenzato dalla crisi finanziaria manifestata in *Asia*, *America Latina* e la *Federazione Russa*, *Argentina*, che a loro volta hanno determinato la riduzione degli export verso queste zone e di conseguenza la riduzione dei prezzi per prodotti specifici.

Il commercio mondiale con prodotti agri alimentari e' influenzato anche da una serie di fattori specifici: fattori climatici; fattori biologici (deperibilita' e sesonalita'), le scorte mondiali; le tecnologie d'imballaggio e refrigerazione; i costi elevati per lo stoccaggio ed il trasporto. Tutti questi sono fattori che influiscono in modo essenziale le preferenze dei consumatori ed il commercio con questi prodotti, essendo considerati in varie circostanze addirittura fattori di rischio.

a) Fattori climatici: vento forte; uragani; taifun, pioggia abbondante, siccità prolungate, nuovi fenomeni come "*El Nino*"; effetto sera che hanno condotto alla crescita dell'amplitudine delle temperature in molte zone della Terra negli ultimi 15 anni, e hanno un impatto immediato sulle culture agricole ed i rendimenti registrati, determinando una riduzione importante della produzione agricola ed implicitamente del commercio mondiale coi prodotti alimentari.

Com'eseempio, la presenza dell'uragano "*Mitch*" nelle zone dell'*America Centrale* ha determinato una riduzione del 19% della produzione di caffè in *Guatemala* e del 54% della produzione di banane nello stesso paese e del 75% in *Honduras*. La siccità prolungata ha determinato una riduzione della produzione del grano nell'*Oriente Vicino* e *Africa del Nord* (2000); la riduzione della produzione del caffè nell'*Africa* (1998-1999); la diminuzione della produzione del te' in *India*, *Indonesia*, *Kenya* e *Bangladesh* (1999). Le piogge torrenziali in *Europa* hanno influito sulla produzione di grano; hanno diminuito la produzione di caffè in Columbia del 6% (2000). Le grosse variazioni di temperatura incidono sulla produzione di frutti tropicali e citrici così com'e' successo anche in *California*, dove la produzione di citriche e' scesa del 23% (2000).

I fenomeni meteorologici agiscono direttamente sulle produzioni agricole, e nello stesso tempo i fattori climatici modellano anche l'evoluzione del commercio mondiale con prodotti agri

alimentari tramite la riduzione dei flussi commerciale, in funzione del grado d'incidenza sulle culture agricole.

b) La deperibilità e' il principale fattore di rischio con delle implicazioni immediate sul commercio mondiale dei prodotti agri alimentari. Il consumo di prodotti agri alimentaria può variare da punto di vista quantitativo, qualitativo e strutturale da una persona ad altra e nell'arco dell'anno. I principali elementi che determinano queste variazioni sono legati dalle particolarità del clima (temperatura e umidità) e anche dalla sesonalita della produzione agricola.

Nei periodi dell'anno con delle temperature basse si consumano di più' i prodotti alimentari con valore calorico elevato (ricchi in proteine e grassi) oppure prodotti di carne conservata. Nei periodi caldi dell'anno si consumano di più i prodotti alimentari con valore biologico elevato (ricchi in vitamine e minerali) e le bevande. Il progresso tecnico ha sviluppato nuove tecnologie di trasformazione delle merci agre alimentari, nuove tecnologie d'imballaggio che assicurano una protezione meccanica e fisica chimica dei prodotti avendo un ruolo importante nella prevenzione contro gli agenti nocivi dell'ambiente esterno (esempio: il sistema asettico di tipo "Tetra Pak").

Il progresso tecnico ha contribuito alla crescita della durata di vita dei prodotti agri alimentari nelle condizioni qualitative favorevole al consumo, minimizzando le perdite causate della deperibilità delle merci. In generale, i cereali presentano una resistenza più elevata ai processi di raccolta, trasporto, stoccaggio e commercializzazione, generando perdite piu' ridotte, in comparazione con le verdure e la frutta che possono essere conservate in uno stato di freschezza un periodo ridotto e nelle condizioni di temperatura e umidità specifica, con delle spese supplementari. La quota addizionale di prezzo per i prodotti con grado elevato di deperibilità si recupera tramite il prezzo di vendita degli altri prodotti con l'eccezione del caso in cui il vantaggio concorrenziale ci obbliga di non superare il limite del prezzo prestabilito, registrando implicitamente delle perdite.

c) La sesonalita' costituisce un altro fattore di rischio che influenza considerevolmente il commercio di certi prodotti agri alimentari di natura vegetale, in modo diretto (sotto l'aspetto dei volumi degli scambi commerciali), e anche in modo indiretto tramite le variazioni importanti di prezzo. La sesonalita' rappresenta una conseguenza dell'esistenza delle possibilità di stoccaggio in modo naturale e fresco e con delle spese relativamente ridotte.

Per la verdura e la frutta, il momento dell'apparizione sul mercato di nuove raccolte ha un doppio impatto sui prezzi del mercato:

- il prezzo dei prodotti staccati dalla produzione di un anno precedente ha una tendenza di diminuzione più o meno importante ed il prezzo delle nuove raccolte impatta su un

momento in cui il prezzo è massimo, dopo di che si registra una tendenza di diminuzione proporzionalmente con la quantità raccolta.

- ulteriormente il prezzo conosce una tendenza di stabilizzazione presentando un'evoluzione oscillante vicino ad un valore medio, relativamente ridotto, conseguenza diretta della variazione delle quantità dei prodotti raccolti e distribuiti.

I cereali, possiamo affermare che registrano meno oscillazioni di prezzo legati alla stagionalità. Normalmente, nel periodo della raccolta e nei mesi successivi si registrano dei prezzi più bassi come conseguenza delle quantità immense che sono a disposizione del mercato per essere transazionate. Ulteriormente i prezzi hanno una tendenza di crescita come conseguenza degli accumuli dei costi di stoccaggio; tendenza che è mantenuta fino a qualche mese prima della prossima raccolta.

d) Il prezzo dei prodotti agricoli alimentari può influenzare tutti gli altri fattori sopra elencati: stagionalità; clima; guerre; instabilità politica; l'intensità della concorrenza e aggressiva; il prezzo dei prodotti agricoli alimentari possono variare in modo ascendente oppure discendente, a breve.

Nel campo dei prodotti agricoli alimentari, indipendentemente se si tratta della coltivazione dei cereali oppure l'allevamento degli animali, alla trasformazione, oppure commercializzazione, possiamo permetterci di prendere in considerazione il prezzo. Il rischio di prezzo appare legato al fattore tempo che interviene durante la conclusione di una transazione. La crescita del grado di complessità delle transazioni internazionali con prodotti agricoli alimentari, soprattutto negli ultimi 30 anni, l'intervallo trascorso dal momento della raccolta fino al momento dell'utilizzo (la commercializzazione effettiva) di una merce, può variare da qualche settimana a qualche mese oppure di più in casi particolari.

I prezzi dei prodotti di base sono stati sempre instabili e di conseguenza il desiderio e la volontà di studiare questi rischi. Il mercato agricolo alimentare si è trasformato ultimamente da più punti di vista e il desiderio di studiare il rischio è diventato più forte. In molti casi lo stato ha ridotto gli effetti dell'instabilità dei prezzi dei prodotti agricoli alimentari con l'aiuto dei programmi concepiti per stabilizzazione di questi prezzi, dei rendimenti oppure dei risultati. L'eliminazione dei programmi pubblici di sostenimento dei prezzi ed i programmi per la loro congelazione, hanno come effetto una volatilità più elevata, quello che obbliga ad una gestione migliore dei rischi per poter assicurare lo sviluppo di questo settore.

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I'INTEGRAZIONE MONETARIA DELL'UE

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L'integrazione monetaria e' la denominazione di un processo di formazione di una zona monetaria, di uno spazio in cui le monete di più paesi sono irrevocabilmente legate fra di loro oppure ogni moneta e' legata irrevocabilmente ad una moneta fissa, in base ad un certo rapporto, sia le monete nazionali sono sostituite con un'unica moneta, che vera' utilizzata nell'intera zona. Sia in un caso, sia in un altro, ci troviamo di fronte ad un processo d'unificazione monetaria.

Un'unione monetaria formata in questo modo deve corrispondere ad una zona monetaria ottima, che vuol dire uno spazio economico che può seguire la stessa politica monetaria: i paesi cui si fa riferimento rinunciano ad una politica monetaria propria, all'utilizzo degli strumenti di politica monetaria, in special modo allo strumento di corso di cambio, a favore di una politica monetaria e di corso di cambio comune.

L'Unione Europea e' il risultato di una serie di sforzi sostenuti a partire dal 1950 da parte dei *Promotori dell'Europa Comunitaria*. Essa rappresenta la più avanzata organizzazione d'integrazione multilaterale, avendo la possibilità di azione nell'ambito economico, sociale, politico, dei diritti della persona e dei rapporti esterni di quelli 15 paesi membri (25 da maggio 2004).

In conformità al *Trattato della Roma* (1957) e alle sue disposizioni adottate ulteriormente dai suoi istituti, l'Unione Europea doveva realizzare successivamente, in tappe, all'inizio sotto forma di un'unione doganale e poi sotto forma di un'unione economica e monetaria, in una prima fase la libera circolazione delle merci, seguita da una seconda tappa caratterizzata da una libera circolazione dei capitali, servizi, manodopera e l'adozione di una moneta unica sul territorio della comunità. In una tappa futura, si prevedeva la realizzazione anche di un'unione politica dei paesi membri.

In conformità al *Trattato della Roma*, l'unione economica e monetaria implica l'unificazione delle politiche economiche generali e quelle sociali dei paesi membri e una convertibilità reciproca totale e irreversibile delle monete dei paesi membri, seguita da una messa in circolazione di una moneta unica. Le indicazioni che riguardano all'unione economica e monetaria avevano un carattere generale, la loro applicazione in pratica essendo compito degli organi comunitari creati appositamente.

Fino agli anni 1970 non sono state prese in considerazione misure precise per la realizzazione dell'unione monetaria. Il peggioramento della situazione monetaria nel mondo e le misure intraprese dagli Stati Uniti per il rinforzo del dollaro americano sul mercato internazionale, hanno aperto le discussioni dei paesi comunitari legati della loro integrazione monetaria all'interno dell'unione stabilendo un'identità monetaria propria rispetto al dollaro.

L'accordo della Washington-Smithsonian Agreement - dal 1971 stabiliva un ordine relativo nei rapporti monetari fra il dollaro e le monete europee, fissando nuovi rapporti di cambio, sotto forma di parità. Si è convenuto per le monete della Comunità Europea di oscillare all'interno di un margine del 2,25% sopra e sotto la parità del dollaro, di fronte al 9% quanto era in quel momento.

Il peggioramento della situazione economica e sociale dei Paesi dell'Unione Europea, i cambiamenti rapidi e successivi registrati sui mercati valutari con riguardo ai corsi di cambio, hanno diminuito, per un periodo l'interesse per la realizzazione dell'Unione Europea Monetaria.

Il Piano Werner (1970), che prevedeva la realizzazione in un periodo di al massimo 10 anni, in due tappe, di un'unione economica e monetaria, non è stato mai applicato, le uniche realizzazioni più importanti essendo la creazione il 24 aprile 1972 del meccanismo "*serpente monetario*" e la costituzione nell'aprile 1973 del *Fondo Europeo di Cooperazione Monetaria (FECOM)* che si occupava del finanziamento europeo.

I paesi partecipanti al "*serpente monetario*" si sono impegnati il 24 aprile 1972 di non permettere la fluttuazione dei corsi di cambio, al di sopra del 2,25% (così chiamata fluttuazione concentrata). Le monete del serpente monetario fluttuavano liberamente. Questo sistema è stato eliminato nel mese di marzo 1979, conseguenza della creazione del *Sistema Monetario Europeo*, con l'obiettivo di creare una zona di stabilità monetaria nell'Europa occidentale che dovrà proteggere i risparmi delle economie dei paesi membri di fronte all'instabilità monetaria internazionale e dalle fluttuazioni molto forti del dollaro americano di quel periodo, e che voleva rilanciare il processo d'integrazione europea. Il sistema monetario europeo ha rappresentato la nascita di una nuova moneta - ECU (*European Currency Unit*) - come unità di conto. Il corso di cambio dell'ECU si calcolava come media ponderata di una somma di valute, costituita dalle monete dei paesi comunitari.

L'ECU costituiva uno strumento di regolamentazione dei rapporti monetari fra le banche centrali, valore di riserva e valore di cambio in contanti, all'interno nel nuovo meccanismo di pagamenti e crediti. Una moneta comune non è la stessa cosa con una moneta unica. La prima, esiste insieme alle altre monete nazionali. Esempio, l'unità di conto ECU creata del *Sistema Monetario Europeo* è una moneta comune. La moneta EURO, creata tramite *l'Accordo della Maastricht*, è una moneta unica.

La Riunione ad alto livello del 10 dicembre 1991, che si è svolta a *Maastricht (Olanda)*, ha deciso la più importante riforma della storia dell'Unione. A questa riunione, i capi dello stato e dei governi dei paesi membri dell'Unione Europea, hanno comunemente deciso (*Trattato dell'Unione Economica e Monetaria*) l'introduzione della moneta unica - EURO.

Il *Trattato dell'Unione Europea* prevedeva la realizzazione dell'Unione Economica e Monetaria in tre tappe:

1. **prima tappa (1 luglio 1990 - 31 dicembre 1993)** prevedeva la libera circolazione dei capitali fra i paesi membri; un più forte coordinamento fra le politiche economiche ed una cooperazione fra le banche centrali dei vari paesi;

2. **seconda tappa (1 gennaio 1994 - 31 dicembre 1998)** aveva come obiettivo la convergenza delle politiche economiche e monetarie dei paesi membri (per assicurare la stabilità dei prezzi e la salute delle finanze pubbliche). Il *Consiglio Europeo di Lussemburgo* del mese di dicembre 1997 ha approvato "*Il Patto di stabilità e di Crescita*" ed una serie di altri testi legislativi che riguardava lo statuto della moneta unica, che doveva essere messa in circolazione dal 1 gennaio 2002. Il *Consiglio Economico e Finanziario (ECOFIN)* diventa in questo modo il centro di coordinamento delle politiche economiche dei paesi membri e l'organo abilitato di adottare le linee guida della politica economica, che costituisce il principale strumento di coordinamento economico.

Il *Consiglio Europeo della Cardiff*, del mese di giugno 1998 ha evidenziato la decisione degli undici stati membri che compiono tutte le condizioni per l'adesione alla moneta unica e la creazione della *Banca Centrale Europea* al 1 giugno 1998.

3. **terza tappa (inizia al 1 gennaio 1999)** caratterizzata dalla creazione della Banca Centrale Europea; la determinazione dei corsi di cambio; e l'introduzione della moneta unica. Allo svolgimento di questa terza tappa hanno partecipato inizialmente gli undici stati membri. Quattro di questi non hanno adottato la moneta unica, sia perché non hanno deciso di partecipare (*Inghilterra e Danimarca*), sia perché non adempivano i criteri di convergenza (*Grecia e Suedia*).

Il Consiglio della Vienna, del dicembre 1998 ha affermato la necessità' del rafforzamento del sistema finanziario internazionale (in special modo per quello che riguarda il management del rischio e gli standard prudenziale del settore finanziario), ed il rafforzamento anche del coordinamento economico interno, per assicurare il successo dell'unione *Economica Monetaria* la crescita economica sostenuta, la creazione di nuovi posti di lavoro.

Il Consiglio Europeo della Koln del mese di giugno 1999 ha approvato, le proposte e le priorità del *Piano d'Azione* della Commissione Europea per la creazione di un mercato unico dei servizi finanziari e ha richiesto ai paesi membri di collaborare nell'implementazione delle proposte del Consiglio che si riferiva al miglioramento del funzionamento del sistema finanziario internazionale. Si e' affermata la necessità che il settore privato s'implichi di più nella prevenzione e nell'eliminazione delle crisi finanziarie.

Il Consiglio Europeo della Santa Maria da Feira del mese di giugno 2000 ha fatto presente le intenzioni della Grecia di partecipare alla moneta unica a partire dal primo gennaio 2001.

Il Consiglio Europeo della Stockholm del mese di marzo 2001 ha sollecitato al Consiglio e alla Commissione di includere fra le linee guida della politica economica per il 2001: l'equilibrio delle finanze pubbliche ed il loro sostegno a lungo termine, nell'ambito dei cambiamenti demografici; la crescita' del grado d'occupazione femminile e degli anziani; la riduzione della fiscalità; la revisione dei livelli delle pensioni; lo sviluppo duraturo e l'armonizzazione delle statistiche.

Il Consiglio Europeo della Barcellona del mese di marzo 2002 ha segnalato che *la zona Euro* e' un'Unione monetaria con un'unica politica monetaria, pero' con tante politiche fiscali decentralizzate e coordinate essendo necessario introdurre una serie d'azioni:

- Il miglioramento e l'armonizzazione delle metodologie utilizzate nella stabilizzazione delle statistiche e gli indici della zona Euro;
- Analisi sistemica del misto delle politiche della zona Euro;
- Il rafforzamento dei meccanismi di coordinamento delle politiche fiscali– le proposte verano analizzate nel *Consiglio Europeo* del 2003.

Il Consiglio Europeo si e' impegnato nell'implementazione del *Piano d'Azione* per i servizi finanziari e la realizzazione fino al 2003 dei mercati mobiliari e capitali di rischio completamente integrato e fino a 2005 di mercati dei servizi finanziari integrati.

Le misure destinate all'integrazione delle reti energetiche; di trasporto; e comunicazione riguardano: l'adozione nel 2002 delle proposte per la tappa finale dell'apertura del mercato dell'elettricità e del gasolio, compresa la libertà di scelta del fornitore a partire dal 2004; l'adozione

fino al mese di dicembre 2002 delle linee guida e le regole finanziarie che accompagnano le reti energetiche transeuropee, e le proposte per i contratti di servizi pubblici; l'implementazione del nuovo pacchetto legislativo nel campo delle comunicazioni fino a maggio 2003; la crescita del grado d'accesso all'Internet.

A breve, l'Unione Europea crescerà da 15 a 27 paesi membri. L'ingresso nell'*Unione Europea* dei primi dieci paesi, seguite dall'ingresso della *Romania* e della *Bulgaria*, costituiranno eventi di un'importanza notevole con effetti importanti sull'ambiente d'affari e sul sistema monetario europeo.

Rinunciare allo strumento corso di cambio, comporta dei costi notevoli per i paesi dell'*Unione Europea*: la crescita dei prezzi interni; la diminuzione della competitività esterna; recessione; disoccupazione; squilibri esterni ecc. Se un paese dell'Unione Europea promuove una politica monetaria indipendente, può utilizzare lo strumento di corso di cambio; il deprezzamento della moneta con effetti positivi sugli esporti potranno diminuire parzialmente la disoccupazione; contribuiranno ad una diminuzione degli importi.

La scomparsa dello strumento corso di cambio obbliga qualsiasi paese di utilizzare altre politiche macroeconomiche, per mantenere la competitività, per ristabilire l'equilibrio esterno e per mantenere i posti di lavoro.

Oggi, la maggior parte dei paesi vest europei hanno accettato il vantaggio dell'utilizzo della moneta unica. Il passaggio all'utilizzo di un'unica moneta comporta la diminuzione del rischio valutario – del deprezzamento della moneta da incassare dagli esportatori oppure il rinforzo della moneta di pagamento per gli importatori – esistente nel caso in cui si convertono le monete che hanno dei corsi di cambio che si possono modificare nel tempo in un senso oppure in un altro.

La copertura del rischio valutario, soprattutto nel caso dell'instabilità dei corsi di cambio, comporta una serie d'operazioni di copertura (*hedging*; la gestione della struttura dei depositi in valuta; tramite le operazioni di *swap* ecc.) che hanno dei costi elevati. I costi delle transazioni sono più elevati nel caso dei paesi piccoli, aperti, che hanno monete poco utilizzate. Queste monete registrano grosse differenze (*spread*) fra il corso di cambio della vendita e dell'acquisto, a causa del loro ridotto utilizzo.

L'eliminazione del rischio valutario può stimolare l'attività economica gli investimenti, favorizzando il processo d'allocazione delle risorse, di creazione di nuovi posti di lavoro e di crescita economica. In questa direzione diventa attivo il vantaggio di esprimere i prezzi in un'unica moneta, il prezzo essendo lo stesso su vari mercati.

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LE MARCHÉ UNIQUE ET LA COMPÉTITIVITÉ DES ENTREPRISES

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Résumé: *Le marché commun qui s'acheva en 1992 est une étape très importante de l'intégration européenne. L'article 2 du Traité de Rome, créant la Communauté économique européenne, précise cet objectif comme suit: „La Communauté a pour mission, par l'établissement d'un marché commun et par le rapprochement progressif des politiques économiques des États membres, de promouvoir un développement harmonieux des activités économiques dans l'ensemble de la Communauté...”¹. Sur le marché commun, il est important de mettre en place des procédures et des méthodes de travail nouvelles et établir une grande coopération entre les administrations nationales et communautaires en vue de la gestion des dispositions et des programmes communautaires et afin de contrôler le bon fonctionnement du marché intérieur.*

Dans un environnement concurrentiel mondial, les entreprises sont confrontées à de véritables défis financiers, commerciaux et humains. Elles doivent, d'ores et déjà, se préparer aux grandes mutations qui vont marquer le nouveau millénaire.

Dans un monde en constante mutation, l'Europe devra trouver sa place. Pour cela, elle devra réaliser l'adaptabilité des entreprises européennes à son nouvel environnement.

L'introduction de l'euro implique une harmonisation urgente des pratiques tarifaires et de la fiscalité qui, conjuguées avec le processus d'élargissement, conduit à la nécessité de la simplification de l'environnement réglementaire des entreprises.

Dans un environnement fortement concurrentiel, il est, en effet, primordial qu'émergent des entreprises dotées d'une réelle identité européenne et susceptibles, à l'image de tout citoyen

européen, de se déplacer sans entrave au sein de l'Union et d'exercer librement leurs activités. Le champ d'application de la Charte des droits fondamentaux de l'Union européenne devrait être élargi aux entreprises et les principes d'égalité et de liberté leur être appliqués.

Comme une priorité pour accroître la puissance économique et la doter d'entreprises plus dynamiques et plus compétitives, des politiques européennes sont engagées afin de développer la culture de l'entreprise. Les actions mises en oeuvre au niveau communautaire doivent être approuvées, pour insuffler une véritable culture d'entreprise européenne.

En vertu du principe de subsidiarité, l'Union européenne a vocation de susciter des politiques nationales d'ampleur pour encourager l'investissement en fonds propres des personnes physiques dans le capital des jeunes entreprises, grâce à une fiscalité incitative.

L'environnement des entreprises, leur création, leur développement ou leur gestion quotidienne doivent pouvoir évoluer dans un environnement qui présente un minimum d'entraves à l'activité économique.

Pour une amélioration réelle de l'environnement des entreprises, les efforts doivent être engagés pour l'instauration d'**un registre du commerce européen** et **l'adoption de chartes européennes de mise en ligne des formulaires administratifs ou de création de sites Internet propre à chaque grande administration**.

La création d'une structure spécifique pour les entreprises, qui serait indépendante des droits nationaux, offre **la possibilité de proposer aux entreprises européennes une autre forme sociale commune, la « société privée européenne »**.

Il est nécessaire de répondre aux aspirations du plus grand nombre d'entreprises européennes, quels que soient leur taille et leur objet. De même, il faut tenir compte du fait que les petites et moyennes entreprises jouent un rôle de premier plan dans le processus d'intégration des économies européennes.

Dans les sociétés «privées» de droit national, l'accent est mis sur sa très grande flexibilité, **le champ de la liberté statutaire étant très large**: les associés définissent librement l'équilibre des intérêts en présence et peuvent organiser les pouvoirs d'une façon souple, adaptée à chaque cas d'espèce.

Pour les grandes sociétés, le statut de la société privée européenne offre un cadre attrayant pour leurs filiales ou leurs holdings, ainsi que l'opportunité d'organiser les entités d'un même groupe suivant des règles de fonctionnement et de gestion identiques, quel que soit le pays dans lequel elles sont installées.

¹ Mattera Alfonso, Le marché unique européen; ses règles, son fonctionnement, Jupiter, Paris, 1993

La mondialisation accentue la concurrence et intensifie la nécessité de l'innovation. Pour répondre aux exigences de compétitivité, la croissance économique ne peut être réalisée que si l'on appelle aux technologies nouvelles et au développement de la société de l'information. L'Union européenne doit poursuivre et renforcer les politiques publiques d'aide à l'innovation.

L'industrie européenne a besoin, pour des raisons tant politiques qu'économiques, d'un titre unique susceptible de protéger ses innovations sur l'ensemble du territoire de l'Union.

La mise en place d'un cadre sûr permet le développement du commerce électronique dans un climat de confiance entre les parties. Elle offre à la société de l'information et au commerce électronique un environnement juridique.

Par nature le commerce électronique a une vocation transfrontalière dans les relations interentreprises. En outre, il privilégie le principe de la liberté la sécurité et la loyauté des parties lors des transactions électroniques dans chacune des étapes du processus de vente.

L'Union européenne propose d'adapter les droits d'auteur et les droits voisins aux enjeux. Elle tient compte de la nécessité d'aplanir les disparités juridiques entre les États membres dans un secteur aux implications sociales, économiques et culturelles particulièrement tangibles.

Les mesures d'harmonisation concernent notamment la favorisation de la rentabilité financière des investissements. On protège au mieux la création, les mesures techniques de protection pour limiter des risques de contrefaçon et de piraterie du développement d'une Europe de la connaissance, génératrice de créativité, de diversité de l'offre, d'innovation. C'est ainsi que un véritable «espace européen de la recherche», condition d'un développement économique durable, puisse naître.

L'utilisation de nouvelles technologies a permis de réduire, de façon significative, les émissions polluantes, grâce à une amélioration de la productivité des ressources et de «l'éco-efficience».

L'Union européenne a fait de l'accès aux marchés des pays tiers l'une de ses principales priorités. Le prix de l'énergie en Europe, la nouvelle taxe, ne restera sans impact sur le comportement du consommateur. Il produit des conséquences négatives sur la compétitivité des entreprises dans un environnement international.

Dans la lutte contre le chômage, l'Union européenne progresse sur la voie de la création d'emplois. Le potentiel de croissance économique et l'efficacité doivent être exploitées pour conforter l'expansion, renforcer la cohésion sociale et encourager la capacité d'adaptation des entreprises aux évolutions de l'organisation.

La réussite des processus de restructuration et d'adaptation des entreprises aux nouvelles données induites par la globalisation de l'économie peut faciliter l'implication des travailleurs dans la marche de l'entreprise.

L'opportunité et la possibilité d'une intervention communautaire face à la question des contours du dialogue social au niveau national - domaine qui relève de la compétence exclusive des États membres - restent à justifier.

La qualité du dialogue social au sein de l'entreprise, la modernisation de l'organisation du travail et des systèmes de formation constituent un gage de développement économique.

La construction du marché unique est subordonnée à la convergence de multiples paramètres, gage d'une concurrence loyale.

Des améliorations doivent être apportées dans le domaine de la protection sociale en vue de parfaire l'effectivité du marché unique par la suppression des obstacles à la liberté de circulation des travailleurs salariés et non salariés.

La Commission européenne s'est donnée comme objectif d'adopter la «Stratégie pour le marché intérieur européen». Elle tient à améliorer l'application du principe de reconnaissance mutuelle, pour faciliter la libre circulation des marchandises.

L'accès à l'information est primordial à cet égard et a permis de nombreux progrès dans le fonctionnement des institutions.

Les États membres prennent part à la négociation de pratiques et réglementations qui peuvent être très divergentes.

La réglementation communautaire résoudra le problème du crédit interentreprises en Europe ce qui permettra de responsabiliser l'ensemble des acteurs économiques des secteurs privés et publics.

Aussi, il est indispensable que soit fixé un délai maximal de paiement impératif, auquel aucune entreprise de l'Union ne pourrait se soustraire. Chaque État membre doit s'adapter à la diversité des pratiques sectorielles.

La Communauté européenne s'est dotée de règles visant l'achèvement du marché intérieur et l'établissement de l'Union économique et monétaire qui obligent les autorités communautaires et les États membres à réorienter leur politique de concurrence.

L'application du principe de subsidiarité plaide pour la décentralisation du droit communautaire de la concurrence au niveau national ce qui permettra, à terme, la substitution, aux multiples droits nationaux, d'un droit communautaire de la concurrence intégrant d'autres paramètres que la concurrence en Europe, tel le renforcement de la compétitivité des entreprises au regard de la concurrence internationale.

Une répartition des compétences pour le traitement des affaires aux échelons national et communautaire doit pouvoir être opérée, par définir de précisément critères²:

- sur lesquels la Commission fonde sa compétence d'intervention, en apportant toutes les précisions utiles sur la notion d'affaires d'intérêt communautaire et sur celle de marché distinct;
- qui permettront de déterminer l'autorité nationale compétente pour traiter les affaires impliquant des entreprises dont les activités pertinentes s'exercent dans plusieurs États membres.
- veiller à la mise en place d'une véritable coopération entre autorités nationales lorsque les affaires, dont l'une d'elles est saisie, impliquent des entreprises dont les activités produisent leurs effets dans plusieurs États membres ;
- instituer un mécanisme de collaboration entre les autorités nationales et l'autorité de contrôle communautaire, en cas de difficulté de détermination du marché pertinent ou de différences d'interprétation entre autorités nationales;
- garantir la sécurité juridique des entreprises par une harmonisation des droits procéduraux afférents notamment aux pouvoirs d'enquête des autorités de contrôle nationales.

La mondialisation de l'économie et l'évolution actuelle des entreprises et des marchés ont entraîné la multiplication de opérations qui portent sur des montants souvent élevés et ont fréquemment des conséquences transnationales.

La compétence de la Commission européenne devrait être élargie par³ la création d'un critère relatif aux parts de marché détenues sur tout ou partie du territoire communautaire, alors même que les seuils en valeur absolue ne seraient pas atteints et par le cumul des critères de seuils de marché et de parts de marché.

L'accélération du processus de mondialisation et des fusions transfrontalières, l'internationalisation croissante des entreprises appellent donc l'élaboration d'un droit au niveau international.

Dans cet esprit, le nouveau dispositif instituant un contrôle unique s'accompagne également de pratiques selon laquelle chacune des deux parties s'engage à tenir compte des intérêts de l'autre.

L'Union européenne, véritable place d'une globalisation à moindre échelle, a su s'imposer comme un partenaire économique à part entière.

² Commission européenne, 2002

³ Ibidem

Par l'élargissement, un défi politique majeur et complexe pour l'Union européenne, elle déterminera notamment sa nouvelle place dans le monde. L'élargissement interdit de continuer à fonctionner selon les règles actuelles. Pour préserver la cohésion du Marché unique élargi et son bon fonctionnement s'estime que l'acquis communautaire mérite d'être repris de façon intégrale.

Depuis l'amorce de leur transition économique et politique, les pays d'Europe centrale et orientale ont bénéficié de toute l'attention des pouvoirs publics et des institutions européennes et internationales.

De nombreuses autres régions du monde font l'objet d'un même niveau d'échanges commerciaux.

Dans ce contexte, la Conférence d'Union sur l'investissement est destinée à traiter la question des moyens de donner une impulsion nouvelle aux relations économiques de l'Union et de promouvoir un environnement favorable à l'investissement.

Une convention européenne de promotion et de protection des investissements des États membres avec des pays tiers pourrait alors être élaborée. Cette convention d'investissement se substituerait à l'ensemble des conventions nationales des pays de l'Union européenne.

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ECONOMIC FREEDOM AND GROWTH: SOME EMPIRICAL EVIDENCE

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Abstract: *Economic freedom is defined as the absence of government coercion or constraint on production, distribution, or consumption of goods and services beyond the extent necessary for citizens to protect and maintain liberty itself. The main elements of economic freedom are personal choice, voluntary exchange, freedom to compete, and protection of person and property. Institutions and policies are consistent with economic freedom when they provide a framework for voluntary exchange. Legal and monetary arrangements are particularly important.*

Economic freedom also requires governments to refrain from actions that interfere with personal choice, voluntary exchange, and the freedom to enter and compete in labour and product markets. Measuring something as complex as economic freedom is not an easy task. However, a group of researchers associated with the Fraser Institute developed the Economic Freedom of the World (EFW) index. The index measures the consistency of a nation's policies and institutions with economic freedom.

After considering several sources, this study finds that there is a strong correlation between economic freedom and economic growth. The EFW index is highly correlated with economic growth. In those countries where economic freedom is maintained and individuals can pursue their economic goals with little government impediment, economic growth follows.

Introduction

One of the most constant questions in economics is what causes economies to grow. The title of Adam Smith's well-known treatise, *An Inquiry into the Nature and Causes of the Wealth of Nations*, published in 1776, clearly shows that the causes of prosperity were Smith's primary concern. He concluded that free markets, the protection of private property rights, and a minimal

government presence in the economy lead to prosperity. In other words, economic freedom leads to economic growth (1).

In older models of economic growth, physical resources were all. In these formulations, output flowed from combinations of various inputs (land, labour, capital). In principle, then, it seemed logical to conclude that faster growth would result from infusions of additional inputs (chiefly capital) or better use of existing inputs (often thought to require centralised economic planning). In practice, however, such prescriptions often have been disastrous for less developed countries (2).

Most recently a few economists interested in economic growth have returned to ancient principles. They have focused on the nature of institutions and on the structure of rules and norms that constrain economic behaviour as a way of understanding the development process. And they have rediscovered Smith's old insight that economic liberty is a crucial precondition for sustained, vigorous economic growth.

Economic freedom: definition and measurement

Economic freedom is defined as the absence of government coercion or constraint on production, distribution, or consumption of goods and services beyond the extent necessary for citizens to protect and maintain liberty itself. The main elements of economic freedom are personal choice, voluntary exchange, freedom to compete, and protection of person and property.

The increasing interest in finding a recipe for economic growth lead to a special concern for finding a proper measurement of economic freedom. Beginning in 1986 the Fraser Institute from Vancouver hosted a series of conferences that focused on this issue. Eventually, these conferences led to the development of the Economic Freedom of the World (EFW) index. The index measures the consistency of a nation's policies and institutions with economic freedom (3). Since 1995 the Heritage Foundation offers its own Index of Economic Freedom (4).

The EFW index provides a measure of cross-country differences in economic freedom, using third-party data to enhance objectivity. The index measures the degree of economic freedom present in five major areas:

- Area 1: Size of government expenditures, taxes and enterprises
- Area 2: Legal structure and security of property rights
- Area 3: Access to sound money
- Area 4: Freedom to exchange with foreigners
- Area 5: Regulation of credit, labour, and business

The components of Area 1 indicate the extent to which countries rely on individual choice and markets rather than the political process to allocate resources, and goods and services. When government spending increases relative to spending by individuals, households, and businesses, government decision-making is substituted for personal choice and economic freedom is reduced.

Protection of persons and their rightfully acquired property is a central element of both economic freedom and a civil society. Indeed, it is the most important function of government. Area 2 focuses on this issue. The key ingredients of a legal system consistent with economic freedom are rule of law, security of property rights, an independent judiciary, and an impartial court system.

Area 3 refers to money. Money matters! An absence of sound money undermines gains from trade. As Milton Friedman informed us long ago, inflation is a monetary phenomenon, caused by too much money chasing too few goods. High rates of monetary growth invariably lead to inflation. Similarly, when the rate of inflation increases, it also tends to become more volatile. High and volatile rates of inflation distort relative prices, alter the fundamental terms of long-term contracts, and make it virtually impossible for individuals and businesses to plan sensibly for the future. Sound money is essential to protect property rights and, thus, economic freedom. Inflation erodes the value of property held in monetary instruments. Governments have used inflation and printing presses, in effect, to expropriate citizens' property by devaluing it while using newly printed currency for government expenditures.

In our modern world of high technology and low costs for communication and transportation, freedom of exchange across national boundaries is a key ingredient of economic freedom. The vast majority of our current goods and services are now either produced abroad or contain resources supplied from abroad. Of course, exchange is a positive-sum activity. Both trading partners gain and the pursuit of the gain provides the motivation for the exchange. Thus, freedom to exchange with foreigners (considered in Area 4) contributes substantially to our modern living standards. Responding to protectionist critics and special-interest politics, virtually all countries adopt trade restrictions of various types. Tariffs and quotas are obvious examples of roadblocks that limit international trade. Because they reduce the convertibility of currencies, controls on the exchange rate also retard international trade. The volume of trade is also reduced by administrative factors that delay the passage of goods through customs. Sometimes these delays are the result of inefficiency, while in other instances they reject the actions of corrupt officials seeking to extract bribes. The components in this area are designed to measure a wide variety of restraints that affect international exchange: these include tariffs, quotas, hidden administrative restraints, exchange rate and capital controls.

When regulations restrict entry into markets and interfere with the freedom to engage in voluntary exchange, they reduce economic freedom. Area 5 of the index focuses on this topic (5).

Correlation between economic freedom and economic growth

Smith's conclusions regarding the links between free markets and wealth were generally accepted among economists until the twentieth century, when developments in economic theory led economists to advocate central planning and government control as a better way to produce prosperity, especially among less-developed economies. The twentieth-century approach to growth theory focuses on the inputs of the growth process. The focus on inputs, coupled with an increasing approval of government management of the economy, led economists to recommend government planning as the best way to create growth in less-developed nations. The Smithian approach looks at the economic environment that is conducive to growth. Following Smith's line of reasoning, an environment of economic freedom is the key to growth.

In light of their recent prosperity, it is easy to forget that nations like Japan, Taiwan, South Korea, Hong Kong, and Singapore were poor only a few decades ago. Nations that rejected the market system in favour of central economic planning, like the Soviet Union, China, and India, had economies that languished. Now that those formerly socialist countries are moving toward economic freedom, their economies have started to grow. The casual evidence is so clear that there is now a world-wide movement toward more economic freedom. Yet, as compelling as this casual evidence is, it still leaves open the question of what, exactly, the components of economic freedom are, and how much effect they have on economic growth.

For several years, the Fraser Institute has published a graph showing that a country's EFW Index score is positively related to per capita GDP. In other words, economically free countries have higher per capita incomes.

But there is another dimension to that relationship: one that involves the evolution of the score and of incomes over time. The chart above demonstrates that (seven-year average) growth rates in countries are positively related to (seven-year) improvements in their Index scores.

The 142 countries with available data were divided into fifths according to how much the EFW Index scores had improved over the seven years. The countries with the most improvement are in the first quintile, and those with the least improvement (or most deterioration) are in the fifth quintile. Comparing the average growth rates of these two groups, the countries in the top quintile had almost twice as much growth (4.9 percent) as those in the bottom quintile (2.5 percent). Even for the middle three quintiles, growth rises and falls with changes in the EFW Index score (Figure 1).

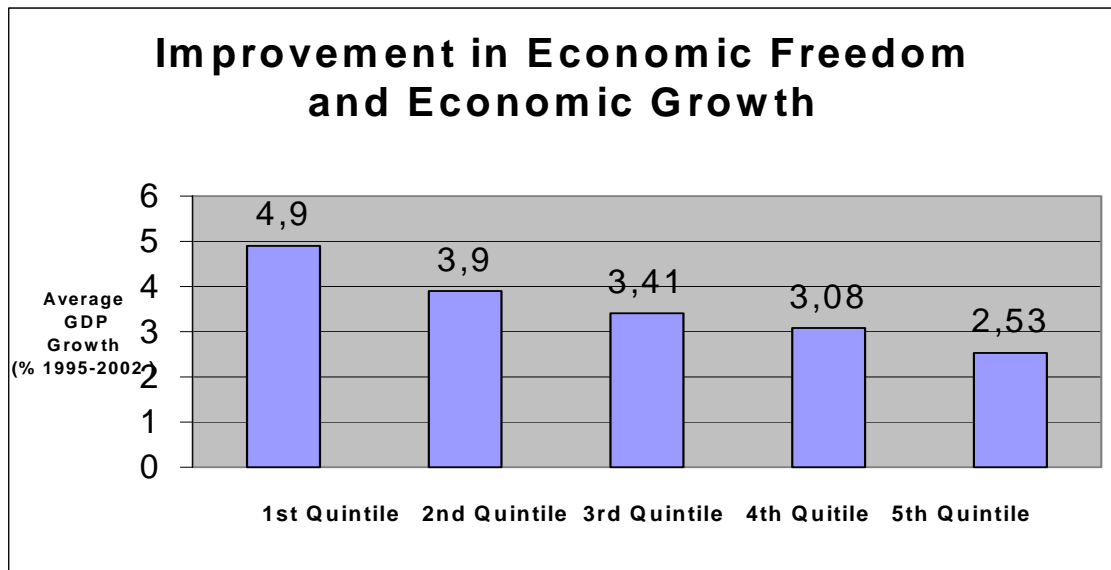


Figure 1: Improvement in economic freedom and economic growth

Source: James D. Gwartney and Robert A. Lawson (2002) Economic Freedom of the World - 2002 Annual Report, Vancouver: Fraser Institute, p.86

Concluding thoughts

The key ingredient for economic growth is economic freedom. The evidence shows that without an environment of economic freedom, growth will not take place. Economic freedom contains a number of components, all of which must be in place for an economy to grow. An economy must have a stable monetary system, secure private property rights, an impartial legal system, low taxes, minimal government, and low barriers to international exchange. If any of these components are missing, an economy will not grow (6).

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THE ORGANIZING OF AGRICULTURE FINANCING ACTIVITIES IN ROMANIA ACCESSION EXPECTATION TO EUROPEAN UNION

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Abstract: *The display of the adhesion process at The European Union consists in the achievement, step by step, of the specific conditions for each chapter that forms the community "acquis" following for each chapter three stages of negotiation, thus :*

- *the opening negotiation of a chapter, stage in which the state candidate is finalising his position regarding the concrete modalities of realising the chapter demands by defining his strategies, his objectives and the time horizon in which these will be realised. These elements are presented at the European Committee in the so-called "Position document", assumed by the state.*
- *the proper process of negotiation, stage in which the state is concentrating his efforts regarding the achievement of the objectives described through the "Position document" previously presented, stage that is finalising with a report regarding the stadium of achievements, advanced and approved by the European Committee.*
- *the provisional closing of the chapter, represents a confirmation of the fact that the pledges made by the state candidate, regarding the approximate legislation in the domain, are considered able to be achieved. Also an analysed criterion at the provisional closing of a chapter, is the estimate of the administrative and institutional capacity to apply the community legislation, into the agreeable form.*

Romania adhering process at the European Union has begun on the 11-st of Decembre 1999, when at Helsinki Summit the member states official approved at the European Commission the proposal for the beginning of adhering negotiations with 6 new states, including Romania.

The negotiation process in view of adhering has as scope the accomplishment of economical, social and political conditions, that Romania has to accomplish to become a state capable to assume the comunitar politics assembly that join the Member States in European Union. The comunitar politics assembly was divided and structured from methodological reasons in 31 chapters known as Acquis Comunitar.

1. The development of the negotiation process in view of Romania adhering at European Union

The development of the negotiation process at European Union consists in step by step achievement of the specific conditions of each chapter that forms the *acquis comunitar*, going over every chapter three negotiation stages, as follows:

- The opening of negotiation of one chapter, stage in what the candidate state defines the position regarding the concrete ways for accomplishing the respective chapter requests, defining the strategies, objectives and the time horisont in what these will be realised. These elements are subbmited to European Comission in the so called "Position Document", assumed by the respective state.

- The proper negotiation process , stage in what the respective state concentrates the efforts in view of the accomplishment of the objectives described in the Position Document previously mentioned, process that is finalised with a report regarding the achievement stages, submitted and approved by European Comission;

- The provisional closing of the chapter, represents a confirmation of the fact that the commitments made by the candidate state regarding the legislation approximation are considered realisable. Also, an analysed chriteria at the provisional closing of a chapter is the evaluation of administrative and institutional capacity to apply the comunitar legislation in an approved form.

In the period that preceed the beginning of the negotiations regarding one chapter a serie of founds that has the scope to enforce the institutional capacity of the facts with a relevant impact in implementation politics that characterize the respective chapter are allocated; also in some cases testing the absorbtion capacity of the candidate state for the fonds that will be alocated in the next period. Once than the negotiations have started , the volume of the allocated fonds for the respective chapter grows.

Usually in this "moment" a serie of large financing programmes for the respective sector is started. After the provisional closing, the started financing progams in the continuous negotiation period are followed eventually by a serie of other programmes that have the scope to harmonize some certain elements included in the regarded chapter with the specific politics to other chapters.

The agriculture represents the 7-th chapter of Acquis comunitar, chapter opened at the negotiation in 2002, moment followed in Decembre of the same year by adopting by the Romanian Government of the position document regarding the agriculture sector, document in which Romania accepts in whole the acquis comunitar regarding the Chapter 7 – Agriculture, valid at the 31-st Decembre 2000 and it will be able to apply this acquis at the data of its adhering to European Union, data reffering in the respective document that will be the 1-st of January 2007, with an “exceptions” serie, as follows:

- A transition period of 5 years, until 31.12.2011, in what Romania can adopt protection measures at the agriculture products import from one or more member states, if these imports produce or threaten to produce perturbations of the Romanian market for agriculture products.
- A transition period of 4 years, until 31.12.2010, for assessment of viticultural plantation and organization of one comunitar record of those;
- A transition of 8 years, until 31.12.2014, for elimination from the crop of the direct producing hibrids;
- A transition period of 3 years, until 31.12.2009, to be able to implement at the national level the vaccine politic for clasical pig-like plague.
- A transition period of 3 years, until 31.12.2009, for the modernization and retechnologization of meat cutting and processing units according with the comunitar requests;
- A transition period of 3 years, until 31.12.2009, for the modernization and retechnologization of milk processing units, and also the organization of collecting and milk standardisation centres according with comunitar requests;
- A transition period of 3 years, until 31.12.2009 for conforming the comunitar requests regarding the dairy farms and the quality of the obtained milk.

Although specifiv to the agricultural sector, the analyse if these data demonstrates compare with the financing avtivities management for the agriculture sector in the perspective of the adhering process to European Union, because they evidence the time horison in what the specific politics of this sector will be implemented, follows by benefitting by a special financial support.

We also have to mention that in present the chapter “Agriculture” is in the negotiation stage and also we have to mention that independent of the proper negotiation period, this will lhave in view the development of the following subsectors:

- Horisontale aspects: guarantee and orientation; commercial change mechanisms; quality polity; organical agriculture; specific financial network; state subventions;

- The common market organization: arable grounds; cereals; oleaginous seed and proteic crops; nonfeeding cereals, processed, starch from potatoes, cereal substituents, rice, sugar, plants crops for the fibres yield;
- Specialized crops
- Animal products
- Rural development
- The veterinary legislation
- Phytosanitary legislation

Taking into account the above presented considerations, regarding the adhering process to European Union, the financial support given to the agriculture sector is structured in two segments:

- a) finances afferent to the period 1990-2003 whose main destination was to enforce the institutional capacity of the relevant institutions in the agriculture sector and also the economic agents that work in the agriculture sector;
- b) 2003-2007 perspective – segment in what it will be achieve an analyse of specific finances of adhering period.

2. The European Union Given Support in Agriculture Financing in 1990-2002

The European Union given support to the candidate states, in view of supporting the reforms in the agriculture sector, begins with the reality that the majority of the economies of the candidate states are characterised by a much bigger dependence of agriculture than is the case of inside of the Union, where the agriculture sector produces 2,4% from BIP from EU and occupies 5,3% from the active population of the Union. In the central and east countries the corresponding figures are from 9% and respective until 22,5%. In Romania, although nonperforming, the agriculture sector had as main characteristic the attenuation of the social impact, generated by structural reforms of the other sectors of the national economy, agriculture also being the main income source for the rural, space in what the period 1989-2000 has known a continuous rush of population coming at 70% from the total population of the country. In all candidate countries in 1989 structural substantial changes have been produced, but there are still many things to do. The infrastructure is the main field that claim substantial modernizations. The agriculture sector reshaping is absolute necessary. This thing is a an equal measure valid for the farmers, and also for the sectors from upstream and downstream the agriculture. Many firms from EU are already present in these states developing the

markets before extension of EU. Since 1989 a number of special agreements were established with these states.

European Union is in the present the main commercial partner of Romania in the agro-feeding sector, and the financial support given by European Union from the beginning of 90-ties for this sector has a total value of 130 millions of Euro. Between 1991-1992, European Union has taken a serie if initiatives for assisting the Romania Government in the reform process of the agriculture sector, inclusive the agro-feeding industry, the sector of foods processing the industries with an impact in this sector and in the reorientations measures to a market economy.

The realisation of necessary conditions for the starting of the comunitar aquis implementation in the agriculture sector, specific proces to the 1990-1999 period, was characterised by the progressing of one whole programmes serie for financial support nonreimbursable from EU, support that had the scope three major directions:

- Support for the human, institutional and statistical resource preparation:

This kind of support mainly watched the development of the institutional capacity of different institutions, specially belowing to the state sector, that have the role to coordinate and implement the stipulations of comunitar aquis in the agriculture sector. We can enumerate Agriculture Ministry and General Direction for Agriculture and their Food Industry and the county departments. The processing programmes from this period were: The Facility for General Technical Assistance – 1991 – with 5 million Euro; The agriculture and Food Industry Privatisation – 1992 – 12 million Euro; Reform Programme of the fields – 1993 – with 5 million Euro, in 1998 through the programmes The standards harmonization for foods – a project was processed of 4 million Euro that practical meant the moment of starting the legislation reforms in food standards harmonization.

- Direct support given to economic agents:

The processed programmes had the main scope to support Romania to implement the privatization programme in the services sector, the companies implicated in the foods supplying and also tools for agriculture sector, that together constitue the agriculture inputs and outputs, a materialised support way through programmes for Supplying of Important Imported Goods in foods industries from Romania – 9 million Euro in 1992 and respective in 1995 – a programme for “Agriculture and rural development” has started with 10 million Euro.

Although it has been followed to give a support to the economic agents who directly work in the agricol sector, through giving nereimbursable fonds for starting of new business or the modernization of the old ones, support materialised in Economic and Social Cohesion Programme 19998, through “Preparing Special Programme SAPARD”, programme that with 7 million Euro, accentuated the implementation procedures of SAPARD programme in the preadhering period, the

supplying of necessary effective support through an action in the rural development, financing the economic agents for investments projects, with 50 000 euro budgets.

- Support for the constitution of the agriculture guarantee fond:

An important component in agriculture financing is represented by Guarantee Fond for Rural Credits. The constitution of this fond has been constituted a priority of the support given by EU for Romania. This constituted the form for Agriculture and Foods Privatisation , started in 1992 – whose total budget was 20 million Euro- included a component of 9 million Euro for the constituting the Guarantee Fond for Rural Credits.

3. Finacing perspectives for 2003 – 2007

The financial perspective for 2003 – 2007 will be materialised through the consolidation and extension of the implementation system of SAPARD programme.

Besides this programme financial support will be granted for surveillance, prevention, diagnosticating and control of animals diseases and alignment at the comunitar aqius in the animal nourishment – support that will be realised through allocation of a budget of 7 million Euro. The support has the scope to line up the administrative procedures and technical capacities of surveillance, prevention diagnosticating and control of animals diseases and the structures of veterinary control at the frontiers with the ones of European Union.

The pesticides storing, also represents another priority of financing the agriculture sector for the period 2003-2007, objective for whom a budget of 3,75 million Euro will be allocated, following the risks reducing of environment pollution from the administrate pesticide storages used in agriculture that are repacked, collected and eliminated on Romanian terithory; the project is in accordance with the requests and stipulations in this field from European Union.

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DIRECT FOREIGN INVESTMENTS – AN INCENTIVE OF WORLD ECONOMY GLOBALIZATION

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Abstract: *In this paper, we are going to provide you with some of the elements of direct foreign investments in Romania. The foreign investments are, no doubt, an increasing economical factor. They have an important contribution to realise an economical reform, to build and to strengthen the free-economy system, to realise a free market and an internal field favourable to the increasing of the economy.*

For from being a new phenomenon, the evolvment and the development of transnational societies have meant many historical points of reference that should be taken into account. Although a certain period of the modern transnational corporations cannot be precisely stated, the statistic data and the economic facts show us that, today, they constitute a certitude in international economy.

Direct foreign institutions have been admitted as an essential factor of assuring economic growth, both in the host-countries as in these of origin. Undoubtedly, this category of capital fluctuations was and it still remain a way through which transnational corporations can enter in different markets, within the business field of host-countries.

In J.H. Dunning opinion, we can speak about more types of activities of the transnational corporations depending of the investment motivation who caused them¹:

¹ John H. Dunning, *Multinational Enterprises and the Global Economy*, Addison-Wesley Publishing Company, 1993, pg. 81-84

- investors in searching of resources: represent that category of transnational firms that invest abroad in order to exploit certain production factors. After the character of the resources that exploit, we can discern 3 categories of investors¹, respective those that are searching basic unprocessed matters, those that are investing in order to obtain high technologies, superior management and experience in marketing (Korean and Taiwan transnational firms);
- investors who are searching for new markets – are those firms that invest in a country on a certain area, in order to increase the sales in the host countries or in the nearest countries and also in order to protect the markets in which the firm already works or to prevent the penetration of the rival firms on certain markets;
- investors that are looking for strategical assets – transnational firms who accomplish foreign investments in order to obtain assets of the other foreign firms; to promote their purposes on long term. We have in view to fortify the efficiency of the innovational or production activities; to obtain new lines of production and new markets;
- investors that are looking for efficiency – firms that have direct investments abroad in order to optimize the new subsidiary structure;
- other types of investors.

During last years the foreign investments were one of the most important features of the world economy. Those involve, among other things, the development of the new firms abroad or the acquisition of significant number of shares in foreign firms. The increase of the foreign investments in the last decades is clued mainly to openly increases, caused by the decreased obstacles for investments and trade.

The tides of direct foreign investments represent a basic component of the phenomenon that manifest in world economy, constituted financial resources directed to a specific investmental area, allowing to those that invest to develop transactions on which they hold the control and the power of decision.

The evolution of the direct investmental waves is caused by the following “concrete objectives”²:

- for the purveyor countries of FDI:
 - to provide unprocessed matters and energetic resources in host-countries;
 - to use production factors available in host states;
 - the possibility to retail the products on the markets of the host-countries;
- to the host countries for FDI:
 - to obtain of high technologies;

¹ Ion E. Anghel, *Investițiile străine directe în România*, Editura Expert, București, 2002, pg. 45

² Ion E. Anghel, *op. cit.*, pg. 53

- to create new jobs;
- to perform the management;
- to retechnology with effects on the production modernism and on the generalization of the technical progress.

The evolution of the waves of the direct foreign investments reflects the expansion of the transnational firms activities depending on the objectives presented.

The world economic recess and the increase of the uncertainly degree of the investments led to a constant diminution of world direct foreign investments in 2000-2003. Around 2002, it obtained an annual development with 2,6% of world GDP in comparison with 2000, but that is smaller than medium development of world GDP on a long time (3,5%).

According to UNCTAD statistics, for the second year consequently, the waves of direct foreign investment had a decrease, attaining in 2001 – 651 billiards dollars. The diminution of these waves took place in 108 economies from 195. The main factor who led to this decline was the lower economic development in the most parts of the world and the slight expectations of world economy reconstruction, on a short period at least.

Had also an important contribution to the direct investment diminution, other factors such as: reduced profit of the corporations; decreased rate of reorganization of transnational firms activities, the diminution on the value titles on markets and the negative changing of privatization, in certain countries.

On the whole, it estimates that direct foreign investment waves have been stabilized in 2003. On long time, starting with the first months of the year 2004, world waves could be stabilized and it would be a slowly tendency of increase. The foresights for future depend on macroeconomic, microeconomic and institutional factors.

In 2002, the direct foreign investment decline didn't manifest uniformly on the level of national economies and areas. Also it recorded differences on fields levels, production and services grasping less direct investments while in primary field they increased. According to a UNCTAD study, the fields which will attract the most direct foreign investments in the next period are farming, electronic industry, textile industry and constructions.

In 2002, direct foreign investment tides to developed countries diminuated with 22%, 9 countries registered increasing and other 16 registered a decline of the direct foreign investment comparatively with 2001 (23%): Africa 41% followed by Latin America and Caribbean 33%, while the tides of the most populated region of the world Asia and Pacific registered decreases less dramatic (diminutions) as a result of the presence of China who once again was the exception, being the biggest host of the direct foreign investments in 2002. Countries from Central Europe and East

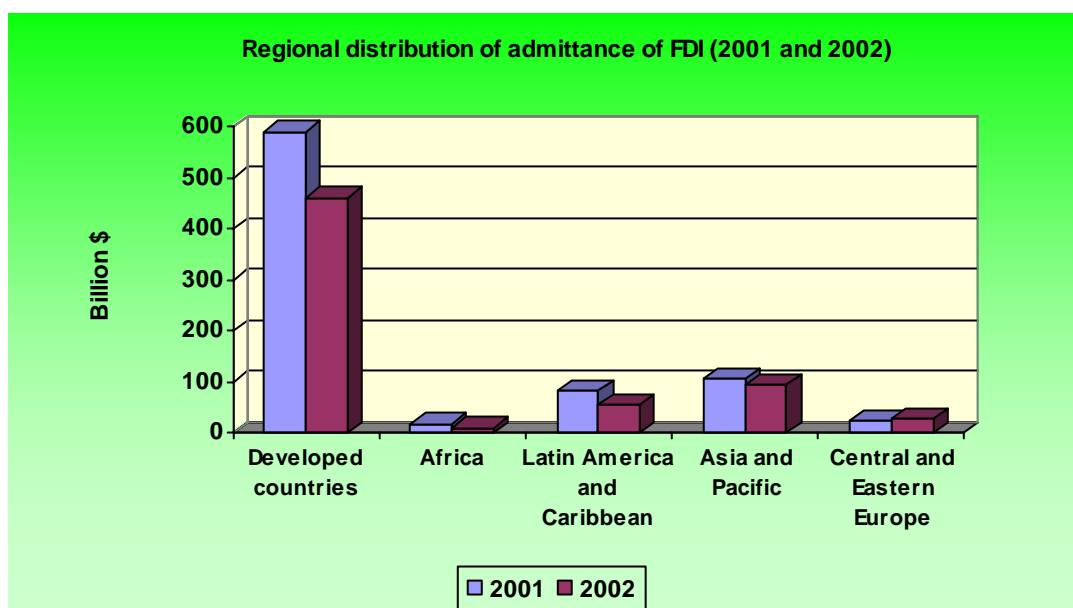
resisted to world decline succeeded to obtaining an increase of the direct foreign investments with 15% comparatively with the previous year.

Regional distribution of admittance of FDI (2001 and 2002)

- billion \$ -

Region	2001	2002
<i>Developed countries</i>	589,4	460,3
<i>Developing countries, from which:</i>	209,4	162,1
Africa	18,8	11,0
Latin America and Caribbean	83,7	56,0
Asia and Pacific	106,9	95,1
Central and Eastern Europe	25,0	28,7
WORLD TOTAL	823,8	651,2

Source: United Nations – UNCTAD – “World Investment Report 2003. FDI Policies for Development: National and International Perspectives”, New York and Geneva, 2003, pag.7



Certainly the label of regional distribution doesn't present details concerning the main factors that led to the damage of the production, offering only general view on the evolution of the direct foreign investments. That is why to determinate the performances and the national economics potentials in attracting of direct foreign investments, UNCTAD estimated 2 indicators: performance Index in attracting direct foreign investments and potential Index in attracting direct foreign investments.

Depending on these estimations, in 1992-2001 period, the leaders were Belgium and Luxemburg, countries that maintained their place from previous period (1998-2000). The top of the first 20 states classified according to Performance Index in attracting direct foreign investments contains 6 industrialized countries (Ireland, Sweden, Netherlands etc.), 2 asiatic countries with strong economies (Singapore and China), 3 states being in transition (Czech Republic etc.) and 9 countries developing including 3 from Africa (Angola, Congo etc.). The first five classified countries, respective: Belgium and Luxemburg, Angola, Hong Kong and China, Ireland, Malta keep their places which occupied in 1998-2000 period.

From 20 countries with lower results, 19 are in development and one is developed. The biggest increases of the IP in the last decade were those from Angola, Panama, Nicaragua, while the biggest decreases were registered in Oman, Greece and Botswana.

Performance Index in attracting direct foreign investments classifies the countries in according with their potential to attract direct foreign investments. This index quantifies the structural factors that tend to change. As a result, the index value is stable on short time.

This index contains 8 variables, considered to be clue factors to attract FDI: GDP/capita, the weight of exports in GDP, the real annual increase of GDP, the number of telephone lines at 1000 inhabitants, the energy consumed on inhabitant, the weight of expenses with the searching and development in the national gross profits, the weight of students in superior education on the whole population.

According to estimations in 1999-2001 period the first 20 countries classified are developed countries depending on the Potential index, less 4 countries that are still in the process of development (Singapore, China, Taiwan, Korea).

UNCTAD tried to combine the 2 indexes, obtaining in this way a pattern of world states. To classify the countries depending on both Potential index and Performance index lead to the following matrix (see the label no. 2):

- countries with high performances concerning direct foreign investments and an high potential (“front-runners”). In this category take part over 40 states among that developed countries like France, Germany, Sweden, Switzerland, Great Britain, Asian countries (Hong Kong, Malaysia, Thailand), countries from Latin America (Argentina, Chile). The new-comers in this category are Brunei, China, Cyprus, Mongolia;
- countries with high performances concerning direct foreign investments and low potential (“above-potential”). In this category take part in majority, poor countries without a solid industrial base and without a stimulated factors, but who succeed in attracting the direct foreign investments;

- countries with low performances concerning direct foreign investments and high potential ("below-potential"). In this category take part generally the developed countries or with a relative industry, that didn't realized semnificatives waves of direct foreign investment according to their economical potential, because of unfavorable investitional policies or traditional policies (Italy, Japan, Korea, Taiwan) or because of unfavourable investitional policies or of the social factors, or of a low competitiveness. In this last category have been included lately USA and countries who are developing with an abundant capital, such Saudi Arabia;
- countries with low performances concerning the direct foreign investments and low potential ("under-performers"). In this category take part the poor countries that by economic reasons or other reasons don't benefit of international production advantages, as an economical increase factor (Algeria, Cameroon, Kenya, Turkey, Ukraine, Romania, Pakistan).

The matrix of the countries classified according to the Performance and Potential Index (1999-2001)

	High FDI performance	Low FDI performance
	<i>"Front-runners"</i>	<i>"Below-potential"</i>
High FDI potential	Argentina, Bahamas, Bahrain, Belgium and Luxembourg, Brunei Darussalam, Bulgaria, Canada, Chile, China, Croatia, Cyprus, Czech Republic, Denmark, Dominican Republic, Estonia, Finland, France, Germany, Guyana, Hong-Kong (China), Hungary, Ireland, Israel, Jordan, Latvia, Lithuania, Malaysia, Malta, Mongolia, Netherlands, New Zealand, Norway, Panama, Poland, Portugal, Singapore, Slovakia, Spain, Sweden, Switzerland, Thailand, Trinidad and Tobago, United Kingdom	Australia, Austria, Belarus, Botswana, Costa-Rica, Egypt, El Salvador, Greece, Island, Italy, Japan, Kuwait, Lebanon, Libyan, Mexico, Oman, Philippines, Qatar, Republic of Korea, Russia, Saudi Arabia, Slovenia, Taiwan Province of China, United Arab Emirates, United States, Uruguay, Venezuela
	<i>"Above-potential"</i>	<i>"Under-performers"</i>
Low FDI potential	Albania, Angola, Armenia, Azerbaijan, Bolivia, Brazil, Ecuador, Gambia, Georgia, Honduras, Jamaica, Kazakhstan, Mali, Morocco, Mozambique, Namibia, Nicaragua, Papua New Guinea, Republic of Congo, Republic of Moldova, Sudan, TFYR Macedonia, Togo, Uganda, United Republic of Tanzania, Viet Nam, Zambia.	Algeria, Bangladesh, Benin, Burkina Faso, Cameroon, Columbia, Côte d'Ivoire, Democratic Republic of Congo, Ethiopia, Gabon, Ghana, Guatemala, Guinea, Haiti, India, Indonesia, Iran, Kenya, Kyrgyzstan, Madagascar, Malawi, Myanmar, Nepal, Niger, Nigeria, Pakistan, Paraguay, Peru, Romania, Rwanda, Senegal, Sierra Leone, South Africa, Sri Lanka, Suriname, Syrian Arab Republic, Tajikistan, Tunisia, Turkey, Ukraine, Uzbekistan, Yemen, Zimbabwe

Source: United Nations – UNCTAD – *"World Investment Report 2003. FDI Policies for Development: National and International Perspectives"*, New York and Geneva, 2003, pag.14

What are the conclusions? For “front-runners” – who want to remain important host of direct foreign investments, the problem is to keep the competitiveness in attracting the FDI. The below-performant economies have to improve the aspects of the investmental area, and the countries that oscillate between the aspects and the “above-potential” economies have to try to build a competitive potential in order to attract the investors.

“The foreign investments are, no doubt, an increasing economical factor. They have an important contribution to realise an economical reform, to build and to strengthen the free-economy system, to realise a free market and an internal field favourable to the increasing of the economy. Apart of being the main resource of development based first on the internal effort – those have an multiplying effect, their impact spreading in economy and society”.

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THE EUROPEAN UNION'S PROCESS OF EXTENSION FROM THE ROMANIAN STATE AUTHORITIES' POINT OF VIEW

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Abstract: *Given the complexity and the dimensions of such a project Romania considers it necessary and welcome to present its own concept on the integration. At the same time it sustains that each of the adherent states should express its own aspirations regarding this proces. This would be, according to the Romanian state, a proof of our European partner's solidarity. Moreover it would guarantee a raise of its legitimacy, wich consists in its capacity to prove its relevance for all the members.*

In this paper, we are going to provide you with some of the elements of Romania's vision of the European Union enlargement, such as: the perspectives and the direction of the process of European construction; means and ways of accomplishing it; consolidated cooperation; the Constitution and the European institutions.

Given the complexity and the dimensions of such a project, Romania considers it necessary and welcome to present its own concept and to support its own aspirations by all the states that will share the same European future. This would be, according to our expectations, a proof of solidarity, namely of our European partners. Moreover, this would cause an increasing rate of the project's legitimacy that lies exactly in the ability of proving the relevance for all its members.

As a future state of the European Union, Romania is extremely interested in contributing to the enlightening of a united, powerful Europe, within the common space of democracy, security and prosperity.

The perspectives of the European construction. The enlightening process of the future European configuration is extremely complex and must be viewed minutely. If the prevailing approach will be a realistic and pragmatic one, in our opinion, we had to state the clear difference between short-termed priorities of the European agenda and the interests with minimal chances of accomplishment in the close future.

Taking into account the dimensions and the importance of this project that views the configuration of the future European architecture, we consider that it would be utopian to think that in an immediate perspective, one can advance beyond the identification of some reference marks of this project. Non-fulfilling it in a predictable future must not, yet, influence by any means the attainment of the most important short-termed objectives of the Union.

Taking into consideration the common interest of the European Union and of the adherent states, that the process of extension might advance in a sustained rhythm and fulfill successfully, Romania identifies as a priority objective the *fulfilling of the institutional adjustments* necessary so that the European Union should be prepared for the integration of all the adherent states, respecting at the same time the essential principles of equality and solidarity.

The enlargement should not be made in the disadvantage of the thorough study of the European integration, purpose for which we consider of the same importance the activities meant to guarantee the continuity of the Union's force and coherence, according to the essential principles of the European construction and its political, economical and social objectives.

An extended Union does not mean just a greater number of member states but also a higher level of heterogeneity. Europe is a continent of cultural diversity and multi-laterality. The power and "the charm" of the European Union was based exactly on its extraordinary capacity of creating *unity form diversity*.

In the context of the present extension, the institutional development of the European Union is inevitable, process that will imply both constitutional initiatives and institutional changes within each state.

Similar to other European states, Romania's vision towards the new European architecture, at this moment, is placed in a primary state of reflection. It goes towards a *Union of the nations* in which maintaining the national identity and the state government legitimacy must be combined with a strengthened European political cooperation, able of offering EU's cohesion.

Thus, Romania considers that the syntagm "The united Europe of the nations" and not "The united states of Europe" reflects in the best way its own expectations and interests in the field.

As far as our opinion is regarded in the principles that must govern this complex and ambitious construction we consider as essential the following:

- The new European construction should stand for "*the common construction of some shared aspirations/interests*".
- All member states should be *guaranteed the continuity and the possibility of national identity statement*, the certainty that this will not "disappear" in a "super-state" entity, no matter on what background it will develop. To state this clearly, the European Union, as a more active international economical and political actor, must not inevitably become a super-state entity. When saying this we take into consideration the fact that national identity exercise is the main factor of mobilizing the national efforts in achieving the European integration process.
- The national background will stand for an essential reference point in the national identity statement as well as in the democracy consolidation.
- The European Union's rules and common politics must be based on values and principles shared unhesitatingly by all its members.

The process' meaning. In Romania's vision, the process of European construction should have as a target a united and powerful Europe, a Europe of solidarity and tolerance.

The president of the European Committee, Romano Prodi, says that the future European construction should stand for: a united, peaceful Europe, including all its different states; a democratic Europe, in which people should decide their own destiny; a tolerant Europe with prevailing liberties; a secure and right Europe, in which the human rights are respected and its citizens protected.

Romania considers the nation-state as a reference level in the national identity statement as well as in the democracy consolidation, but, at the same time welcomes other advanced techniques of integration. In our opinion, the more the European Union encourages the identity statement of the adherent states, the greater their willing to go deeply into the cooperation within the Union will be.

Romania wants that the EU member states should not view its adhesion as an "association" to the present structure and that they should accept the idea of forming an extended Union, together.

As a future member of the Union, Romania has the conviction that the transfer of sovereignty towards the European institutions that some decisions involve, must be viewed with realism and pragmatism (from the perspective of the advantages that they offer) and must not become a source of obsessive fears of national identity dissolution after the integration process. Thus, one must get the best solution of guaranteeing the transparency and the equity of the integration process, putting in this way aside any reserve in this field.

Romania's vision combines the wish of the Romanian society of preserving the autonomy of political decision, stated only after re-establishing the democracy in 1989, accepting thus the

relation of partnership that the quality of an EU's member implies. This wish of preserving our national identity is even more obvious, since we had been deprived of it during the communist totalitarian experience.

Methods and means of accomplishing. Romania considers that an essential step in the enlightenment of this construction is represented by the clear definition of *the criteria of dividing the competences among the following domains: communitarian, national and regional/local*.

There must be also understood *the advantage of the decisions taken at the communitarian level* not only for well known common politics but also for the domains with global implications (informational society, prevention of illegal immigration and international criminality, improvement of the environment quality), for which the national approach is inefficient. When dealing with common problems the best solution lies in conjugated efforts. This is the perspective connected with the transfer of sovereignty that we understand and that involves a supra-national decision level.

Within the recent speeches about the future of the European Union, *the consolidated cooperation*, namely the *flexibility*, was often mentioned as a way of going deeply into the European integration.

The member states are more and more preoccupied by the ascending evolution of the European integration into an extended Union, and the solution to this problem is the *strengthened cooperation* within the Union. The cause of these lies in the fear of instability and inefficiency in a Union with a double number of members, in which there are great discrepancies in the economical and technological development.

The concept of consolidated cooperation/flexibility, mentioned in the Treaty of Amsterdam could represent in a first stage a method of studying thoroughly the process of the European integration with maintaining the cohesion within the EU and thus taking advantages for all the member states. When a small number of states assume tasks that lead to positive effects for the entire Union, this thing will also determine a stimulating effect on the other member states, that will be drawn into such "strengthened relations of cooperation".

From Romania's point of view, an adherent state, the consolidated cooperation may represent an advantage, determining a gradual integration and reducing the impact of the effort that will imply its participation from the very beginning in all the advanced forms of European integration.

On the other side, applying the mechanisms of consolidated cooperation must allow the gradual integration of the new adherent members, without leading to their casting out in the process of reaching decisions.

In order to consider it an advantage, the study of the European integration through consolidated cooperation, it is very important to state clearly the participation conditions, so that interests of those who do not participate in it from the beginning must not be disregarded. It is essential at the same time that the process should stay open in order to avoid delimitations or separations within the Union, namely the creation of some exclusivist “clubs”.

Thus, for maintaining the Union’s unity and cohesion, any form of consolidated cooperation must be viewed together with the classical cooperation that will be between the adherent and non-adherent states, so that the latter ones may have the possibility of joining the others.

Each state, even if it cannot participate thoroughly in the beginning, in all the communitarian politics, will have the opportunity to identify new fields in which it can imply successfully, as well as the previous adherents to the European cooperation. In this way, Romania, even if it requests some time for the necessary adjustments in the complete participation in economical and social cooperation, it is yet prepared to assume all the responsibilities that come from the military cooperation, namely from the common European politics of security and protection. The attitude and the conduct of the Romanian state in the context of crisis situations from Europe (for instance, the crisis from the former Yugoslavia) stand for proofs in this way.

Both to the future EU members and to the present ones must be guaranteed the possibility of objecting towards the dividing of the Union – as a possible result of advancing within the consolidated relations of cooperation – and thus creating a distinct category of member states.

The European Constitution. In an extended Union, with a number of members almost double to the present one, the cohesion of the communitarian actions cannot be assumed without the existence of an European Constitution, that consists synthetically in the so far settlements of the European treaties and that stands for a unitary, explicit and accessible document.

At the same time such a fundamental document would be the solution for establishing the “rules of the communitarian game”, in the places where there are ambiguities: the relations between the European institutions, separation of the competences within EU domains: communitarian, national, regional, local. A document like The Charter of Fundamental Rights should be placed within a Constitution, that settles the citizen’s rights, but in this case the European’s ones.

Obviously, taking into account the importance of such a document, the process of construction of the European Construction should imply not only the member states, but also the adherent ones. This thing would determine a complete legitimacy of the document according to the national Constitutions and implicitly to the communitarian citizens.

The European Institutions. The European Union’s strength and “power of attraction” lies basically in its internal diversity. Romania considers at the same time that Europe must develop its

identity and become a more visible “actor”, internationally speaking. Achieving this objective implies a continuous process of reform and rearrangement of the communitarian institutions already existing, as well as creating new ones, that should correspond to the future requests of the extended Union.

The possible creation of some new institutional structures must be based on the same principles and preceded by the passing of some constitutional rules to which all the EU member states must subscribe.

The debates over these aspects must go on, without letting the impression that they represent a restriction for the next extension. There must not be forgotten the fact that the European Union is an entity in which the studies thoroughly were made simultaneously or after the extension. Thus, the future members will be able to grow within the Union from equal positions as those of the present ones and not from the position of those who must accept a reality different of which they had been prepared for, during the adherence process.

The Romanian state considers that guaranteeing the possibility of participating in the formation of the future Union, must be taken as a faithful expression of the democratic spirit of the “Occident” towards which the adherent states, namely the former socialist ones lies all their hopes in the next period of time.

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ROMANIA IN THE PROCESS OF JOINING THE EUROPEAN UNION

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Abstract: *The integration in the European structures is Romania's main objective and the single way for the country to ensure its stability, its national integrity, because the E.U.'s major aim is an harmonious, balanced, development based on high level developed countries to have as members; the creation of the most proper means for the protection and defense of each country's national security and of all's, together.*

The European Union represents the most developed shape of international, economical integration, of regionalization of the worldwide economy as well as of globalization. In its actual shape, the European Union is the result of a complex and long process, unfolded along of at least four decades and materialized in an over national peerless structure in the world.

The European Union had been settled up in 1957, by signing the pact from Rome (inaugurated and valid at January the 1st, 1958), at that time, it was named the European Economical Community (E.E.C.). Its founding members were: France, Germany, Belgium, Luxembourg, Italy and Holland. Right from the beginning, the European Union had announced its intention of creating a unique, common market, and for this purpose, they had in view, mainly: the achievement of the customs union, the liberation of the principals' circulation and of the labor, to settle up the common agricultural market and the economic, currency union. Till now, most of the objectives were accomplished. Based on the main, economic interests, we can distinguish three stages to unfurl this process:

1. The achievement of the European Economic Community and its assortment as a great centre of worldwide economic power.
2. To widen the E.E.C.'s geographical sphere and to deepen the process of integration.

3. A new widens of its geographical sphere by joining of ten ex-socialist countries, as well, some South European countries, with all the significant economic disparity in front of the European Union.

Though Romania is an associated country to the European Union, from February 1995, and in present is involved in negotiations, in order to become member of it, our social-economic system here founded is still removing us, even more, from the countries already members. In this process of integration, Romania must to: adapt the economy and the other domains (social, military, political) to the own facts of the countries already members; to develop the relationships, the co-operation with the European institutions and the partners from the member countries.

Trough integration, the economies of the participating countries become compatible between them and also complementary: absolutely necessary conditions for their harmonious development.

THE BANK POLICY

The banking system is not only a factor of balance and development of the national economy, but also a catalizator of its integration in the European structures.

The reshaping and privy processes have generated on the whole Romanian banking system quantitative and qualitative changes which produced the diminution of the bank's number simultaneous with the improvement of their operational mechanism and with their more stressed orientation to the market. In order to be able to join the European Union, Romania has to do important changes in its own banking system: changes regarding the financial-banking legislation; operational and structural ones; to elaborate a new system of discounting based on modern principles; and also changes in the Romanian bank services' structure.

The National Bank of Romania has elaborated some regulation regarding the way how to organize the internal checking at the banks, the altering of the bank laws by leaning them up to the European principals; it was decided to change the reference currency in Europe. In this process of legislative harmonization, the National Bank got some technical assistants from a syndicate of central banks, inside of the Eurosystem frame (the bank of France, bank of Holland, bank of Italy).

Since the banking system must be an exponent of the real economy, not one of influence, the state, for the good working of the Romanian banking system, it is necessary to:

- to ensure the totally independence of the National Bank, by altering the Law number 101/1998 of the Bank's statute;
- to prohibit the direct finance of the public institutions by the National Bank (in accordance with the European Community's Pact, number 101);

- to ensure the independence of the National Bank's staff, members of its board of directors, by harmonizing with the Community's law regarding the length of the mandate, the reasons of revoking, the interests' conflict.

THE CURRENCY AND FISCAL POLICY

The creating of the European currency, it was an important stage in the European construction, which had begun over fifty years ago. The economical and currency union was achieved in three main stages:

- Stage I – started on July the 1st, 1990, based on the pact from Maastricht, achieved by the elimination of the existing barriers in the currency transactions, by strengthening of the economical and budgetary policies and co-operations between the central banks from the states already members;
- Stage II – started on January the 1st, 1994, which meant the transfer of the currency's authority to the System, the European System of the Central Banks and the creation of the European Currency Institute;
- Stage III – started on January the 1st, 1999, and includes the going to the Economical and Currency Union, and also to the unique currency in those twelve states, in the currency project to substitute the European Currency Institute with the European Central Bank.

The using of the currency occurs a series of advantages like: the stability of exchanges; the elimination of the foreigner currency's risk; the reduction of the interest's rate; guarantee of the prices stabilization; a base of the prices comparison and not at least, the creation of an international currency based on the existing of Euro Zone.

In order to join the Economical and Currency Union, Romania, has to obtain some concrete results concerning the public debt, inflation, the interest's rates and the budgetary deficit. In accordance with the European Committee, the necessary reforms for the Romanian transition haven't finished yet. The size of the private sector has increased by the fact that some industrial units owned by he state, become private. The budgetary compulsions were just partly increased.

The correct administration of the financial policy must be achieved by speeding of the fiscal reform and by increasing of the efficiency and the transparence in using of the public resources. Concrete, Romania has to monitorize strictly its budgetary position; to achieve a real, lasting, economical increasing (refunded in the internal, raw, product); to maintain under the control the budgetary deficit improving the fiscal-budgetary discipline, and to harmonize the price statistics to those from the European Union.

Referring to the rigidity of the prices and wages, Romania is one of the countries with problems, mainly at the remuneration chapter. According with the International Currency Fund assess, increasing of the wages, proved to be, till now, the main inflationary impulse from the economy, the restriction of the remuneration's increasing in the state and budgetary sector was one of the stipulated condition by the Fund in the relationship with Romania, at least, in the last five years.

THE INDUSTRIAL POLICY

After achieving the custom's union in 1968, The European Committee elaborated and transmitted in 1972, a program of industrial and technological policy of the Community's which contains some very necessary measures to eliminate many obstacles in the way of the free circulation of the industrial product, the progressive and effective opening of the markets for public acquisitions, to promote the industrial units by respecting the European rules of competition and the various actions applied to the sectors which are in depression. The mentioned objectives from this program were reached after two decades in the same time with the achievement of the unique, internal market.

With a view to reorientation the industrial policy the most valuable sectors (the informational technology, health, biotechnologies, the protection of the environments, and high performance industries), the European Committee, proposes:

- to promote the intangible investments, mainly by exploring the competitive advantages of the environments protection;
- the development of the industrial co-operation;
- to ensure a real competition;
- to diminish the already existing red-tape among the public authorities, which burden the economical operators.

In order to improve the economical increasing, Romania's industrial policy has to be an offensive one, meantime trying to avoid a protective and productive policy. The process of sectorial fitting in industry will include the modernization and the development of the competitive economical agents, and on the other way, the rising, the reorientation, the partial closing or the clearing off of the productive units without internal and external sales-actions which will be preceded by the solving of the social problems. In present, the structural fitting is made by speeding of the privatization and it will have in view the increasing of productivity of the products and services, of their efficiency and quality, the ensuring of some producing structures, which are compatible with the ones from the countries members of the European Union.

Analyzing the Romanian economy's system of companies, we can conclude:

The Romanian economy is orientated to branches which are intensive consumers of energy, being clearly specialized on the food industry and having a disadvantaged position in front of other high technologized industries.

By the liberalization's of the trade with the European Union, there are branches which were negative affected, like the chemical industry, the furniture's industry, but some were positive affected as: the machines and equipments industry, the metallurgic products industry, the wood industry (products made of unprocessed wood). The effects of integration are not clear, yet, for some domains, like: the textile industry, the footwear industry, the rubber, plastic, leather, glass and ceramics ones.

From the edited reports, between 1998-2003, the European Community had established, that Romania has assimilated the Community's industrial policy; but there is also a slowness of the reforms, as well as, a slowly increasing of the foreigner investments because of some problems of excessive bureaucracy and legislative instability.

THE AGRICULTURAL POLICY

The agriculture was a constant concern for the states members of the European Union. The objectives of a common agricultural policy are:

- to increase the agricultural productivity by the promotion of the technical progress;
- to ensure a proper level of living to the persons who are working in this field;
- the stabilization of the markets;
- to ensure a plenty of offers and to do in a way that this offers to reach to the consumers at reasonable prices.

To achieve these objectives it's necessary a common organization of the agricultural markets that consists on the existence of some common rules regarding the competition, the compulsory coordinating of the organizations of different national markets and of the European market.

Romania (after Poland) is the second great agricultural producer from Central and East Europe. Romania's trumps are: the diversity of vegetal and animal production; a forest fundamental which covers over 25% of the country's territory, a favorable climate for practicing a lasting agriculture, great member of agricultural specialists with medium or superior studies. The disadvantages of the Romanian agriculture could be: the degradation of the soil; old production capacities, an old and worn out park of agricultural machines, the absence of the stabile incomes because of the seasonal character of the agricultural works; the rural infrastructure is still missing or is not well settled; the absence of the principals' markets and of the credits centered on agriculture;

the aged population. Although for joining the European Union, the Romanian agriculture has to concentrate on the rural development, the complex problems that this process devolves are still not understood. In the application of the rural development process, in the Romanian agriculture, there are some compulsions linked to the: the great weight of the agriculture in the PIB and in the occupied population; the sustenance character of the agricultural, familial farms; the absence of a developed, specialized agricultural market; the absence of a real planned market; the insufficiency of the financing resources for the rural credit; the reduced coming in of the principal.

THE POLICY OF THE ADMINISTRATIVE, JURIDICAL AND NATIONAL DEFENSE DOMAINS

The main political premise for a healthy, internal development of the country is the consolidation of the state by right. In this sense, for the achievement of the objectives it should be act in some directions as:

- the substantial improvement of the legislation and to insurance that is respected by all the citizens;
- the reduction and the cheapen of the state apparatus parallel with the increasing of its activity's efficiency;
- the development and the institutional restructuration, the administrative reform;
- the control of the corruption;
- the customs and juridical co-operation in the civil and criminal field;
- the policy of visas, of emigrations, of the right for a home;
- to fight against the organized crime, the human traffic, the drugs and guns traffic.

The central element of the internal policy is given by the reform of legislation as, it is well-known that, this is an essential condition of reintegration; the harmonization with the communitary reglementation must be made in the next domains: the customs law, the trade companies' law, the bank law, the protection of the consumer, the rules of the competition, the direct taxing etc.

THE POLICY IN THE DOMAIN OF EDUCATION, OF TEACHING

The education is a fundamental chapter of the integration and both the Romanian society and the European Union are very interested in this domain, paying a great attention on its improvement. Like the society, the Romanian educational system has also some difficulties in working, because:

- the economical restructuration affects also the labor market; the qualifications we get after school graduating are not always in concordance with the employer's demands;

- the pupils and the students from today will be in challenge with their colleagues from the states already members of the European Union. In this moment, the teaching institutions from Romania are confronting with a series of complex problems: the absence of the investments in the infrastructure; the systematic, progressive material degradation of the schools; the classrooms and the schools' cabinets have a modest endowment; the discrimination on various criterions (of age, disabilities, ethnic); the remaining behind of education, of teaching in the rural medium.

Even if there are many drawbacks, the didactic process registers performances over the medium level at the most of the disciplines, the teaching staff is appreciated, acknowledged in the community; the schools' perception is positive; there are unfurled some projects of international collaboration; there are introduced new techniques of teaching, etc.

Our country will have to retain an important appearance: the policy in the domain of education is not formulated by the European Union, but, it remains up to every country member, because the E.U. only gives a support to the educational policies. So, after joining the Union, Romania will still have the main role in this field.

THE ENVIRONMENTAL POLICY

It is obvious, without doing any deep researches that in the last years, in Romania, the state of the environment got worsen. The absence of a systematic and global control regarding the environment's state, of a concrete plan for its protection, the high increasing of the pollution and the irrational exploitation of the natural resources jeopardizes the ecological poise in different regions of the country. In Romania, the achievement of a poise between the economy and the natural environment, between the rational exploitation of the resources and the control of the factors of pollution, is a complex process which has as main aims to reach to a real well-being, for increasing the life's quality. In order to achieve a dynamic poise between the two systems, it must to rely on:

- *Legislation* – to introduce some norms, standards regarding to the admitted level of pollution, to settle up a system of stimulating taxes and sanctions for the reduction of pollution, for maintaining the interest for the economical activities; for administration and the reusing of the industrial refuses and the garbages;
- *The institutional domain* – the necessity of setting up some agencies to investigate and initiate the achievement of some special programs for the environment's protection, having also the duty to follow, to implement and to achieve them;

- *The educational domain* – it's an important one. It is very necessary to make some changes, at first, to change the people's mentality regarding the environment problems, the pollution, the exploitation of the natural resources;
- *The administrative domain* – in this field the local authorities of the state administration can do many things;
- *The economical domain* – by implementing some new technologies, less pollutant, to reduce the pollution from the source, to hold back, to collect, to retrieve the useful substances or the destroying of the pollutant agents.

The integration in the European structures is Romania's main objective and the single way for the country to ensure its stability, its national integrity, because the E.U.'s major aim is an harmonious, balanced, development based on high level developed countries to have as members; the creation of the most proper means for the protection and defense of each country's national security and of all's, together.

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THE TARGET SYSTEM

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Abstract: *TARGET represents an interbank fund transfer system, made up to assure the monetary market integration and to conduct the single monetary policy.*

The TARGET system main objective consists in the possibility to perform movements of capital (especially those related to the monetary market) inside the euro area at low costs, maintaining in the same time a high level security and a speeding process. The TARGET system also has as purpose developing some efficient payment mechanism within the simple market, being the safest type of processing mechanism regarding valuable capital movements.

The TARGET system has become operational since 1999 and was established to prevent payments in the new common currency, EURO. The system is named TARGET, name that represents the abbreviation of its utility: Trans European Automated Real-time Gross Settlement Express Transfer and it assures a monetary transfer in time, specialized for the new currency.

The TARGET system has as purpose the interconnecting of gross payments systems in time, which the central banks of the member states have agreed to implement in their countries. The establishment of this system assures making payments rapidly between the EU member states and represents an important premise in the utility of an European monetary market, the making-up a common monetary policy, the assurance of a safe mechanism for the EU states, the growing of the international payments efficiency in the union's frame, the achievement at an efficient management of liquidities.

And so, the banking system of the countries from EU will have a payment mechanism capable to process external transfers of the gross capital, in time, denominated in euro; every member state assures the utility of the infrastructures and the necessary procedures.

One of the main parts of the forwarding activity regarding the III stage of EMU, was the TARGET system project, comprising five distinctive action phrases:

- the preliminary phase, which had as a target the definition of the payment arrangements;
- the specifying phase, which had developed the specifications regarding the payment system in the euro area;
- the development phase;
- the testing phase;
- faza de simulare.

The TARGET system is made of 15 national payment systems, interconnected systems through an electronic net of automated processing data, the so-called interlinking system, by the help of which the message of payment will be changed, according the common forms and procedures. Each central bank has an interlinking component which assures the changing messages from the internal standard to the European standard, and vice-versa.

At the 15 national systems we can add the system of payments of European Central Bank – European Bank Payment Mechanism.

There are over 5000 participants within this system, which offers the possibility of accessing from almost all the credit institutes in EU.

The TARGET system comes with a wide functioning schedule, starting from 7.00 AM, to 6.00 PM. The system works by the Central Europe time. The participants of the internal systems of gross payments in time, in “euro area” or in “non euro area”, are obliged to close the processing of payments in their clients name, with an hour before the closing hour specified for closing the operations of the TARGET system, the system is being functional until 5.00 PM. During this hour the interbanking payments destined to the liquid transfer in euro between participants, not only in internal level, but also external, are allowed.

The working schedule of the system overlaps with the working schedule from the electronic net of payments from North America and the Far East, because the system does not include just finalizing some payments from one EU country to another. This way the efforts made worldwide by the Central Banks and credit institutions regarding lowering the risk of crossed currency payments are supported.

The common closing hour will support the avoiding of the regional selected moves of the interest rate which might affect the efficient running of the single monetary policy. Every interconnected system with the TARGET system will take safety measures at the end of the day in order that all the incoming transactions in this communitary system to be processed before, that the

TARGET system to be closed. The system is closed on Saturday and Sunday so as well as on the Christmas Day and on the New Years Eve. Every national system of payments can establish the days when payments aren't processed except those mentioned above. These days are announced at the level of the ECB and they are included in the operating schedule system.

The national systems that can access TARGET for making international payments are: Belgium, Denmark, Germany, Greece, Spain, France, Italy, Ireland, Luxembourg, Holland, Austria, Portugal, Finland, Sweden, Great Britain, ECB. The system is made so as to close as soon as possible an initial payment, varying from seconds to minutes. This operating time starts at the participant account debit and it ends at the beneficiary account credit.

Only the central banks and the credit institutions can be admitted as direct participants in the interconnected fund transfer systems to this European system, as they are defined by Second Banking Co-ordination Directive. Central banks can accept or authorize other institutions to participate directly to the operations of the systems who maintain accounts for clients, with the condition that through the public nature of their operations, the risk of failure in payment to be very low or to be supervised and recognized by a competent authority in the field.

All the national central banks are provided with a "back-up" system which assures the necessary conditions for permanent functioning of the system, and in case of accidental system failures they won't last more than one hour. Passing this interval is possible just in major disasters cases.

The TARGET system must process only the payments in connection with the monetary policy of the European System of European Central Banks. The TARGET system processes all the major payments between the direct participants in its own name or in the name of the clients.

Actual regulations don't established the superior or inferior limits for the amounts that are to be transferred through the TARGET system.

The payments that don't require the fast speed of execution, won't be processed through TARGET system, but through other fund transfer systems at lower costs, with longer process periods.

During the day, for TARGET transactions there's so need for immediate liquidity insurance. It is possible to start a payment through the existence of an open position of a participant. This position is limited and if with a following payment the limit is reached, that payment and the following are to be stopped. Until the end of the day, the system liquidity is to be reestablished through a payment corresponding to the net sold of the national system that exists to the TARGET or to the corresponding national systems (RTGS).

In order to assure a better efficiency in payments development through TARGET, and to benefit from payment facilities through open positions, the participant banks must give collateral guarantees. Through those guarantees they can benefit from free credits, during the day, credits that are being given by the national central banks. Those accepted guarantees- for the euro credits are being established by each National Central Bank and they can come also from other Central Banks.

The establishment of those guarantees and the efficient development of the credit process is part of a monetary policy system implemented by the national central banks at the suggestion of the European Central Bank.

As we can imply, this granting mechanism focuses especially on great payments. These payments that are considered by TARGET and that necessitate a quick ending, also refer to the transactions that belong to the monetary market and currency. We can mention that there are no higher or lower limits concerning the value of a payment realised by TARGET.

The system can be accessed also for the small payments of the participants.

The size of the paid amount is not a priority criteria in the development of the transfer by system.

Each payment system functioning on gross basis in real time interconnected in the TARGET system will maintain the characteristics regarding the processing of the intern payments on its base.

In order to avoid the problems related to the implementation of the unique monetary policy, the system presents further demands regarding the harmonisation of some characteristics of these systems.

Another objective followed by these harmonisation is to eliminate all distortions in the competition between the participant banks at the operations of the TARGET system situated inside certain member states.

Every gross payment system on real time, interconnected with the TARGET system will keep on the basis the characteristics regarding the processing of domestic payments. In order to avoid the problems related to the efficient implementation of the single monetary policy, but the TARGET system presents extra request regarding the harmonization of certain characteristics of this systems. Besides the leadership of the monetary policy, another objective of this harmonization is the distortion clearing in the competitive process between the part taking banks at the TARGET systems' operations placed on the different member states' territory.

During the implementation of the TARGET system's project the harmonization process of the domestic gross payment systems on some characteristics has especially developed in the next three branches:

- during the day supply of liquidity;

- the opening hours;
- the commissionary policies.

The needs of liquidity during the day of the participants depends of the payments and made cashing within the daily work schedule of each system linked in the TARGET system. If, for example, during one day, a participant will transmit payment orders whose amount will be over the value of the payment orders which he receives, this participant will record a lack of liquidity which can be covered both by the preestablishment of deposits at the Central Bank, and by getting credits from the Central Bank or from other participants at the payment system.

A gross payment system on real time interconnected with the TARGET system, will function, basically, without preestablished compulsory reserves, without open account facilities supplied by randsome agreements. In case of a lack of liquidities in a participants' account, the payments ordered by him will be rejected or placed into a "waiting que" until available funds are enough, both from cashing and loans from market. During the day supplying of liquidities is considered being one of the most important characteristics of the TARGET system, because the inadequate management mechanism of liquidity can lead to payment delays with the possibility to stop the money transfers, which could determine systematic effects and could affect the creditworthiness in payment processing through this system. That is the reason why the Central Banks from the euro area will supply during the time credits to the selected partners within the European System of the Central Banks (extended credit during the day and repaid before its end) using different techniques for this goal.

In some countries, the credit during the day will be provided according the participants inside the internal systems of payment on gross basis in real time, the right of *overdraft*, on the accounts held at the Central banks, while in other countries the method will be used of randsome agreements.

Although the two mechanism presented are different from legal and technical point of view, they go towards the same effect regarding the payment systems functioning, as well as the sufficient liquidity for closing payments .It's worth to underline that any type of credit during the day obtained for the purpose of covering a lack of liquidities inside any internal system interlinked at the TARGET system is completely guaranteed.

As to obtaining a credit during one day for the participants to the TARGET system from non euro area, three mechanisms were taking into account to prevent the changing of this type of credit into a credit overnight, and then the Governing Council of the European Central Bank will decide which of these mechanisms will be applied.

Within the first mechanism, the Central National Banks will receive and provide only limited day credit to the participants from their internal system on gross basis in real time. This limit will be established even at the zero level. In the case of one Central National Bank from the non euro area will register an overnight overdraft, in one of its accounts kept in relation to a National Central Bank from the euro area, this type of credit will be obtained only to a penalty of the interest rate.

Within the second mechanism, the National Central Banks are going to record unlimited drafts within an overdraft account during the day credits, but on guaranteed basis, to the participants from their own internal system. The risk of changing the day credit into an overnight credit will be counter struck by a system of penalties and sanctions.

Within the third mechanism, the participants on the payment systems in real time from the non euro area, will be obvious and will allow these banks to request the participants at the internal systems to cover the debt positions through the loans granted on the euro monetary market, this thing being possible because this market is still opened during that time.

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WAYS TO FIGHT AGAINST MONEY LAUNDERING AND FRAUDS, ADOPTED BY ROMANIA TOWARDS EU ACCESSION

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Abstract: *In the view of EU integration, Romania has to fulfill certain requirements regarding the legislation, the institutional frame, the national and European resources, for the purpose of fighting the economic-financial crime. This work is trying to analyse money laundering and fraud.*

Adopting some measures designed to stop these negative phenomena, supposed to affect the macroeconomic stability of the country and the national business environment, as well as the political steps towards EU accession is necessary. The transition to the market economy implies a changing process of the entire social and economic system, making-up a better legal frame, maintaining, in the same time, an appropriate social policy.

As a consequence of the strategic position of Romania in the south-east. of Europe, having the Black Sea, with a strategic position between east and west one can find the perfect environment for money laundering and frauds for the organized crime groups.

Transition towards market economy and the opening of the borders had as a consequence a spectacular increase of persons, goods and money passing the border that led to the increase of different crime activities. Among the problems Romania had after 1990, almost inexistent before, that is money laundering and fraud.

The importance of the fight against organised financial crime goes beyond the specific crime itself since, if successful, it attacks the very foundations of organised crime networks, namely the maximisation of profit by illicit means. Depriving organised criminals of the ability to launder money or to finance criminal activity significantly impedes their motivation and ability to function.

Money laundering takes shape in one of the following activities:

- transfer of the goods that came from criminal activities or participation at such activities with the purpose of hiding the illicit origin of the goods;
- hiding of the origin, nature, circulation regarding the property of goods because this goods are the result of criminal activity or participation at such activities;
- buying or using goods that have an criminal organization origin.

Regarding the fraud the EU looks mostly into the public fraud, taking into account that frauds concerning the private property affect all tax payers, cutting the public funds. As a consequence operations to trace out and supervise the custom fraud, tax evasion or other illegal activities that can harm the community financial welfare are initiated.

For integrating in the EU, Romania has to take the necessary measures against money laundering, has to prevent and charge efficiently the fraud. One of the European Union Norm (2001/97/CE) says that money laundering involves the following persons and institutions: credit institutions, financial institutions (insurance companies, investment companies), auditors, external accountants, real estate agents, notary public, businessmen that have valuable goods (precious stones, art object) when paying cash sums that are bigger than 15,000 Euro, casinos.

All this institutions mentioned previously have to identify the clients, when one operation exceeds the 15,000 Euro figure, and for the casinos to identify the clients using chips that have a value bigger than 1.000 Euro. In order to identify juridical persons for the legal existence of the clients the institutions can get information concerning the rules of the legality of the clients' activity from the public record or directly from the client.

In order to have the proof for money laundering, institutions have to look into the books for a period of at least 5 years, copies or original documents that can identify the client and the transactions. The qualified institutions will be informed by the institutions' personnel when seeing such an action. These reports are not consider violations of the information code and do not have legal consequences for the institutions or employees.

Also the qualified authorities in the money laundering problem will be informed buy the supervisors of the stock exchange when finds and financial markets are thought to be the place of money laundering. The first intermediary in Romanian money laundering is thought to be the banking system, insurance companies as well as broker companies.

According to the Annual Report of the Executive Committee of Experts in Evaluating Measures against money laundering of the EC the principal illicit money source are: traffic in arms, drugs and radioactive substances traffic, persons traffic, cigarettes, alcohol and coffee smuggling, false banking notes traffic and stolen cars from the Western Europe.

In Romania, the institutional system preventing and controlling the money laundering includes: the Ministry of Finance, the Ministry of Home Affairs, the National Bank, the National Value Commission and the General Inspectorate of Police.

The responsibility of introducing the legal grounds is of the National Office of Control and Prevention of Money Laundering, made of different governmental borders. The National Office duties includes:

- analyzing the information that comes from the financial institutions and the persons than collaborates with the authorities;
- ending an activity thought to be money laundering;
- collaborating and exchanging information with similar institutions abroad.

Intensifying investigations regarding the terrorist groups' operations and also the existence of a real normative and administrative barrier, money laundering becomes a costly and complex operation. In European terms, the relatively small dimensions of the Romanian Banking System makes it an unlikely place for substantially money laundering operations. However the intent to commercialize derived financial instruments in the banking field can be considered a concern, stimulating financial scum. More possibilities in the money laundering filed can be created by the new laws regarding the stock exchange.

Lately, due to the problem of money laundering problem and the necessity to be in line with the Eu standard, numerous lawn in this problem were issued. We remember here the Law 79/2000 that had a real effect in money laundering, establishing it as an infringement. With OU 190/2000 regarding the precious metals in Romania was established that operations involving precious metals can be realized only by physical or juridical persons authorized by the National Bank of Romania, with the obligation to inform the National Office of the transactions of precious metals suspected to be money laundering.

After the 11th of September attacks it was issued OU 153/2001 that establishes the following facts international terrorism and organized crime raise problems with money laundering at international level, a being necessary a coordination at national, regional and international level against money laundering.

There are however some inconsistencies with the EU legislation, such as:

- the persons and institutions involved in fighting against money laundering do not include real estate agents, lawyers, notary, external accountants, auditors and casinos;
- there is no obligations to report the transfer of cash from banking counts between nations;

- there is a inconsistency between the request that the banks should reports the operations to the National Office and the Law 58/1998 regarding the banking activity that says: the banks are obliged to keep the information secret until an ulterior legal proceedings.

In order to harmonize the Romanian Law with that of the EU it is necessary to establish the principle of not disclosing the confidentiality of the persons and institutions that give to the authorities information about money laundering. Also in the Law regarding the banking activity, the banks should have the possibility to give to the authorities the necessary information about money laundering in real time, at the beginning and not after the legal proceedings.

The fight against money laundering has been a top political priority of the European Union for a number of years, based on the need to protect the financial system from contamination and misuse, and to aid efforts to combat organised crime in the financial sector. Money laundering is at the very heart of organised crime and that it should be rooted out wherever it occurs and concrete steps must be taken to trace, seize, freeze and confiscate the proceeds of crime.

Regarding the fraud, the Convention for Protecting Commentary Inters gives a double point of view: that of the expenses and that of the incomes. From the point of view of the expenses fraud is considered any voluntary action or omission concerning the use or the presentation of false, incomplete or inaccurate documents or situations, hiding information that have as a result the inaccurate deduction of funds from the commentary budget or the fraudulent investment of these funds with other purposes than the initial ones. From the point of view of the incomes the fraud is considered any voluntary action or omission concerning the use or the presentation of false, incomplete or inaccurate documents or situations, hiding information that have as a result the illegal reduction of the commentary budget resources.

The above mentioned convention classifies the fraud after the its grade in major fraud and minor fraud. Major fraud is considered the participation, the attempt to committee an action which involves a minimal sum, established by every state, that isn't bigger than 50,000 Euro. Minor frauds are considered the compartmental frauds that doesn't imply a sum bigger than 4,000 Euro.

The institutions in Romania involved in the fight against the fraud are: the Supreme Court, the Ministry of European Integration, the Ministry of Public Finances (Control and Internal Audit Department, Custom Department, Fiscal Control Department), Financial Control, the Ministry of Administration and Home Affairs, the National Office of Preventing and Fighting against Money Laundering, the General Inspectorate of Police, the Control Board of the Prime Minister.

EU stated the necessity to create a new structure to permit the direct contact and collaboration with OLAF (European Office of Anti-fraud Fighting) because of the necessity to

consolidate the already existing institutions. The HG 521/2002 states that the only institution that can contact the OLAF is the Control Board of the Prime Minister, that is independent and autonomous in relations with other administrative institutions.

OLAF plays a fundamental role as investigator and/or coordinator in all areas of the protection of the Community's financial interests. Efforts to detect and prevent the laundering of proceeds of EC fraud are an important element of the protection of the Community's financial interests.

Coordinated mutual administrative assistance and exchange of information are important elements in the fight against fraud. The Commission is preparing an initiative on mutual administrative assistance for the protection of the Community's financial interests against fraud and other illegal activities. This initiative covers the fields of vertical and/or horizontal administrative assistance and exchange of information in the areas of VAT fraud, money laundering of the proceeds of EC fraud, structural funds fraud and other areas of fraud that are not yet covered by secondary EC legislation.

In the field of financial crime the initiative aims to make use of the information obtained on the basis of the anti-money laundering tools from first and third pillar legal instruments for the purpose of the protection of the Community's financial interests.

In contrast with the legislation of EU, where fraud is precisely determined, in Romania the law is rather vague in defining the fraud and means to control and prevent it. One of the means to prevent the fraud is internal audit, according to the Decree 119/1999 regarding internal audit and preventive financial control. This has as goal protecting the public funds against losses due to frauds. Internal audit is organized at the level of every public institution and has one or more persons for audit, that are involved in the situations they are verifying.

According to the same above mentioned law another possibility to prevent fraud is the financial control, realized by representatives of the Ministry of Finance. Along with the financial control the Ministry of Finance has as a tool the fiscal control too, fraud affecting national financial interest by means of tax evasion, the evasion of custom duties.

The representatives of the Ministry of Finance have the right to examine the book-keeping in order to establish the right taxes that have to be paid. Another measure against fraud is the Law 87/1994 regarding tax evasion, that led to an illegal decrease of the budgetary resources, being considered as fraud. For preventing fraud at the borders, in January 2001 was created the Anti-Fraud Service inside the Custom Supervising Department, that has as duty to investigate and to prevent the fraud at the border.

In order to integrate in the EU we have to do the following: the transformation

OLAF into an independent institution, supervised and evaluated by a guiding committee, formed by representatives of different institutions involved in fighting against fraud; to adopt the Convention for Community Interest which will led to a clear definition of the fraud in the Romania legislation; introduction of legal punishment for fraud against community financial inters.

We have to specify the fact that it is in work a law that states sanctions for fraud affecting community interests, according too the Convention for Community Interest.

However in addition to what has recently been achieved in this field, there is a need to explore the establishment of a common and comprehensive EC concept of fiscal fraud and the harmonisation of penal sanctions. The Commission intends to launch a comparative study of the respective definitions of fiscal fraud and their penal consequences. Enhanced co-operation in particular between the Member States, the Commission (OLAF), Eurojust and possibly Europol, making greater use of already existing co-ordination facilities at OLAF level and at Eurojust, is necessary and requires adequate resources to optimise the potential for a more effective partnership.

Finally, the creation of an independent European Public Prosecutor responsible for detecting and prosecuting offences directed against the Community's financial interests, would strengthen the fight against organised financial crime.

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THE ANALYSIS OF AN ACCIDENT INSURANCE FOR THE PERSONS CASES DEPENDING ON ITS EFFICIENCY AND THE CLIENT'S NEED

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Abstract: *The majority of the insurance companies insists on the promotion of the life mixed products insurance with supplementary accident's clauses, which offer the possibility of the accident's risk security, the possibility of a financial long run investement as well. By this analysis we propose by ourselves to compare the efficiency of a policy with the possibility of a saving in a bank deposit.*

Overwhelmed by the insistent consultants proposals and less, maybe by a conscious need, the persons insurance companies clients bought many times policies about which they realized to have mistaken, or they didn't permit themselves, or they haven't satisfied their expectationes. The mistake – the lack of a proper information.

In the substantiation of the decision to buy an accident policy, the potential customers of an insurance company, have in view the efficiency of this policy from the point in view of the insurance bonus and of the obtained effect.

The majority of the insured persons have in view the obtaining of a **maximum efficiency** from the carried out investement at an insurance company, the fact by which these ones ask always the question if anyhow the bank offers a better solution, by the offered interest at the bank deposit.

The mixed life insurance offered by Generali is 1.029 USD one year for an insured amount of 10.000 USD, in the case of a man of 30 years old.

The company estimated that it will obtain an efficiency of 5% yearly from the investements in dollars for all the period. We shall analyse what happens if the man put the money at the bank and what would be the optimal solution, which would have as a result like the mixed life insurance.

Mathematically, if we note with:

S = the sum of money put aside at the beginning of each year in a bank's deposit account or as a bonus for the policy.

d = the annual interest offered by the bank or promised by the insurance company.

n = the years number, when we do this putting aside or bonus paiement, this time the final properly sum S_f :

$$S_f = S * [(1+d)^{n+1}-1]/d.$$

So, a person, which puts aside at a bank during 10 years, 1.000 USD in every year, at an interest rate of 5% yearly, will have after the first year 1.050 USD, and after ten years, according to the formula will have 14.206 USD.

In the case of the company Generali, which estimates that will fructify the reserves with an interest rate of 5% yearly and offers a security of 10.000 USD for an insured period of ten years, it pretends an annual bonus of 1.029 USD.

In the case of the survival it says that the insured will obtain after ten years 11.035 USD. The amount can be bigger again, if the company finds better placements than 5% or contrary less.

If we put this money at the bank, 1.029 USD each year, and the bank gave us the promised interest by the insurance company of 5%, we should obtain 14.618 USD, so 3.583 USD for more like the insured offered by Generali. But, in this case we have not any security, in the case of an unwelcome accident producing.

The solution is to by a simple death's 10.000 USD policy, and the rest of the money will be put aside at the bank.

The insurance policy is 57 USD yearly at the same company and the rest of the money (1.029 USD – 57 USD = 972 USD) will be put aside at a bank, which offers an interest rate of 5% yearly. The obtained sum after ten years will be of 13.809 USD, in the conditions when we have a security of 10.000 USD, in the case of a death (including accidents).

If we compare the sum of 13.809 USD offered by the bank with the sum of 11.035 USD offered by the insurance company, we obtain a defference over 2.700 USD, what the bank allows.

If we diminish the expenses with the interest tax of 1% and withdrawal's commission of 0,5% from the withdrawal sum, we shall obtain a plus (an addition) of 2.500 USD, that is over 25% from the accomplish payements sum of 10.000 USD. We mention that these calculation were done in the conditions of same efficiency guaranteed by the bank and the insurance company.

In fact, in the case of all insurance companies with traditional products or unit linked, it worths to be studied the alternative variants and compared the obtained results.

The first variant – mixed life insurance for ten years with a bonus of 1.027 USD yearly, the insured amount in case of death 10.000 USD, the accumulated sum after 10 years at a middle efficiency of 5% yearly = 11.035 USD.

The second variant - a simple death insurance and a bank deposit, with bonus annual of 57 USD and an annual putting in the bank of 972 USD, we obtain an insurance of death from accident or other unwanted events, in the sum of 10.000 USD, the accumulated sum offered by the bank after 10 years is of 13.809 USD, 12.499 USD at a middle annual efficiency of 5%, namely 3%.

We notice the fact the second variant is more indicated from the point of view of the efficiency offered by the client in the conditions of a protection for the death's risk and of an investment of long run, for a period of 10 years.

The explanation consists in the fact that for an insurance company the expenses are higher, but the efficiency offered by the insurance company is better than the one offered by the bank; in the conditions when the insurance offers a greater protection, just from the beginning, when the bank offers the sum at the term of payment only.

An other fundamented problem in the analysis of an accident policy is the one concerning the paid price – **the insurance bonus**.

The settlement of the bonus shares is achieved in the end of maintain the insurance company solving and for the protection of the policy owner. The main followed objectives consist in the guaranteeing of the fact that these ones are proper and not excessive or discriminatory.

The prices received for a certain product of accident insurance have to be sufficiently large into pay all the compensations and the expenses concerning these bonuses. If they aren't exactly calculated, the insurance company can have bankruptcy and the policies owners and these ones registred damages would be harmed financially if it weren't paid the indemnifyings.

The objective is hardly to be touched due to the fact that an insurance company doesn't know formerly the costs. The bonuses are paid in advance, but they can not to be enough for to buy all the indemnifyings and the subsequent expenses. We shall present on the kind where the economical lever of the price is settled and the factors than can influence it:

- the price changes, if such a measure would bring to the loss of a quotation in the market previously owned;
- the non observance by the authority of the needs settlement concerning the quotations of the bonus, asked by the insurance company, politically or due to the misunderstandings;
- the unforeseen events which can bring about larger damages than the ones projected that time, when it were settled the bonuses quotations.

An other main objective is that the level of the bonuses quotations not to be so large into the insurance companies to not registrade an excessive profit.

The bonus quotations not discriminatory refer to the insurances at the fact the risk exposings, that represent similar stipulated losses and expenses, wouldn't be applicate different bonus quotations for the insurance.

For instance, if two women being 25 years old, in good health make an accident insurance for the same type, for equal insurance amount, which originate in the same insurance company, normally they haven't pay different bonuses.

The quotations which are settled in the accident insurance markets are competition;s bonus quotations, the installments haven't be settled with he department of the estate insurance helps.

The factors which determine the price and the availability of the insurance are dictated by the existent **market's competition** and not by the decisions of the settlements authorities. Despite of all that, the insurance companies are imposed to put to the authorities the lists with the bonus quotations and with statistical dates, view the competition's supervising and the approval of bonus quotations.

For establish if the bonus rates are excessive or not for a certain product of the insurance, the settlement authority consider a lot of factors:

- the number of the insurance companies, which sell a certain insurance;
- the market's quotation owned by the competition's insurance;
- the degree for the difference of the price among the competitors;
- the experience of passed and anticipated harms;
- the limit imposed to the profit and to the risk;
- marketing's expences for a certain insurance type.

Into be able to be sold an accident insurance product it is necessary that this one to correspond to the market's claims, from the point of view of the price and of the accepted risks by the insurance company as well. From the best selling of these products depends the simplification of the compensation of the insurance companies procedures, in the case of the unwelcome event's producing, the promptitude and the seriousness of the insurance company, but not ultimately the price again, what the beneficiaries of a protection in case of accident must pay to the insurance companies.

An actuality problem is represented by the price paid by the insured person. As a paradox of the Romanian reality, the price of a policy (death policy) in Romania is larger than in the United States of America. The conclusion: the poor one pays for more.

So, for a man of 30 years old, for death insurance policy, which includes the accidnt's risk again, which is granted to the appointed beneficiaries in the insurance policy, in Romania, at an insured amount of 10.000 USD costs 45-55 USD yearly about.

In the United States of America, the same insurance (term insurance) is five times cheaper than in our country, the cost of a security of 100.000 USD is 90 USD only. For instance, for a man of New York, nonsmoker, the insurance bonus offered by the company Life&Annuity is 85 USD at a security of 100.000 USD.

We shall present in the first table, the price of on insurance policy in Romania: simple death's policy, duration – 10 years, insured – man, 30 years old, the insured amount – 20.000 USD (680 mil.ROL).

The table 1 The price of an insurance policy in Romania

The company	The annual bonus
ING Nederlanden	91,7 USD
Aviva	93,8 USD
Omniasig Asigurări de Viață	90 USD
Interamerican	92 USD
Sara Merkur	117 USD
Asiban	109,2 USD
Generali	114 USD

The source: "The life insurance market", November 2003

In the second table, we shall present the prices of an insurance policy identical with the one of United States of America at an insured amount of 100.000 USD, for a duration of 10 years, for a nonsmoker man from New York state:

The table 2 The prices of a policy in USA

The company	Product	The annual bonus
Lincoln Life&Annuity Company of NY	GTO 10-10 Year	85 USD
Presidential Life Insurance Company	Golden Yeagle 10 Year Term	85 USD
William Penn Life Insurance Co of NY	Penn Term 10	87 USD
American Mayflower Life Ins Co of NY	Term 10	91 USD
Presidential Life Insurance Company	Golden Eagle 10 Year Term	94 USD

The source: www.elifeinsurancequotes.com

We shall follow in the explanations and the degree of their importance. Firstly, it is about the middle life hope, which in Romania is much reduced with 5-10 years in comparison with the states strongly developed.

The middle life hope according the Health World's Organization in 2001 in Romania for a man is 67,8 years old, while in the United States is 74,3 years, in Japan 77,9 years. An other factor is in connection with the index of mortality by accident, which in Romania is higher than in the European Union. In Romania the mortality's index in the road traffic's accidents at 10.000 inhabitants was in 1999 - 1,24, comparative with 0,72 in Sweden and 0,67 in Great Britain.

An other explanation is connected with the population buying's power and with the scale's economies. Like in the case of a super market which sells in very large quantities, having a very large sale, this one sells at the cheapest prices in the market. The same, in the case of insurance american companies, which sell cheaper (millions of policies) then the same profile romanian companies. The emission costs and of markets final management are less for each sold policy and so the final prices are lower, to see the classical example of **scale's economies**.

An other explanation is connected with the fact that the life hope's average of those who contract death's insurances in Romania is higher than the population's whole. As a result, the policy could be cheaper if it were taken in consideration the mortality's tables for a certain part of the population, with a certain income or who live in the urban milieu.

As a logical explanation would be the fact that in Romania the ones who contract accident insurances are the ones who are frequently exposed at the accident's risks, in comparison with the rest of the population for which the exposing is much more reduced. Therefore, the cost of a company of insurance again is increased in the case of such a cathegory of the population, consequently a proposal from the part of the Insurance Supervising Comission for the changing of mortality and mortality tables could constitute a solution for the cheapening of the insurance policies.

An other explanation which is in connection with the Romanian economical specific is the fact that the native companies in the conditions of a formation market will simply to obtain a profit the largest as possible , so many time the market isn't liberalized.

In the conditions of the integration in the European Union and of the legislation's harmonizing for the insurances at the communitary Aquis, the Romanian residents will be able to buy from any market, if the insurance companies from there are willing to sell.

Until there, the population will have to be satisfied with accidents insurances on the Romanian market according the legislation in force. The creation of the premises of a faster integration in the European Union constitutes a decisive fact of the cheapening of the accident

insurances and of all the types of insurances, that in the conditions of a strong competition will contribute at the stimulation of the insurances industry.

In this analysis we most have in view the impact of the measures for the profil Romanian companies too, which by a best administration and by the most realistic of an insurance cost will be able to survive in the community's insurances market.

The insurance companies must create their own accident insurances portfolio and according the protection needs and the clients insurance. Therefore we shall have in view on the analysis of an insurance policy according to the **clients insurance needs**.

Overwhelmed by the insistent consultants proposal and less maybe by a conscious need the clients of the persons insurance companies have many times bought policies what about they realized for having wrongly, for they can't permit it and for they haven't satisfied their expectations, as well.

Their mistake consisted in the lack of right information on the part of insurance companies, that willing to sell the more as possible, didn't analyse rightly the insurance needs of the clients.

We shall analyse the insurance companies offers in the presence of three types of clients: the Careful, the Thrifty, the Far-seeing, everyone being 30 years old.



The Careful – a father who has thriving business, circulates very much, wants an insurance policy through which the family's members to get a sum of money in the case where he has an accident. He isn't interested if he gets anything again, but the family's protection in the case of an unhappy event.

The careful wants, in fact, a **simple accidents insurance** in the case of the insured death during the insured period, the beneficiaries get the insured amount, in case of survival it wouldn't granted anything.



The Thrifty – is approximately in the same position like the careful, but this one will something else too: at the expiring of the insurance contract, the money to be back. This one prefers the death's risk and the survival risk, as well. For that it is necessary the combination of two types of insurance, **resulting the mixed life insurance and supplementary from accidents**. Being insured two risks the insurance bonus is much larger, the mixed life policy is ten times more expensive than at the death: at an insured sum of 340 millions lei, for a contract of 10 years, the annual bonus is 1.000 dollars annually about, in comparison with 50-60 dollars annually for the single accident insurance.



The Far-seeing – is a bachelor (single), who wants a pension that protect him with the problems at the old age. He begins to save from time, not to the bank, by putting aside monthly, during 30 years of an amount of money. The far-seeing wills that in the time, when he will be in pension, at 60 years old to have a minimal guaranteed income of 10 millions Rol. He will contract a **retirement project with supplementary from accident clauses**, that have validity during all the contract of insurance. In the case of death, the indicated beneficiaries in the policy get the sum of the paid bonuses.

We should present the insurance offers for the three clients:

A. To the **Careful** is offered:

- the single death by accident insurance, in the case of the survival the insured doesn't get anything, in the case of death, the indicated beneficiaries in the policy get the insured sum;
- the insurance Prudent offered by ING Nederlanden, with the insured sum of 670 millions Rol, the annual bonus being 3.118.981 Rol, with clauses of guaranteed increasing of the insurance sum and exemption from the payment of the insurance bonuses in case of infirmity;
- the insurance Patern offered by Asiom, where the insurance period is all the life, the payment period is limited – 10 years;
- the Beta insurance offered by Aviva, with clauses of exemption from the payment of bonus in case of infirmity, the insured sum is 680 millions Rol, the annual bonus is 3.192.000 Rol;
- the Siguranta Ta insurance offered by Interamerican, the guaranteed sum 680 millions Rol, the annual bonus 3.121.293 Rol, with clauses of insurance of permanent and total work's incapacity;

- the death Smarald insurance offered by Asirom, with annual bonus 1.856.400 Rol.

B. The Thrifty has the following offers:

- the Regal insurance offered by ING Nederlanden, with the insured sum of 330 millions Rol and the annual bonus of 30,5 millions Rol; the insurance Activ Plus with investements projects;
- Life offered by AIG Life, with the contract's period of 20 years, in the case of death by accident, for the doubling of the insured amount is increased the insurance bonus with 510.000 Rol annually: in the case of the security of the permanent infirmity by accident, the insurance bonus is increased with 1.020.000 Rol, at 680 millions Rol, insured amount;
- The Gama insurance in lei offered by Aviva, in the case of the death, the beneficiaries get maximum from the account value and the insured amount; at survival, the insured gets the account's value;
- The Partener insurance offered by Allianz Tiriatic, the annual bonus is 250 Euros, the contract's account will have an optimistic foreseen value, after 10 years of 4.495 Euros.

C. The Far-seeing will have the following offers:

- The Prospera insurance offered by Asirom, with the payment period of the first 32 years, monthly initial life pension of 15 millions Rol, the monthly bonus being 2.664.583 Rol;
- The Pensia Ta insurance offered by Interamerican, with a payment period of 30 years, with supplementary clauses: infirmity insurance and permanent and total work's incapacity;
- The Senior product offered by Omniasig Life Insurance, with the annual bonus of 31,9 millions Rol and monthly life rent guaranteed of 15 millions Rol.

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INSURANCES MARKETING RESEARCH – BETWEEN NECESSITY AND ACHIEVEMENT POSSIBILITIES

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Abstract: *The insurance companies are interested to provide issues for all identified risks. They could easier sell to the existing clients or could bring new clients. But they need their necessities research and identification.*

The most direct and active method to collect data in marketing is the survey achieved through the questionnaire. In achieving the questionnaire as a tool of direct collection (direct anaged by the interview operator) or indirect (by post, telephone. Internet) it is pursued to include a minimum number of questions, which use up all aspects regarding the survey. We have to mention that a questionnaire used in the market studies never includes the name and address of the person inquired, indifferent of his/her status, natural or legal person. Acquiring more answers to many questions it is possible only by respecting the anonymity.

The structure of questionnaires is extremely different, depending on surveyed issues, the way in which the survey is achieved, etc. Irrespective of all these, the sections from questionnaires that have had success in previous surveys could be taken over and eventually adapted to the new conditions in which the study is achieved.

Taking into consideration the huge number of accidents and natural disasters lately happened, we think it is useful to perform a market study in order to know the stage in which the insurances for vehicle damages, as insurance product, are known and even used by vehicle's owners. We have to mention that through this form of insurance the vehicle owner is insured against the damages and injuries caused by accidents (collisions, strikes, hits against other vehicles,

scratch, tip up, side-slip, falling the vehicle down the precipice, etc.) or thanks to some natural disasters (hail, floods, storm, earthquake, etc) to own vehicle.

This market study has been performed on basis of a questionnaire at a random sample of 30 subjects (vehicle owners) at Romanian Auto Register (RAR) – Tîrgu Mureş, on 08.06.2002 (on Monday), between 8,00 - 12,00.

The used sample has been random chosen and we do not have the claim for these results to belong to us. However, it could be used as a pattern in achieving some market studies of which result should be considered representative and extrapolated to the level off all vehicle owners.

We used the questionnaire of which structure is shown at the end of this material. This questionnaire has been submitted those who, during the days of study, between the mentioned hours, were at RAR Tîrgu Mureş, no matter if their goal of being there has been accomplished or not. What I would like to present further on are the most representative result consequently to the collected data processing, namely a summary of a vast material. Keep attention the followings:

- all inquired subjects (100%) are vehicle owners, which demonstrates the accomplished sample has been well selected;
- vehicles of the subjects are of Romanian origin on a proportion of 53,3% and only 46,7% are of foreign origin;
- 66,7% of the sample members concluded optional insurances for damages on vehicles, which means 2/3 from those inquired;
- the appraisals expressed by the 30 subjects (also including the 10 subjects who although did not insure, they could express their opinion) concerning the need to conclude an optional insurance for damages have been assigned on a range with 5 steps (between the pair of polar functions; absolutely necessary - total useless). For a synthetic estimation of these appraisals we have calculated an average value starting from grade 5 assigned on the "absolutely necessary" range, decreasing then till the grade 1 for the "total useless" appraisal. Which we have acquired shows that the optional damage insurance for vehicles is considered by the sample's member to be "necessary".
- 50 % of subjects, so the majority of those from the sample, if they should have a limited sum of money they would make bank deposits. Only 30% of subjects would contract an insurance, and 20% should be able to take a huge risk, investing in other than bank deposits or insurance products. We could say that the subjects, on a proportion of 50% assume small risks.

- the main motivation of those who did not conclude optional insurances for damages on vehicle is the lack of financial resources according to the raised level to the insurances premium used by insurance companies (60%). However, there are positive subjects, too, who do not want to recognize the possibility of producing some unexpected events, that could affect them (20%), and others consider that in case of producing some unexpected events they have enough sources to cover the damage, not being necessary the effort for an insurance (10%).
- 30% of subjects have concluded such contracts with ASIROM, but on short distance (only 20%) are those who concluded this type of insurance policies at Omnia Sig SA and Allianz SA. One subject showed another company regarding the others, namely General! Asigurări SA;
- the main reason for which they appeal to the mentioned insurance company was: confidence in the company (50%), promptitude to the reimbursement payment (25%), decreased premium tariff (20%). 5% of subjects showed personal reasons, mentioning, that the *wife* works on that insurance company; 80% of subjects insured with franchise, the insurance premiums being thus reduced. Only 20% of subjects did not appeal to the franchise, but the reasons are unknown;
- 55% of subjects have suffered damages/injuries during the period they were insured at this type of insurance, only 45% having the chance to be avoided of the undesired phenomenon;
- 91% of subjects are satisfied for the way of carrying on the operations regarding the reimbursement payments on producing the insured risk. In order to respond at this answer we have to watch the correlation between the company at which the policy has been concluded and degree of satisfaction on damages payment in case in which the insured person has suffered damages or injuries on his/her own vehicle.
- we notice that 36,7% of subjects are persons with higher education (engineer, economist, lawyer, etc.), and 23,3% are workers and others of related jobs. The most poor represented position is that of unemployed (3,3%), followed by retired person (6,77%).
- 53,3% of subjects comes from families with small number of members (1-2 members), 36,7% belong to families with 3-4 members and only 10% comes from big families with over 4 members;
- 16,7% of subjects (workers and related jobs) invest the available amount in bank deposits, only 13,3% of subjects (specialty personnel) make bank deposits and only 10% of subjects (retired persons) make the same bank deposit. On the whole, 50% of inquired subjects are available to make bank deposits, thus the risks seem to be decreased regarding the other situations.

- 30% of subjects are decided to insure in case they have a sum of money, the most interested being the persons with specialty studies (20%). The only positions, which are insecure to conclude an insurance policy, are the retired persons and unemployed, an understanding thing through their limited financial resources.
- 20% of subjects choose another destination for their money. 6,7% of these are young students, so persons with a higher side for risk and uncertainty.
- 30% of subjects have chosen to conclude an optional insurance for damages at the company ASIROM SA, all those who chose it justifying their choice by trusting in this company and its services. The companies Omniasig and Allianz are accepted on equal proportion (20%), but if at Omniasig SA the justification is confirmed by promptitude on reimbursement payment, at Allianz the justification is confirmed by low tariffs on premiums. 95% of the sample's members showed one of the five companies mentioned as possible way of answer, fact that demonstrates once again that the insurance activity rounds about some companies;
- 26,7% of the sample subjects have a monthly net income per family between 6 and 9 millions and only 23,3% of subjects comes from families of which monthly net income is between 9 and 12.000.000 lei. The extreme categories of income are also equally represented (20%), so in increased percentages.
- 53,3% of subjects comes from families with 1-2 members, the number of those with car and came from large families with over 4 members is only 10%. 23,3% of subjects come from families with 1-2 members, but are directed to make bank deposits when have a sum of money. The highest percentage of those who are interested in concluding insurance comes from families with 1-2 members, those with larger families are not willingly to conclude such contracts.

The results of this market research are useful and make a starting point in performing some complex, vast market studies, which refer to whole insurance market from Romania, some insurer segments, the assembly of insurance products, insurance grades, etc. Only through the marketing studies, based on using different methods, techniques and tools we could know the pulse of insurers market, the need of actual, loss or perspective clients for provided insurance products. Also, through these studies we could see the communication media to which the human being, the perspective client of an insurance company is the most sensitive, which at the end, through concluding insurance contract both parties are to be satisfied.

The acquired results could be a pattern, an example for a real market study, which means the contribution of some substantial human, material and financial resources.

THE CIRCUITS OF THE PUBLIC INSTITUTIONS ACCOUNTING

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The Romanian public institutions accounting system is on the brink of a great reform consisting in the introduction of a new accounting system. In 2003, at the Romanian Ministry of Finance the new accounts plan was elaborated. This system should have been implemented in 2004, but, instead it was postponed for the beginning of the year 2005.

According to this new accounts-plan, with the rules and regulations attached, the accounting system will be a accrual accounting, instead of the old cash based accounting.

The objectives of this accounting system appear to be the followings:

1. To give information about the resources of the public institutions;
2. To record and control the budget execution;
3. To give the required information for building the project of the budget for all public institution.

The accounts plan presented in the projected law will use different accounts for different types of institutions. For example the 1st degree synthetic account 520 “Local budget’s cash at the State Treasury” will be used by the institutions subordinated to the Local Budgets, the account 523 “State’s Budget cash at the State Treasury”, instead of using a single account for all institutions. This type of separation can be noticed in multiple instances.

From the presented issues we can draw some conclusions about the circuits included in this account plan:

- a. There are **two circuits regarding the objectives of this accounting system**, a first one for the property of the institutions (assets and debts, incomes and expenses), and a second one for following the budget execution.
- b. There are **several circuits regarding the different types of institutions**, from the financing budget subordination point of view.

Because the budget execution can be seen as a managerial accounting and not as a financial accounting, and because both managerial accounting and financial accounting are linked and included in a single account system, this accounting system can be considered a “monist” accounting system. This is one of the issues which make the Public Institutions Accounting different from the Companies Accounting, which have two different, non-linked circuits for the managerial accounting and the financial accounting.

The circuits regarding the fulfilling of the objectives of the public institutions accounting

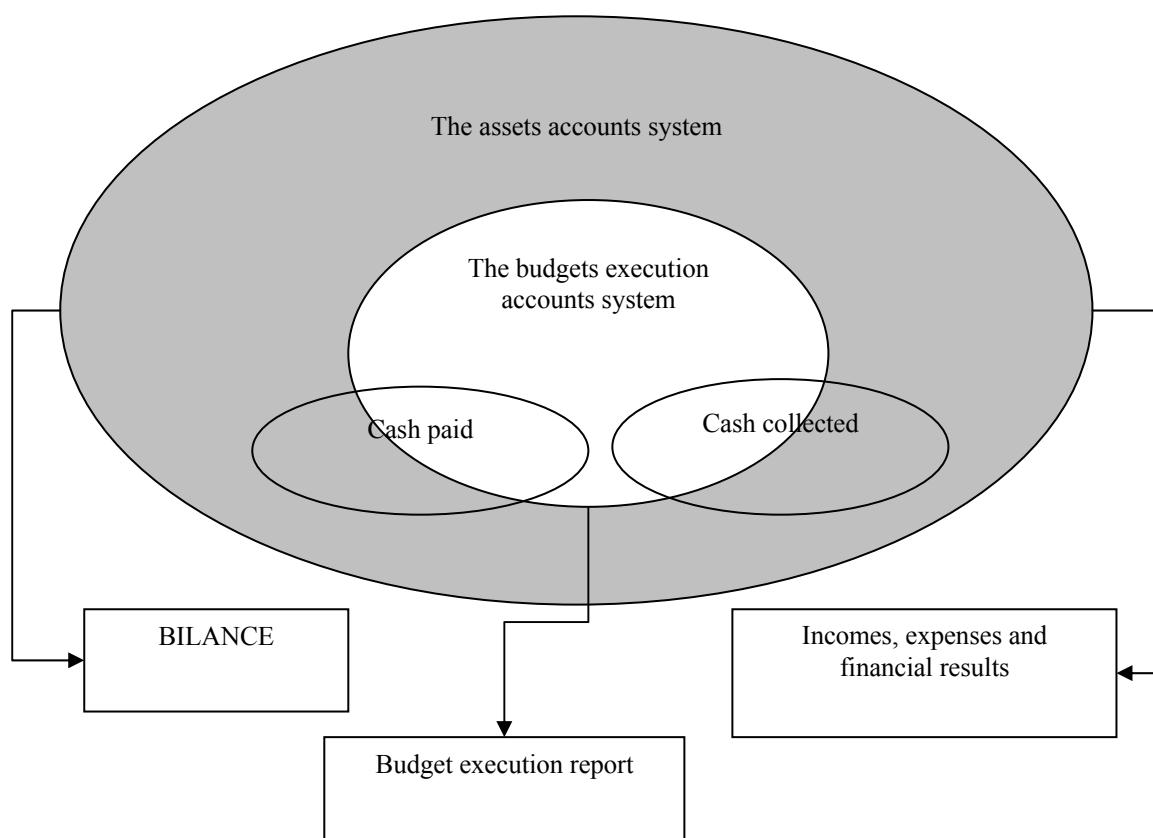


Fig. 1. The two circuits, linked

can be seen in fig 1.

The two circuits, the assets accounts circuit and the budget execution accounts circuit are linked, the budget execution being included in the assets accounts system.

The main problem of introducing the accrual accounting system is that the present public finance law is based on a cash accounting system. In this law, the expenses are equivalent with payments and incomes with collection. The present budget is named “a incomes and expenses budget” but actually it means “a payments and collections budget”. So, in the budget no expenses

for depreciation, provisions and other “non cash” expenses are allocated. The only way to conciliate the two different “languages” is to separate the budget execution accounting, seen as a costs accounting, from the financial accounting, seen as an assets accounting.

If the projected accounting system will be implemented without changing the budget law structure and key terms definitions, and the public finance law, the accountants will use two different definitions of revenues and expenses, one for accounting purposes, and one for budget execution. Reporting the budget execution in these conditions is bound to be confused and incorrect. Still, if the two circuits are separated, reporting may get easier.

The budget law is approved every year, and as a consequence, the structure and key issues of the budget are bound to suffer annual changes. So, having at least a stable information system in the assets information area would be a good idea. The changes in the laws will be then moved to the more flexible budget execution accounting, tailored each year to the need of that year’s budget execution.

The proposed system, based on the present companies accounting can be seen in fig 2.

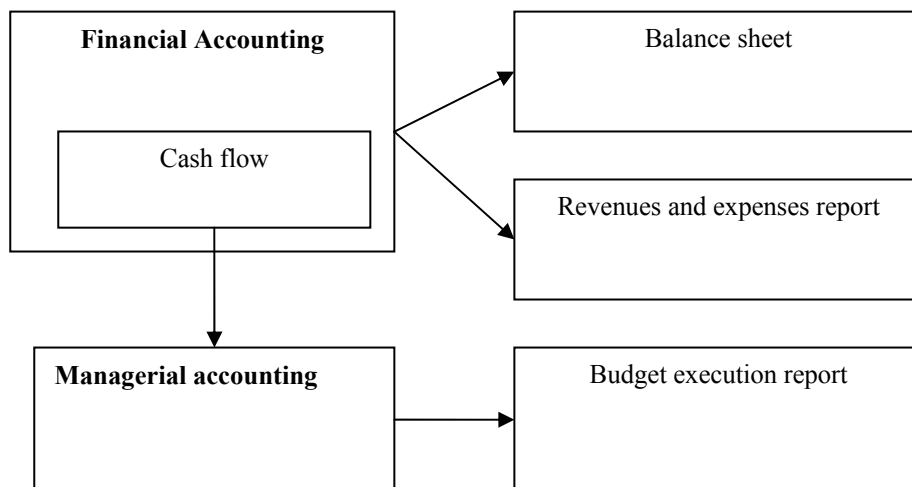


Fig. 2. The two accounting circuits separated

From a different point of view, the same accounts system includes different accounts subsystems for the various types of institutions, as can be seen in fig. 3.

A specific issue in elaborating the annual reports is the need to separate the assets of the local authorities from the assets of the central authorities. If the assets are split in two types of property, the budgets are separated into three types, central, or state budget, local budgets and special budgets.

This type of separation into circuits is arguable necessary at the synthetic accounts level.

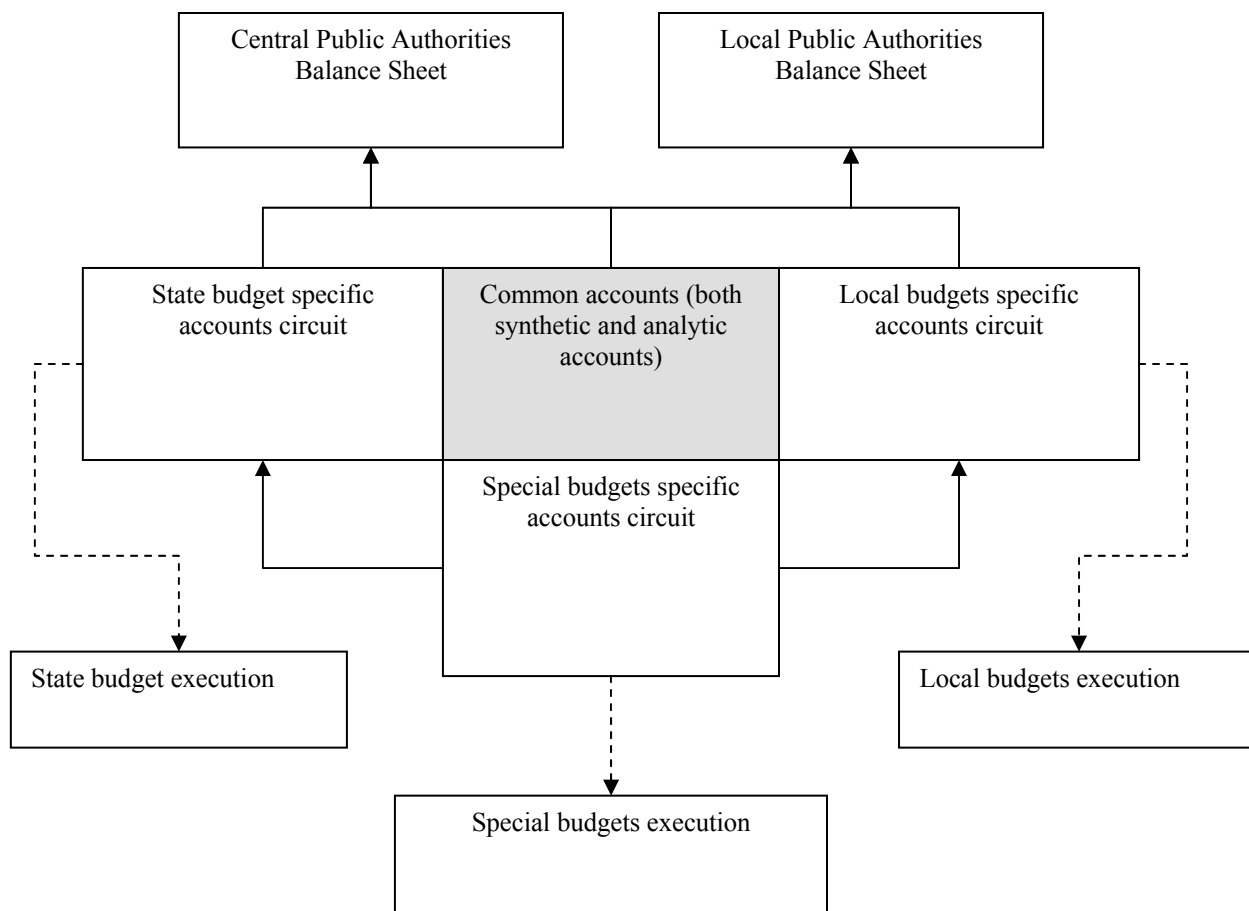


Fig. 3. The Public Institutions accounts subsystems

It would be enough to have this separation at analytic accounts level. This would simplify the understanding of the accounts system, by generating a much simpler accounts plan, used by most institution, and, developed into subsystems only at the institutions which have under administration assets belonging to different authorities and, whom will use multiple founding sources. The basic system would be as pictured in fig.4.

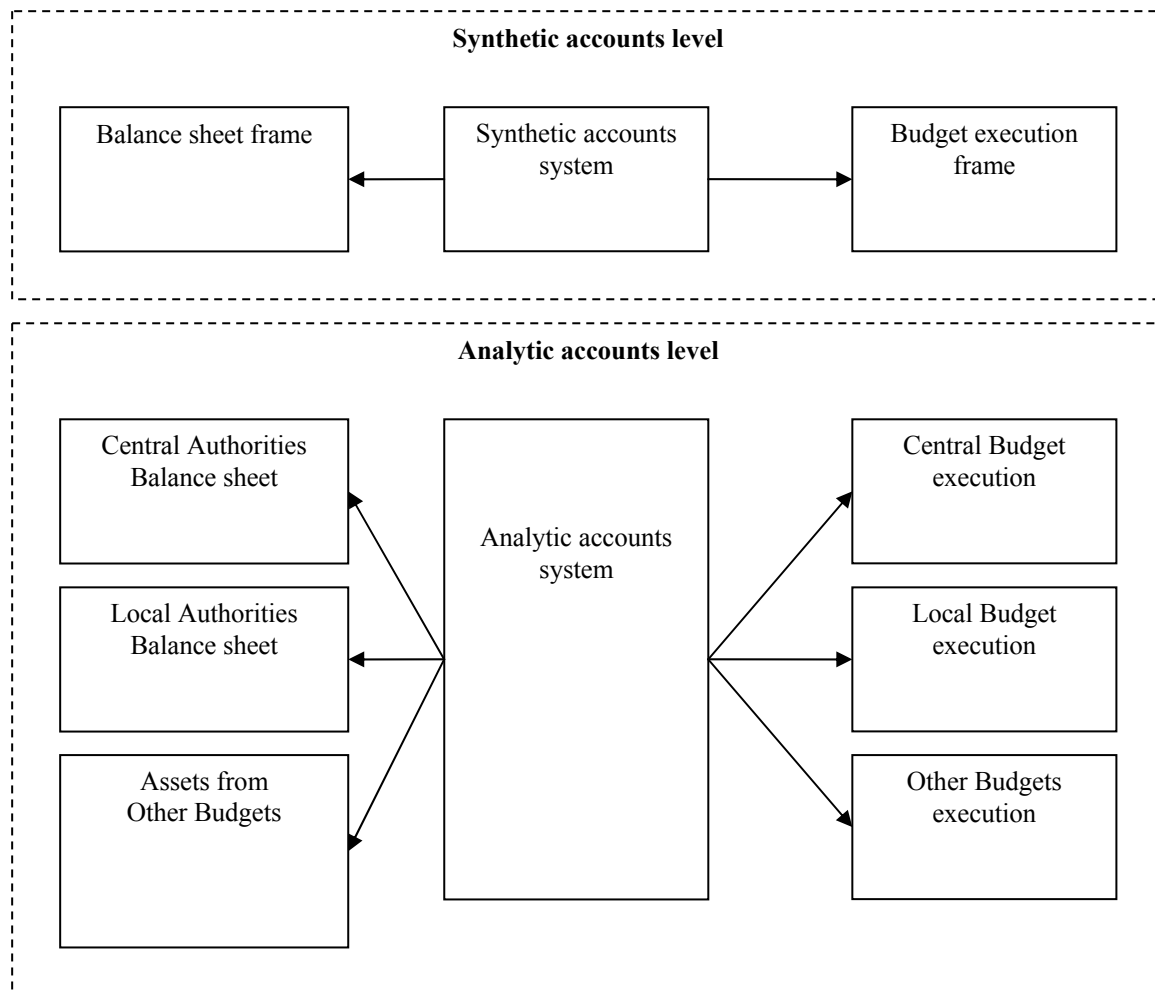


Fig 4. Proposed accounts system

The proposed accounts system would ease the administration of the institution by creating a standardized operation accounting treatment, and also would simplify the operative reports.

The emphasis of the analytic system would have multiple advantages:

1. The basic instruction about using the account plan would be simpler;
2. The rules about the synthetic accounting would be more stable, living the changes in rules and regulations mainly to the analytic accounts level;
3. The basic processes which happens inside a institution would be more transparent to the management;
4. The accountants would be easier to be trained;
5. The circuits of the different funds would be easier to follow by having unified analytic accounts coding rules. For example, the number "1" after the synthetic account number would mean Central Budget and Central Authorities Assets at all accounts, the number "2" would mean Local Budget and Local Authorities at all accounts, and so on;

6. This system would ease the building of unified accounting software for all institutions, because at synthetic accounts level all operation would be common, and the analytic accounts would be mainly the same at all institutions.

Basically, these circuits are used successfully by the companies. In a pragmatic approach, if there is a tested and it working system of circuits, easy to understand, there is no need to create a different one. So, learning from the companies accounting is a very good approach.

However, keeping the old cash based accounting would be worst, because the whole information system of the government gives false information regarding the revenues and expenses of the society, because there are two different definitions, one for companies and another for Public Institutions. For instance, the appearance of a tax expense at a company does not generate the appearance of revenue at state level, if the tax is not paid. Is this wrong? I guess so; because that means that we cannot compare the tax expenses of the companies with the tax revenue of the state.

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THE RELATIONSHIP BETWEEN THE PROFITS RATE AND FEASIBILITY

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The „feasibility” term comes from the french term „faisabilite” which means „it can be done”. In a different approach, the feasibility of a program, project or idea, can be defined as the quality of the analyzed project, program, idea, to be realized, in an efficient way.

The study of feasibility can be defined as a study about the technical possibility of achieving the objectives of a project, and about the efficiency of a project. The feasibility study is an important tool for the managers because it gives important information about the real possibilities of the organization to realize the proposed project or program, by analyzing the available resources (human resources, financial resources, material resources) and by comparing the incomes and expenses involved by it.

The indicator which combines all the components of this study in a comprehensive way is the **profits rate**. If it is used to analyze the project itself, the profit rate contains the incomes and expenses, and, also the resources involved in realizing the project, if it is used to analyze the company who will do the project, the profit rate gives information about the opportunity of the project.

The most important information about the financial feasibility of a project can be gathered by comparing the profits rate with different other indicators.

The first indicators which can be used for comparison are the **interest rates**. There are two ways for the interest rates to be taken in consideration: as financial costs of the capital obtained by using credits (expenditure), or as a result of an alternative way to invest the money which are involved in the project (income). The two interest rates are different, and usually, the interest rates for credits have a higher value than the interest rates for deposits. There are four situations identifiable:

1. **The profit rate has a bigger value than the interest rates for credits and the interest rates for deposits.** This situation can be described as an optimal situation, because the company can attract different forms of financial resources.
2. **The profit rate has a value between the value of the interest rates for credits and the interest rates for deposits.** In this situation, the company can use only investors for financing its projects. Using credits is not recommendable because the credits interest rates have a bigger cost compared to the cost of the own capital.
3. **The profit rate value is lower than the interest rates, but still positive.** In this situation, the company will have difficulties in attracting other capitals than its own.
4. **The profit rate is negative (losses).** In this situation attracting capitals will be virtually impossible.

Different companies from the same branch will compete for resources on the financial market, and for customers on the consumption market. The medium profit rate of the branch will offer information about the overall branch efficiency. A company having an above then average profit rate will be more able to compete on the market for resources, and thus, will be more able to react to the market than a company who has a lower than average profit rate.

The company with a higher profit rate than the average, usually, is able to reduce the prices, and attract more customers, has more resources available for research & development, can find investors with ease, can get credits easier, and so on. All this give to such a company a better chance to survive than average. This is why this company can be characterized as a **competitive company**.

The company with a profit rate below average, usually, has a lower margin for reducing prices, has lower resources available for research & development, and so on. This is why this company can be characterized as an **uncompetitive company**.

Of course, things are not quite as simple as that, but, in the long run, the most efficient companies tend to grow, at the expense of less efficient companies.

The projects, as well as the programs are generated by all sorts of reasons. Most of the projects are intended to maximize the profits, but not all. There are projects generated by environmental issues, or as a consequence of rules and regulations, or by social reasons. No matter the reasons of the projects there are two possible effects in what concerns the profit rate:

- The profit rate is increased by the project, which is the desirable effect
- The profit rate is decreased by the project, which evidently is not a desirable effect.

Project feasibility cannot be determined by one indicator only. This is why in most cases the profit rate is not the only indicator, but is probably one of the most important. Some possible conclusions are revealed in the following table:

Firm situation	The project diminishes the profit rate ($PR_1 < PR_0$)	The projects increases the profit rate ($PR_1 > PR_0$)
General effects	The project is not desirable unless there are other criterias The project reduces efficiency	The project is desirable
Very efficient company $PR_0 > FIR > DIR > 0$ Competitive company $PR_0 > BPR$	If: $FIR > PR_1 > DIR > 0$ the project is feasible if financed by investors or the company itself If: $FIR > DIR > PR_1 > 0$ The project is feasible if financed by the company itself If: $0 > PR$ The project is not feasible All cases If: $BPR > PR_1$ The project reduces overall competitiveness	The project is feasible
Efficient company $FIR > PR_0 > DIR > 0$ Competitive company $PR_0 > BPR$	If: $FIR > PR_1 > DIR > 0$ the project is feasible if financed by investors or the company itself If: $FIR > DIR > PR_1 > 0$ The project is feasible if financed by the company itself If: $0 > PR$ The project is not feasible All cases If: $BPR > PR_1$ The project reduces overall competitiveness	If: $PR_1 > FIR > DIR > 0$ the project is feasible If: $FIR > PR_1 > DIR > 0$ the project is feasible if financed by investors or the company itself
Barely efficient company $FIR > DIR > PR_0 > 0$ Competitive company $PR > BPR$	If: $FIR > DIR > PR_1 > 0$ The project is feasible if financed by the company itself If: $0 > PR$ The project is not feasible All cases If: $BPR > PR_1$ The project reduces overall competitiveness	If: $PR_1 > FIR > DIR > 0$ the project is feasible If: $FIR > PR_1 > DIR > 0$ the project is feasible if financed by investors or the company itself If: $FIR > DIR > PR_1 > 0$ The project is feasible if financed by the company itself
Inefficient company $FIR > DIR > 0 > PR_0$ Competitive company $PR_0 > BPR$	The project is not feasible	If: $PR_1 > FIR > DIR > 0$ the project is feasible If: $FIR > PR_1 > DIR > 0$ the project is feasible if financed by investors or by the company itself If: $FIR > DIR > PR_1 > 0$ The project is feasible if financed by the company itself

<p>Very efficient company $PR_0 > FIR > DIR > 0$</p> <p>Uncompetitive company $BPR > PR_0$</p>	<p>If: $FIR > PR_1 > DIR > 0$ the project is feasible if financed by investors or the company itself If: $FIR > DIR > PR_1 > 0$ The project is feasible if financed by the company itself If: $0 > PR$ The project is not feasible The project reduces competitiveness further more</p>	<p>The project is feasible</p> <p>If $PR_1 > BPR$ The project is highly recommended</p>
<p>Efficient company $FIR > PR_0 > DIR > 0$</p> <p>Uncompetitive company $BPR > PR_0$</p>	<p>If: $FIR > PR_1 > DIR > 0$ the project is feasible if financed by investors or the company itself If: $FIR > DIR > PR_1 > 0$ The project is feasible if financed by the company itself If: $0 > PR$ The project is not feasible The project reduces competitiveness further more</p>	<p>If: $PR_1 > FIR > DIR > 0$ the project is feasible If: $FIR > PR_1 > DIR > 0$ the project is feasible if financed by investors or by the company itself</p> <p>If $PR_1 > BPR$ The project is highly recommended</p>
<p>Barely efficient company $FIR > DIR > PR_0 > 0$</p> <p>Uncompetitive company $BPR > PR_0$</p>	<p>If: $FIR > DIR > PR_1 > 0$ The project is feasible if financed by the company itself If: $0 > PR$ The project is not feasible The project reduces competitiveness further more</p>	<p>If: $PR_1 > FIR > DIR > 0$ the project is feasible If: $FIR > PR_1 > DIR > 0$ the project is feasible if financed by investors or by the company itself If: $FIR > DIR > PR_1 > 0$ The project is feasible if financed by the company itself If $PR_1 > BPR$ The project is highly recommended</p>
<p>Inefficient company $FIR > DIR > 0 > PR_0$</p> <p>Uncompetitive company $BPR > PR_0$</p>	<p>The project is not feasible</p>	<p>If: $PR_1 > FIR > DIR > 0$ the project is feasible If: $FIR > PR_1 > DIR > 0$ the project is feasible if financed by investors or by the company itself If: $FIR > DIR > PR_1 > 0$ The project is feasible if financed by the company itself If $PR_1 > BPR$ The project is highly recommended</p>
<p>Index of abbreviations</p>		
<p>PR</p>	<p>Profit Rate</p>	
<p>PR₀</p>	<p>The profit rate before the project</p>	
<p>PR₁</p>	<p>The profit rate after the project</p>	
<p>FIR</p>	<p>Financing Interest Rate</p>	
<p>DIR</p>	<p>Bank Deposit Interest Rate</p>	
<p>BPR</p>	<p>Branch Profit Rate</p>	

ASPECTS OF JOINT VENTURES ACCOUNTING

Ioana Monica HORJA, “Dimitrie Cantemir” University of Tîrgu-Mureş, ROMANIA

Abstract: *From different reasons (co-operation between enterprises, common operation of goodwill, group of investors), two or many enterprises can constitute an apparent form of enterprise, called joint venture. The joint venture contract has fiscal implications, concerning VAT and the taxable profit and accounting implications about keeping the account books, organizing the centralized accounting, venturer`s contributions accounting, incomes and expenses accounting.*

The paper makes a presentation of the accounting aspects of this form of enterprise, treated according to the International Accounting Standards.

The enterprise`s activities does`n exercises only by independent juridical entities. One of the actual economic life characteristics is the enterprise`s concentration. The enterprise`s concentration can be done by absorption, fusion, cooperation contracts or by participating to another company capital. It is noticed more and more the constitution of groups connected between them by capital connections which puts their activities under the influence or control of one of them.

The joint venture is an apparent form of an enterprise characterized by:

- it has`n its own patrimony;
- it isn`t registered to the Trade Register Office;
- it has`n juridical personality;
- it isn`t subject of publicity;
- the operations with the thirds are treated in the name of one of the venturers with juridical personality.

The joint venture is made by an arrangement based on an association contract between two or more co-partner enterprises.

The joint venture has a few fiscal characteristics. The registration of joint venture contract implies:

- concerning VAT, the internal operations in the joint venture are not taxable and the operations with the thirds are taxable;
- the taxable profit is established by every venturer after he had his part of the expenses and incomes;
- in the case when the joint venture is between romanian or foreign natural or legal persons, the romanian natural person establishes the taxable profit from the joint venture due to the foreign person, it calculates, detains and transfers the profit tax for that and after that transmits to the venturers the discount about the incomes, expenses and net profit.

Keeping the accounting is necessary for the joint venture activity for the venturers concerning the realized results, the reciprocal operations, everybody rights and also for the thirds because in the relation with the joint venture the thirds are the joint venturer`s thirds.

According to IAS 31 Financial Reporting of interests in Joint Ventures, a joint venture is a contractual arrangement whereby two ore more parties undertake an economic activity that is subject to joint control.

The joint control consists of sharing the decision power, the control over jointly controlled enterprise by a limited number of partners who controls the enterprise together such that not one of the parties can take decisions without the others. A few conditions must be carries out for having joint control:

- joint operation;
- sharing the power;
- limited number of partners who shares the control.

The joint ventures have different form and structures. IAS 31 identifies three main forms:

1. jointly controlled operations;
2. jointly controlled assets;
3. jointly controlled entities.

The following are characteristics of all joint ventures:

- two ore more partners are bound by a contractual arrangement;
- this arrangement establishes joint control.

The contractual arrangement can be distinguished by a contract between venturers or by the discussion`s reports between parts. Sometimes the arrangement is incorporated in the statute or in

other joint venture`s deeds. Indifferent of its form, the contractual arrangement is usually in writing and deals such matters as:

- a) activity, duration and reporting of the joint venture;
- b) appointment of a board of directors or equivalent body and voting rights;
- c) capital contributions by venturers;
- d) sharing by the venturers of the output, income, expenses or results of the joint venture.

1. Jointly controlled operations

In the case of jointly controlled operations every venturer uses his own assets and resources for realizing the jointly operations which are subject of joint control. He has his own expenses and debts, gets his own funds which are his debts. In this case is not settled up a distinct juridical entity. The contractual agreement stipulates the way in which the incomes from selling the joint output and joint expenses will be divided.

The assets, liabilities, incomes and expenses are already recognize in the separate financial statements of one venturer and because of this there aren`t necessary adjustments or other consolidation procedures concerning these elements when the venturer presents consolidated financial statements.

In respect of its interests in jointly controlled operations, a venturer should recognize in its own and consolidated financial statements the following elements:

- the assets that it controls and the liabilities that it incurs;
- the expenses that it incurs and its share of the income that it earns from selling the goods or services by the joint venture.

2. Jointly controlled assets

Some joint ventures involve the joint control and ownership of one or more assets for and dedicated of the joint venture. Neither in this case a distinct juridical entity is made. The assets are used for obtaining benefits for the venturers. Every venturer has the right to a part of the future economic benefits because of his share for the jointly controlled assets. He participates to a share of assets output and incurs a share from the joint costs.

A venturer should recognize in its own and consolidated financial statements a few elements such as:

- its share of the jointly controlled assets;
- any liabilities that it has incurred;

- its share of any liabilities incurred jointly with the other venturers in relation to the joint venture;
- any income it receives from selling or using its share from the joint venture output and its share from the expenses made by the joint venture;
- any expenses that it has incurred in respect of its interest in the joint venture.

In this case the assets, liabilities, incomes and expenses are already recognized in a venturer own and consolidated financial statements. Because of this there aren't necessary adjustments or any other consolidation procedures.

The treating of jointly controlled assets reflects the substance and the economic reality and also the juridical form of the joint venture.

3. Jointly controlled entities

A jointly controlled entity is a joint venture which supposes making up a corporation, a partnership or another entity in which every venturer has an interest. A jointly controlled entity controls the joint venture's assets, incurs debts and has its own expenses and incomes. It can sign contracts for its own and it engages obtaining funds for the joint venture. Every venturer has the right to a share from the jointly controlled entity result. A jointly controlled entity has its own accounting and its own financial statements according to the rules of the country in which it operates. Every venturer subscribes with cash or any other resources to the jointly controlled entity.

The consolidated financial statements of the joint venture are made by proportionate consolidated method. In the venturer's financial statements is included its share of each every of the assets, liabilities, incomes and expenses of a joint venture. This is the base treatment provided by IAS 31.

According to the standard the proportionate consolidation is an accounting and reported method whereby a venturer's share of each of the assets, liabilities, income, expenses of a jointly controlled entity is combined item by item with similar items of the venturer's financial statements or reported separately as lines-items.

The report of the investments in a jointly controlled entity in a venturer's consolidated financial statements is essentially in order that the venturer reflects the found and the economic reality of the arrangement. The venturer controls its own share from the future economic benefits through its share from the enterprise'd assets and liabilities.

Applying the proportionate consolidation means that the venturer's consolidated balance sheet includes its share from the assets which is jointly controlled and its share from the joint liabilities.

A venturer's consolidated income statement includes its part from the jointly controlled entity's income and expenses.

The alternative treatment is based on the equity method. The equity method is an accounting method whereby the investment is initially recorded at cost and adjusted for the post acquisition change in the investor's share of net assets of the investee. The income statement reflects the investor's share of results of the investee.

The equity consists of reevaluating the investments function of the capital's evolution of the jointly controlled entity, beginning with the date of acquisition.

IAS 31 recommends the proportionate consolidation as an accounting method for the joint ventures because it reflects better the form and the economic reality of the investment.

There are a few exceptions in which neither the proportionate consolidation nor the equity method is recommended. These are:

- when the assets of a jointly controlled entity is acquired and held with a view to subsequent disposal in the near future
- the joint venture operates under severe long term restrictions that significantly impair its ability to transfer funds to the venturer.

The proportionate consolidation mechanism of the balance sheet supposes a few steps:

- combining the consolidated enterprise's elements with the element's share of the consolidation enterprise according to the interest rate held by the consolidation enterprise
- eliminating the reciprocal accounts
- determining the consolidated reserves and the consolidated result
- eliminating the consolidated enterprise's investment held by the consolidation enterprise reducing with the same value the consolidated capitals
- establishing the consolidated balance sheet.

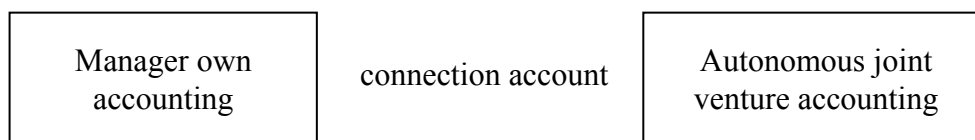
The proportionate consolidation of the income statement is made in the following steps:

- cumulation the consolidation enterprise's result accounts with the share from the consolidated enterprise result account according to the rate of interest of the consolidation enterprise in the consolidated enterprise
- eliminating the reciprocal operations
- making up the consolidated income statement.

The absence of the juridical personality doesn't imply the obligation of keeping accounting but organizing the accounting of these kind of enterprise is made in two ways:

1. centralized accounting, when there is a manager who provides and follows all of the joint venture operations, in two forms:

a) organizing near its accounting an autonomous accounting like this:



Between the two accountings the manager uses the account 458.01 “Discounts from the joint venture” / a connection account.

b) integrated accounting of the joint venture in the manager’s accounts, form who can create fiscal problems.

Making up this kind of accounting can be like this:

- using the expense accounts from the 6th class and through the income accounts from the 7th class, with the analytics for manager’s expenses and incomes;
- using the 8th class accounts, such as an analytic accounting;
- using the out balance sheet accounts.

2. separated accounting of each department reflects all operations realized for its own enterprise and also for the joint venture. After that outside the accounting the investments are regrouped in order to determine each result.

Indifferent of the used way in the joint venture accounting are used the following accounts: 458 “Discounts from the joint venture”, 4581 “Discounts from the joint venture - active”, 4582 “Discounts from the joint venture - debt”, 458.01 connection account and also claims, debts, interest accounts.

The distribution of the final result between venturers is made function of each share according to the share established by the association contract.

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A FEW CONSIDERATIONS ABOUT THE EQUITY METHOD

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Abstract: *Accounting as a system is the result of a long historical process, a during it has been transformed from a simple technique of registration of commercial changes in a way of control and provision, and after that in an administration instrument.*

Because of the financial connections between companies had been appeared the groups and after that specific methods of groups accounting, methods called consolidation methods.

The method presented in this paper is one of the three methods of consolidation, the equity method.

In the modern economy because of the permanent changes in the economic life, the companies form groups with common interests and with one order center, even if the companies are juridical independents.

In this case for obtaining a faithful and correct image of the group is necessary to use specific methods of accounting, methods which originated the consolidated accounts. The consolidated accounting is a useful way for informing the internal and external users about the patrimonial status of a group.

The equity method is one of the consolidated accounting methods who is applied in the case of the companies who are under notable influence of another company from the group, being associated to the group.

The notable influence about on administration and financial policies of an enterprise appears in the case when a company has, directly or indirectly, a fraction at least equal with a fifth of the voting rights of that enterprise.

According to IAS 28 Accounting for Investments in Associates, the notable influence is called significant influence and it is defined as the power to participate in financial and operating policy decisions of an investee, but not to control these policies.

The associate is an enterprise in which the investor has significant influence and which is neither subsidiary nor joint venture.

So, the significant influence is the power to participate, directly or indirectly, to the financial and operating policy decisions of a company, without having exclusive control or joint control over these decisions.¹

The significant influence is evidenced by:

- existence in the board of directors or in the equivalent governing body;
- participation in decisions making process;
- existence of material transactions with the company who is under significant influence;
- changes of managerial personnel;
- provision of essential technical information.

The significant influence over the administration and over the financial policy of a company supposes having 20% of the voting rights of that company. But the simple propriety of 20% of the voting rights is only the presumption of significant influence existence. The presumption is confirmed or not by the existence of a representation in the leading and by participation in decisions making process.

According to IAS 28 Accounting for Investments in Associates, the significant influence as a form of control supposes using the equity method as the base treatment. The standard presents the cost method as the alternative treatment.

In the speciality literature there are two definitions for the equity method:

a) the first definition corresponds with the substitute method and consists of substituting the investments held at the acquisition cost and which are presented in the parent's balance sheet with the equivalent quota of these in the consolidated company capital and reserves corresponding to the participation quota in consolidation;

b) the second definition corresponds with so called equilibrium method through which the held investments are presented in the consolidated balance sheet at the acquisition price plus the part from the undistributed profit or losses after the date of acquisition.

¹ Matis D., *Accounting of special operations*, Intelcredo Publishing House, Deva 2003

Practically, the first definition is held. So, the method consists of substituting the acquisition cost of the investments held directly or indirectly by the consolidation enterprise with the value corresponding from the net statement of the consolidated enterprise.

The main steps for the equity are:

- replacing in the consolidation enterprise assets the investments book value which are hold in the consolidated enterprise with the consolidation enterprise corresponding quota from the equity enterprise capital;
- distinguishing the difference between the equity enterprise capital fitted share and the investments book value over the group`s rights in the consolidated reserves and results.

If the consolidated capitals are negative the equity investments are registered with zero value.

After that, if the enterprise obtains profit the investor will register his share from the profit only after the former losses are covered.

The investment equity value is equal at every end of the exercises with the consolidated enterprise capital quota.

The equity method is treated by IAS 28 Accounting for Investments in Associates. The standard defines this method as an accounting method whereby the investment is initially recorded at cost and adjusted for the post acquisition change in the investor`s share of net assets of the investee. The income statement reflects the investor`s share of results of the investee.

So by this method the investment is initially recorded at cost and after that, this value is increased or decreased with the investor`s share of the profits or losses registered after the date of acquisition. The profit distributions from the investee decreases the investment`s book value. The book value adjustments are made in the case of the investor`s share modification of the investee and which were not included in the income statement.

There are situations when the accounting is not made by the equity method. These are:

- when the investment is acquired and held for disposal in the near future;
- when the enterprise operates under severe long-term restrictions.

The investor must discontinue the equity method`s use when:

- the investor ceases to have significant influence, but retains whole or part of the investment
- the associate operates under severe long-term restrictions that significantly impair its ability to transfer funds.

Unlike the other two consolidation methods, the global integration method and the proportional integration method, through the equity method the associates's accounts are not cumulated with the investor's accounts. Because of this, ones of the specialists consider that the equity method is not a consolidation method.

In the United States of America the specialists appreciate that the equity method is an evaluation method.

The main steps for the balance sheet equity are:

1. replacing the held investments book value in the consolidation enterprise assets with the consolidated enterprise capital share who goes to the consolidation enterprise by equity.
2. the difference between the capital and reserves share of the equity enterprise referenced with the investments book value, goes to the consolidated reserves, and the consolidation enterprise share from the result of the equity enterprise is reflected at the consolidated result.

The equity for the income statement is made in the next steps:

1. at the consolidation enterprise result it goes the share from the consolidated enterprise result
2. the consolidated result will be deducted in the consolidation enterprise result and the consolidated enterprise share who goes to the consolidation enterprise.

The share from the equity consolidated enterprise result is written separately in the consolidated income statement at the position the share from the equity result. If the result is a loose, in the consolidated income statement the loose will be written at the expenses part. If during the exercise the consolidation enterprise had dividends from the equity enterprise, the dividends will be eliminated from the financial incomes by transferring to the consolidated reserves.

So, the equity method is one of the three consolidation methods used. The consolidated accounts are necessary for obtaining an exactly image of one's group patrimony.

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ASPECTS REGARDING THE ACCOUNTING REPRESENTATION OF SUBSIDIES FOR ASSETS

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Abstract: *Governmental subsidies for assets granted in different conditions – accounting treatment according international norms and alternative. Remarks on the legislation regarding the adjusting of the Romanian accounting regulations with the international norms of accounting.*

According to the International Standards for Accounting, namely IAS20, governmental subsidies are not valid unless there exists an extremely high probability that the conditions attached to them and to their reception are respected.

As a consequence of declaring governmental subsidies, debts and contingent assets must be treated according to IAS 37 “Provisions, debts and contingent assets”.

When it comes to the accounting representation of governmental subsidies, two approaches exist:-the first, according to which the subsidy is reported as an equity component - is used when the allotment has a free character;

- the second, according to which the subsidy is included in the income for the period over which its corresponding expenses are declared in the accounting - is used when the allocation involves certain costs.

The international norm opts for the second approach, as subventions are declared as income for the periods of time corresponding to the expenses that allocations are going to compensate.

The international standard defines the subsidies corresponding to assets by referring to the main condition for the granting of the governmental subsidy: “the beneficiary enterprise must purchase, build or acquire immobilized assets”.¹

¹ IAS 20, par.3, “International Standards of Accounting”, Ed. Economică, 2002.

Subsidies corresponding to income (operating) are defined through the reference to the allocations for assets: these allocations include "all governmental subsidies that are different from those for assets".²

IAS20 "The accounting of governmental subsidies and the presentation of information regarding governmental assistance" presents two methods of preparing the financial reports regarding the assets:

- subsidies are declared as income in advance that are transferred into the period's income over the course of the useful economic life of the asset;
- subsidies are deducted from the acquisition value of the assets, being reported in the profit and loss account by diminishing depreciation expenses.

Subsidies for operations can also be presented in the credit side of the profit and loss account and can be deducted from the expenses they are associated with.

We are discussing next the similar accounting treatment applied to some governmental subsidies granted for a technological equipment, which has very different conditions attached.

The commercial society Reea SA – contractor for building a bridge of public interest, receives a governmental subsidy of 20.000 m.u. (monetary units) for the acquisition of an equipment on 01.07.N. The cost of the equipment is of 50.000 m.u. and its useful economic life is 5 years.

I. To receive the subsidy the following conditions must be fulfilled: the acquisition of the equipment and the completion of the investment objective according to the contract whereby the work was commissioned to Reea SA, namely no later than 30.06.N+6.

The subvention is granted as a consequence of the floods from the spring of year N that affected the contractor's fleet of vehicles from the calamity area.

By taking into account the fact that in the two situations discussed one of the prerequisites for getting the subsidy was that the beneficiary enterprise acquires the tangible immobilization, we can say that we deal with subsidies for assets in both cases.

Using the first approach to preparing the financial reports regarding the assets, namely treating the subsidy as a deferred income to be transferred to the period's income over the course of the economic life of the asset, the following will be established in the beneficiary's accounts:

- If straight-line depreciation is used to determine the depreciation of the equipment, then the annual depreciation rate is of 20% (100 / 5 years);
- Governmental subsidy represents only 40% of the equipment's cost;

² IAS 20, par.3, "International Standards of Accounting", Ed. Economica, 2002.

- The income from the allocated subsidy reported by the unit is proportional with the expenses with the equipment's depreciation. For example, if the depreciation of the fixed asset for the first year is calculated for six months using the previously mentioned rate, the income from subsidies will be calculated for the same time frame using the same 20% rate.

Year	Formula for Depreciation	Expenses with Depreciation	Computational formula for Income from subsidies	Income from subsidies
N	$50000 \times 20\% \times 6/12$	5000	$20000 \times 20\% \times 6/12$	2000
N+1	$50000 \times 20\%$	10000	$20000 \times 20\%$	4000
N+2	$50000 \times 20\%$	10000	$20000 \times 20\%$	4000
N+3	$50000 \times 20\%$	10000	$20000 \times 20\%$	4000
N+4	$50000 \times 20\%$	10000	$20000 \times 20\%$	4000
N+5	$50000 \times 20\% \times 6/12$	5000	$20000 \times 20\% \times 6/12$	2000
Total	50000	50000	20000	20000

For the financial statement or year N the accounting entries will be as follows:

- acknowledgment of the right to cash the subsidy

445 "Subsidies" =	131 "Subsidies for investments"	20000
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- subsidy reception:

5121 "Bank accounts in ROL" =	445 "Subventions"	20000
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- acquisition of equipment:

2131 "Technological equipment" =	404 "Providers of assets"	50000
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- payment of asset providers

404 "Providers of assets" =	5121 "Bank accounts in ROL"	50000
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- depreciation of fixed assets:

6811 "Operational expenses with asset depreciation =	2813 "Depreciation of installations, means of transportation, animals, and plantations"	5000
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- the transfer of subsidies to income:

131 "Subsidies for investments" =	7584 "Income from subsidies for investments"	2000
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I. In the first case, in which the prerequisites for getting the subsidy are to acquire the equipment and to fulfill the investment objective within 6 years, the stipulations of IAS20, par.11 state that, it is required to complement the reporting of the governmental subsidy with Explanatory Notes containing information on the contingent debts regarding the fulfillment of the criteria for receiving the governmental aid.

The requirement of having the equipment acquired is fulfilled as soon as the subsidy is cashed and therefore the failure to fulfill this criterion will generate no entries for contingent debts in the Explanatory Notes.

When it comes to the fulfillment of the investment objective, this criterion will be actually achieved only at the end of the execution period, namely 30.06.N+6. Thus, at the end of each year, the beneficiary of the subsidy must offer in the Explanatory Notes data regarding the contingent liabilities occurred as a consequence of past events (the reporting of the subsidy), confirmed by the presence of uncertain future events that cannot be completely controlled (the completion of the work within the specified time frame).

Year	Income from subsidies	Contingent debts
-1-	-2-	-3-
N	2.000	2.000
N+1	4.000	4.000
N+2	4.000	4.000
N+3	4.000	4.000
N+4	4.000	4.000
N+5	2.000	2.000

II. In the second case, when the governmental subsidy was granted for the acquisition of an equipment as a result of an extraordinary event from last spring, the criteria for receiving the subsidy were fulfilled in the period N. Therefore, contingent debts will not be entered in the Explanatory Notes.

1. Notes regarding the first case, in which the subsidy is granted given the equipment is acquired, and the investment objective completed within 6 years.

An alternative accounting approach, not mentioned in the IAS 20 for subsidies corresponding to assets, consists in declaring the governmental allotment under deferred income and transferring it into the period's income once the main criterion is fulfilled, with the least probability, respectively proportional with the degree of completion for the investment objective.

In this case, we consider that when using the asset in fulfilling the investment objective represents a secondary requirement, the governmental authority regards the construction of the public bridge as the main priority, income from subsidies compensate to a certain extent the expenses with the project completion until 30.06.N+6.

According to the execution chart of the objective, the value of the part still to be completed was 8.500.000 m.u. at 01.07.N and the bridge will be completed in the following six years, as follows: in the N and N+6 fiscal years work totaling 500.000 m.u. will be done, while in the other five years the total value of the completed work will be 1.500.000 m.u.

<i>Year</i>	<i>Operational Expenses</i>	<i>Operational Expenses (%)</i>	<i>Formulas for Income from subsidies</i>	<i>Income from subsidies</i>
N	500000	5,88	20000x 5,88%	1176
N+1	1500000	17,65	20000x17,65%	3530
N+2	1500000	17,65	20000x17,65%	3530
N+3	1500000	17,65	20000x17,65%	3530
N+4	1500000	17,65	20000x17,65%	3530
N+5	1500000	17,65	20000x17,65%	3530
N+6	500000	5,88	20000x 5,88%	1176
TOTAL	8500000	100.00%	20000	20000

For fiscal year N, accounting entries will be as follows:

- acknowledgment of the right to cash the subsidy

445 "Subsidies" = 131 "Subsidies for investments" 20000

- subsidy reception:

5121 "Bank accounts in ROL"=445 "Subventions" 20000

- acquisition of equipment:

2131 "Technological equipments" =	404 "Providers of assets"	50000
- payment of asset providers		
404 "Providers of assets" =	5121 "Bank accounts in ROL"	50000
- the transfer of subsidies to income with the completion of the objective		
131 "Subsidies for investments" =	7584 "Income from subsidies for investments"	1176

At the end of each fiscal year, the subsidy's recipient must offer in the Explanatory Notes information on the contingent debts owed to the failure to fulfill the criterion regarding the completion of the investment objective:

Year	Income from Subsidies	Contingent debts
N	1.176	1.176
N+1	3.530	3.530
N+2	3.530	3.530
N+3	3.530	3.530
N+4	3.530	3.530
N+5	1.176	1.176

2. Remarks regarding the case when the subsidy is granted as a result of the last spring's floods that affected the contractor's fleet of vehicles.

An alternative approach for asset subsidies, which is not supported by the IAS 20, consists in declaring the entire subsidy, when the main criterion is fulfilled, with the least probability of achievement and when purchasing the corporate asset.

In this scenario we consider that, incomes from subsidies compensate the extraordinary expenses they generated, despite the governmental allotment being destined to the purchase of an asset, and the expenses with equipment's depreciation being linked to the income resulted from operating the equipment.

In this case the subsidy, which makes up for extraordinary expenses, is declared as extraordinary income.

For fiscal year N the accounting entries are as follows:

- subsidy reception:

5121 “Bank accounts in Rol” =	445 “Subventions”	20000
- acquisition of equipment:		
2133 “Technological equipment” =	404 “Providers of assets”	50000
- payment of asset providers		
404 “Providers of assets” =	5121 “Bank accounts in Rol”	50000
- when the equipment is acquired subsidies are transferred at income		
445 “Subsidies” =	7584 “Income from subsidies for extraordinary events and other similar”	20000

Emphasizing contingent debts in the Explanatory Notes is not required in this approach either.

3. Remarks on the legislation regarding the adjusting of the Romanian accounting regulations with the international norms of accounting.

- O.M.F.P. no. 94/2001 does not expressly requires the inclusion of the debts or contingent assets regarding the completion of the criteria for subsidy granting in the Explanatory Notes despite paragraph's 11 of IAS 20 mentioning the necessity to have this information presented. In fact, the legislation for the alignment of Romania's accounting regulations with the International Standards of Accounting, presents the required Explanatory Notes only as examples!

- In terms of the methods of accounting and presenting the information regarding the subsidies for assets, mentioned by IAS 20, O.M.F.P. No.94/2001 keeps only the first method of reporting the financial situation. Thus, the method whereby subventions are deducted from the acquisition value of the assets, and recognized in the Profit and Loss account by reducing the expenses with depreciation, does not appear in the legal provision.

According to this method, the balance sheet and profit and loss account do not provide details regarding the operation realized by the society, making room for distortions of certain indicators calculated from the financial reports. Despite this fact, situations occur when the value of the subsidies is insignificant for the society or enough data regarding the received allotment is presented in the Explanatory Notes to avoid the specified errors. In such cases the second method is preferred.

We consider that ignoring this method of emphasizing the subsidies for assets in the specific legislation limits both the adjustment of the Romanian accounting to the economic realities and its alignment with international norms.

For the elaboration of relevant financial reports some synthetic accounts of the second degree must be created for:

“Income declared in advance from subsidies for assets” - 4721;

“Income declared in advance from subsidies for operations” - 4722;

“Other income declared in advance” - 4728.

To this end we suggest that:

- the new 4271 account “Income declared in advance from subsidies for assets” should assume the economic content and the accounting correspondences mentioned explicitly in - O.M.F.P. no. 306/2002 for the 131 account “Subsidies for Investments”

- the 4722 account “Income declared in advance from subsidies for operations” - a liability account, should reflect governmental subsidies received for income of any type. The value of the subsidies for received income or expected income should be entered in the credit side of the account, and the part of the subsidies for operations that appear under income, as well as the reimbursed subsidy for investments or the subsidy for investments expected to be restored, must be entered in the debit side.

- the 4728 account “Other income declared in advance” should take the economic content and the accounting equivalences presented in the legal provision mentioned for the 472 account “Income declared in advance”

- we also consider that in order to accurately inform the users of accounting information, the reimbursement regarding the subsidies should be treated separately, depending on the purpose of the subsidy. To this end some synthetic accounts of the second degree (II) should be created: 4451: “Subsidies corresponding to assets” and 4452 “Subsidies corresponding to income”

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THE RENUMERATION THROUGH THE DIVIDENDS AND THE TAX POLICY

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Abstract: *The option made by the management of a patrimonial entity, in the adoption of a dividend policy, remains still delicate. The shareholders "will remain devoted to the company just if the obtained profit will have an equal or even superior efficiency, given to the other firm's profit".*

The dividend means a part of the net profit of a company, which reverts to a share, to a part of founder, or to an industrial part. (G. Buse – coord. A complete dictionary of the market (the private market) economy – Ed. "The Information Society" – Bucharest, 1994, page 130).

The dividend is the distributed sum (amount), to the shareholders after the finishing of the balance sheet. This distribution is made by the decision of the shareholders, from the remained net profit, after the possible deduction of the part allocated to the accumulation.

The generator of the dividend is the profit. "This is not a paid which must be done, in order to obtain some kind of source, but is the/a rest; I mean what remains from the incomes, after all the cost were covered" (P. Heyne – "The economic mode of thinking" – The Didactic and Teaching Ed., Bucharest, 1991). We can also think further, saying that the dividend is a distributed rest to the shareholders (the owners). In the speciality literature, we can find out some other shades of the dividends distribution, such as:

- The fisc dividend – or the fisc sum established simultaneous with the altering of the preferential shares which is discounted to the shares owners, indifferent of the firm's profit size. (the achieved profit).

- The ad-interim dividend – the dividend periodical distributed as advance (payment), from the financial discharges dividend, calculated depending on the current result from the profit and loses account. (Prohibited by actual, Romanian legislation).
- The final dividend – or the dividend paid by a firm at the ending of a financial discharge. Referring to a firm wich had distributed ad-interim dividends.
- The definitive dividend – is the certain part from the net profit wich was allocated and paid to the shareholders, after finishing the balance sheet (and) the decision of the General, Ordinaly Assembly.
- The real dividend – is the part of the calculated, real, net profit of the economic agents, wich reverts for every share, to the owners.
- The fictious dividend – is the distributed sum as dividend to the shareholders of a company, without to corespond to a real profit. Only the General Assembly of the shareholders has to establish, the proportion between the type of the actions, their conversion and the fixation of the dividend. (The Law nr. 31/90).

DIVIDEND POLICES

“The dividend policy” is defined by the option of thr companys leadership, between the integral or partial reinvestment of the sharesholders net profit and/or by the partial or total distribution of this, as dividends. (I Stancu – “Finances” The Economic Ed., Bucharest, 1997, page 393). The already made investigations on this segment of the firms’ finances have generated very different visions wich have created some certain tendencies (stareams).

Below we will synthesize some of them:

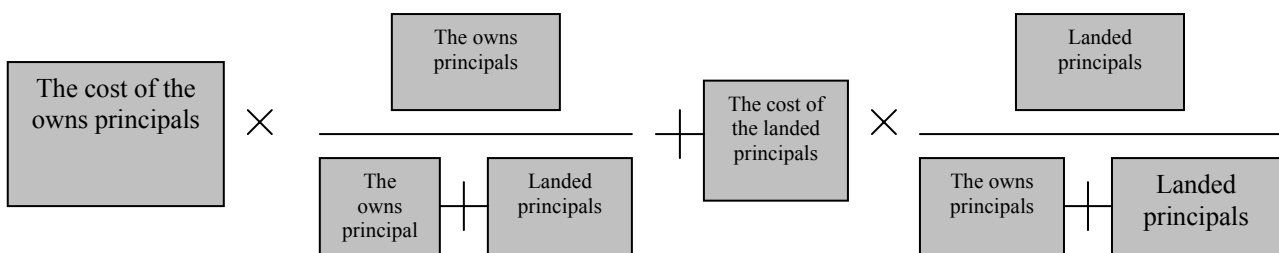
1. The dividends residual theory proposed by J.E. Walter in the “Dividend Policy and Common Stock Prices” (Journal of Finances, the 11th tome, 1956).

The calculation relationship obtained by the decision of the distributing dividends is:

$$\begin{array}{c}
 \boxed{\text{Dividend on share}} + \frac{\left(\boxed{\text{The profit on share}} - \boxed{\text{Dividend on share}} \right) \times \boxed{\text{The profit's profitableness}}}{\boxed{\text{The cost of the firm's principal}}} \\
 \hline
 \boxed{\text{The cost of the firm's principal}}
 \end{array}$$

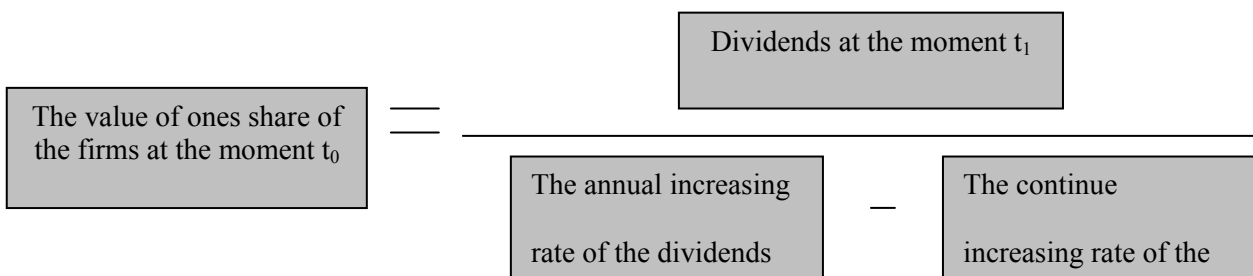
- a) In that case, the profitableness of the profit is subordinate to the cost of its principal; the firm's management is stimulated to adopt a policy of distribution of the profit in a large or total proportion. (in this case, the dividend on share, will be equal with the profit on share).
- b) If there exists equality between the profit's profitableness and the firm's principal cost, the market value (or amount) of the share, becomes independent from the adopted dividend policy.
- c) In case that, the profit's profitableness is superior to the firm's principal cost, the firm's management will be interested in the reinvestment of the whole profit, in order to finance the investment's objectives.

Referring to the above dates, the medium moderate cost of the principal, is determinated like this:



2. The distribution of the dividends theory, (increased year by year), in a constant rate, lower than bringing up-to-date rate of future dividends. Their authors are: M.Gordon and E. Shapiro ("Capital Equipment Analysis: The Required Rate of Profit ", Management Science, 3th tome, 1956).

The calculation relationship is:



The size of the dividends and of their yearly rate becomes directly proportional with the share's value (amount); or as the dividends and their yearly increasing rate are bigger (higher), as the firm's shares, their value (amount) will be higher.

3. The theory of neutrality regarding the dividend policy is promoted by M Miller and F. Modigliani in the study ("Dividend Policy, Growth, and the Valuation of Shares" – Journal of Business, no. 4, 1961, University of Chicago).

Their conclusion are that the firm's value is independent from the dividend policy and its dependence being exclusive associated with its investment policy and their economical profitableness rate.

$$\begin{array}{c}
 \boxed{\text{The value of ones shares of the firm}} \times \boxed{\text{Number of shares}} = \frac{\boxed{\text{Distributed dividends}} + \boxed{\text{The final value of the shares}} - \boxed{\text{New entered owns principals}}}{1 + \boxed{\text{The principals rate cost}}}
 \end{array}$$

As a general conclusion, the option made by the management of a patrimonial entity, in the adoption of a dividend policy, remains still delicate. The shareholders "will remain devoted to the company just if the obtained profit will have an equal or even superior efficiency, given to the other firm's profit".

In this situation, very natural as well, beside the managing policies regarding the firm's development and consolidation, on the rival market, the shareholders stabilization and stability policy must to refer to their competitive payment.

THE FISCALITY AND THE DIVIDEND POLICY

In Romania, referring to 2004, the tax levied on the dividend is settled by the Fiscal Code (adopted through the Law no. 54/2003), by the Metodological Standards of the Fiscal Code's application (approved of the Governmental Decision no.44/2004).

By these, it is settled a quation of 10% on the gross dividend paid by romanian juridical person (The 36th article from the Fiscal Code).

At the some time, the tax on the incomes obtained as dividends is of 5% (percent) from the sum of the dividends, wich are fitting to the shareholders or to the partners. (The 71th article from the Fiscal Code).

The obligation of the calculation and of the back holding of the tax on this kind of incomes is coming to the juridical persons, at once, with the dividends payment to the shareholders or to the partners.

The 20th article from the Fiscal Code is stipulated that, when Romania will be member of the U.E., the obtained incomes by a Romanian, juridical person through the received dividends from a foreign, juridical person will be free of taxes in 2 certain conditions:

- to own at least 25% (percent) from the participating titles at the foreigner, juridical person;
- an uninterrupted period, of at least, 2 years, which is ending at the date of the payment (of the dividend). The 20th article is also stipulating that the dividends received from a Romanian, juridical persons are free of tax at the calculation of the tax on the profit.

The problem regarding the taxation of the dividends consists not in the stabilization of a rational, taxation rate, but in the fact that, if we speak generally, the physical and juridical persons incomes are taxed according as they are formed only once, this residual income, the dividend supports a double or a triple taxation.

This statement is based through the fact of the income from the generating phase till the final, distributing phase.

Concrete, in a normal way, the contribution to the social principal, it presumed an income (dividend, salary, rent, income), which it was taxed by itself. Afterwards, the difference between the gross profit, which is taxed. Finally, by the distribution of the net profit as a dividend – as we already mentioned – it is applied the dividend, of 5% and 10%.

The states which are already members of the U.E., the U.S.A., and not only these, have different opinions, positions regarding the taxation of the dividends, so let's pay attention on them.

In the U.S.A., the fiscal reform (initiated in 1986) it aimed to give an impulse to the investments. Within the framework of this reform, inside of the fiscal system, it was pursued a progressive process of reduction of the double taxation. The companies had obtained the right to not associate to the taxed income; the part of the profit which is distributed to the owners' payment, as dividends. The result was the stimulating of the shares acquisition in new created patrimonial entities, in the process of consolidation and increasing of the invested potential. In this way, putting away the double taxation is a stimulant, in fact the practice had demonstrated, that this policy is much more efficient, than the fiscal facilities granted for the investments.

In Germany, the effort of diminishing the double taxation in economy, at the Corporations level, it is demonstrated by the unic tax rate levied on the distributed income, by the partial diminution of the paid dividends.

The elimination of the double taxation in economy is made through the total credit for the taxes paid by the corporation.

In France, the concern for the diminution of the double taxation is located at the shareholders level, through the partial credit for the paid taxes of the corporations.

From 1989, by comparing the tax levied on dividends, the taxation rates of the profit were reduced.

Great Britain and Ireland assure for the paid taxes of the corporations a partial credit. Austria, Portugal, Turkey, Israel, Denmark applies the partial credit for the internal shareholders. This measure it was adopted in Japan and Canada, too.

Norway and Greece have eliminated the double taxation, settling a zero tax on the distributed incomes.

In other countries, like Australia, Finland, Italy, New Zealand, exists a total credit on the taxes paid by corporations. In Spain, exists a partial credit for the internal shareholders and a policy of partial diminution of the paid dividends (the credit for the shareholders is of 10% (percent)).

A final conclusion, or a synthesis of the problems exposed above: Indifferently, of the national finances situation, including those regarding to the dividends, it is very necessary to elaborate some stimulating fiscal policies, in the way to incite to investment, by looking after some further effects of these measures – the aim being the same – the increasing of the taxation mass.

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