
***EFFICIENCY IN PRACTICAL TRAINING OF HUMAN RESOURCES AND
ENTREPRENEURSHIP IN THE EIT REGIONAL INNOVATION SCHEME***

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Abstract: The EIT Regional Innovation Scheme (EIT RIS) is a structured outreach scheme to support the integration of the Knowledge Triangle and increase the innovation capacity in different regions and fields in Europe.

Worldwide, business environment is in a constant change due to technology, global economy, economic barriers and regulations, human resource psychological effects on etc. They have a strong impact on human resource strategy approach, whose importance becomes more and more expressive in the organization.

The progress of any organization depends to a decisive extent on the efficiency with which it uses its own human, natural and financial resources as well on the possibility to find the combination of inputs that leads to achieving maximum results. In other words, the efficiency reflects a situation where the resources are combined most valuably, creating goods and services.

SAGITTARIUS provides the Cooperation Area with an activity mix to fully realize the socio-economic potential of culture: put into practice is an integrative management system to classify and signify natural, manmade and spiritual heritage assets and communicate their values to different audiences across the SEE to promote entrepreneurial culture in the heritage sector.

Keywords: *The European Institute of Innovation and Technology (EIT), the EIT Regional Innovation Scheme, human resources, training, efficiency, entrepreneurial culture, heritage sector*

I. GENERAL ISSUES

The EIT Regional Innovation Scheme (EIT RIS) is a structured outreach scheme to support the integration of the Knowledge Triangle and increase the innovation capacity in areas and regions in Europe [7].

We look now an alternative driver for sustainable development and economic recovery and we are interested to stimulate the new ideas and tools for innovative heritage consumption in the challenging context of local socio-economic and cultural development and international networking in heritage interpretation [8].

In recent years, coinciding with an intense phenomenon of globalization and the rapid spread of new information and communication technologies, the human capital is growing, representing an important “engine” of economic growth.

The role of education and training in human resources development and heritage entrepreneurship has been evident lately, so that education and professional training must be given some priority given the high and continuing rate of growth in demand for new skills on the labor market [2].

To make progress and to resist the market competition becoming more selective and dynamic, the organizations need to increase their efficiency and competitiveness of human resources through an increased level of training and then, through an assessment of the effectiveness of investment in human resources training.

II. CONSIDERATIONS ON THE CONCEPT OF EFFICIENCY

Worldwide, business environment is in a constant change due to technology, global economy, economic barriers and regulations, human resource psychological effects on etc. They have a strong impact on human resource strategy approach, whose importance becomes more and more expressive in the organization.

The progress of any organization depends to a decisive extent on the efficiency with which it uses its own human, natural and financial resources as well on the possibility to find the combination of inputs that leads to achieving maximum results. In other words, the efficiency reflects a situation where the resources are combined most valuably, creating goods and services. Unfortunately, most of the resources available to organizations are limited in nature. It is this limitation of resources that makes the problem of efficiency be not only very important but also difficult to solve.

A broad interpretation of the term efficiency is to “maximize a special feature of social welfare, which underlies the hierarchy of resource allocation variants”.

In terms of resources, the efficiency analysis of a human activity must seek how to use the resources as well as how much they are consumed and to also consider their saving and leverage. In this context it is necessary to structure resources more rigorously in order to meet the demands of analysis. In terms of effects, the effectiveness study should analyze the effects in different spheres of social life, where and when they occur and how large these effects are. From the point of view of the effects nature we can talk about the productivity of an activity when the effects are of production nature, of profitability of an activity when the effects are of net income nature, and of profit and economy when the effects are of savings nature.

In economics, indirect references can be found from W. Petty and Adam Smith, the latter one addressing the issue of maximizing results without referring to the minimization of costs. Besides these, one of the economists with important contributions to the definition of the concept of economic efficiency was the Italian Vilfredo Pareto. The decisive mutation in the study of effectiveness would occur in the last century when the results came back on track thanks to the contributions made by applying mathematics in economics and improving computational techniques. In this respect, an important role was the application of differential calculus, the use of input-output analysis, and the first research done in the field of mathematical programming, which allowed to obtain optimal choices from the multitude of possible solutions [5].

In the most general sense, the concept of economic efficiency means the acquisition or the ability of an action to produce the desired economic effects (results). In one of the most common formulations, characterized by the highest degree of generalization, it is as follows: “The economic category of efficiency expresses the relation of causality between the effects resulting from an activity done and the effort incurred by it”. Currently, economic efficiency is a modern activity of evaluating activity, and serves to substantiate decisions, so that the

available resources are consumed most favorably for the company. Economic efficiency is thus a gauge of economizing and the engine of progress for economic organizations, as well as a prerequisite of a competitive economy.

Theoretical and practical issues of economic efficiency have concerned and continue to concern the economic thinking more intensely, targeting the approach of the concept, the ways of expressing it and the identification of ways to increase the economic efficiency in various branches and sectors.

III. THE EFFICIENCY OF HUMAN RESOURCES TRAINING PROGRAMS AND HERITAGE ENTREPRENEURSHIP

The training of human resources in organizations is determined by the current economic development, which should be well prepared to meet corporate objectives in a world where success depends on the ability to provide quality, variety, customer's satisfaction, optimum benefits and promptitude. From the general perspective of an organization, the objectives of the staff training consider:

- to strengthen the organization's management;
- to increase productivity and efficiency at all levels;
- to improve the organizational communication;
- to create flexible structures for recruiting and developing employees;
- to develop knowledge and to widen the area of professional skills.

From the point of view of those involved in the improvement process, the objectives are:

- to increase involvement in the organization through participation in setting and in achieving the objectives and the business strategy of the organization;
- to improve work performance;
- to diversify workloads within each job;
- to increase chances of promotion;
- to update and upgrade existing knowledge and skills.

Considering these issues, the organizations that understood to deal with improving the performance of their employees have set up a training department or a sub-department within the human resources department. Training becomes thus an organizational process that must be planned and to which resources must be allotted, being an important investment, only if it is administered correctly. To train means to get an employee to a level of performance desired by the employer through training or practicing, and putting into practice what has been learned in a training program is a process that requires effort and time from the person who attended the training but also a constant support from the direct manager.

To be effective, the human resources training programs must meet certain conditions [1]:

- To be accepted and promoted by everyone in the organization, from the general manager. All company members must understand the fact that training is an organizational process. From the general manager, all the team members must be responsible and create a learning atmosphere in the company. This atmosphere must be clear in organizational communication, visible in the enthusiasm of the staff, the business plans and the individual performance objectives. The employees, on the

other hand, should know that there is a very strong correlation between training activities – the acquisition of new knowledge and/or the development of some skills – and their success in careers.

- To align training objectives with corporate objectives. The training objectives should be consistent with the business objectives of the organization. Reaching new goals may require new skills and knowledge that will be developed through training.
- To be based on a thorough analysis of training needs. In order to achieve a training program training needs must be known. Often, the needs analysis is done by simply listing the training programs and by ticking by each member of the organization of the training program he should participate. But often the employees choose to do the training on the subjects they know best. Therefore, training needs analysis should be done vertically, starting from the ratio of skills required for each position and the level of performance achieved by the employee. Where the performance is lower, we can formulate real training needs.
- To consider the best option for delivery. The most effective training programs are those in which employees can immediately put into practice what they have learned. There are several methods of providing training programs from which to choose the most efficient method: the training room, training, mentoring, coaching, working with a computer, e-learning, etc.
- To include a follow up session of training results. After completing the training program the participants must have the possibility to apply what they have learned. People cannot develop a skill without practicing it at work. The discussions with the participants about the value of the training received are very important in such sessions, they representing an opportunity to discover new training needs.

To assess training as an investment, it is necessary to have a strategic business plan, with clear objectives, a system of analysis and of job evaluation, a well-made and functional performance management, related to the development systems of the employees' careers and to their remuneration and benefits. All these must be supported by a culture based on the company's mission and vision.

Only such a training program can be made on the basis of an analysis of the staff development, preparation or training needs. Diagnosis allows distinguishing between existing and desired situation, in terms of the need for employees' training, and how the desired situation can be reached. To achieve the desired results, clear objectives are necessary to establish. The training objectives will enable the establishment of some performance indicators at the end of the program and the making of measurements regarding the return on investment in training employees, based on the results obtained by the employees, the team, the department and the organization as a whole, after certain time intervals.

IV. MEASURING THE EFFECTIVENESS OF HUMAN RESOURCES TRAINING PROGRAMS AND HERITAGE ENTREPRENEURSHIP

Across the EU, globalisation, technological change and restructuring will have significant impacts on medium- and long-term skills demand, as they will impact on the size of sectors

and professional groups but are also likely change the content of job requirements. The objective of effectiveness of human resources training programs is to create internal capacity for companies to develop their human resources in relation with the market needs and economy restructuring.

The *European Institute of Innovation and Technology Regional Innovation Scheme* (EIT RIS) [7] is a structured outreach scheme to support the integration of the Knowledge Triangle (knowledge valorisation, education, research) and increase the innovation capacity in areas and regions in Europe not directly benefitting from the EIT and its Knowledge and Innovation Communities (KICs). It is based on an engagement between KICs and selected partnerships from the wider European innovation community and is focused on the following key principles [3]:

- *Coherent and structured outreach scheme*
The EIT RIS is a structured outreach scheme which forms an integral part of the KIC's overall strategy. It has defined strategic objectives transformed into targeted activities and resulting in concrete outcomes.
- *Excellence*
The EIT RIS is targeted at excellent partnerships representing the three sides of the Knowledge Triangle - leading higher education institutions, research organisations and businesses - as well as other stakeholders essential in spurring regional innovation, such as regional policy makers and public entities. With a view to fully embrace opportunities for enhancing innovation capacity, the EIT RIS implemented by the KICs aims at capitalising on the untapped potential offered by the diversity of regions in Europe. If harnessed well, it will allow the EIT and its KICs to extend their reach to new geographical areas and to reach out to excellent partnerships of the Knowledge Triangle.
- *Thematic alignment*
EIT RIS partnerships should demonstrate a thematic alignment with EIT themes and KIC specific focus areas. With a view to ensure strategic impact at larger scale, they refer to relevant regional innovation plans, including the Smart Specialisation Strategies (RIS3) designed to boost regional innovation in order to achieve economic growth and prosperity by enabling regions to focus on their strengths.
- *Voluntary and autonomous implementation by KICs*
KICs implement the EIT RIS on a voluntary and autonomous basis. Implementation will be driven primarily by the co-location centres as hubs of the Knowledge Triangle integration.
- *Openness and transparency*
EIT RIS partnerships will be selected by the KICs through open and transparent processes. Participation in the EIT RIS does not imply automatically a potential future partnership with a KIC, however, it does not impede it either. Strategic decisions on the widening (and/or deepening) of their partnership remain solely at the discretion of the KICs.
- *Activities*
Activities undertaken as part of the EIT RIS ensure the flow of both knowledge and people between KICs and selected partnerships with a view to enhance the regional

innovation capacity by fostering the integration of the Knowledge Triangle. EIT RIS activities are an integral part of the KICs' operations. They are designed by KICs in a fit-for-purpose way taking into account their own specificities, overall strategy and portfolio in order to optimise the potential benefits and impact for both the participants and the KICs themselves.

The EIT RIS may include structured mobility actions to ensure that talent – students, researchers, teaching staff and entrepreneurs of any age and gender and at all career levels and across disciplines – beyond the KICs have the opportunity to get involved in and learn from the KIC activities.

SAGITTARIUS-SEE advances cultural consumption by communicating cultural values: from natural monuments and ecosystems to sites and collections, from the arts to traditions and handicrafts. Thus values of tangible-intangible, movable-immovable and spiritual heritage assets become catalysts for regeneration and development by being revealed and communicated. Given the diversity and complexity of heritage, the use of cultural values for development is feasible, only if multilateral interactions are understood and reflected in policy and delivery. Required is a multivalent and flexible nexus at local-global level to mitigate the protection-use conflict reconciling national and international strategies [8].

In a time when organizations need to fully optimize an increasingly limited budget for improving their employees' training, two questions arise: how to assess correctly the recovery of an investment in an employees' training program, and how to present the concrete, sustainable results of such an investment to the top management. For the companies providing training programs, this fact - to put into numbers the added value of employee participation in a training program - can be a serious challenge.

If in business figures are important, when investing in employee training there is a normal need for the managers in organizations to have a complete picture of the training investment. Managers know exactly how much they invest in training, but they find it difficult to calculate the return on these activities as well, hence, most often, they are reluctant to invest in their employees' training because they feel they have no control over such investments. The lack of control over the effectiveness of the training, reflected directly in the profits of the business, is the main reason for the company executives to allot little or no money for training. And even if the manager of the organization should be responsive to employee training, the lack of a coherent and professional system of managing human resources makes impossible to evaluate a success rate of training [6].

On the other hand, managers feel the need for training in their company. Hence, the decision to approve a training program should be based on the ability to determine and calculate the effects of employee participation in the training programs at their workplaces.

In the previous years, the huge growth of income of the beneficiaries of training programs was largely due to a growing market as well, so that the effectiveness of a training session was rarely considered. Currently, in terms of stagnation or even a dramatic drop in the economic situation in some areas of activity, the question regarding the real benefits that such an investment could bring arises. The effectiveness of a training program can be evaluated either by determining the participants' reactions to the quality of the course and its usefulness,

or measuring some quantitative indicators, such as the sales trends, the staff movements, the evolution of the turnover or of the profit.

The companies providing training programs will be successful in this field only if they manage to have a good evaluation system in place, which will be based on building partnerships with client companies, which are benefitting from the training programs.

To set up a successful training program for the employees, the manager of the human resources department should focus on a few key points such as: setting the objectives of the training program, aligning these objectives to the overall strategy of the organization (Armstrong, 2006), prioritizing the training needs, analyzing the training program participants.

To be able to take responsibility for the final results, the company providing the training programs should be involved from the beginning as a consultant in conducting such tests. In the preliminary discussions with the managers of the client companies, the company experts providing the training programs can find, in some cases, that the real need was actually quite different from that for which the training had been requested. Only after such an analysis, they can proceed to design the training programs [4], by adapting the specific topic area to the specific domain, the strategy and the organizational culture of the company.

The human resources manager and the general director of the organization must, however, assume responsibility as well for implementing the new skills by the participants in the company. The lack of support in the implementation of the changes, the removal of the new ideas by the direct manager, the imposing of a rigid organizational politics are only a few examples for which a training program, irrespective of how good it is, will not achieve its proposed objectives. With their support and through a careful selection of training programs by the providing company, a training program carefully built and dedicated to specific needs will help maintain a competitive advantage and increase organizational performance.

V. CONCLUSIONS

SAGITTARIUS provides the Cooperation Area with an activity mix to fully realize the socioeconomic potential of culture: put into practice is an integrative management system to classify and signify natural, man made and spiritual heritage assets and communicate their values to different audiences across the SEE to promote entrepreneurial culture in the heritage sector.

SAGITTARIUS encourages the formation of heritage entrepreneurs: a participatory knowledge platform transfers advanced tools among multilevel actors to protect and use heritage assets by identifying their environmental, social, historic, aesthetic, spiritual and special values; domain specific training certifies individuals with increased capacities certifying professional skills. Implemented pilot actions on a social inclusion basis provide for cultural experience diversity connecting thus local cultural production to international markets. By activating public-private-third sector alliances, heritage entrepreneurship is established at transnational level, exemplifying, how heritage is valued, protected, communicated and used with ecologic, economic and social profit [8].

A modern system of training is vital to any organization in order to develop and to maintain high professional standards of its own human resources. Therefore, organizations spend a significant part of their budgets on training their staff.

With the rising cost of an increasingly advanced training, many organizations try to determine the value of the training based on the employee performance and the continued growth of the organization.

In the current economic environment, in which the human resource function is becoming more strategic, and the costs have become priorities in the policy formulation, the evaluation of the human resource investment efficiency is important and topical.

Selected EIT RIS [7] partnerships and their regions benefit from the exchange of knowledge and good practice capitalising on their strengths, accelerating their innovation output, boosting regional innovation, and thus contributing to economic growth and prosperity. Participants from diverse backgrounds will be able to apply the knowledge, expertise and entrepreneurial mind-set gained through this stimulus scheme, they will benefit not only their institutions but also the way in which innovation is approached in their areas of origin and they may act as multipliers by sharing the insights gained and the tangible benefits of the scheme with the selected partnership and beyond.

By collaborating with excellent partnerships from across Europe's regions, KICs benefit from an influx of talent and ideas which add value to their activities and amplify their impact in spurring innovation. Selected partnerships may act as test beds for the EIT and its KICs with a view to explore how Knowledge Triangle governance and activities could be replicated in and how lessons learnt and emerging good practices can be transferred successfully to a multitude of environments.

Selected EIT RIS partnerships will primarily use "other sources" of funding, such as national and regional funding, including EU Structural Fund monies and own resources to participate in the EIT RIS. To ensure the participation of individuals from diverse backgrounds the EIT may finance structured mobility actions.

The EIT RIS will create synergies and complementarities with other EU, national, regional innovation initiatives and funding. There are opportunities for mutually reinforcing interaction with the EU's Cohesion Policy by addressing the links between the local and global aspects of innovation [9]. KIC Co-location Centres are well positioned to capitalise on various funding schemes from their respective regions. The Co-location Centres offer platforms for cross-border collaboration playing a major role in strengthening the local-global connectivity of the KIC as a whole, including through close co-operation with regional authorities, in particular those involved in designing and delivering the Regional Innovation Strategies for Smart Specialisation (RIS3).

The EIT RIS has been conceptualised in a way that allows for synergies and efficiency gains for regions that have been designing Smart Specialisation Strategies (RIS3) and are looking for a better integration of the Knowledge Triangle as a driver on enhanced innovation capacity at regional level [7]. The identification of relevant funding instruments, in particular the use of EU Structural Funds for participating in the EIT RIS is strongly encouraged and supported by policy makers in order to strengthen synergies and complementarities at all governance levels.

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***SIGNIFICANT CHANGES CONCERNING THE SETTLEMENT AND COLLECTION
OF EXCISE DUTIES IN
ROMANIA***

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Abstract: In the structure of any tax system, indirect taxation is an essential component, value added tax and excise duties contributing significantly to the formation of public financial resources. For this reason, in this article we want to present signified aspects regarding the settlement and collection of excise duties from Romania, in the post-communist period, to emphasize both the place and role within the public revenue, as well as, the impact of these taxes on individual tax payers in his capacity as final consumer. The issues subjected to analysis are based on financial, social and moral reasons, by taking into account the national and European framework from the perspective of fiscal harmonization.

Keywords:*excise duties, excisable products, settlement and collection, excise developments, fiscal impact*

1. Introduction

Excise duty a long side VAT are often the subject of analysis and research, since a particularly important area of public finances is the appropriate balance between the direct taxation and the indirect taxation (Crawford, I., Keen, M. and Smith, S., 2008).

Widely spread in market economies, excise duties are indirect taxes included in the sale price of certain categories of products, most of the time for mass consumption and for which demand is inelastic. The specialized literature offers a number of studies concerning excise duties, with consideration of issues related to: harmonization of indirect taxes in the EU (Tyc, V., 2008); excise administration (Preece, R., 2008); negative externalities generated by the consumption of certain categories of products (Österberg, E.L., 2011); excise duty fraud (Cooper, A. and Witt, D., 2012); comparative analysis of excise duty settlement and collection (David, P., 2009); excise duty implications on the retail selling price (David, P., 2014).

Based on these aspects, we considered it appropriate to analyze the excise duty situation from Romania. Thus, in this article we will present the key elements of the settlement and charging excise duty from Romania, taking into account the significant changes in this area, referring to the determination mode, the excisable products and the excise duty impact on public financial resources.

2. Evolutions regarding the settlement of excise duty in Romania

Along with Romania's transition from centralized economy to market economy significant changes have taken place regarding the legal framework for the settlement and collection of excise duties. Without claiming an exhaustive approach to legislative acts referring to the excise regime issued during the period 1991-2015, we will make a synthesis

of the main changes, in order to surprise essential characteristics, both in terms of the determining way for excise duty, as well as the excisable products.

After December 1989, the first legislative regulation concerning excise duties, called special consumption tax, was the Government Decision no. 779/1991 on the movement of goods tax and excises. Through this regulation were identified 15 categories of products from imports or from the country (alcohol and alcoholic beverages, coffee and instant coffee, cigarettes and tobacco products, garment of fur skin, sculpted furniture, products from crystal, jewelry of precious metals, gold wedding rings, crude oil from internal production, natural gas or petroleum) which became subject to excise duty, as determined in ad-valorem system, with tax rates between 25% - for gold wedding rings and crude oil from internal production and 60% - for spirituous beverages and wine-based drinks (GD 779, 1991).

Law no. 42/1993 has maintained the excise duty arrangements for calculating through ad-valorem system, but we are witnessing to a modification of the list of excise goods, being perceived excise duty on petrol and gas oil, also to a change in tax rates, with values ranging from 13% - for premium gasoline and 200% - for spirituous beverages, cigarettes and tobacco products (Law 42, 1993).

The negative aspects of ad-valorem regime for the calculation of excise duties, particularly the tax evasion by the tax base under valuation, have determined legislative changes, so that by the Government Emergency Ordinance no. 82/1997, excises have been established: in ECU per unit of measure – for alcohol and alcoholic beverages, petroleum products, cigarettes and tobacco, green and roasted coffee, soluble coffee, water, mineral and aerated waters; on the basis of specific excise duty in ECU per unit of measure and ad-valorem excise – for cigarettes; in ad-valorem system - for other product categories (GEO 82, 1997).

Frequent cases of tax evasion in the area of excise duties and the problems on implementation excise duties in ECU per unit of measure have required new legislation, so that, by the Government Emergency Ordinance no. 50/1998 was stated that excise duty should be expressed from 1 January 1999 again in ROL, with updates every three months, according to inflation level and exchange rate depreciation (GEO 50, 1998).

Since the fiscal policy of EU requires in the field of excises the tax harmonization, a new amendment in determining of excise dutie shas intervened by the Government Emergency Ordinance no. 143/1999 under which the excise duties have been fixed in EUR per unit of measure (GEO 143, 1999). Also through the Government Ordinance no. 27/2000 was attempted a strengthening of the Romanian legislation on excise duties, with a structure in accordance with the EU requirements (GO 27, 2000).

Since 2004, excise duty regime from Romania is established by means of a specific title included in the Fiscal Code, according to Law no. 571/2003, for the harmonized excises and other excise goods, being specified: the scope, the chargeable event and exigibility, the release for consumption, importation, production and possession under a duty suspension, the characteristics of excise goods, the level of excise duty, warehousing arrangements, movement and receipt of excise goods under suspension, the payers of excise duties, exemptions from excise duty, labeling of alcoholic products and tobacco products (Law 571, 2003).

If, during the period 2004-2014, the level of excise duties in Romania was established in EUR per unit of measure, from 1 January 2015 the method of determining the excise duties has changed, their level being established in LEI per unit of measure (Fiscal Code, 2015).

3. Level of excises in Romanian terms of fiscal harmonization

For Romania's accession to the European Union taxation has had a special significance, with some specific aspects related to excises. Thus, by the Negotiation Chapter 10, opened in 2001, Romania has fully accepted the Community acquis in the area of excise duties, following a calendar for alignment in accordance with European Directives. In this regard, they were targeted: exemptions from excise duty of the products sold through authorized stores to sell duty-free goods; exemption from excise duty for fuel oil and liquefied petroleum gas; exemption from excise duty of fuel supply for fishing; introduction the marking system for fuels; adoption of legislation on the warehouse system; the generalization of marking fuels; warehousing system implementation; increasing the excise duties level on cigarettes by 40% of the difference existing in 2001 compared to the minimum level required by Directive 92/79/EEC; increasing the excise duties level on oil products to 50% of the difference existing in 2001 compared to the minimum level required by Directive 92/82/EEC; increasing the excise duty level on alcohol by 50% of the difference existing in 2001 compared to the minimum level required by Directive 92/84/EEC; full harmonization of excise duties on cigarettes, alcohol and petroleum product until 31 December 2011.

According to Directive 92/84/EEC, the minimum level of excise duty on alcohol and alcoholic beverages, adopted by the Council on 19 October 1992 is: for beer - 0.748 EUR per hl/degree Plato of finished product and 1.87 EUR per hl/degree of alcohol of finished product; for still wine, sparkling wine, other still fermented beverages and other sparkling fermented beverages - 0 EUR per hl of product; for intermediate products - 45 EUR per hl of product; for ethyl alcohol - 550 EUR or 1000 EUR per hl of pure alcohol (European Commission, 2015a).

In this context, for alcohol and alcoholic beverages, excise duties practiced in Romania during 2007-2014 have respected the requirements imposed by the EU, their evolution being shown in the following table.

Tab. no. 1 Evolution of excise duty on alcohol and alcoholic beverages in Romania, 2007-2015

| Fiscal year | Beer EUR/hl/ degree Plato | Wine | | Fermented beverages | | Intermediate products EUR/hl of product | Ethyl alcohol EUR/hl of pure alcohol |
|-------------|------------------------------------|----------------------------------|--------------------------------------|----------------------------------|--------------------------------------|---|--|
| | | still EUR/hl of product | sparkling EUR/hl of product | still EUR/hl of product | sparkling EUR/hl of product | | |
| 2007 | 0.7480 | 0.00 | 34.05 | 0.00 | 34.05 | 51.08 | 750.00 |
| 2008 | 0.7480 | 0.00 | 34.05 | 0.00 | 34.05 | 51.08 | 750.00 |
| 2009 | 0.7480 | 0.00 | 34.05 | 0.00 | 45.00 | 65.00 | 750.00 |
| 2010 | 0.7480 | 0.00 | 34.05 | 0.00 | 45.00 | 65.00 | 750.00 |

| | | | | | | | |
|------|--------|------|-------|--------|-------|--------|---------|
| 2011 | 0.7480 | 0.00 | 34.05 | 100.00 | 45.00 | 165.00 | 750.00 |
| 2012 | 0.7480 | 0.00 | 34.05 | 100.00 | 45.00 | 165.00 | 750.00 |
| 2013 | 0.8228 | 0.00 | 34.05 | 100.00 | 45.00 | 165.00 | 750.00 |
| 2014 | 0.8228 | 0.00 | 34.05 | 10.00 | 45.00 | 165.00 | 1000.00 |
| 2015 | 0.8840 | 0.00 | 36.59 | 10.75 | 48.35 | 177.30 | 1074.55 |

(Source: dates presented in the Romanian Fiscal Code, for the period 2007-2015)

Before 1 January 2007, Romania practice for alcohol and alcoholic beverages a level of excise duties in accordance with the minimum required by the EU, with the exception of excise duties on beer, which were on 01.07.2006 by EUR 0.748 per hl/degree Plato of finished product, but these have been changed since accession. Although for 2015 the excise duty is determined in lei/UM, Romania has a level of excise duty on alcohol and alcoholic beverages above the minimum level required by the European Directive, excluding excise duties on still wines.

For energy products, under the Directive 2003/96/EEC, the minimum excise adopted by the Council on 27 October 2003 (European Commission, 2015b) are set so: (a) minimum rates for motor fuels: leaded petrol – 421 Euro per 1000 liters; unleaded petrol - 359 Euro per 1000 liters; gas oil - 330 Euro per 1000 liters; kerosene - 330 Euro per 1000 liters; LPG - 125 Euro per 1000 kilograms; natural gas – 2.6 Euro per gigajoule; (b) minimum rates for motor fuels used for commercial and industrial use: gas oil - 21 Euro per 1000 liters; kerosene - 21 Euro per 1000 liters; LPG - 41 Euro per 1000 kilograms; natural gas - 0.3 Euro per gigajoule; (c) minimum rates for heating and electricity: gas oil for business and for non-business - 21 Euro per 1000 liters; heavy fuel oil for business and for non-business - 15 Euro per 1000 kilos; kerosene for business and for non-business - 0 Euro per 1000 liters; LPG for business and for non-business – 0 Euro per 1000 kilograms; natural gas for business – 0.15 Euro per gigajoule; natural gas for non-business – 0.3 Euro per gigajoule; coal and coke for business – 0.15 Euro per gigajoule; coal and coke for non-business – 0.3 Euro per gigajoule; electricity for business – 0.5 Euro per MWh; electricity for non-business – 1.0 Euro per MWh.

According to grace period received by Romania for full harmonization of excise duties on energy products and electricity, after 2007 we are witnessing an increase of this level, almost of all products from this category, as shown in the following table.

Tab. no.2 Evolution of excise duties on energy products and electricity in Romania

| Excisable products | UM | 2007 | 2010 | 2011 | 2012 | 2014 | 2015 |
|-----------------------------|---------|--------|---------|--------|--------|---------|--------|
| Leaded petrol | 1000 l | 421.19 | 421.190 | 421.19 | 421.19 | 491.190 | 527.80 |
| Unleaded petrol | 1000 l | 327.29 | 348.040 | 359.59 | 359.59 | 429.590 | 461.62 |
| Gas oil | 1000 l | 259.91 | 293.215 | 302.51 | 316.03 | 400.395 | 430.25 |
| Heavy fuel oil for business | 1000 kg | 13.00 | 15.000 | 15.00 | 15.00 | 15.000 | 16.12 |

| | | | | | | | |
|---------------------------------|---------|--------|---------|--------|--------|---------|--------|
| Heavy fuel oil for non-business | 1000 kg | 13.00 | 15.000 | 15.00 | 15.00 | 15.000 | 16.12 |
| LPG for motor fuels | 1000 kg | 128.26 | 128.260 | 128.26 | 128.26 | 128.260 | 137.82 |
| LPG for heating | 1000 kg | 113.50 | 113.500 | 113.50 | 113.50 | 113.500 | 121.97 |
| Natural gas for motor fuels | GJ | 2.60 | 2.600 | 2.60 | 2.60 | 2.600 | 2.79 |
| Natural gas for business | GJ | 0.17 | 0.170 | 0.17 | 0.17 | 0.170 | 0.18 |
| Natural gas for non-business | GJ | 0.17 | 0.320 | 0.32 | 0.32 | 0.320 | 0.34 |
| Kerosen for motor fuels | 1000 l | 375.91 | 375.910 | 375.91 | 375.91 | 445.910 | 479.1 |
| Kerosen for heating | 1000 l | 375.91 | 375.910 | 375.91 | 375.91 | 375.910 | 403.91 |
| Coal and coke for business | GJ | 0.15 | 0.150 | 0.15 | 0.15 | 0.150 | 0.16 |
| Coal and coke for non-business | GJ | 0.30 | 0.300 | 0.30 | 0.30 | 0.300 | 0.32 |
| Electricity for business | Mwh | 0.26 | 0.500 | 0.50 | 0.50 | 0.500 | 0.54 |
| Electricity for non-business | Mwh | 0.52 | 1.000 | 1.00 | 1.00 | 1.000 | 1.08 |

(Source: dates presented in the Romanian Fiscal Code, for the period 2007-2015)

Fiscal policy measures taken in 2014 that focused on higher excise taxes on petrol, gas oil and kerosene, foreign exchange rate calculation for excises updated with the average annual consumer price index (GEO 102, 2013), as well as determination of excise duty since 2015 in lei/UM (Fiscal Code, 2015) places Romania among EU Member States with excise duty on energy products and electricity over the minimum required.

For tobacco products under Directive 2011/64/EU are imposed minimum excise levels (European Commission, 2015c), namely: (a) the minimum rate of excise duty on cigarettes must include specific excise-expressed in EUR/1000 cigarettes, representing between 7.5% and 76.5% of the total tax burden and ad-valorem excise – in percentage of the maximum retail selling price; the overall excise rate must be at least EUR 90/1000 cigarettes and at least 60% of the weighted average retail selling price, except the case when is practiced an excise duty of EUR 115 or higher; (b) for fine-cut smoking tobacco - 46% of the weighted average retail selling price or EUR 54 per kilogram; ; (c) for cigars and cigarillos - 5% of the retail selling price or EUR 12 per 1000 or per kilogram; (d) for other smoking tobaccos - 20% of the retail selling price or EUR 22 per kilogram.

According to the calendar of alignment with the EU requirements for the excise duty on manufactured tobacco, Romania proceeded to the increase in excise duties, so in this current period is above the minimum level required. If in 2007, the excise on cigars and cigarillos was 34.50 EUR/1000 pieces, in the year 2014it was 64.00 EUR/1000 pieces, an increase of185.51%. A significant increase of 176.09% was recorded for excise duty applied to fine-cut smoking tobacco and other smoking tobaccos, beyond the existing level in 2007, thus being established a level of € 81.00 EUR/kg (Fiscal Code, 2015).

Under the provisions of the Fiscal Code, the excise duty on cigarettes in Romania recorded the following trend:

Tab. no. 3 Evolution of excise duty on cigarettes in Romania during 2011-2018

| Implementation | 2011 | | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | July | July | July | April | April | April | April | April | April |
| The minimum excise duty (euro/1000cigarettes) | 73.54 | 74.00 | 76.50 | 79.00 | 81.50 | 84.00 | 86.50 | 89.00 | 90.00 |
| The ad-valorem excise - % | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 |
| The totalexcise duty (euro/1000 cigarettes) | 76.60 | 76.60 | 79.19 | 81.78 | 84.37 | 86.96 | 89.55 | 92.14 | 93.18 |

(Source: dates presented in the Romanian Fiscal Code, for the period 2007-2015)

If alcohol and alcoholic beverages, tobacco products and energy products there is in the list of excise goods from the earliest years of the market economy in Romania, the list of other excise goods has undergone many changes, where as for it is not imposed restrictions, as shown in the following table

Tab. no. 4 Structure and evolution of the other excise goods in Romania, during 1991-2015

| Other excise goods | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Coffee and instant coffee | | | | | | | | | | | | | | | | | | | | | | | | | |
| Garment of fur skin | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sculpted furniture | | | | | | | | | | | | | | | | | | | | | | | | | |
| Products from crystal | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jewelry of precious metals | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gold wedding rings | | | | | | | | | | | | | | | | | | | | | | | | | |
| ColorTVs | | | | | | | | | | | | | | | | | | | | | | | | | |
| Perfumery products | | | | | | | | | | | | | | | | | | | | | | | | | |
| Video equipment | | | | | | | | | | | | | | | | | | | | | | | | | |
| Devices for taking still images and video camera recorders | | | | | | | | | | | | | | | | | | | | | | | | | |
| Audio combine | | | | | | | | | | | | | | | | | | | | | | | | | |
| Double radio cassette player | | | | | | | | | | | | | | | | | | | | | | | | | |
| Video camera | | | | | | | | | | | | | | | | | | | | | | | | | |
| Microwaves | | | | | | | | | | | | | | | | | | | | | | | | | |
| Air conditioning devices | | | | | | | | | | | | | | | | | | | | | | | | | |

products, 4.17% holding authorizations only for intermediate products and 9.77% holding authorizations for all excisable products subject to marking (MPF, 2015).

The data presented highlight the significant changes among tax payers operating in area of excise duties, for which reason it must continually improving the authorization and monitoring system from the competent authorities.

5. Evolution of excise duty from Romania in the financial perspective

According to data presented by the National Agency for Fiscal Administration from Romania in annual performance reports, excises contribution to the formation of public financial resources has increased significantly in 2009-2014. If in 2009, the excise duty were 2.8% of GDP, in the year 2014 they accounted for 3.6% of GDP, the evolution of revenues collected from excises is shown in the following table (NAFA, 2015).

Tab. no. 5 Evolution of revenues collected by the National Agency for Fiscal Administration from Romania

| Indicators (Mil. RON) | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|------------------|------------------|------------------|-------------|-------------|-------------|
| Total revenues collected by NAFA, from which | 182,546.1 | 173,154.4 | 167,803.2 | 157,502.6 | 141,288.1 | 133,914.54 |
| - Excise duty (including the vice tax) | 24,000.6 | 21,016.5 | 20,171.6 | 19,025.7 | 16,212.0 | 14,272.10 |

(Source: NAFA Performance Reports)

Ascending trend of public revenues collected from excises is due to: increasing the level of excises, in terms of respecting the calendar of alignment with the requirements imposed by the EU; increasing the efficiency for fiscal control activity; changes made in the method of calculation of excise duty; fiscal measures taken to overcome the negative effects of the financial and economic crisis.

If until 2007, in Romania excise duties have been calculated based on the exchange rate valid only during a quarter, published by the central bank in last day that preceding the calendar quarter, accession to the EU has brought changes in the conversion in RON of amounts expressed in EUR for the calculation excises. Thus, for 2007-2013, excise duties value in RON collected at public budget was determined on the basis of exchange rate set on the first working day of October of the previous year published in the Official Journal of the European Union. In 2014, under the provisions of the Fiscal Code, for the conversion into RON of amounts expressed in EUR to calculating excises, it has been taken into account that the exchange rate published in the Official Journal of the European Union for the first working day of October 2013, was lower than the exchange rate set on the first working day of October 2012. In this regard, in 2014 the exchange rate for calculating the excises has been established under the exchange rate set on the first working day of October 2012, updated with average annual consumer price index calculated in September 2013, thus, resulting an

exchange rate of 4.738 RON per 1 Euro (Fiscal Code, 2014). The value of this exchange rate has been heavily criticized by business and economic analysts, considering unconstitutional, in breach constitutional principles relating to the fair distribution of the tax burden and the prevalence of European rules against the national rules (Bodu, S., 2014). In 2015, excise duty is expressed in RON per unit of measure, but to meet the requirements of the EU on the minimum level for harmonized excise duties, the exchange rate is the same as in 2014 (Fiscal Code, 2015).

Fiscal measures taken by Romania in 2014 concerning excise duties have targeted interdiction for premiums sales and imposition of conditions on sales promotions category, changing the way of calculating the amount of excise duty in RON based on the exchange rate, increasing the excise duty level on unleaded petrol, increasing the excise duty level on gas oil, increasing the excise duty level on kerosene. The fiscal impact of these measures was 4.032 mil. RON, the largest share (46.3%) is owned by increasing the excise duty level on gas oil (MPF, 2015a).

6. Conclusion

Often in the current language of the tax payer, excise duties are associated of words luxury (because in the list of excise are included gold/platinum jewelry, natural fur confections, cars with large cylinder capacity, hunting guns and personal use guns, yachts and pleasure boats) and vice (due to the practice of excise duty on alcohol, alcoholic beverages and tobacco products), which is why, the changes in the mode of settlement and collection are often neglected and the role of excises in the sustainability of public finances is not fully understood. Taking into account the impact of excise duties on public financial resources and their repercussions on the final consumer, being included in the retail price, we consider that the field of excise duties should be of real interest for both fiscal institutions and the tax payer.

Based on these considerations, without claiming an exhaustive approach, in this article we surprised some coordinates of settlement and collection of excise duty in Romania, from the desire to emphasize that the place and role of indirect taxation in socio-economic life must be analyzed both in terms of value added tax and excise duties.

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