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# **BOOK OF ABSTRACTS**

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## A REVIEW: THE ROLES OF TOP MANAGEMENT AND INFORMATION TECHNOLOGY IN TRIGGERING KNOWLEDGE MANAGEMENT SCHEME ADOPTION TO INCREASE ENTERPRISE PERFORMANCE

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**Abstract:** Knowledge management (KM) is considered as an important instrument for gaining enterprise competitive advantage. However, a major obstacle from the perspective of integration still exists. Several studies show that the support of Top Management (TM) and Information Technology (IT) become two core issues faced by the enterprise. This study aims to review a determine factor related to those components for the purpose of creating a conceptual model related to KM adoption. The authors used a series of methodological activities, which are: literature review, problems identification, selection process, synthesizing, ideas formulation, and conclusions generation. Finally, the output of this research is a conceptual model that consists of four variables namely KM, IT, TM and EP (Enterprise Performance).

**Keywords:** enterprise performance, information technology, knowledge management, knowledge sharing, leadership style, literature review

## UNCONVENTIONAL MONETARY POLICY AND ITS SPILLOVERS: A FINANCIAL DYNAMIC COMPUTABLE GENERAL EQUILIBRIUM MODEL FOR ITALY

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**Abstract:** The debate on the real or financial origins of downturns and expansions of economics has been incessant since the nineteenth century. The recent global financial crisis has exaggerated this debate as studies show that financial crisis worsen significantly countries fiscal position, both in terms of deficit and debt. However, the debate is still inconclusive and the extant literature goes in both directions. In this scenario it is imperative to have a framework which provides a dataset to analyse and to identify the origin and the dynamic of forces pushing towards expansion or contraction. The SAM integrates detailed data on production, income and expenditure, thereby allowing a systematic recording of economic transactions for the study of growth and its distribution in a particular country. However, in order to have a complete picture of real and financial transactions taking place in an economy, real accounts, as presented by SAM, can be complemented with financial accounts in order to derive the financial social accounting matrix (fSAM). Financial accounts form an important tool for analysing financial flows taking place among institutional sectors within the economy (non-financial corporations, financial corporations, government and households), between institutional sectors and rest of the world and for assessing financial interrelationships within the economy and vis-a-vis the rest of the World at a particular moment in time. Because of their link to capital and use of income accounts, financial accounts are an important instrument to monitor the transmission process of monetary policy. In this perspective, our attempt is to investigate how the monetary policy implemented by the European Central Bank influences the Italian macroeconomic variables such as real GDP, employment and prices. For this purpose we build a financial social accounting matrix (fSAM) for the Italian economy for 2009. We then calibrate the dynamic computable general equilibrium (CGE) model that includes the formalization of institutional sectors' behaviour with respect to financial tools. The findings of our study confirm the significant impact of ECB's monetary policy on the macroeconomic variables like GDP, employment and prices of real and financial commodities.

**Keywords:** financial accounts, monetary policy, social accounting matrix, dynamic CGE analysis

## **BENEFIT CORPORATION AND B CORPS: A NEW TOOL TO TRIGGER AND COMMUNICATE CSR & SUSTAINABILITY?**

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**Abstract:** The Benefit Corporations and B Corps represent alternative models of enterprise that bridge the for-profit and not-for-profit model recognised by legislation in the USA –where, since the initial state adoption in 2010, a total of 34 states have enacted BC legislation and Italy. Italy is the first country outside the US to pass Benefit Corporation legislation and introduce the Società Benefit (Law 28, 2015). The legislative formation of the benefit corporation (BC) institutionalizes a new hybrid corporate form of governance and accountability in the United States (US) that allows for both a profit objective and a public welfare objective (Badout, Dillard & Pencle, forthcoming). Benefit Corporations and B Corps have been recognised by legislation or certified by the “B Lab association” (Alcorn & Alcorn 2012; Hiller, 2013; Nicholas, 2017 Billis, 2010; Hemphill, 2014; Wilburn & Wilburn, 2014; Honeyman, 2014; Bullock & James; 2014; Nigri et al., 2017). In the first case (Benefit Corporation) there is an obligation to draw up an annual report, while in the second case (B Corp) the company is subject to a “B Impact assessment”, a tool through which a company discloses the impact of its actions on the environment, workers, communities, customers and business model (Castellini et al., 2017). Due to their reinforced commitment to CSR practices and a mission bound to generate a public benefit such organizations are a clear example of the convergence of for-profit companies toward a strong CSR focus. Benefit Corporations have been referred to as social hybrids that combine for-profit and non-profit attributes (Rawhouser, Cummings and Crane 2015). The B Corp movement (founded in 2006), through B Lab, the third-party non-profit organization that certifies Benefit Corporations, based its certification process and legal framework around an evolution of the SIA, the Benefit Impact Assessment (BIA). Starting from this premise, the aim of this paper is to analyse Benefit Corporation performance measurement systems and investigate if sustainability, environmental, social, financial and risk performance indicators are integrated into an overall sustainability performance management system. More specifically, the research seeks to address if and in which ways the measurement of social impact is inserted into other reporting systems (sustainability report) and which drivers (internal and/or external) motivate its measurement. To achieve this goal a multiple case-studies based on semi-structured interviews were conducted and triangulated with published reports and structured documents. The sample was formed by 3 companies extracted from the SIA-COM and SIA Index Matrix. Findings point out that the B Corp movement runs alongside existing models as a new paradigm. Moreover, the B Impact assessment (BIA) could potentially better fit the pro-social identity (Sharma, 2016) in this new for-profit and for-purpose paradigm but still leave some doubts on accountability and comparability as opposed to the more structured CSR indicators and reporting guidelines available.

**Keywords:** benefit corporation, B Corp, CSR, Performance Measurement System, B Impact Assessment

## **CONSTRUCTIVISM-PARADIGM OF LEARNING REGARDING MANAGEMENT IN PRIMARY AND SECONDARY EDUCATION**

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**Abstract:** Constructivism is a methodological and managerial alternative to educating students. Constructivist pedagogy is an alternative, especially at the methodological level, of educational practice. Constructivism has its roots since classical antiquity, beginning with the dialogues of Socrates and his descendants, where, through direct questions, the teacher stimulated the student to notice his own mistakes in the process of thinking. Socratic dialogues are still an important element used by constructivist educators to assess students' learning and to design new learning situations. The important point in expanding constructivism in pedagogy is learning, generating consequences and various applicative solutions in the field of training. Over time, constructivism has had important consequences or influences on the educational field and the pedagogical components. The constructivist current in education theory is based on the data of the genetic psychology and epistemology and proposes the building of the knowledge, implicit of the learning by the child. Constructivist teaching approaches are based on the constructivist theory of instruction. Teachers should have a constructivist vision of teaching-learning-assessment processes in accordance with postmodernist aspirations. For teachers, it is essential to understand the repercussions of this orientation on learning, teaching and professional development. It can be said about constructivism that it is a comprehensive conception that includes instructive skills and strategies such as collaborative learning or discovery learning.

**Keywords:** constructivism, pedagogy, instructional strategie

## EUROPEAN INSTITUTIONS AND INSTRUMENTS TO PREVENT AND COMBAT TAX EVASION AND MONEY LAUNDERING

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**Abstract:** Current national economies are facing an increase of tax evasion and money-laundering by generating profits. These illicit phenomena are favored, within the European Union space, by the free movement of goods and persons by eliminating control at internal borders. Naturally, it was necessary to adopt administrative, legislative, fiscal and economic measures within the European Union, centered on the idea of harmonizing them across Member States. In this context, a number of European and national institutions have been set up and a series of directives and recommendations have been issued that have been undertaken and implemented or are being implemented in all Member States. Furthermore, in order to prove their effectiveness, they need to be brought to the attention of all those who have an interest or competence in preventing and combating tax evasion and money laundering.

**Keywords:** evasion phenomenon, fiscal measures, prevention of crimes

## PARTICULARITIES OF HUMAN RESOURCES MANAGEMENT IN THE EDUCATIONAL SYSTEM

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**Abstract:** The issue of human resource management in education is a great challenge for the whole society. Teachers are seen as the key to quality and success in any education system. Understanding the importance of human resources policies and practices in recruiting, retaining, supporting and providing an adequate organizational climate that meets the needs and expectations of all actors (teachers, parents and students) is very important in ensuring a quality education process. Teachers who benefit from effective human resources management provide quality education and remain in the profession for a longer period of time, helping to reduce the cost of human resources and associated costs. This paper aims to highlight particularities of the human resources management in the educational system. I conducted an exploratory research of the specialized literature as well as documents issued by international and European bodies dealing with human resources management in the education sector. Particular attention will be paid to systemic and strategic approaches to educational services provided by educational institutions.

**Keywords:** human resources management, educational system, systemic approach, strategic approach

## METHODOLOGICAL FRAMEWORK FOR RESEARCH OF RELATIONSHIP BETWEEN HUMAN RESOURCE MOTIVATION AND ORGANIZATIONAL PERFORMANCE

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**Abstract:** Employee performance is a concern for any organization, because it determines whether the organization meets its goals. Different resources are needed for an organization to succeed and meet its goals, including human resources or employees. However, skilled and talented employees cannot achieve the desired results if they are not motivated and therefore motivation is also considered as an important value that is vital to achieving the organization's goals. Employee motivation is the main driver of organizational performance. The analysis of motivational factors and the influence of each category of motivational factors on performance can help managers create a motivational performance-oriented climate. The objective of this paper is to build a methodological framework to investigate the effects of overall employee motivation and motivational factors on organizational performance. The research will be exploratory based on an in-depth study of the literature. Based on the findings of the study of the specialized literature, a series of hypotheses will be constructed that will be the basis of an empirical research. The result of this paper will be a useful tool for the organizational managers which allows them to determine the relationship between motivation and performance in their organizations, with the ultimate goal of building optimal motivational systems.

**Keywords:** organizational performance, motivational factors, methodological framework, hypotheses

## **IMPACT OF REWARDING PRACTICES ON EMPLOYEE PRODUCTIVITY AND PERFORMANCE**

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**Abstract:** Healthcare managers considered employees' reward and performance as key elements of the organizational activities due to the challenges posed by the emigration phenomenon of employees in the medical area, which leads to reduced patient satisfaction and a poor image of health care units. The jobs available in health care continues to increase, while the total number of employees in the medical sector has fallen. Satisfactory reward is a continuing concern for organizational managers, especially in the healthcare industry. The purpose of this paper is to explore the rewarding practices that healthcare managers can implement to improve employees' productivity and performance in the delivery of medical services. In this regard, we will carry out a case study at the County Emergency Hospital Slatina. Healthcare managers can use the findings of such a study to increase the organizational commitment of employees and ultimately to improve the way they perform their tasks, duties and responsibilities, to motivate employees to work better, achieve more good results, to meet organizational goals, and to improve the image of hospital unit.

**Keywords:** reward practices, employee productivity, employee performance, healthcare

## **THE CORRELATION BETWEEN FINANCIAL PROFITABILITY AND STOCK MARKET PERFORMANCE OF COMPANIES LISTED ON THE BUCHAREST STOCK EXCHANGE**

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**Abstract:** In this article I want to highlight the correlation between financial profitability and stock market performance of companies listed on the Bucharest Stock Exchange and if the financial profitability and stock market performance have a relationship of interdependence. The comparison regarding the financial profitability of the selected companies will be made between firms belonging to different fields of activity. It is important to compare profitability with the financial structure to highlight the change in stock market value. The main indicator to analyse the financial profitability is return on equity. The theme is very important to all investors in the capital market regardless of the field of activity of the companies, because the financial profitability and the stock market performance are relevant indicators for the financial investments.

**Keywords:** financial profitability, stock market performance, companies listed on the Bucharest Stock Exchange, return on equity

## **THE ECONOMETRIC MODELING BETWEEN FINANCIAL - ECONOMIC PERFORMANCE AND RISKS FOR COMPANIES LISTED ON THE BUCHAREST STOCK EXCHANGE**

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**Abstract:** In this article we want to highlight the correlation between financial - economic performance and risks for companies listed on the Bucharest Stock Exchange on the basis of the econometric modeling. The comparison regarding the financial – economic performance and risks will be made between companies listed on the Bucharest Stock Exchange and they belong to different fields of activity in order to better identify the performance and risks in many industries. The theme is very important for all capital market investors, irrespective of the business of the listed companies, because the economic and financial performance indicators and related risks are relevant to financial investments.

**Keywords:** econometric modelling, financial - economic performance, risks, companies listed on Bucharest Stock Exchange

## THE EVOLUTION AND ROLE OF COSTS IN COMPANY MANAGEMENT

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**Abstract:** The way in which costs are evolving is very important within an organization in order to make the managerial decisions as accurate as possible. The concept of cost evolution is how they react to the volume of production or activity. In analysing cost developments, first of all we will consider the evolution of these costs according to the production volume, but it is important to note that not all costs can be analysed according to the production volume. Fixed costs or conventional costs do not depend directly and within certain limits considered to be relevant to the volume of production, ie the quantity of products. Fixed costs are usually proportionate to time. They also result in periods when there is no production. Fixed costs are the effect of investment decisions, demonstrating the existence of the production capacity of the company. Thus, in order to increase the production volume above the given maximum capacity, an expansion of the production capacities is needed, which generates investment expenses but also additional fixed expenses of the enterprise. Variable costs are those total costs that change directly in proportion to changes in production units or any other unit of measure of production volume. The basic definition of variable cost highlights the fact that there is a linear relationship between production volume and cost as a result of it, with costs increasing when the production quantity increases and decreases when the production quantity decreases. As mentioned above, in addition to fixed costs and variable costs, there are other types of costs that include those that cannot be classified in either of the two categories. One of these is given by semi-variable costs. Semi-variable costs are those costs that contain both fixed and variable components. As far as the evolution of these costs is concerned, it is due to the evolution of its components, so some of the components change with the change in the volume of activity while the other components remain fixed over a certain period of time regardless of the fluctuation of the production volume or the degree of use of facilities. Mixed costs are another category and occur when both components of fixed and variable costs are recorded in the same account. In the category of semi-variable and mixed costs we can include: electricity, thermal energy, telecommunication services etc.

**Keywords:** the evolution of costs, stock, production capacity, least squares method, independent variable

## COST AND MANAGERIAL DECISIONS

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**Abstract:** The cost information system has the role of following the results of the other control systems, namely the production control system, the quality control system as well as the inventory control system, to provide the most solid basis for financial control by calculating the cost of production, the most detailed analysis of expenditures and the quantification of losses, respectively the estimation of the efficiency of the human factor and, at the same time, this system is a decisive factor in planning future activities and making certain decisions by knowing the costs. In order to provide relevant and useful information to management, it is necessary to address two general decisional techniques. These are: variable cost method and marginal analysis. We will then look at the variable cost method because it generates cost information that helps to make important decisions within a company.

**Keywords:** cost information system, management accounting, marginal analysis, establishing budgets, external factors of profitability

## SECURING MOBILE APPLICATIONS USING GENETIC ALGORITHMS

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**Abstract:** This paper addresses the issue of the use of genetic algorithms and neural networks in optimizing the process of data mining and decision making at the level of Mobile Intelligence (BI) applications considering the limitations of mobile devices such as memory usage, power and processing speed. In order to identify the best way to use neural networks in the BI, it provides a comparison between the two types of learning neural networks, namely backpropagation and genetic algorithms, given the time necessary for the process of learning and memory used, the latter representing a major limitation of mobile devices. Moreover, there are shown essential elements of artificial

intelligence, such as the gene, chromosome, operations that may be carried in the chromosomes, genetic algorithms steps.

**Keywords:** mobile application, genetic algorithm, computer security

## **THE TEACHER-LEADER AND ORGANISER OF THE EDUCATION PROCESS**

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**Abstract:** The article exposes the teacher's role as being one of the permanent guide within the pupils' development. The teacher, as a leader, must create the necessary conditions for activity and work. He must establish a pleasant style of working, easy but also that contains a certain difficulty adapted to needs, an optimism hue. The teacher must develop a mutual order, to make responsible the scientific principles within the regular schedule, when the learning and spare time alternates. He must attract and stimulate each pupil when working and create an educational factor within the whole class. Any teacher is also a profile, a model generator within the educational projects, methods and procedures.

**Keywords:** teacher, leader, pupil, educational factor, projects methods

## **THE CONCEPT OF EDUCATIONAL MANAGEMENT**

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**Abstract:** The concept of educational management contains the importance of efficient leader for a learning institution, what is the management system formed of, the most important three roles of management and the management frames description. The managerial leader attribution is to be ended with a brief conclusion.

**Keywords:** educational management, leader attribution, learning institution

## **THE MIGRATION CRISIS IN EUROPE: PAST, PRESENT AND (POSSIBLE) FUTURE**

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**Abstract:** Throughout history, people have moved from one place to another. The European Union (EU) is facing, since 2015, especially, a migration crisis due to a large number of people that tried to reach the European shores driven by different reasons and using various means of transportation. To escape war, poverty or even political oppression, to have access to better education or reunite with their families, people might even jeopardize their lives to reach on the European land. Since its beginning, more than 1 million people have arrived in the European Union. To accommodate them, the EU has agreed on a range of measures to be put into practice both inside and outside its borders. The multiannual financial framework for the period 2021-2027 aims to help better and more efficient the EU migration and asylum policy. All these will be presented and explained throughout this article, and moreover, different possible future actions will be analysed in detail.

**Keywords:** migration crisis, asylum policy, multiannual financial framework

## THE IMPORTANCE OF APPLYING INTERNATIONAL ACCOUNTING STANDARDS AND THE PREPARATION OF FINANCIAL REPORTS IN REDUCING PROFIT MANAGEMENT PRACTICES IN PRIVATE BANKS IN IRAQ

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**Abstract:** In light of the changes witnessed in the global international economy, the globalization of the activities of companies, the integration of the economies of countries, the expansion of investments and the need for investors to find uniform, homogeneous and understandable financial statements that assist them in the process of making investment decisions, the importance and necessity of applying international accounting standards and financial reporting standards that contribute to providing the specific characteristics of information Accountability, transparency and comparability and enhance the quality of accounting information in the financial statements that ensure that investors benefit from such financial information in the processes of taking Decisions and improvement of performance in financial markets and the development of economies of the countries. However, the requirements of applying these standards through the use of judgments, estimates and changes in the financial reports in terms of numbers and supply allows the management of companies and banks in the field of discretion and the use of accounting estimates and choices to affect the information contained in the data Financial statements in the financial reports of their personal interests in the so-called management of profit that affect the quality of financial information in the financial reports that reflect negatively on the quality of decisions taken by investors and In addition, some studies indicate that the application of these standards increases the quality of financial reports and thus reduces profit management processes. However, some other studies have considered that the application of these standards increases the quality of financial reports. The application of international standards has contributed to increasing profit management operations in companies and banks. Our current study aims to shed light on the impact of the transition from the old accounting system applied in the private banks in Iraq to the application of the International Accounting Standards and Financial Reporting Standards starting in 2016 on the quality of financial reports and profit management operations. The statistical analysis method used for a sample of financial statements In the private banks in Iraq before and after the application of international standards, where the study reached several conclusions, the most important of which are significant differences between the levels of profit management during the two periods of study and the impact of the application of international standards at the levels of profit management.

**Keywords:** international standards, profit management, applying

## INNOVATION, A KEY ELEMENT OF BUSINESS MODELS IN THE FOURTH INDUSTRIAL REVOLUTION

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**Abstract:** The aim of the paper is to present the relationship between the concepts of innovation and business models in the fourth industrial revolution. Innovation and speed in business are core factors that will secure our society's prosperity in the future, as they create real and sustainable value. A key element in the successful path to Industry 4.0 is the expansion of new technologies or processes towards the development of innovative business models. Under the framework of the fourth industrial revolution, companies can offer their products in a completely new way or generate additional customer benefits through value-added services throughout the product life cycle. The continuous changes in any corner worldwide, the shift from physical to digital or from closed-sources to open-sources, and the new ways of doing business (networks), lead to the development of companies by creating and implementing business models in which innovation happens ceaselessly. In order to reach the aim of the paper the authors used a quantitative research method. The findings of the research showed that innovation represents a key element of developing new business models that lead to better performances in any company that aims to be part of the fourth industrial revolution.

**Keywords:** innovation, business models, industry 4.0, revolution

## THE COMPLEXITY OF BIOECONOMIC PROJECTS FROM THE PERSPECTIVE OF THE DYNAMICS OF INTELLECTUAL CAPITAL AND HUMAN RESOURCES

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**Abstract:** The intellectual capital can be defined as the totality of non-monetary and non-physical resources, which are totally or partially controlled by the organisation and contribute to bringing value to the organisation. This represents the collection of intangible assets and based on the knowledge a company has. The components of the intellectual capital include the human capital, the relational capital and the structural capital. The intellectual capital helps to obtain success and creates value. The success of the top companies is based on their intellectual capital. Of course, one of the most important intangible assets of these companies is the human capital, in other words the employees. Maybe if one requested for the human capital to be listed in the balance as an asset and not just a debt, we could start to identify correctly the value of the human capital of companies. The human capital is an ensemble of abilities, knowledge, social and personality skills, including creativity, cognitive abilities, incorporated in the capacity to perform work, so that it produces the economic value. This article presents a convincing and solid method to measure the relation between the project manager competency model and the intellectual capital, which includes the human capital, the structural capital and the relational capital, in order to provide an efficient conceptual model within the bioeconomic projects. The model of the project manager competency basis includes knowledge, personality, competency in industry and organisation. The final model illustrates the results of the correlation between the three components of the intellectual capital and the five elements of the project manager competency model. The results are significant because they confirm the importance of the project managers' competencies. Moreover, the results of the study are this stable and reliable because we use trustworthy instruments to measure the indicators.

**Keywords:** bioeconomic projects, intellectual capital, human capital, structural capital, human resources

## CYBER SECURITY RESOURCE DEVELOPMENT IN THE EUROPEAN UNION

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**Abstract:** Europe has vast research and development capabilities but many of the world leading companies in providing IT products and services are located outside The EU. Europe risks becoming not only extremely dependent on IT products made abroad, but also extremely dependent on security solutions engineered abroad. It is essential to have guarantees that all hardware and software components (both those made in the EU and those made in non-member states), which are in use at the present time for critical services and infrastructure, and also found in mobile devices nowadays, are trustworthy and secure, while personal information is well protected. Ensuring a elevated security level is possible only if all those involved at different levels of the industry (equipment manufacturers, software developers, information technology service providers) turn security into a priority. However, it seems that for many of the market actors, security is an additional task, resulting into a low level of demand in security solutions. There is a need to implement adequate cyber security product performance standards for such products, at all levels of the IT industry throughout Europe. In this article, I intend to define a strategy that ensures a high level of cyber security, such as digital compliance labels with cyber security standards. Such standards can provide a decisive advantage on the market to a high performance and well-represented company.

**Keywords:** security, cyber space, information and communication technology, incident

## STOCK PRICE COMOVEMENT AND GENETIC HETEROGENEITY: INTERNATIONAL EVIDENCES

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**Abstract:** This paper investigates the impact of genetic heterogeneity on stock price co-movement in a panel of 44 countries during 2004 - 2016. Our results provide strong evidence in support of a U-shaped relationship, i.e. intermediate levels of genetic heterogeneity are associated with low stock price synchronicity and high price



informativeness. Our results are robust to different measures of price informativeness, several regression specifications, and the inclusion of cultural dimensions.

**Keywords:** price informativeness, genetic diversity, stock markets, price synchronicity

## IMPACT OF EUROPEAN UNION'S REQUIREMENTS REGARDING THE PUBLICATION OF NON-FINANCIAL INFORMATION ON THE ROMANIAN ACCOUNTING REGULATIONS

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**Abstract:** The economic environment is the target of permanent changes and pressures exerted by economic actors on the competitive market. The implications of non-financial reports have increasingly gained more ground and complement the traditional financial reports. It is required that the entity would adopt the financial reports along with the non-financial ones. This study is based on knowing the economic, social, political and environmental factors in the concept of sustainable development. The dynamics of the economic environment classifies these elements in the overall responsible reporting currently found in the requirements of Directive 2014/95/EU. The purpose of the paper is to identify how the emergence of the Directive 2013/34/EU and Directive 2014/95/EU has influenced the Romanian accounting legislation. The paper compares financial issues to the non-financial ones through an integrated reporting. Starting from the study of specialized literature and Romanian legislation, new elements are identified for preparing the annual statements and reports of the economic entities.

**Keywords:** European Directives, non-financial information, non-financial statement, accounting regulations

## THE TRIPTYCH COMPETITIVENESS - PERFORMANCE - SOCIAL RESPONSIBILITY OF THE ORGANIZATION IN A COMPETITIVE ENVIRONMENT

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**Abstract:** Organizations are assessed more and more not only in terms of their economic results or the quality of their products, but also in terms of their contribution to the social life of the community they belong to. Given that the classical elements of differentiation of a brand are no longer sufficient, corporate social responsibility promises to be the new requirement in the business world. But what does it mean to be a socially responsible organization? Why and how did this trend arise in business environments and what is its impact on both the performance and the competitiveness of the organization and the society? Hereinafter, we will try to answer these questions according to our own visions and outlook on this topic. The objective of this paper is to understand the triptych competitiveness – performance – social responsibility of organizations, which is an important aspect for the contemporary discussion on organizations in the society, given the social and environmental impacts. Empirically, we can see that social responsibility strategies are associated with competitive advantages, such as attracting valuable employees and improving the image and reputation of the organization, but the implementation of social responsibility practices creates additional costs for organizations.

**Keywords:** corporate social responsibility, sustainable competitiveness, social performance

## MANAGERIAL FINANCES, NEW DEVELOPMENTS GENERATED BY THE LATEST SALARY LAW

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**Abstract:** Human resources represent one of the most important investments of an organization, with obvious results over time, and they are unique in terms of their growth and development potential, as well as their ability to know and overcome their own limits. The effectiveness of using all other resources at the disposal of an organization is increasingly dependent on the effective use of human resources. Human resources play a very important role in business, from the establishment of a company / organization to the transformation of its economic performance into a

real success, due to the added value resulted from the work done by employees. Improvement of the employer-employee relationship aims to ensure better economic performances, but also firms' adaptation to macroeconomic evolution (globalization, technological changes). Legislative framework determines the employer - employee relationship and influences through its evolutions the financial flows related to the salaries of an entity. This paper aims to present both the impact of raising the minimum wage on the economy and the transfer of contributions from the employer to the employee on the finances of an entity.

**Keywords:** human resource, salary, contributions

## TAX OBLIGATIONS RELATED TO AUTHORIZED IMPORTS OF ALCOHOL FROM NON-EU COUNTRIES

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**Abstract:** Import transactions by companies are subject to different types of taxes, but imports of alcohol, especially from third level countries in the EU, result in a different tax regime because both customs duties and excise duties are payable, calculated on the amount of AEA (absolute ethyl alcohol), the latter being paid prior to the import operation, into a special account opened with the Treasury. All of these operations are based on an authorized importer's authorization/certification obtained by that company before placing the order to the external manufacturer for a batch of alcohol products. This article aims to present how to obtain such a certification as well as the calculation of obligations to the state budget.

**Keywords:** import, excise duties, customs duties

## THE EVOLUTION OF PUBLIC DEBT IN THE EUROPEAN UNION. COMPARATIVE STUDY

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**Abstract:** In the context of the difficult economic situation in the world over the last decade, most EU Member States have been calling for higher tax rates to cover budget deficits, but also for state borrowing. The effect of borrowing was the emergence and accentuation of public debt. In this article we aim to analyse the evolution of public debt at the level of the European Union in the last twenty years, both in terms of structure and dynamics. We also propose an econometric analysis of the impact of public debt on economic growth among EU Member States.

**Keywords:** public debt, budget deficit, public loan

## NEW DIRECTIONS IN TAX HARMONIZATION AT EU LEVEL

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**Abstract:** The member states of the European Union, as indeed all developed countries of the world have faced in recent years with a number of tax issues generated by major transnational companies (Starbucks, McDonald's, Google, Apple, Amazon etc.), which optimize their taxes in such a manner, especially profit tax, that very little money comes to the budgets of the states where they actually carry out their work, and profits are artificially transferred to jurisdictions with extremely low fees. All these issues have generated increased tax evasion and imposed a number of fiscal measures within the European Union and the OECD. In 2018, the European Parliament approved two proposals for directives on the common tax base for corporate taxation (Common Corporate Tax Base – CCTB) and on the consolidated corporate tax base (Common Consolidated Corporate Tax Base – CCCTB). Also, OECD has developed "The BEPS Action Plan" (Base Erosion and Profit Shifting), a plan which was also adopted by Romania. We have tried in this article to identify the implications of these measures and what would be the tax strategy that Romania should follow.

**Keywords:** tax harmonization, transnational companies, tax evasion, tax base, tax strategy

## IMPLICATIONS OF TAXATION ON WAGE RIGHTS FOR SECONDED EMPLOYEES

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**Abstract:** This paper focuses on the wage rights of the Romanian seconded employees, as well as the fiscal implications resulting from this situation, when a Romanian company concludes a contract with a company operating on the territory of another state. The case study analyses a Romanian company, in fact micro-enterprise paying VAT. The firm with which it has signed a contract is a German company with a subsidiary in Hungary, where it has contracted a work. The detachment of Romanian employees for provision of transnational services is the specific regulation regarding the detachment operated by employers from Romania on the territory of other states of the European Union, European Economic Area or European Community. The beneficiary of services' provision may be an employer as well, but the seconded employees will keep their employment report directly with the Romanian employer who has deferred them during the entire period of secondment. For application of the provisions of the Convention for avoidance of double taxation, the Romanian employees will have to present in Hungary the fiscal residence certificate issued by the Romanian tax administration.

**Keywords:** tax obligations, transnational services, employees

## HUMAN RESOURCE MANAGEMENT IN THE CONTEXT OF THE LABOR FORCE CRISIS

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**Abstract:** More and more private companies are faced with a major labor force crisis, especially due to migration, but also to the tax policies adopted lately by the Romanian government that favor employees in the public system. Thus, private sector employers are in competition with large public institutions to attract or at least keep their trained staff. In this context, human resources management has become of particular importance, and companies have to find new tools to help alleviate various problems due to labor migration. The human resource is the most important resource in the economy, which is why employers need updated knowledge of employee management theory in order to prevent the dissolution of the team. Thus, the present paper aims to provide an analysis model for the level of employee satisfaction in relation to the organizational climate and also to outline the company's diagnosis with a valid instrument.

**Keywords:** human resource, labor force, crisis, team, migration

## EVALUATION OF THE BUDGETARY PRACTICE AS A FINANCIAL TOOL

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**Abstract:** In financial accounting, there are assorted tools and approaches to keep track of the business activities. These tools are required so that the overall planning and predictions can be done. Budgetary practice or simply the budget based planning makes use of the techniques so that the financial liabilities and the growth factors can be evaluated effectively. Budgeting is one of the key practices for the financial goals and the data based activities for final prediction and the outcome with greater degree of accuracy. This manuscript is having the focus on the presentation of key aspects of budgetary planning or practice as the key financial tool in the business organizations.

**Keywords:** budgeting, budgetary practice, budgeting as financial tool, financial activities, financial tools

## THE EVOLUTION OF THE ACCOUNTING PROFESSION

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**Abstract:** The accounting profession is at a crossroads. The role of the accountant has been profoundly modified by Enterprise Resource Planning (ERP), the dematerialization is on the way, the artificial intelligence robotizes a whole series of accounting tasks. Encoding, the basis of the work will disappear in about 5 or 10 years: the invoice will

"travel" by itself. This will transform the craft. Data processing will be faster and faster. The machine will process the bills and customers will ask for more and more analysis and advice and this faster. Some will see threats: disappearance of encoding, ranking, etc. Other will see opportunities: business development towards management, consulting, management of information systems, communication. The core business of the business will move towards analysis and advice. In this context, the tax and legal aspects of robots will also have to be taken into account: -Will decision support models replace humans? -Will they have legal personality? -Should we tax the robots?

What about our students? Are today's young people sufficiently trained to respond to these challenges? How to adapt our teaching to best meet them?

The structure of this article will be as follow: - The evolution of the accounting profession, - The influence of computerization and more particularly of dematerialization,

- Taxation and the legal personality of robots, - The evolution of the training of accountants of tomorrow.

**Keywords:** accounting, evolution, digitizing, robots

## STUDY OF EMPLOYEES' PERCEPTIONS ON MOTIVATION AND ORGANIZATIONAL PERFORMANCE

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**Abstract:** Motivation plays an essential role in all organizations, whether private or public. For organizations to achieve their goals, they must motivate their employees. It is easier for an organization to achieve its goals when its employees are motivated to fulfill their personal, professional and organizational goals. It is important for organizations to establish motivational programs that improve motivation and therefore the performance of the organization and the employee. The main objective of the paper is to analyze motivational factors and organizational performance, using the data collected from nine companies from various fields of activity in Dolj County. The data collection tool used was a structured questionnaire that used the Likert scale to assess the level of motivation and perceptions on performance. The result of the research will be useful to the managers of the sample companies as well as other organizational managers in Romania to determine the relationship between motivation and performance in their organizations, with the ultimate goal of building optimal motivational systems to stimulate individual and organizational performance.

**Keywords:** motivation, performance, employee perceptions

## MODELLING EU BIOECONOMY CREDENTIALS IN THE ECONOMIC DEVELOPMENT FRAMEWORK: THE ROLE OF INTELLECTUAL CAPITAL

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**Abstract:** Given the bioeconomy importance in economic and sustainable development around the world, and its novelty into literature research, the general objective of our research is to develop several modellers of bioeconomy credentials within the EU under the compelling effects of education, research, development and innovation activities (intellectual capital factors). While there is a high heterogeneity among MS at EU-28 level, in particular as regards the intellectual capital and knowledge implementation, but also the different degree of bioeconomy's development, in order to measure the implications of intellectual capital in the context of the economic development of bioeconomy and to shape its role in achieving a sustainable bioeconomy, we have proceeded to create distinct panels on the two groups of EU-28 MS, namely EU-15 (for developed countries) and EU-13 (for developing countries in Central and Eastern Europe, CEE). We have applied two macro-econometric methods for each considered group, namely: the spatial analysis, in order to assess the implications of intellectual capital upon bioeconomy results; and structural equations modelling (SEM), for the period 1995-2016, extrapolated for 2019, in order to evaluate the interlinkages among the variables, direct and indirect, with overall effects on economic development. The results of the econometric modelling highlight that the intellectual capital greatly influence the main bioeconomy outcomes, and overall, the economic development, more visible for the new EU-13 countries considering tertiary education and innovation patents implications.

**Keywords:** bioeconomy, economic development, intellectual capital, EU-15, EU-13, econometric modelling

## CLASSICAL ECONOMETRIC MODELS FOR FDI IN THE CEEC-10

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**Abstract:** This paper defines a homogeneous area of the EU-member economies in the Central and Eastern European ex-socialist states (CEEC-10), defined by the relative similarity of the foreign direct investment association with the gross domestic product, export and import, after a short introduction that concretizes the group CEEC-10 countries, slightly diminished compared to the usual CEEC-11, by eliminating the economy of Croatia, which has more recently become a member of the European Union, and was placed for a long time under the pressure of military conflict. In the first section, major factors are detailed in the classic FDI models. A methodological section clarifies the databases, namely the capitalization of the World Bank's information resources, over the last two decades (1997-2016), as well as the statistical-mathematical characteristic of the econometric modeling of the FDI, and the third section, dedicated to the correlation matrices and the actual classical models of the endogenous and exogenous variables, confers the natural originality of the work. A synthesis of the FDI models for the CEEC-10 area becomes creative through the capitalization of the statistical confrontations of the major classical tests. The conclusions highlight a number of similarities in the FDI dynamics within the CEEC-10 area, as well as the quality of the forecasts centered on these models.

**Keywords:** Foreign Direct Investment (FDI), Central and Eastern European Countries (CEEC-10), descriptive statistics, correlation matrix, FDI models

## STRUCTURAL MODELS CENTRED ON ASSOCIATING THE FDI INFLOWS AND OUTFLOWS IN THE CEEC-10

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**Abstract:** The introduction to the paper starts from the natural hypothesis of uncompensated or partially compensated flows concerning the FDI flows in some of the ex-socialist, Central and Eastern European (CEEC-10) EU countries. In the first section, from the analysis of the association of FDI outputs and inflows, quantified percent of GDP, one naturally comes to is need to forecast output volumes in relation to FDI inflows. Within the paper's methodology, a World Bank database for the CEEC-10 area (200 records) is being used, with the E-Views software package, building a correlation matrix between a set of nine significant structural indicators selected. From the analysis of the correlation ratio values, other factors can also be extracted, which are useful in modeling FDI outflows, as a percentage structure of GDP, for the CEEC-10 group: trade balance, expressed as a percentage of GDP, and unemployment, expressed as a percentage of the total the work. The main results of the article concern the econometric modeling of outputs relative to FDI inflows, based on trade balance (all three of which are structurally expressed as percentages of GDP), and unemployment, expressed as a percentage of the total labour force, as well as the possible developmental hierarchies of the CEEC-10 economies in relation to the FDI life cycle and the need to compensate for the negative FDI inflows/outflows value. Some final remarks highlight the heterogeneity of FDI inflows and outflows within the CEEC-10 group, as well as the potential of using structural models.

**Keywords:** Foreign Direct Investment (FDI), Central and Eastern European Countries (CEEC-10), econometric models

## CHALLENGES OF IMPLEMENTING CSR 2.0 IN BANKING – A CASE STUDY FROM ROMANIA

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**Abstract:** In the aftermath of the global financial crisis, the Corporate Social Responsibility (CSR) became an increasingly popular concept that needed further clarifications and improvements. Therefore, a new concept of corporate social responsibility – CSR 2.0 – developed by Wayne Visser is based on five principles and forms the basis for a new model of responsible business. The aim of this study is to evaluate the level of CSR 2.0 activities carried out by the selected Romanian banks. The article analyses the principles of CSR 2.0 in comparison with CSR 1.0 and shows the basic differences between the classic and new approach applied to the selected banks. The results of the study show

that professionalization of CSR in Romania is in progress and it can be seen a growing integration of CSR actions in business affairs and a clear concern of top management on the sustainability of operations. Also, banks in Romania focus mainly on community issues in communicating CSR results. However, banks are dominated by an intense marketing activity and they are seeking to obtain material benefits from exploiting their image on the market.

**Keywords:** Corporate Social Responsibility, CSR 1.0, CSR 2.0, Romanian Banks

## EUROPEAN LABOUR MARKET INTEGRATION UNDER THE IMMIGRATION EFFECTS: A NEW EMPIRICAL RESEARCH

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**Abstract:** Based on various implications of migration within the Brexit outlook and few researches which analysed these credentials for all or a group of EU MS, the objective of our paper is to examine the Brexit spillovers upon 10 EU MS (EU-10) most targeted by migrants (including the UK) through the free movement of persons (labour mobility), as a core pillar of regional integration. Different from other researches, we have built up a complex panel of EU-10 MS, considered for the 2000-2019 time span (2019 represents the time limit for Brexit negotiations, which have started in 2017). Furthermore, we have analysed a complex set of indicators that have been extrapolated and standardised in order to obtain accurate results from the appropriate macro-econometric models and structural equations modelling (SEM). The results highlight that the EU-10 will be positively influenced by immigration considering the labour market outcomes, as revealed by important employment levels increases, even though the impact largely differs across countries, under a compelling spatial presence. Thus, labour mobility after Brexit in Europe will certainly influence both migrant sending and hosting economies, since it will be reconfigured under new migration policies and regulations adopted by EU-27 and the UK.

**Keywords:** international migration, labour market, European integration, econometric modelling

## FINANCIAL MANAGEMENT OF THE ROMANIAN PRE-UNIVERSITARY EDUCATION INSTITUTIONS

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**Abstract:** In this article we present the problem of the financial management of the pre-university education institutions in Romania in the context of the microeconomic approach of schools, describing the economical metaphor - school as an enterprise with the basic elements of the microeconomic theory. If we speak strictly of education, of educational institutions and of the educational process in itself, it is compulsory to consider the relationship established between the concepts of "ideal education – educational goal -educational objectives", taking into account different levels of generality. We aim to obtain better solutions for the financial management of the pre-university school institutions by describing the basic concepts in the field, its dynamic components as well as the structural-systemic ones, of the practices used at this level. The article follows the conceptual, perspective aspects of managing the financially difficult situations which the school organizations are confronted with. We also brought into discussion the educational policies that exist not only at national level, as well as the actions and practices of developing and implementing educational policies which can be lowered to local public administration or school management. Even if prior expertise is essential in using concepts and rules of inference, this "art" can become routine if an effort is made to linearize, standardize analysis processes, problem-solving, and decision-making.

**Keywords:** financial management, public institution, budget, budget system

## THE IMPACT OF THE HOLIDAY VOUCHERS MECHANISM IMPLEMENTATION IN THE PUBLIC SYSTEM IN ROMANIA

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**Abstract:** In Romania, the holiday vouchers mechanism has recently become operational in the public system, representing an important measure of the Government, implemented as a form of support for the benefit of the domestic tourism industry and the general public interest, for reasons such as: increasing the employment and keeping the labor force in the country, diminishing or even stopping the exodus of the labor force from the field of tourism to other states in the country's relative neighborhood, stimulating the tourism sector, motivating the employees in the budgetary sector and also recovering and maintaining their work capacity and increasing their productivity. In the described context, we believe that the study of the holiday vouchers mechanism implementation in the public system in our country becomes a current and a very interesting debate topic. The paper presents a variety of issues concerning the holiday vouchers mechanism, among which: conceptual approaches, a legislative evolutionary analysis that highlights the moments that marked changes and transformations in the field, the steps of the specific mechanism, the involved parties categories and also an analysis of the demarche's impact at national level, achieved by following the evolution of certain specific indicators. The impact analysis was carried out by centralizing and processing the data disseminated especially by the National Institute of Statistics and the National Association of Travel Agencies in Romania, the results being interpreted and offering considerations rich in pragmatic potential regarding their significance.

**Keywords:** holiday vouchers, value tickets, domestic tourism, public system

## THE ACCOUNTING PROFESSION IN THE DIGITAL AGE

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**Abstract:** The accounting profession is in a period of great challenges involving the development of new dimensions under the impact of a multitude of factors such as the reconfiguration of the business environment due to economic crises, geopolitical or geostrategic changes, and the implications of the digital age. The factors most important in the transformation of the accounting profession in the coming years will be the technological factors and, in their category, we believe that ICT will have the greatest impact. The use of these technologies in accounting implies certain advantages, but also issues that will need to be managed with responsibility.

In this article we will try to highlight some of the opportunities and challenges generated by the use of ICTs in front of the Romanian accounting profession, the digitization of accounting, so far, at the incipient stage.

**Keywords:** XBRL, ERP, cloud accounting

## STUDIES ON THE IMPACT OF TAX REVENUES ON ECONOMIC GROWTH IN ITALY, SPAIN AND BELGIUM

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**Abstract:** The objectives of the paper relate to the influence of fiscal revenues on economic growth in some countries of the European Union: Italy, Spain and Belgium, during 2007-2016. The paper encompasses the dynamics of tax revenues and gross domestic product over that period. The economic and financial analysis includes the presentation of some status and effect indicators of taxation: fiscal pressure, income dynamics, fiscal pressure dynamics, absolute income deviation, absolute GDP deviation, relative income variance index, gross domestic product index, and index of tax variability. A study on tax and economic growth within the European Union is presented, the relationship between tax and economic growth over a longer period, the influence of the tax structure on economic growth. The case study was based on data published by Eurostat, which were processed and interpreted.

**Keywords:** fiscal revenues, economic growth, gross domestic product

## **ANALYSIS OF THE EVOLUTION OF THE EFFICIENCY OF THE SANITATION SERVICE PROVISION. CASE STUDY: TIMIS COUNTY USING THE DATA ENVELOPMENT ANALYSIS METHODOLOGY**

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**Abstract:** This paper analyzes the evolution of the efficiency of the sanitation service provision. Thus, we have carried out a study of the efficiency of the sanitation service provision in the localities in Timis County for the period 2007-2017. In this respect, we have used the Data Envelopment Analysis methodology, a good way to determine efficiency, inefficiency and efficiency measures. The results of the empirical analysis indicate a steady but constant evolution of the efficiency during the 11 years of analysis. This paper provides the basis for future research on efficiency and is a good guide for decision-makers in the field of waste management.

**Keywords:** data envelopment analysis, efficiency, waste management

## **MEASURING PUBLIC SECTOR PERFORMANCE - A THEORETICAL APPROACH**

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**Abstract:** Nowadays, there is a strong interest in measuring public sector performance due to the dynamic environment that forces the government to adjust constantly to changes. Improving the performance of public sector is a goal that is high on the policy agenda in almost all countries. To this end, concepts like efficiency, effectiveness and productivity are considered to be the starting point. This paper is investigating the recent literature in order to reveal on the one hand, the most relevant results and on the other hand the empirical methods used. To be more precise, we present the results both in terms of relevance of indicators and the methodology used.

**Keywords:** public sector, performance, empirical method

## **USE OF INTELLIGENT SYSTEMS IN MANAGING CUSTOMER RELATIONS**

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**Abstract:** This paper attempts to highlight the role and advantages of implementing information technologies within companies. Firstly, information systems issues, from their definition and role, to dealing with the main systems of transaction processing in customer relationship management are addressed. An important role is the electronic management of documents, then the use of Internet, Extranet and Intranet and thus the creation of a client-server model. The CRM application and its role are presented. Then there are the main aspects of customer relationship management in an organization. Priority is given to customer relationships and trying to find an application model for tracking after-sales services.

**Keywords:** information technologies, systems of transaction, customer relationship management, electronic management of documents, application model for tracking after-sales services



## USE OF EXPERT SYSTEMS IN PROMOTION OF ECONOMIC-FINANCIAL DECISION

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**Abstract:** Access to information or various banking, telephone, internet, telebanking banking services will change the nature of the relationship between the bank and its customers and the development of the communications networks will gradually remove the classic counter. In fact, we are witnessing the replacement of banks with numerous counters, with an army of officials, and lots of files and papers with fully computer-centric, 24-hour networks from anywhere in the world capable of providing any specialized service in the second next. If at first glance the image seems slightly exaggerated, the dynamics of change in some banking sectors, the already visible signs of the new in the activity of the big banks, the competition exercised by the subsidiaries of some world-leading banks justifies the natural concern of the professional in the field to know how to prepare his work from the future that tends to become present at an accelerated pace.

**Keywords:** relationship between the bank and its customers, fully computer-centric, visible signs of the new in the activity, present at an accelerated pace

## THE FASCINATION OF CORPORATE GOVERNANCE - RISK MANAGEMENT - INTERNAL CONTROL TRIAD

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**Abstract:** Organizations face an environment characterized by volatility, complexity and ambiguity. The sustainability of each organization depends on the consistency of the mix between corporate governance, risk management and internal control so as to identify threats and opportunities, on the one hand, and to counteract threats and make the most of the opportunities, on the other hand. In this context, the paper aims to investigate the relationship between corporate governance, risk management and internal control, as well as the influences entailed by this relationship upon organizational performance. The thesis according to which there is a relationship of interdependence between the three elements, which goes until it is considered that the existence of a certain aspect in one of the elements is indispensable to the others is claimed, argued and fathomed. The approach is based on descriptive, qualitative research, with constructivist shades by the fact that an interpretative process of the subject under consideration is applied. The debate combines the advocacy of professional organizations with the practical experience of authors in organizational management field and supports the idea according to which risk management and internal control are not objectives per se, but rather they must be integrated into the substance of governance in order to provide an organizational design capable of sustaining the consistency and ability to take decisions in line with the mission of the organization and the achievement of a high level of trust from all categories of stakeholders. It is emphasized that "top tone" is predominantly in the "attentions" of governance, which, if it is noble, the other components, the organization as a whole will react accordingly.

**Keywords:** corporate governance, risk management, internal control

## NEW TRENDS IN DISCRETIONARY AND REGULATED FINANCIAL COMMUNICATION

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**Abstract:** Beyond the rigors of regulated financial communication, companies have discovered lately creative valences of discretionary financial communication. Used as an important vector in the marketing strategy of the company financial and non-financial businesses are required by supervisors and regulators and can bring added value when used properly. In economically developed countries increased role of financial communication more and more, which requires significant changes in the structure of synthetic accounting documents. At the same time, advanced countries in terms of statistical reports have accumulated extensive experience in the development of accurate and reliable

calculations for the main macroeconomic aggregates and the construction of national accounts indicators role fundamental role in financial communication.

**Keywords:** communication-financial, financial disclosures, non-financial information

## **MODELING THE COMPANY'S PERFORMANCE THROUGH ACCOUNTING POLICIES APPROVED AND CORRECTION OF SIGNIFICANT ERRORS**

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**Abstract:** This paper aims to address the issue of accounting policy choices as well as the correction of significant errors in order to support the importance of the quality of the information presented in the annual financial statements as a result of the application of certain accounting treatments. The issues discussed refers to the importance of the process of choosing accounting policies that have a significant impact on financial results that reflect the financial position and performance of the company. At the same time, the research aims to draw attention to the correction of significant errors that have an impact on the annual financial statements, affecting the credibility of the accounting information and, implicitly, the performance of the company. Users of financial and accounting information can trust their annual financial statements when they are free from significant errors and accounting policies are not regularly changed. Accounting policies approved by the company must ensure the control of the company's business by the managers, namely the stage of achieving the objectives set, respecting the legality of transactions, as well as taking the right decisions at the right time.

**Keywords:** accounting policy, significant errors, financial statements

## **CORRUPTION PERCEPTIONS INDEX AND ECONOMIC SITUATION OF THE COUNTRY**

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**Abstract:** The phenomenon of corruption is known all over the world, and its intensity varies according to economic, behavioral and educational factors. Transparency International is a global civil society that carries out regular opinion surveys and publishes the perceptions of corruption in countries around the world. This index identifies the level of corruption perceived in the world and with this help can be achieved a ranking of countries regarding this. The corruption perception index should be correlated with economic situation of a country. The economic situation of a country can be reflected by GDP and unemployment rate. The purpose of this study is to determine whether the index of corruption is influenced by the economic situation of a country, so the study analyses the corruption perception index and unemployment rate, looking whether there is a link between them.

**Keywords:** corruption index, economic development, ranking of countries

## **THE IMPORTANCE OF TOURISM IN THE ECONOMIC DEVELOPMENT OF THE DANUBE CLUSTER**

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**Abstract:** The Danube Cluster zone has a tremendous tourist potential, represented by its many natural and valuable natural and man-made objectives, all of which make this part of Romania one of the regions with the highest tourist potential. Among the main tourist attractions are the statue of King Dacian Decebal, unique in Europe by its size, and the second in the world after the presidents of the United States, the Danube Boilers, a picturesque region of special beauty, the Mraconia Monastery, the Tabula Traiana, The Danube, the Gulf of Dubova, the Ponicoava caves and the Veterans. Also, at the level of Orșova, the numerous tourist attractions complement the beauty of the area. The Cluster region has a rich historical load, being the area where the two Dacian-Roman wars took place, and centuries later the Russian-Austro-Turkish battles. All this creates the premises of intensive tourism development in this area of Romania,

which is reflected annually by the large number of visitors. At the same time, the Cluster also develops from an economic point of view, because the large number of tourists requires the creation of new units of accommodation, food or relaxation spaces. Therefore, if long-term economic development is to be desired in this region, tourism is the priority area to achieve this.

**Keywords:** economic development, Danube Cluster, tourism

## OBSERVATIONS ON THE OPTIMIZATION OF A PORTFOLIO LISTED ON BUCHAREST STOCK EXCHANGE

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**Abstract:** The expectations of investors on capital market are always directed to maximize the profit. Questionable are how this can be realized and when obtained profit is significant. That is because level of profit is linked with level of risk assumed. So, it was observed that is more safety to invest in a portfolio of assets than investing in one single asset. Investing in one asset, even if is full of expectation, can be total loss in the end. On the other side, portfolio investments dissipate the risk. For that, in his classical work, Harry Markowitz proposed a theory with significant impact on future development of portfolio optimization known as Modern Portfolio Theory (MPT). After this, William Sharpe also has made its contribution known as the Sharpe ratio by introducing the constant risk-free return term. The main objective of the paper is to evaluate differences of those two approaches on a portfolio of assets listed on Bucharest Stock Exchange. The real data was collected of a period of 5 years.

**Keywords:** portfolio optimization, Markowitz theory, Sharpe ratio, efficient frontier

## EVOLUTIONARY ALGORITHMS APPROACHE IN PORTFOLIO OPTIMIZATION

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**Abstract:** The major problem of all investors on capital market is efficiency of investments measured in levels of profits and risks. So, the portfolio problem must be treated as an optimization procedure of multi-objective approach. The objective is to minimize the risk and maximize the expected return of portfolio, in conditions of variable number of assets with specific values, risks and returns. To overcome inefficiency of standard deterministic techniques, the meta-heuristics approach has the potential to be beneficial used to find approximate solutions to such challenging optimization problems. The aim of this paper is to explore the potential of evolutionary algorithms applied for optimization of portfolio based on five stocks market with promising results, listed on Bucharest Stock Exchange. Real data collected for 5 years were used for tests. The proposed methods and algorithms are presented in the first part of the paper. The applied procedure gives valuable results for portfolio optimization.

**Keywords:** risky assets, portfolio optimization, nature-inspired algorithms, evolutionary algorithms

## THE DECLINE OF RURAL EDUCATION IN ROMANIA - CAUSES AND SOLUTIONS

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**Abstract:** The school population in rural areas is facing a number of problems regarding the school drop-out, absenteeism and very low school outcomes. A large number of children from rural areas are withdrawn annually from school, while others carry out a range of activities in the family households. Against this backdrop, Romania is facing a significant decline in the rural education, with impact on the labor shortage within the specific areas, especially in the agricultural sector. The general objective of this paper is to identify the causes that have led Romania to confront with this deterioration of the rural education, as well as to find strategies or directions in order to diminish it, within a sustainable framework. Unfortunately, some of these causes are mainly caused by the high poverty of rural families, the low number of qualified teaching staff from rural schools, the fluctuation of teachers due to the high degree of isolation of some localities and the limited access of the rural population to training or long life learning programs, but also the low investments in infrastructure. Thus, in order to sustain the access to education of rural children, it would be

necessary to adopt special oriented programs towards schools from this environment, the education becoming a key factor in the sustainable development of the economies.

**Keywords:** education, rural environment, auses, solutions, Romania

## OPPORTUNITIES FOR SUSTAINABLE DEVELOPMENT THROUGH EDUCATION IN ROMANIA

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**Abstract:** Sustainability starts from the idea that human activities are environmentally and resource-dependent, or, as Antonio Machado, a Spanish poet, says, "your paws are the road and nothing more ... the road is built by going," or the future we build for ourselves, we only have to go with a goal. Romania's professional training strategy for 2014-2020 is the framework document for initial and continuing vocational training policies, are considered as essential factors for the development of the European economy in the context of globalization. It proposes the development of a competitive system that provides a relevant and rapid response to the demands of the economy, a pro-active approach and measures implemented in various partnerships. To this end, medium and long-term objectives and directions of action are set, so that the training system responds to the changing needs of the economy, society and individuals, thereby enhancing flexibility and ensuring the coherence of the whole system. Orientation towards a knowledge-based society implies the involvement of the vocational training system in the implementation of the concept of lifelong learning. It is essential that vocational training promotes a positive attitude towards learning among direct beneficiaries, assures the quality of the training offer and its relevance in relation to the person's abilities, knowledge and needs. It is recommended that the VET system assimilate the principles and objectives of Sustainable Development as an integrating element of the set of knowledge, skills and abilities, integrate these principles across all training programs, and support cooperation among key decision-makers.

**Keywords:** education, sustainability, strategy, objectives, Romania

## WAVELET NETWORKS WITH APPLICATIONS TO THE PREDICTION OF FINANCIAL SERIES

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**Abstract:** Wavelet networks are special cases of neural networks and have become popular after the work of Zhang and Benveniste. Like neural networks, wavelet networks compute a linear combination of nonlinear functions whose form depends on adjustable parameters. However, while in neural networks the nonlinear dynamics are approximated by the superposition of sigmoid functions, in the wavelet networks these nonlinear dynamics are approximated by wavelet functions. As opposite to the activation functions (usually, sigmoid-shaped) of the neural networks, the wavelets have a rapid decay and tend to zero. The idea behind wavelet functions was to construct a transformation for the study of signals more interesting than the Fourier transform. The adjustment of the parameters is done by a learning procedure that uses input-output datasets to adapt their predicted responses in such a way to conform to the desired responses. Parameter estimation is an essential component in adaptive methods of estimation or prediction in general. The question is to find the parameters so that the model reproduces in an optimal way the observations. Both networks have the property of acting as universal approximators. This paper aims at using wavelet networks to predict financial time series with nonlinear dynamics.

**Keywords:** wavelet, financial, estimation

## USING ANFIS FOR FINANCIAL TIME SERIES FORECASTING

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**Abstract:** In this paper we use a neuro-fuzzy technique, called ANFIS (Adaptive Neuro Fuzzy Inference System), which combines both fuzzy logic and neural networks. The distinguishing feature of ANFIS, comparing with a basic fuzzy inference system, is its ability to adjust in order to improve model predictions. Neuro-fuzzy systems combines the parallel processing and learning capabilities of neural networks (NNs) with the explanatory capabilities of fuzzy systems (FSs); as a result of this combination, NNs become more transparent and fuzzy systems acquire the ability to learn. The NN topology is functionally equivalent to that of a fuzzy inference model, and can be trained to develop IF-THEN fuzzy rules and to find the membership functions of input / output variables from a set of representative data. It can also include the knowledge of an expert and has a MLP-like structure: 1 input layer, 1 output layer, and 3 hidden layers for membership functions and rules. An estimation problem of particular importance in the field of quantitative finance is the problem of predicting trends in the stock exchange or the foreign exchange markets. Specifically, we intend to use ANFIS to generate more accurate financial forecasts.

**Keywords:** fuzzy, financial, forecasting

## PARTICULARITIES OF THE PUBLIC POLICY PROCESS IN THE FIELD OF SOCIAL ECONOMY AND SOCIAL ENTREPRENEURSHIP IN SPAIN

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**Abstract:** More than in others European regions, social economy are emerging in Spain, like a way with a strong ethic base and with values that emphasise the social purpose of the activities and not only the economic performance. In this economic field, activity must be profitable, but above all, should have a positive impact on society, since they are created to solve a social problem that affects a group. In Spain it is increasing the number of people that are beginning to work around social economy and social entrepreneurship. There is a climate that encourages the development of public policies in this area. This analysis aims to study the various aspects of the social economy in order to limit, define and show what it is. Also, we want this analysis will become a guide of good practice.

**Keywords:** social economy, social entrepreneurship, active citizenship, tertiary sector

## SENSITIVITY ANALYSIS - A USEFUL TOOL TO QUANTIFY AND PREDICT ENTERPRISE RISK

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**Abstract:** The topic addressed is a subject of actuality in the field of research because it presents a conscious and calculated assumption of the risk in the activity of the economic entities. The uncertainty of the economic environment in which the entities interact has directed this research to quantify the risk under the impact of the variation in operating expenses. The theoretical foundation of the economic and financial risk of the enterprise was made by studying the literature regarding the definition of these risks, the factors of influence and the calculation formulas. The practical approach of the research was the calculation and the variation of the value of the two risks (economic and financial), both from the transversal and the longitudinal point of view. Specifically, on a sample of 20 listed companies on the Bucharest Stock Exchange, which have as their object of activity production, we have calculated the economic and financial risk for the period 2014-2017, using the information provided by their financial statements. Using the sensitivity analysis and the scenario method, we determined the pace in economic and financial risk when an expense changes with a certain percentage, the other types of expenses remaining unchanged. We used this research method in the sense that sensitivity is a form to analyze the risk by allowing managers to choose the plausible scenario for the future. The results of our research have concluded that the two risks change substantially when the expenditures of raw and consumable material modify in the sense of diminishing or increasing by a certain percentage and the other expenditure remain constant. A limitation of our research is represented by the small size of the sample of companies

surveyed and the reluctance of these entities to disclose in the explanatory notes sufficient information regarding the fixed or variable behavior of operating expenses.

**Keywords:** sensitivity, scenario, economic risk, financial risk

## POPULATION AGING EFFECTS ON THE REGIONAL LABOR SUPPLY IN ROMANIA

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**Abstract:** During the past decades Romania population has become considerably smaller due to in main part changes in the birth and death patterns and a subsequent increase in legal migration after 1990. Population aging is visible in the age structure of a population resulting in a larger segment for the elderly and a shirking segment for younger generations. Changes in the structure of Romania's population have resulted in a series of unforeseen event that are causing friction within the labor market where the demand for employees is not being meet due to a decline in labor resources as a cause of population aging. At a regional level, labor market supply and offer differ to some extent between regions due to the level of development and also due to the effects of aging. This article examines how population aging is changing the labor supply in Romania and at a regional level, and how these changes will affect the labor supply into the coming decades.

**Keywords:** population aging, labor market, age structure, regions, statistical analysis

## A COMPARATIVE ANALYSIS OF POPULATION DECLINE, MIGRATION AND ECONOMIC DEVELOPMENT. ROMANIA VS. BULGARIA

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**Abstract:** The last decades have brought sweeping changes when observing population growth in Romania and neighboring countries. These changes have been characterized for the most countries by decreasing population numbers mainly due to increasing outflows of migrants to richer neighboring countries that offered more opportunities for a better life. The outflow occurred not only in Romania but also in it's closest neighbor, Bulgaria, causing a decline in labor market resources that will result in lower economic growth in the countries of origin according to economic growth theories. This however proved not to be the case since migrants contribute to economic growth through remittances that lead to a rise in the standard of living in the countries of origin. This paper examines, on a comparative basis, the population decline in Romania and Bulgaria, caused mainly by migration and its contribution to economic development in both countries.

**Keywords:** population decline, migration, economic development, remittances

## HOW TAXES AFFECT ECONOMIC GROWTH. EVIDENCE FROM EUROPEAN COUNTRIES

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**Abstract:** The purpose of this paper is to analyse the development of a set of European Union countries categorised as developed and emerging ones, based on the level of GDP, over the period 2004-2016. Nowadays, taxation plays an important role in the well functioning of the financial systems of a country. The decision to study such subject followed the recent global trends that consider taxation as a negative influence on economic development when it stands on high tax rates. The research was based on descriptive statistics and multiple regression analysis. The latter one used three independent variables, direct and indirect taxes, and social contributions, and one dependant variable, GDP as proxy for economic growth. The empirical results were tested and compared to various tendencies and changes at the micro and also macro level of each country. The analysis indicate that the three types of taxes directly influence the growth in all countries. The highest effect from direct and indirect taxes was observed in emerging countries, while in developed countries social contributions have the predominant influence on growth. Considering the overall sample, the statistics evidenced that the measures of reducing indirect and direct tax rates were effective between 2008 and 2011, during the financial crisis, and countries succeeded to follow their way back to economic growth. In terms of social contributions,

emerging countries have to optimize their social systems to ensure safety and support among citizens, create security and also high motivation for work.

**Keywords:** economic growth, taxes, European countries

## CUSTOMER INSIGHTS IN AUTOMOTIVE

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**Abstract:** The article will describe the importance of customer in the industry as well as the different types of customers that the automotive industry deals with at the moment. Customer gained an important role in the last years and most of the industries understood that there is an urgent need of not just pleasing the customer but at the same time of delighting him/her. Consumers nowadays cannot be put in the same box and treated with one way solution. There is a demand of personalized services to be sure that customer / consumer will come back. The future of the automotive are is very dynamic and so are the customers' reason why all processes and systems at the dealership must be automated so that the employees can focus more on customers. There are different type of customers with different personalities that is the reason why identifying the customer type is the key to success.

**Keywords:** customer, automotive industry, services, automated dealership

## PARTICULARS REGARDING ON THE INTEGRATION OF RISK MANAGEMENT IN THE OVERALL STRATEGY FOR THE DEVELOPMENT OF THE CENTRAL BANKS OF THE ROMANIAN BANKING SYSTEM

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**Abstract:** Internationalization business banking and globalization are fundamental realities of the contemporary world with decisive impact on the risk management and its functions, on producer organizations, tools, techniques used, the qualifications of the staff, this geographical indications and on the activities of supervision and control. As an integral part of the banking system, any bank in respect individually and any banking system, in respect collectively, assumes the risks when granting credit and, certainly, all the banks recorded losses at the level of the portfolio of credits, where some debtors not honor its obligations. Whatever the level of the risks incurred losses, the portfolio of credits can be minimized if the lending operations are organized and managed with professionalism. At all times there must be a balance between risk and profit concerned portfolio of credits which will certify the existence of a healthy management provided by the bank in the field of the crediting of its clientele and an evolution corresponding to the bank on national and international banking market. The Romanian banking system through a process of accelerated adaptation to the conditions of the agreement of capital to meet the requirements of the order prudential supervision, monitoring and the requirements resulting from the increasing competitiveness in the field. The adoption of these rules requires an assessment of the credit risk, even if they are necessary capital increases and larger amounts of data. It has been demonstrated by different empirical tests that the implementation of the capital shall not result in a reduction in the volume of credits granted. The average own capital required banking companies for credit insurance will remain constant, if the exposure remains the same. The adaptability of the current bank management to the concern of the foreseeable risks from the perspective of mutations in the organization of the future is assessed in practical different. Keeping the soundness of the banking sector in the conditions in which continues to manifest a serious risk, involves the maintenance of capitalization of credit institutions at appropriate levels, including in the context of implementation of International Financial Reporting Standards, with the aim of preventing the impact of any adverse developments generated internationally. The development of policies for risk management means the permanent concern for the management of banking institutions, these policies should be reflected at the level of each structures within the bank through the application of specific tools. The efficiency of the banking system is linked directly by the increase in the consistency of the volumes of business, mainly based on the attractiveness of the products both in terms of cost and less on the basis of the Conquest hereditary of new market segments. The persistence of the global crisis lead to a reduction in the economic activity in such a way that the internal macroeconomic developments have a significant impact on the health of the financial system.

**Keywords:** sustainable development, banking performance, sustainable banking, the bank risk, risk management

## RISK MANAGEMENT - MANAGERIAL INSTRUMENT IN EFFICIENT RISK MANAGEMENT

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**Abstract:** Risk management is a very large and complex domain that puts its mark on improving decision-making in the direction of economic and financial performance. Because of the impact and effects of risks, regardless of their nature, risk management is and will remain a complex process that identifies, quantifies and evaluates the risks that make difficult economic and financial activities, both at microeconomic and macroeconomic level. In the practical life of economic agents, there are many manifestations of risks, so that the application and development of an efficient management of these risks becomes an unceasing need. Risk is a problem that is in line with the decision-making process, so that risk management precisely solves this problem effectively. If all participants in the economic and financial activity were aware of the role and importance of risk management and applied a well-defined management and goal, the performance targets could surely be quantified. In order to achieve these goals, the following steps need to be taken: risk identification, analysis of the risk identified, risk control and monitoring, improvement of risk management where deficiencies exist, quantification of results. In conclusion, the effective risk management has the role of managing and handling risks from the moment they occur until the time of the effects produced. From this point of view risk management turns into a successful managerial tool with a great importance in decision making during the process of economic and financial activities.

**Keywords:** management, risk, efficiency, decision, performance

## FACTORING VS FORTFAITING – KEY DIFFERENCES AND DETERMINANTS

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**Abstract:** In the last years, factoring and forfaiting have gained a great importance as one of the major sources for financing the exports. Factoring and forfaiting are both mechanisms used to finance international commercial transactions in order to secure receipts of unpaid bills and claims. Factoring is a financial instrument which involves the sale of a company's receivables to another party (named as factor) at a discounted price. On the other hand, in the case of forfaiting, the exporter renounces his right due at a future date for a cash payment, at a discount, to the forfeiter. In both cases, the risk of debt collection is transferred from the seller to a third party and, depending on whether the agreement is recourse or non-recovery, the third party takes the risk of default. Therefore, factoring and forfaiting are similar and they are services provided to sellers, especially to exporters who trade international commercial transactions to secure their claims. Nevertheless, these two terms are different considering their mechanism, nature, and purpose. The basis for comparison between factoring and forfaiting include the followings: definition, services provided, maturity of receivables, financing level, type of recourse, cost, negotiable instruments, markets. In this paper are presented the mechanisms of the two financing forms (factoring and forfaiting), a comparison between the two mechanisms, presenting the key differences and highlighting the main advantages and disadvantages for each of them.

**Keywords:** financing, factoring, forfaiting, firms

## LABOR MARKET AND THE SERVICES' SECTOR – RISKS AND OPPORTUNITIES FOR THE LABOR FORCE

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**Abstract:** The crisis and post-crisis period have yet again revealed the significance of the services' sector that ensures both two-thirds of employment and of the value added at EU-28(27) level. The services' sector is thus the backbone of European economic and social life, and increasingly more into the attention of the academia, experts, and researchers with respect to economic growth, as it seems to herald the transition from the post-industrial modern society to the services' society. The sector has been paid increasingly more attention as of the mid-sixties and beginning of the seventies, and serious attempts had a new impetus in the aftermath of the Great Recession as the sector continued to show slow steady growth, and good employment opportunities also during the crisis. Nevertheless, the crisis has left its



mark expressed in decreases of productivity, investments, innovations, and of wages, along with increasing job uncertainty. However, employment volatility remained lower than in the other sectors. Labor market in the services' sector becomes in this way a particular indicator for all negative and concerning developments regarding polarization, wages' inequality expressed in the distinction high-income/earnings and low-income/earnings services. An example in point is the category "other services" where occupations are found that accumulate higher risks for employees, respectively in work poverty, precarious and atypical jobs, and even job fragmentation due to various reasons. The issue becomes even more complex if we consider the particularized European and national context in the field of employment, and considering the developments triggered by the knowledge economy, in particular by digitalization and robotics which will change fundamentally the way the services' sector will operate, along with the changes triggered in all other sectors. An essential role will be the one of the institutional environment that will contribute to (re)configuring policies and measures aimed to meet essential challenges shared at EU and national level regarding the services' sector: slow growth of productivity, inefficient resources' allotment, low competitive pressure and cross-border services' integration. The present paper intends a brief analysis of main developments in the sector in the particularized context of labor markets particularities at EU-28(27), and national level. Labor markets continue to be of major concern because of high unemployment in most of EU countries. To the contrary, in Romania the concerns are related to a labor force crisis, but also to volatile developments in the services sector which could be one of the main engines of national economic growth, of diminishing disparities at the level of the regions of development, and of reducing income inequalities.

**Keywords:** services' sector, labor market, employment, knowledge society, polarization

## CLLOUD COMPUTING SERVICES AND BUSINESS DIGITAL TRANSFORMATION

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**Abstract:** The continued and fast-paced development of Information and Communication Technologies (ICT) has fundamentally changed the business environment around the world, generating a restructuring of business processes around the new ICT infrastructure, a guarantor of competitive advantage and, at the same time, an opportunity for economic development. Concepts as digitalization, digital transformation, digital integration, or digital economy became reality with the extension of the World Wide Web. The process of a business digital transformation requires companies revolutionizing their current business processes and adapting to innovation and creativity, transferring to a digital business, an e-business. The use of new technologies such as the Internet of Things (IoT), chat-bots, augmented reality, machine learning, big data analysis, etc. can improve the company performance on the long-term and so, can maintained their competitiveness and relevance on the market, but for that are need specific IT infrastructure, heavy computing power, and storage. Cloud computing is the new digital technology, a new form of hosting and delivering services over the Internet which can ensure all these resources. According to Mell and Grance (2011) definition, cloud computing is „a model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction”. In only a few words, cloud computing is the utilization of the servers at distance in a network for storage, processing, or data analysis, security and more others. As a key enabler of digital transformation, cloud computing might be attractive for all companies, but especially to small and medium businesses because of the delivery of on-demand computing and all types of resources over the Internet as services. Cloud computing services are categorized into: Software-as-a-Service (SaaS), Platform-as-a-Service (PaaS) and Infrastructure-as-a-Service (IaaS) with the advantage of paid only for using them. The adoption of these new digital technologies by the companies guarantees the transfer to a new economy, the "digital economy". Aiming to "opening up digital opportunities for people and business and enhancing Europe's position as a world leader in the digital economy", the European Commission adopted in 2015 a strategy regarding a Digital Single Market, to improve the use of cloud computing in all sectors of the European economy. The digital transformation of businesses from a large part of the UE states member is still limited and too many companies are only at the start even if the information systems become more and more integrated, and the company's IT systems and digital processes are becoming more and more complex. Reducing the complexity, ensuring flexibility of the computer systems, and adapting to the new technologies requirements make cloud computing services the ideal solution. In this context, based on a large literature on the topic, were highlighted the main arguments for using cloud computing services, but also the barriers to their adoption. Moreover, based on the open data from Eurostat on-line database, were evaluated the level and the type of cloud computing services which was bought by the European companies, in the last years.

**Keywords:** cloud computing services, digital economy, digitalization, digital transformation

## IMPLICATIONS OF THE ENTREPRENEURIAL ENVIRONMENT ON THE BUSINESS TOURISM IN ROMANIA

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**Abstract:** Tourism is a field of the economy with a constantly expanding activity. Certain forms of tourism, such as business tourism, have gained momentum in the last time. This affirmation is based on the statistical data showing that in 2016 the number of business trips and professional motives was 460,107 summing over 2,4 million overnights. Through this paper, we aim to search if there is a correlation between the Romanian business environment and the business tourism considering that a development of the business environment inevitably leads to a larger number of people who appeal to the business tourism. Whether we are talking about motivation of staff, training courses or delegates in the interests of the service, all these can be components of business tourism and implicitly can contribute to the development of business tourism. We also seek to justify the presumption that we can develop business tourism by increasing the number of the new firms in the Romanian business environment, as a result of infusion of non-reimbursable funds, through the start-up projects, but as well as by the multinationals that appeal to modern forms of motivation for their significant number of employees (such as team building or other tools). In this approach, based on the official statistical data and the literature on the topic, we analyze the stage of the business environment as well as that of the business tourism and determine through specific statistical methods and analyzes how the Romanian tourism influences the entrepreneurial environment.

**Keywords:** entrepreneurial environment, business tourism, Romania

## ECONOMIC, SOCIAL AND TERRITORIAL COHESION A PRIORITY FOR POLAND, ROMANIA, HUNGARY AND BULGARIA. COMPARATIVE ANALYSE ON THE SOCIAL COHESION

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**Abstract:** The cohesion policy of European Union is, in fact, its strategic investments policy. The Union's values are freedom, equality, the rule of law, respect for human dignity, non-discrimination regarding persons belonging to minorities, non-discrimination and equality between women and men. One of the main objectives of the Union is to aim a sustainable development of Europe, by aiming a high level of employment and social progress along with economic growth. Taking this into consideration, the social cohesion is an important part of the cohesion policy. In the last decade European Union had and still has to face multiples threats as: the last major financial and economic crisis, followed successively by the sovereign debts crisis and a social crisis whose effects are still reflecting, including the security issues due to the instability of the neighborhood areas, but also of some key Member States. In this paper we present a framework of social cohesion in Poland, Romania, Hungary and Bulgaria, using methods as synthesis, observation and scientific analyses. The research was based on statistical data provided by EUROSTAT, on the period 2007-2017.

**Keywords:** social cohesion, European Union, poverty and education

## COMPLEXITY IN PROJECT MANAGEMENT

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**Abstract:** The current projects are developed in a more difficult environment and are influenced, much more, by factors subject to a rapid change. Increased complexity emphasizes efficient project planning where managers have continuously considered the knowledge and condition of complexity. In order to achieve consistently the success of project implementation, management should be checked and, if necessary, supplemented by complementary instruments to identify and eliminate complexity. From this perspective, the research presented in this paper was achieved with the aim of combining complexity, non-standardised, with project management, standardised, to identify a viable option in terms of applicability. In addition, change factors have been examined in the context of specialized literature addressing complexity and, in addition, the origin, impact and complexity management have been investigated.

**Keywords:** complexity, project management, complexity management

## **INTEGRATED MODEL FOR HUMAN RESOURCES MANAGEMENT, ORGANISATIONAL PERFORMANCE AND QUALITY OF SERVICES**

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**Abstract:** The evaluation of the literature highlighted the particular attention given to the research of the link between the human resources management system and the organizational performance. However, an important question still requires answer: is the implementation and application of an effective human resource management system influencing and contributing to the performance of a company? The integrated model proposed to answer this question describes an operational structure that correlates and connects the human resources management system with organizational performance, from the perspective of quality of service. The model is adapted from the proposal of Applebaum et al. (2000) and Marin-Garcia and Tomas (2016), which argue that the results of human resources management (Competence – motivation - opportunity) mediate the relationship between the management system of human resources and organizational performance. In addition, the model was founded also from the allegations of Bowen and Ostroff (2004), which emphasize that a human resource management system, characterized by the trilogy of clarity – consistency – consensus, is important for creating an environment which in turn facilitates the influence that the effects produced by the human resources management system have on the results of employees (competence – motivation-opportunity) and, finally, on organizational performance (quality of service).

**Keywords:** integrated model, HR management, organisational performance, quality of service

## **CAUSES AND CONSEQUENCES OF INFANT MORTALITY EVOLUTION IN THE LAST HALF CENTURY IN ROMANIA**

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**Abstract:** The study presents the main causes and consequences of the specific evolution of infant mortality rate in our country starting with 1967. The infant mortality rate is an extremely important statistic indicator for definition of demographic behavior of a national population and also an essential component of any macroeconomic and macro-social aggregate. The demographic policy in our country has impressed a specific trend of this indicator, with visible negative consequences and after half a century.

**Keywords:** infant mortality rate, endogenous mortality, exogenous mortality, demographic policies

## **CURRENCY RISK - CURRENCY BALANCE TOOL**

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**Abstract:** The economy of a State or group of States (European Union) is influenced by a multitude of endogenous and exogenous factors, many of them with contradictory actions, as exemplified in this paper, as so, the cyclicity of economic phenomena represents a start to depart from when one develops strategies or studies the evolution and trend of the economy. Environmental financial risks, as a whole, take into account hedging strategies, which have become increasingly common. These transformations affect the very structure of the financial and monetary markets. Trade and financial integration should lead to reduced risk, but not always this aim is achieved and presents high costs. The increase in financial markets has led to a certain opacity in the confidentiality of transactions. A part of the most important financial centers migrate to offshore tax in order to reduce costs. Forecasts concerning market developments are risky to make in the context of structural developments that have entirely shattered financial system in recent years. Globalization and interconnection of economies and markets have restricted scope of monetary authorities.

**Keywords:** currency balance, inflation, currency risk

## ENTREPRENEURSHIP AMONG IMMIGRANTS IN EUROPEAN UNION

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**Abstract:** The paper offers analyses the entrepreneurial initiatives of immigrants in European Union. The main objectives of the research are: identifying the economic entities developed by immigrants; establishing the obstacles and limits of entrepreneurial initiatives and also the advantages for the host countries; identifying the EU policies for supporting these initiatives; offering some recommendations for raising the level of inclusion for the immigrants in EU. The aim of the paper is to offer some recommendations in order to increase the inclusion of immigrants in the member states of EU and thus increase their entrepreneurial initiatives with important advantages for both the immigrants and the host countries.

**Keywords:** immigrants, entrepreneurship, inclusion, European Union

## DOES MARKETING EVOLVE?

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**Abstract:** In a world of constant change, marketing needs to evolve. This is why new concepts are emerging which represent the trend in marketing, both in academic research and in managerial practices. Taking into account the impact on the whole company, the impact on the marketing department, the strategic marketing and the operational marketing, this article is aimed to outline the use of strategies of green and societal marketing, tribal marketing, brand, generational marketing, mark employer, experiential marketing, ambush marketing, sensory marketing, M-marketing.

**Keywords:** trends, marketing, strategy

## TRANSFORMATIVE SOCIAL INNOVATION WITHIN CREATIVE & CULTURAL COMMUNITIES. CHALLENGES & OPPORTUNITIES TO SHIFT FROM SHARING TO CARING

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**Abstract:** The main goal of the paper is to highlight the importance of the transformative social innovation (TSI) approach, in the case of local creative and cultural communities (CCC). Promoting a cross disciplinary, integrative and complex approach, the paper illustrates examples of best practices for some hub networks. TSI suggests a paradigmatic changes of people behavior that shifts from sharing to caring. People have not only to enjoy to share, but also to prove they care mostly about the less fortunate people facing complex existential challenges. TSI approach applied on the level of CCC asks people, organizations and institutions to face in a pro-active way different challenges by adjusting and/or providing alternatives supporting new relations and new ways of thinking & acting. Taking into account the main message of 2018, declared as the European Year of Cultural Heritage, the paper promotes an intergenerational constructive dialogue on the level of CCC. By providing valuable alternatives for past to meet present & future, CCC have to prove respect for the cultural heritage of past generation, using the talents, creative and innovation potential of the living generations and identifying possible pathways towards a sustainable, inclusive and resilient development for future generations. CCC support TSI approach and provide effective & efficient alternative ways for addressing both current, but also expected and anticipated challenges, thus contributing to a significant improvement of people's lives. Opportunities for applying TSI approach seem to be higher in the case of CCC in the context of a cultural and creative economy.

**Keywords:** transformative social innovation, creative and cultural communities, creative and cultural economy

## **IMPROVING PRUDENTIAL SUPERVISION IN ORDER TO ENSURE BANK STABILITY IN MOLDOVA**

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**Abstract:** The collapse in 2008 and subsequent global crisis highlighted the need for closer supervision of the banking business, nationally and internationally. This is possible through better coordination between supervisors in different countries in terms of early detection of risk factors and anticipation effects on banks that manage risk properly.

Given the interconnections within the banking system and support the national economy (and global) over banks, it is important for supervisors to maintain control over these institutions in the field of risk management. It is noted, however, that despite the existence of a large number of limitations imposed by the prudential regulation and supervision of banking systems, both national and international have found themselves in front of a huge global financial crisis. Basel III is more than a set of regulations, its provisions are fundamentally and testing banks' ability to produce profit. Reforms aimed at micro level - in order to increase the resistance of individual banking institutions to periods of stress and, respectively, the level of macro - in order to reduce the frequency of financial crises. The new standards are designed to improve the banking sector's ability to absorb shocks through superior risk management under the coordinates of enhanced governance and increased transparency conditions.

**Keywords:** banking supervision, Basel standards, prudential regulation, risk management, banking stability

## **REFORMING REGIONAL DEVELOPMENT POLICIES IN THE EUROPEAN UNION**

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**Abstract:** The research focuses on the analysis of EU cohesion policy and the impact of current socio-economic challenges on the future shape of this policy, with a focus on issues related to the different levels of development of the regions of the Union. The paper has an analytical character and is based on secondary data, legislation and highlighting the integration process based on press releases, articles in the field. Cohesion policy combines two aspects, one main and one subsidiary one. According to the first aspect, it aims to reduce the regional and social imbalances that the single market tends to exacerbate. In the alternative, it refers to what was once discussed as a European spatial planning, a concept that has now been replaced by that of territorial cohesion. Regional development objectives have been defined in a general way and replicated for years. The stimulus policy, however, failed to further hinder the delays in underdeveloped regions. Brexit has led to a reassessment of the EU integration model, including how the EU responds to territorial inequality, but it is just one of the many influences on the future of regional policy in Europe.

**Keywords:** cohesion policy, spatial planning, territorial cohesion

## **THE FISCAL PRESSURE AND THE DANGER OF BUSINESSES SLIPPING INTO THE INFORMAL ECONOMY**

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**Abstract:** States try to expand their tax system without taking into account the increase in fiscal tensions. Fernand Brauder said: "This increase in the tax burden is relatively recent, but it is accelerating year after year as a result of the role of providence and, at the same time, the appeal to a strong taxation as an anti-crime measure, able to reduce consumption." So a state that spends its money intelligently draws on it the existence of relatively low fiscal pressure, compared to states that spend without thinking about consequences, inefficient. For taxpayers, tax evaders and tax evasion, tax evasion and tax evasion is a challenge in terms of fairness and fiscal fairness, in relation to tax regulations imposed by the State in which you operate, but also by the European Union, whose Member State is that State. This responsibility, being fiscally correct to state institutions imposing taxes and taxes, is an essential condition for tax reforms to be socially, politically and geographically acceptable. In general, the effects of fiscal evasion are fiscal, through the direct and proportional diminishing of the state budget through fraudulent sums. The effects of tax evasion are obviously negative, being felt concretely and with immediate effects on local and state budgets, also influencing the activity of firms.

**Keywords:** fiscal pressure, fiscal evasion, tax reform, state budget

## **REGIONALIZATION AND ADMINISTRATIVE-FINANCIAL DECENTRALIZATION. TRANSFERRING SKILLS FROM THE CENTER TO THE REGIONS**

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**Abstract:** Over the last few years, longer-term EU strategies have been overstretched by short-term concerns about macroeconomic and fiscal imbalances and how to correct them. With clear evidence that the eurozone crisis has finally been overcome, strategic prospects will be needed again and they expect innovation, climate change and migration to center on. The theory of a new regional policy has evolved over the last few years. A new regional policy seeks to address the negative consequences of fragmented government structures. They focus on the cooperation of regional authorities, which can enable regions to be more competitive in the global economy and provide financial strength and other forms of cooperation to poor cities so that they can effectively contribute to the economies of their regions. Institutional capacity and good governance must also move from rhetoric to action that can be achieved and convincing. They must recognize that the consolidation of administrative capacities outweighs the capacity to have "fair" human resources, systems and tools and that there are strong political and cultural barriers to good administration.

**Keywords:** decentralization, government structures, regional authorities, strategies

## **LOCAL PUBLIC FINANCES IN A NATIONAL FINANCIAL SYSTEM**

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**Abstract:** Overview of the theoretical notions on local public finances and the current approach to the concept of local public finances and where they are within the financial system. Decentralization and financial autonomy are topics of topical research as it reflects the current problems faced by the public administration sector local. The purpose of this article is to find solutions and methods of approach the problems faced by our country, but also other states in the world regarding the financial decentralization which is a concern of the specialists in economy and finance. The actuality of the article is demonstrated by the need to improve services local public services provided to citizens, which requires careful and permanent analysis correcting the implementation as well as the evolution of the process of financial decentralization in general.

**Keywords:** local administration, finance, financial autonomy

## **REGULATION FRAMEWORK ONE OF THE GREATEST CHALLENGES FOR AN EFFICIENT EUROPEAN BANKING SYSTEM**

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**Abstract:** It is more than clear that the banking system is one of the most regulated systems in the economy. Moreover, after the 2007-2008 financial crisis, the amount of regulation increased and the challenge of adapting to the new framework is becoming an important and complex goal for all credit institutions all over Europe. The present article is an overview of how banking regulation has evolved in the European Union, starting with the first steps and negotiations on creating the single market, regulation framework. More than that, regulation means an increased complexity, and all are transferred into additional costs that are creating one of the greatest challenges for the European banking sector. Additionally, the article is resuming the latest impact of technology and the high adoption rate by consumers, which is creating a disturbance on both commercial players and regulators.

**Keywords:** Banking Union, harmonization, single market, deregulation

## CONSIDERATIONS RELATING THE MONETARY POLICY STRATEGIES AND THEIR EFFICIENCY. CASE STUDY FOR COUNTRIES INCLUDED IN THE CONVERGENCE PROCESS TO THE EURO AREA

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**Abstract:** Knowing the impact of monetary policy decisions on the main macroeconomic variables and understanding how monetary policy decisions are adopted, implemented and communicated to the public in order to stimulate the economy increasing the welfare of the population has been a determining factor to focus our research on the issue of monetary policy strategies. As a thematic area, such a subject falls within the broad field of monetary economics in a way that allows rigorous analyzes, supported by concepts included in the area of finance, international economic relations, European integration and macroeconomics. This paper aims to address the monetary policy strategies used by central banks in the Central and Eastern European countries, currently on the road to the adoption of the single European currency. The analysis is geared to the monetary policy strategies adopted by the monetary authorities in Bulgaria, the Czech Republic, Croatia, Lithuania, Poland, Romania and Hungary, all this seven countries being committed to adopt euro under the Treaty on the Functioning of the European Union. The importance of such a topic derives from the contribution of monetary policy strategies in meeting the necessary conditions for access to the euro area and their impact towards the monetary policy strategy of the European Central Bank.

**Keywords:** monetary policy, monetary targeting, exchange rate targeting, inflation targeting

## RESPONSIBILITY OF THE COMPANY TO CLIENTS AND EMPLOYEES

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**Abstract:** New technologies have created new and useful products. Competition between manufacturers is a factor in product quality. However, competition sometimes forces the sale of products before they are properly tested. In fact, untested technology creates risks that are unknown before using the product. Designing the product that is diverse and technologically complicated has also increased the severity and frequency of damage. The number of flawed products is estimated at 50 million per year at a nationwide annual cost of \$ 50 billion. Therefore, it is necessary to reduce the risk of injury and to compensate the injured consumers. The companies' responsibility towards their customers is divided into two important parts: Responsibility to the client and responsibility towards the employee. From the client's point of view, we also studied social responsibility through the prism of responsibility in the production process and the process of selling. At the same time, I have seen how our clients fulfill their customer responsibilities as well as their feedback. And last but not least, how does the government ensure the fulfillment of customer responsibilities both in terms of product and industry and its involvement in advertising regulations and competition in industries. Under the responsibility of the employee, companies must provide them with safety, appropriate treatment by other employees and equal opportunities for all. In this regard, I have tried to explain how companies fulfill their responsibilities to employees by establishing the employee's safety at the workplace, appropriate treatment by other employees, the diversity of company employees according to the size and diversity of firms. And last but not least, the prevention of sexual harassment at everybody's jobs, equal chances as well as contradictions caused by layoffs in general.

**Keywords:** consumer behavior, manufacturers' responsibility, product liability, human behavior, quality control

## COMPARATIVE STUDY OF THE ECONOMIC CONVERGENCE PREMISES OF THE MAIN EMERGING EUROPEAN UNION STATES

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**Abstract:** European economic and monetary integration is based on the principle of economic convergence (nominal and real). Nominal convergence is a process alongside economic policies that have a direct impact on aggregate demand (monetary, fiscal and budgetary policies). Real convergence, much more difficult to achieve, refers to the effects of economic policies on aggregate supply - structural reforms that determine the medium and long term economic potential. Central and Eastern Europe is a heavily integrated economic and financial region in the European Union (the

main economic partner). Considering the complexity of the economic (real and nominal) convergence process of European countries, I found it interesting and useful to carry out a comparative analysis of the current situation in the emerging economies, as compared to the euro area, in the post-crisis period.

**Keywords:** nominal convergence, real convergence, monetary integration

## **BUSINESS INTELLIGENCE SYSTEMS - SUPPORT FOR TACTICAL AND STRATEGIC MANAGEMENT**

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**Abstract:** Business Intelligence solutions are a new generation of Decision Support Systems. They provide real-time summarized information, which is useful in tactical and strategic decision making. Business Intelligence takes advantage of the transactional company data, offered by ERP (Enterprise Resource Planning), CRM (Customer Relationship Management), SCM (Supply Chain Management) and other information systems. The paper presents the benefits of using Business Intelligence systems and the criteria to be considered when choosing an implementation solution. It analyzes the offer of Business Intelligence solutions and the tools used in their development. The focus is on the facilities offered by Excel and Power BI.

**Keywords:** Business Intelligence, Decision Support Systems, tactical decision, strategic decision, Excel, Power BI

## **CRITICAL ASPECTS IN BRANDS EVALUATION**

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**Abstract:** Today the value of an organization depends, to a large extent, on the value of its intangible assets. These includes know-how, organizational culture, organizational reputation and brand. Brand is an asset that can have a major impact on the good business performance by influencing business partners, consumers and other stakeholders. The current state of knowledge has seen a greater development in the valuation of tangible assets and less on the valuation of intangible assets. Both types of assets are typically valued by the market. Managing the financial value of brands is not yet fully crystallized. On the other hand, the value of brands for the companies and for consumers is well acknowledged. Brands being an intangible asset, the question is how can be identified the value of brands so that this value is as close as possible to reality. In this paper we approach brands evaluation by focusing on three critical issues: what to evaluate, the necessity of evaluation and how to evaluate brands.

**Keywords:** brand, brands evaluation, intangible assets, market valuation

## **INCOME TAX IN ROMANIA: WHERE TO?**

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**Abstract:** Personal income tax is a topical subject because this tax has a very significant impact on the state budget in any country. There are two types of tax rates in the world, some expressed in percentage terms in relation to the value of the taxable material (in the case of income tax, profit tax, etc.), others in monetary unit on the value of the taxable material (in the case of excise duties). In their turn, the percentage taxation rates may be progressive and proportionate. We have shown in the article that developed countries of the world practice in the case of individuals the progressive tax, and the former communist countries, including Romania, the proportional one through the single tax rate. Our purpose is to show that the proportional tax, in addition to failing to comply with the principle of fiscal equity, nor can it bring significant sums to the state budget. We came to the conclusion that in Romania of the year 2018, the single tax rate for individuals of 10% will not be able to bring sufficient budget revenues to GDP; for example in 2017, income tax in Germany accounted for 8.9% of GDP, while in Romania only 3.5% of GDP. The solution that we see in the near future is the transition to progressive and global taxation in Romania.

**Keywords:** income tax, progressive tax, single tax rate, global tax, the principle of fiscal equity



## THE IMPACT OF GRANTING TRAVEL VOUCHERS ON REVITALIZING DOMESTIC TOURISM

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**Abstract:** One of the most popular governmental measure adopted in the field of tourism is the OUG 46/2017 on the granting of holiday vouchers to all employees of the public system, for a value that equals the minimum net salary in the economy. Up till now, the application of this measure has released in the economy over 370 million euros, funds that determined a visible impact on the development of domestic tourism. The current article makes an analysis on the economic impact that OUG 46/2017 has on the development of the domestic tourism and the future perspectives generated by the application of this measure in 2019 as well. The analysis is based on secondary data as well as specific scientific literature.

**Keywords:** tourism, travel vouchers, OUG 46/2017, economic development

## THE ATTRACTIVENESS OF BANK STOCKS TRADED ON THE BUCHAREST STOCK EXCHANGE

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**Abstract:** This paper deals with a topic that generates significant interest in today's context. Thus, as the profitability of bank deposits is derisory or, sometimes, does not even exist, more and more natural persons and legal entities seek investment alternatives. In our opinion, an alternative would be placements on the capital market. Out of the many shares traded on the Bucharest Stock Exchange, we believe that any investor should take bank stocks into consideration when making up his/her portfolio. In order to show this, we have analysed the profitability of the shares of TLV, BRD, DBK and EBS in the latest years, considering both the increase in added value and net distributed dividends.

**Keywords:** investment, share, portofolio, bank, profitability

## APPLICATIONS OF OPTIMAL CONTROL THEORY IN THE STUDY OF INVENTORY AND PRODUCTION PROBLEMS

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**Abstract:** We solve a problem of inventory and production using the Pontryagin Maximum Principle at the level of a Lie algebroid. We prove that the framework of a Lie algebroid is more suitable than the cotangent space in order to find the optimal solutions of a driftless control affine system with integrable distribution.

**Keywords:** inventory and production, optimal control, controllability, Hamilton-Jacobi-Bellman, equations, Lie algebra

## TOURISM - A MEANS OF DEVELOPING THE NATIONAL ECONOMY

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**Abstract:** Tourism is an important component of the economy, along with the development of tourism, other branches such as services, construction, commerce, will develop. That is why tourism is said to be a branch of interference. Besides these aspects, tourism has a number of major advantages as it helps to distribute the income of the population, being also an instrument through which inequalities between different geographic regions will be unified. This paper aims to measure the impact of tourism on economic development, but also to assess current measures to promote national tourism and their impact on economy. The paper is also a model, a starting point for designing other tourism promotion strategies, taking into account local specifics and area development. For this analysis, we used data on the

incomes obtained through tourism, as well as their weight in the Romanian GDP as compared to other countries in the European Union.

**Keywords:** tourism, development, GDP, unemployment

## **PERSONALIZED RELATIONSHIPS, CUSTOMER BEHAVIOR, THE EVOLUTION OF TECHNOLOGY, KEYS THAT INFLUENCE BUSINESS MODELS IN RETAIL BANKING**

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**Abstract:** The traditional serving model for customer doesn't exist anymore. Clients are more sophisticated; they want more than a service or a product and the evolution of technologies allowed the new players to score, offering the consumers a better experience through new ways and products. The technology development grows the bidirectional flow of information between customers and banks; that's why banks must react rapidly and should have the ability to increase the customers' commitment and satisfaction. The regulatory authorities try to increase competition and innovation offering access to the clients' data to all the players on the market; this situation is a threat for the existing banks because they may lose their primary relation with customers. The evolution of digital technologies creates a new philosophy about future business models, the change of models being determined by four major factors, namely: customers' expectations and behavior, concerns about profitability, increased competition and regulatory changes. The impact of Fintechs on business models of traditional banks manifests through two main directions, digital transformation and digital disruption, as we can imagine better banks, new banks, distributed banks, downgraded banks or irrelevant banks. It is certain that business models have changed in recent years and will certainly change in the future.

**Keywords:** customer segmentation, personalized relationship, customer behavior, technology, digital

## **COMPANY'S FINANCIAL PERFORMANCE VERSUS SOCIAL PERFORMANCE - A STATE OF THE ART ANALYSIS**

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**Abstract:** The bi-dimensional approach to financial performance versus social performance is a highly current one in the context of the global economy at this time when economic developments such as the recent economic crisis or present political and social trends are increasingly challenging pre-existing business models. There is a need for a new approach, a re-conceptualization and rethinking of the classic business model, but also, for the clear evaluation and identification of the two components of the company's performance - financial and social. This paper aims to establish the state of knowledge in the field of social performance assessment of the company, including Romania and Central and Eastern Europe, in the context of the need to analyze the correlation between the two types of performance, and the identification of a matrix of indicators considered as the basis for such an analysis. Then, these will represent useful tools in proposing an integrated model for the companies' evaluation from a financial and social (sustainable) perspective.

**Keywords:** financial performance, social performance, business valuation

## **GROWTH AND ECONOMIC DEVELOPMENT IN THE CONTEXT OF A SUSTAINABLE ECONOMY**

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**Abstract:** Under the current conditions of the 21st century, of a continuous and fierce struggle for supremacy and international recognition, contemporary economies are in a no-favored position to acquire new techniques, tools or methods that provide them with a considerable advantage over the main competitors in the market. The overall objectives of each economy are to ensure stability and balance in terms of the economic environment, price stability (inflation control), employment (unemployment control), economic growth, balance (balance of payments stability) and in ensuring budget deficit control (public debt sustainability). All of these components of the economic environment

have a high interconnection with other components of the global system, which leads to performance. Economic growth is accompanied by economic development and is one of the main challenges of modern world economic architecture. The complementarity of the processes of economic development, economic growth and quality of life continues to attract the interest of economists, sociologists, politicians, businessmen or common citizens, being omnipresent in the current economic activity. In this paper I will describe, from the conceptual point of view, these two aspects: economic growth and economic development. The two aspects, economic development and economic growth are not exclusive, they alternate in the economic evolution of a country. Economic and financial crises have led to an increase in the importance given to this subject in economic theories, as well as a review of the whole economic, financial and, last but not least, social system.

**Keywords:** growth, economic development, sustainable development

## SUNK COST FALLACY IN HOLIDAY

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**Abstract:** According to the Evolution Theory, the human kind should win all battles to survive. In modern times, this has been evolved as "win but always win" or "earn but always earn not loose". An ordinary human being avoids risk taking but usually s/he cannot escape from the fallacy of sunk cost. In this paper, we searched whether the sunk cost fallacy differs as a result of the existence or absence of the risk factor. Hence, two scenarios, i.e., holiday with terrorist attack risk and holiday without attack risk were developed. The results reveal that the people on holiday without terrorist attack risk fall into sunk cost fallacy error while others do not. On the other hand, men tend to have more sunk cost fallacy than women do.

**Keywords:** sunk cost fallacy, behavioral Economics, tourism, holiday, biases

## SOCIAL NETWORKS AND THEIR INFLUENCE ON TRAVEL

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**Abstract:** Travel and Tourism Industry is based on a huge amount of information, which has led to a fast adaptation to the development of communication technologies, multimedia applications and information systems. The use of modern technology in today's society has pushed the interaction barriers of human behavior in different areas. The internet represents the most important and influent tool of information technology, which has changed the tourists' behavior and allowed the direct interaction with suppliers, thus avoiding intermediation. Modern mobile devices have software that allow downloading apps, including those designed for the travel and leisure segment. Almost any online travel company offers consumers the possibility to install on those devices, apps that can make online reservations of tourist services, obtain quotes, find out information about a particular destination or goal. The widespread use of the internet in searching of information due to the travel and tourism sector, but especially the emergence of different applications associated with Web 2.0 technologies, such as: Blogs, Facebook, Instagram, Twitter or Google+, has made people interested in traveling, acquire the necessary information in a more practical way and communicate in real time with service providers. We can say that the web culture has revolutionized the travel and tourism industry. Social networks such as Facebook, Instagram or Twitter, increase both the number of users from one day to the other, and also their role in the consumer interaction area, currently representing the most modern and innovative marketing method combined with the distribution and sale itself. One of the networks with the greatest impact on tourism is Instagram. This network has been successful since its launch in 2010, and since then it has been on the rise, reaching over 300 million active monthly users, 70 million pictures taken daily on the network and over 2,5 billion reacts every day. The social networks have a great impact over any industry, and tourism is not an exception. The functions they have at the moment are playing a key role in travelers' experiences, from how they get information, how they realize the product analyzes, how they purchase tourist services, even up to sharing their own experience. The travel and leisure industry depends a lot on spreading the opinions and impressions and social networks provide a perfect platform for them. The online environment is one of the most powerful tool in travel planning, and an eventual failure can lead to company losses. A study of Hotel Marketing shows that 64% of tourists are using social networks while travelling, and 22% of those are sharing their travel experience on different blogs. Also, 55% of Facebook users have appreciated at least one page related to holiday and travel. Social networking represents a great tool for long-term customer loyalty and less efficient for generating short-term reservations.

**Keywords:** social networks, travel, customer loyalty, leisure industry

## FOREIGN DIRECT INVESTMENTS IN ROMANIA - AN INSIGHT INTO THE DOMESTIC BUSINESS ENVIRONMENT APPROACH

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**Abstract:** Given the ongoing accelerated economic evolutions during the past decade, including the recent economic and financial crisis, the Romania business environment has become home for a significant number of multinational investing companies and thus, determining a direct impact on the overall economic climate and development. This paper aims to provide a realistic insight into the structure and development of such companies operating in Romania. "Which are the strategies of multinational companies' subsidiaries? Which are their aims in terms of development?" and "What is their influence in terms on the Romanian business environment?" - these are the main questions this research is aiming to answer based on an empirical research of the data collected from foreign firms. Thus, we envisage an analysis of specific corporate strategies applied and adapted to the host business environment in Romania.

**Keywords:** foreign direct investments, business environment, Romania

## ECONOMICS EFFECTS OF MIGRATION IN THE MIDDLE-EAST COUNTRIES

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**Abstract:** My research paper emphasizes on both advantages and disadvantages of the immigration whether in the original or host countries. Definitely Immigration becomes a prominent political and economics issue in Europe based on human right "Everyone has the right to freedom of movement and residence within the borders of each state. Everyone has the rights to leave any country including his own and return to his country." Today, over 200 million people or about 3% of the world population, leave outside their countries of the birth. The real reason behind immigration seem have several facts which can be the lower cost and lack of job opportunities with the compare to other industrial countries, also the poverty suppressed and political conflicts yielded the immigration phenomenon in particular in the Middle-East. While "migration has economic, social, and cultural implications for the sending and host societies, remittances the migrants send home are perhaps the most tangible and least controversial link between migration and development." (Ratha 2007) Immigration can cause conflicts between local cultures in cultures of foreigners. Immigration movement is very complex phenomenon for effects of both home and the host country. "Migration is a decision that impacts the welfare of the household, the home community, and in the end the whole economy in various ways." (Azam and Gubert 2006). The study will endeavour to analysis the real reasons behind the imigrants from the Middle-East to Europe and considering the several reasons that incentive to enforce people to immigrate for another country.

**Keywords:** migration, economic effects, advantages and disadvantages

## EU-CHINA: COOPERATION AND TRADE

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**Abstract:** This article aims to present the current trade situation between the European Union and China, taking into account a number of factors such as globalization, integration of relations between nations, and changes in international trade. The commercial relationship between the two entities is extremely important, given that the Chinese state ranks second among the main EU partners (after the US), and the EU is China's most important partner. At 2017, the European Union imported from China goods worth 374.8 billion euros and exported goods worth 198.2 billion euros, resulting in a balance of -176.6 billion euros for goods. In terms of trade in services the EU with China, it had a balance of 8.8 billion euros in 2016, meaning 29.6 billion euros for Community imports and 38.3 billion euros for exports. According to data presented by the European Commission, the average daily trade of the two is about one billion euros. All these statistical aspects as well as elements of the Community investment policy and measures suggested by European Union specialists to eliminate dumping will be presented below.

**Keywords:** globalization, integration, cooperation, trade, investment policy

## THE STEPS OF THE TERRITORIAL COHESION PROCESS

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**Abstract:** Territorial cohesion, together with the economic and social cohesion, occupies an increasingly important stance among the policies of the European Union. A complex concept, constantly evolving, constantly adapted to the needs and realities of the community space, but also to the global ones, territorial cohesion is considered a synonym for balanced development. Even though a concrete definition of territorial cohesion can not be drawn, we can delimit some generally accepted terms - balanced territorial development, reduction of disparities and the capitalization of territorial potential. In other words, territorial cohesion is the expression of the balanced, harmonious and coherent development of the territory in terms of economic, social, environmental quality, endowment and better living conditions for all citizens, regardless of the area or place where they are located.

**Keywords:** territorial cohesion, balanced development, programming, competitiveness, reform

## CONSIDERATIONS ON FOREIGN INVESTMENT IN ROMANIA AFTER ECONOMIC CRISIS

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**Abstract:** The financial crisis has strongly marked the countries all around the world, with, with few exceptions, due to the rising indebtedness of the states and banks passed through a prolonged recession. The year 2013 seems to have been a year of transition of the world economy towards a new economic cycle, experienced by Romania too, which has done some progress in consolidation and stabilization of the public finances and in resuming economic growth, which must be followed by economic development. The economic development it's a concept more complex than economic growth, which implies the long-term sustainable growth designs, based on the optimal use of the available resources, through the development of innovative potential and human capital, through social inequalities reduction, and so on, in which the investment process has an important role. From this point of view, it is important to analyze the factors that influence the attraction of foreign investments, as a vector of economic development, in an international context, but also from the point of view of the internal framework of manifestation.

**Keywords:** economic development, sustainable growth, economic recession

## SECTORAL APPROACH OF TO INVESTMENT PROGRAMS AND PROJECTS AS AN INTEGRATED PART OF NATIONAL AND REGIONAL COHERENT POLICIES

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**Abstract:** The sectoral approach aims to extend the impact of the results of a program or project beyond the immediate purpose of a specific financier. This new type of approach aims the achievement of programs with public funding, obtained from local and external resources, to support the development and implementation of fair, well-balanced and satisfying policies. Therefore the financiers have evolved from financial support for specific activities to the co-financing of the development policies with the partner country and other financiers. These, much better coordinated efforts, aim the government's objectives in a coherent sectoral public spending program. Under these circumstances, the external assistance provided by the funding institutions will be increasingly harmonized with the government's development plans and the national budget.

**Keywords:** investment project, co-financing, stakeholder

## THE CONCEPT OF FISCAL POLICY

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**Abstract:** The concept of fiscal policy is presented with different nuances, emphasizing its side of the tax system promoted by a state. Fiscal policy can only be conceived as a mix of the resources available to the state and the destination of these resources, in fulfilling its functions and tasks. Fiscal policy represents the whole of the decisions that make the structural modeling of the fiscal system, ensuring its functioning in order to obtain the desired results by the public decision maker in the economy. Fiscal policy is a component of the state's financial policy, which includes the set of regulations on the establishment and collection of taxes and fees and decisions on public expenditure to be financed. But its components have to be reconciled with the fiscal or monetary policies, respectively with the pricing and employment policies, etc., in order to integrate into the general policy. Fiscal policy is important for all countries of the world, and it becomes essential when we talk about a group of states that want to act and develop together. Actions in a country have an impact in other countries. Thus, the tax system must be as simple and as neutral as possible.

**Keywords:** finance, economy, fiscal policy, globalization

## OVERSTOCK VERSUS STOCK RUPTURE

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**Abstract:** In terms of optimizing the activity of an entity, the volume and the structure of the stocks have an important role, which can have both positive and negative influence on the results of the entity's activity. Overstocking leads to the blockage of entities' liquidities, the deterioration of raw materials and materials, while stock breaks lead to disruption, loss of sales, which actually means diminishing profits, and losing customer credibility. The risk of getting into one of these situations can be significantly diminished with a system of inventory planning and optimization. This system is designed to predict, plan and determine the optimum amount of inventory needed to ensure continuity of activity. In this study, we will focus on maintaining a balance of volume and stock structure, ie efficient inventory management so as not to get into such situations.

**Keywords:** overstock, stock rupture, inventory management

## COORDINATION OF AUDIT WORK BETWEEN THE INTERNAL AND EXTERNAL AUDIT

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**Abstract:** The audit function is an essential element in managing public finances and improving public performance in general. The purpose of this paper is to encourage co-operation between internal and external auditing by identifying audit contact points and developing common methodologies. In the field of internal and external audit, standards have been developed to guide this activity and are used by auditors and relevant structures as reference points to carry out audit work. By its nature, the audit covers a variety of activities and themes that act as a mechanism by providing guarantees to governments, ministries (internal audit) and Parliament (external audit) that public funds are spent in accordance with the legislative framework and that the use of public to the government correctly represents its financial position, as well as the promotion of public resources with efficiency and effectiveness for the benefit of taxpayers. Even though external and internal audits have different roles and responsibilities, their common purpose is to promote good governance by contributing to transparency and accountability. Through this study we intend to analyze the level of coordination of internal and external audit, represented by the Romanian Court of Accounts, based on the specific requirements of the international auditing standards INTOSAI, in particular the Lima Declaration, INTOSAI GOVs 9100, 9120, 9130, 9140 , 9150 which refers in detail to the specificity of the relationship that should exist between the two types of audit, as well as to the review of the relevant legislation governing these two functions.

**Keywords:** internal audit, external audit, INTOSAI standards for external government auditing

## AN ECONOMIC PRICE ANALYSIS OF CONVENTIONAL REMISSION THERAPY VS BIOLOGICAL THERAPY FOR RHEUMATOID ARTHRITIS TREATMENT

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**Abstract:** Rheumatoid arthritis represents the most common inflammatory rheumatism, affecting about 1% of the general population. Inappropriately untreated usually has a progressively aggressive perspective, generating pain and joint inflammation and functional disability. The severity of the disease results from the fact that more than 50% of patients cease their professional activity in the first 5 years of the disease, and 10% of cases show severe disability in the first two years of evolution. The aim of the study is to conduct a comparative price analysis between a conventional remission therapy and a biological therapy for rheumatoid arthritis in Romania. The data was obtained from the official pages of National Health Insurance House in Romania, and also the algorithm treatment for rheumatoid arthritis is followed.

**Keywords:** biological therapy, economic analysis, price analysis, comparative analysis

## COMMUNICATION WITH THIRD PARTIES - SUPPLIERS AND CLIENTS

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**Abstract:** Customer Relationship Management addresses this aspect of good and effective continuous partnership communication. Customer Relationship Management is also an old and established concept in business practice as well as CMR literature CMR- Customer Relationship Management has grown into a major element of the business strategy of many businesses, based on the creation, development special relations of communication with clients in order to increase their profitability but also of the company they belong to. This type of strategy allows the rapid adaptation of organizational behavior to changes in the market, so the company applying it will be able to better meet the clients' wishes and exigencies: increasing the customer database by attracting programs, developing customer loyalty strategies and increase their profitability through additional sales.

**Keywords:** communication, suppliers, customer relations

## CORPORATE GOVERNANCE AND ITS IMPORTANCE IN ACTIVATING THE QUALITY AND INTEGRITY OF FINANCIAL REPORTS

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**Abstract:** The importance of the governance corporation to enable the quality and integrity of financial reports The study aims to show the importance of the governance corporation to activate the quality and integrity of financial reports produced by companies by explaining what should be compelled to write in writing reports and statements financial and non-financial accounts according to international accounting standards to be transparent and integrated. Its purpose is also to confer on auditors the independence by assigning them to an audit commission to provide additional services in addition to evaluating the risk assessment, consultation and service control tool related to Governance and Independence of the Board of Supervisors. This would allow and improve the overall quality of the external process. Consequently, this will stop administration fraud on accounting regulations and rules. Then, it will help increase the efficiency of risk assessment and generate the real value of the company by reaching an intelligent governance corporation.

**Keywords:** good governance, financial reports, quality of integrity

## FINANCIAL PERFORMANCE ASSESSMENT IN THE SUPPLY CHAIN

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**Abstract:** Supply Chain Management is continuously seeking to bridge the gap between supply chain practices and the assessment of financial performance in the supply chain. As a result, the connection between the two concepts has been widely assessed and theorized, outputs ranging from published cases of best practices to the globally acknowledged SCOR model. Existing literature has focused on individual supply chain practices and their assessment through corresponding financial performance indicators. Hybrid practices in the field of supply chain, exemplified best by the concept of 'leagile', have yet to be connected with relevant financial performance indicators. The present paper aims to create a framework to connect the concept of 'leagile' with relevant measures of financial performance that can be derived directly from the supply chain functions. The authors are focusing on employing latest research on the implementation of SCOR model and 'leagile' practices and integrating the two concepts into a framework that associates outcomes of the supply chain with financial performance indicators. Outcomes in the supply chain are represented by measurable inputs and outputs that have a direct or indirect impact on financial performance indicators. The resulting framework represents a solid foundation for analyzing financial performance starting from the supply chain functions.

**Keywords:** supply chain management, financial performance, leagile

## THE STRATEGIC THINKING OF THE OWNER-MANAGER OF SMALL BUSINESS, IMPACT ON THE MANAGEMENT CONTROL SYSTEM

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**Abstract:** Small businesses do not have the human and material resources to implement a strategy. However, they are more or less pursuing a guideline, which seems to be built by the owner-manager of a small business. This review of the literature review aims to identify the origin of this line director, as well as the way in which it is operational. The objective is therefore to discern the different levels of strategic thinking of the owner-manager of a small company. This requires determining the environmental and contextual factors that condition the reasoning of the leader. This is mainly the position - recurrent in small business. - dependence on a subcontractor. Decision-making - decisions that are mostly operational - in a hurry is the day-to-day life of business leaders. This research contributes to building understanding of the impact of small business owner-manager strategic thinking on their own management control system. It is placed in a perspective of better knowledge of management practices in small business and categorization of the owner-manager management control system.

**Keywords:** management control system, management practices, strategy

## ROMANIA'S DEVELOPMENT PROCESS IN THE CONTEXT OF GLOBALIZATION

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**Abstract:** The main objective of this paper refers to the competitiveness of the Romanian economy by delivering a real and coherent analysis of the economic situation in the context of globalization, explaining Romania's development process, the appraisal of competitive stage of Romanian firms, taking into account the effects of the economic and financial crisis. The research was directed to identify competitive norms, in order to analyze the performances of the Romanian economy. The criteria according to which were measured the performances, are related to the efficiency of products and services, investments, export performance, innovation. The issue of economic performances is essential to companies in countries like Romania, where their level of competition is situated below the European Union average and where there is a need to catch up with the alignment to the developed economies, by overcoming a significant gap.

**Keywords:** competitiveness, economic performances, international trade, globalization, European Union



## **MARKETING POLICIES IN THE EDUCATION AND EDUCATION SYSTEM**

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**Abstract:** In the modern world, in all countries, at all stages of development, there is a certain number of unemployed, a certain rate of unemployment, which means that a certain part of the population is looking for a job, according to training and expectations, personal requirements. On the other hand, many economic units, enterprises, companies, companies, organizations, institutions etc. do not manage to employ enough staff due to the existence of an offer of candidates that do not meet the requirements for training, specialization, qualification etc. The inconsistencies are not only quantitatively, but increasingly qualitatively and structurally. Public and private educational institutions, structured and organized, including on the basis of marketing principles, are increasingly aware that they have a certain responsibility and should be involved in solving such problems. They should not only be involved in the preparation of the workforce in general, but must ensure the satisfaction of concrete and real needs. The persistent searches, the formation of a segment of managers, eventually led to public / private educational institutions / units, to accept changes in radical optics, not to reject categorically, not to consider them unworthy new marketing guidelines and practices.

**Keywords:** demand, offer, competition, quasi market, educational product

## **ASPECTS REGARDING THE RESPONSIBLE TOURISM IN MEHEDIŢI COUNTY**

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**Abstract:** Tourism is a significant vector for the economic development of a region or even a nation. The factors underpinning the sustainable development of the regional tourism are different and numerous and in many interconnections, among which there are to be mentioned the natural resources, the anthropic resources, but especially the human resources with their wide variety and complexity, motivation, satisfaction, ability to provide a quality service. The elements of the relief, climate, habits and regional traditions, but also the anthropic frame the tourist potential which is of great attractiveness in the south-west region of the country. The prerequisites for a sustainable and profitable tourism being met, the economic operators in the tourism field have the task of capitalizing and exploiting the tourism resources responsibly in order to increase the regional living standard but also to protect and regenerate the natural tourism resources. Another important aspect is the creation and maintenance of a favorable image of the tourism region, and for this reason this process asks for the involvement of the specialists in tourism, in marketing and the representatives of the local public authorities. In Mehedinti County, over the years, there have been designed and implemented several projects that have had as a central element of interest the tourism (projects which aimed to identify the tourism potential and various forms of tourism practicable in the area, the development of specific types of tourism, cooperation projects with the neighboring regions for carrying out a tourist activity in mirror, etc.). In a decade passed since the first actions were undertaken to raise the awareness of the local population as well as of the regional decision makers in the tourism field about the benefits and tools of practicing a responsible and sustainable tourism, what are the current results in terms of increasing the living standard of the local population and to what extent the sustainable tourism is practiced in Mehedinti County.

**Keywords:** tourism, development, wellbeing

## **INTERNAL CONTROL - TOOL OR OBJECTIVE FOR STATUTORY AUDIT?**

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**Abstract:** Understanding the internal rigor, especially the elements of the reliability of financial reporting, is important for achieving the objectives pursued by statutory auditors. They need to have a sufficient understanding of it in order to identify the categories of transactions, significant accounting records, supporting documents, accounting flow and reporting of financial statements - all of which aim to minimize the possibilities of errors, gaps and fraud. They are also interested in the accounting referential applied within the company in order to be able to carry out a reality check with the regulations. Auditor's knowledge of the internal control system allows effective planning and development of an audit engagement as it will have implications in assessing the control risk and procedures to be used to reduce the

mission's risk to an acceptable minimum level. When talking about control, the audit and the verification can be implicit, but they are not far from the same substances and it is advisable not to confuse the language used. The internal control system therefore extends beyond those aspects that directly concern the entity's accounting and financial-accounting control system, comprising a large part of management and being in the forefront of defense against possible losses.

**Keywords:** internal control, audit, verification

## **CONSIDERATIONS CONCERNING THE ROLE OF FINANCIAL INTEGRATION IN IMPROVING THE FINANCIAL STABILITY**

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**Abstract:** Particularly, the creation of the European Union (EU) and, especially, of the Euro area has represented and continues to represent both a political challenge and an economic one. This aspect is determined by the high degree of heterogeneity that characterizes the Member States of the European Union. Thus, despite the fact that initially the degree of development of the Member States was similar, the enlargement of the European Union to many Central and Eastern European Countries and the adherence of the former socialist countries considerably reduced the level of economic homogeneity. On those grounds, the main challenge, unanimously accepted in the EU treaties, is to increase the degree of convergence and integration for the Member States. In this paper we analyse the most important benefits of financial integration, among which: acceleration of economic growth; decrease of vulnerability to crises; increase of liquidity and capitalization; improvement of financial stability; risk diversification; speeding up consumption; increase in foreign direct investments; strengthening of financial discipline, as well as the most important costs that the financial integration can induce: the loss of macroeconomic stability; inefficient allocation of capital; the volatility of capital flows and the increase in the degree of contagion.

**Keywords:** financial stability, risk diversification, macroeconomic stability, economic homogeneity, financial integration

## **CONSIDERATIONS REGARDING THE CONSEQUENCES OF FISCAL POLICY MEASURES ON THE ECONOMIC GROWTH**

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**Abstract:** Starting from the fact that the fiscal policy in Romania is unpredictable, and the continuous changes of the tax legislation have a negative impact on the business environment and the economic growth, in this paper I made a comparative analysis of the main taxes in Romania, in order to highlight their positive and negative impacts. In the first part of the paper I analyzed the literature on fiscal policy efficiency as well as its role in adjusting the macroeconomic imbalances and I concluded that the relaxation of the fiscal policy measures are influencing the contractions of the real economy, stimulating the private consumption, but also the fact that the procyclical fiscal policy measures have a negative impact on long-term economic growth. In the second part, I conducted an analysis of the positive and negative impact of VAT, corporate tax, income tax on dividends and royalties in Romania. The end of the paper contains the conclusions. Following the study we can see that fiscal policy measures are a key lever in achieving economic balance and ensuring a sustainable economic growth.

**Keywords:** fiscal policy, economic growth, economic balance, taxes

## **AN EMPIRICAL STUDY ON THE FEATURES OF THE INTERNAL MANAGEMENT CONTROL IN THE JUDICIAL SYSTEM – A CASE STUDY OF ROMANIAN COURTS**

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**Abstract:** Analysis of internal control in the judicial system is an important subject of study that must take into account the specificity of the activities carried out by the romanian courts. The main objective of this paper was to explore the features of internal control in the romanian courts and to develop the process flow diagram for performing the

procedures. For this purpose, we provide a coherent and unitary framework for the elaboration and approval of procedures within the romanian courts. The proposed flowchart is in accordance to the new regulations and separates steps of a process in sequential order. It is an instrument that can be used by the tribunals and the courts of appeal in their own internal control systems. The research adopts both descriptive analyses and case study and comprises some recommendations to improve the existing internal management control.

**Keywords:** internal management control, process flow diagram, romanian courts, procedures

## THE INFLUENCE OF THE HUMAN RESOURCES MANAGEMENT ON THE EMPLOYEE PERFORMANCE

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**Abstract:** The importance of this research study resides in the fact that the success of an organization depends on the quality of the human resources management and the ability to exercise its functions as efficient and effective as possible: planning human resources, recruitment and selection, training and development, employee welfare, awarding system, employee performance concept and employee performance assessment. Another objective of this study is that of establishing the importance of the human resources management functions and the way in which it influences the employee performance. It is essential for the employees to know how well they perform their duties, what gaps they have, to centralize their good results so that they can improve the activity they perform so as to ensure the principle of development, namely innovation and at the same time competitiveness. In the era of globalization and informational society, the investment in human resources represents the main means of ensuring success, competitiveness and performance of both organizations and employees.

**Keywords:** quality of human resources management, human resource management function, employee performance, innovation, competitiveness, success of the organization

## BORDER TABLE MANAGEMENT INSTRUMENT

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**Abstract:** In an organization, for all categories of managers, full and rigorous information is of particular importance. A very useful managerial tool for the synthetic and integral reflection of the observed phenomena is the dashboard. The Scoreboard is a set of pertinent information on the results achieved in the field of driving, presented in a synthetic, pre-established and operationally transmitted form to the beneficiaries. The Scoreboard is a system of indicators, in absolute and relative amounts, used to evaluate, control and regulate the work of the organization, which gives decision makers the ability to communicate with executives in order to obtain information on the conduct of all the organization's activities, to draw attention to key management points in order to improve it. The Scoreboard, as a tool for addressing decisions, is useful both in the preparation of decision-making and in the decision-making phase. The usefulness of the dashboard is to alert managers to analyze the problems, identify the real problems, investigate them, and verify the signals attesting a difference between the existing state and what it was intended to provide a diagnosis of the problem in order to correctly determine the directions action needed to resolve.

**Keywords:** scoreboard, management instrument, decision, decision making process

## PERSPECTIVES ON MANAGEMENT OF PUBLIC INSTITUTIONS

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**Abstract:** The management of public institutions is a challenging area of research in the context of ongoing changes within the public institutional system in order to ensure the efficiency and effectiveness of public institutions. In Romania, the reform of the public sector cannot be achieved without major changes in concepts concerning the management of public institutions, its values and fundamental principles, and without the preparation of human resources in public institutions to understand the necessity and the content of reform changes. The management of public institutions aims at designing and implementing the most efficient management system. It can be said without

any doubt that the management of public institutions provides the coordinates of a real reform in the public sector. In this paper I conducted an analysis of the literature on institutional theories, management systems used in public institutions, while at the same time I propose to compare the management systems used in private companies with compare the management systems used in public institution. In addition, the paper proposes, besides the comparative analysis and the study of the possibility of transferring mechanisms, practices, procedures from private companies to public institutions in order to achieve the proposed objectives.

**Keywords:** public institutions, public management, public sector, institutional theories, management systems

## **CONSIDERATIONS ON THE MAIN OBJECTIVES OF CENTRAL BANKS**

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**Abstract:** The central bank's objectives have evolved considerably over time: starting from how to reconcile adherence to the Gold Standard with the maintenance of financial stability, the main objective of the first central banks, to ensuring price stability, the most common objective of modern central banks. This paper focuses on a presentation of the evolution of the main objectives of central bank, as well as how they were fulfilled or not, based on literature review. Another objective of this paper is to identify the role that central banks will have in the future. The end of the paper contains the conclusions. As a result of the analysis, I have found that, in general, central banks have three main objectives, namely: to maintain price stability, to maintain financial stability and to constrain misuse of the State's financial powers. The importance of each objective differs from a central bank to another, as well as from time to time. Likewise, the study shows that, in emerging economies, central banks are faced with several complex challenges compared to central banks from developed economies and these challenges place particular demands.

**Keywords:** central bank, objectives, price stability, financial stability, emerging economy

## **BULDING A SUSTAINABLE DEVELOPMENT INDEX (SDI) BASED ON AGENDA 2030**

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**Abstract:** Mankind faces a global crisis that involves multiple dimensions, threatening human society and the natural environment in which man lives. The evolution of the global economy and society as a whole is unsustainable if current trends are maintained. In recent years, a number of global and regional sustainability initiatives have emerged. Sustainable development has been at the heart of the European project ever since its inception, with EU treaties addressing the economic, social and environmental dimensions as interconnected. The first EU Sustainability Strategy was launched in 2001, revised in 2006 and revised in 2009. Since 2010, sustainable development has been integrated into the Europe 2020 strategy. Adoption of the 2030 Sustainable Development Agenda in the 70th The UN General Assembly on 25 September 2015 marked an important moment for global sustainable development. The EU played an essential role in shaping the Global Agenda for 2030, which is fully in line with Europe's vision and has become the model for sustainable global development. Agenda 2030 integrates in a balanced way the three dimensions of sustainable development - economic, social and environmental. The 17 Sustainable Development Objectives of Agenda 2030 contain qualitative and quantitative targets that drive the convergence process between Member States. In this paper, we propose starting from the 17 SDGs and the 169 targets to develop a suite of sustainability indices that will give each EU country the opportunity to analyze the position within the EU, the effectiveness of the sustainability policies, as well as the models that can be followed to implement sustainable policies.

**Keywords:** sustainability, sustainable development index, Agenda 2030, EU

## **BIO MARKET IN ROMANIA**

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**Abstract:** Under the conditions in which the market is currently flooded with unhealthy products, when effects of economic crisis in the past few years cause purchasers to acquire cheap products which contain chemical substances and E's, the solution for a healthy feeding is bringing to the foreground of the bio products. This paper proposes an analysis

of market for Bio products, the analysis which is based on research into measure in which consumers know and acquires bio products, the factors affecting market, of the structure of imports and exports in respect of environment-friendly products. Although these products are healthy, however, their acquisition by the Romanians are very rare. In the work's pages are also presented the reasons for which the bio products are not required on our market.

**Keywords:** Bio products, Bio market, consumer's preferences, organic farming

## **BANKING INSTRUMENTS DEMATERIALISATION OVERVIEW IN GLOBALISATION CONTEXT**

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**Abstract:** Globalisation effects are visible on all industries and especially in services, including banking. General impact over the banking instruments was reviewed, capturing dematerialisation evolution in the last years in EU context. Dematerialisation process was considered at least from payments, contracts, securities, legal and organisational perspective covering various instruments such as: banknotes, bank cards, contracts. Based on the last years evolution, possible benefits and correlation with other industries or cross-countries were investigated. The findings may be useful for banks in the decision process to adopt and invest in dematerialised instruments.

**Keywords:** banking, dematerialisation, globalisation

## **CONSIDERATION REGARDING DIGITIZATION IN BANKING SECTOR**

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**Abstract:** Digitization is the process of transforming traditional banking services by using IT technology. Transforming banking into online and digital perspective. In this article I will treat empirically how digitization shapes and changes the banking system, new way of service delivery and impact on human resources: clients and employees. How digitalization will impact customers experience through new way of services delivery, banks cost reduction due to the closure of physical agencies, customers cost savings by using online web platforms for internet and mobile banking transaction, rural and urban gap alignment, transforming manual processes, transactions and activities into digital services. In this article I will treat also Disadvantages of digitalization in banking sector, loss of jobs for banking employees and new security challenges. Digitization is an irreversible process, having as promoters a series of processes and tools, initiated by companies or regulators. Final of the article will contain the conclusions, we will see in detail which are the tools and processes and how they will impact through the digitization of the banking system. We will better understand the reaction of the banking system, how the human resource will react, we will see and understand the trends and new ways of services delivery to customers.

**Keywords:** digitization, services, customers

## **SOCIAL RESPONSIBILITY IN EDUCATION - CHALLENGES AND PERSPECTIVES**

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**Abstract:** At present, education faces the growing challenges of tense budgets, teacher retention, and the increasingly specialized needs of the labor market. Educational institutions around the world are aware that providing a quality and talented workforce is no longer sufficient to differentiate themselves from other education institutions. For educational institutions to be perceived as responsible, it is necessary for graduates to prove their responsibility, to have concerns about environmental protection, care for the people, and sustainability awareness. Social responsibility (SR) is one of the useful tools by which organizations can positively influence society and through which an organization can develop very good relationships with stakeholders. In this paper, we aim to address both the models by which educational institutions can integrate in their curriculum competences concerning social responsibility and the role of active actor that educational institutions can play in the area of social responsibility. Social responsibility must be included in the organizational culture of educational institutions, in their strategy, representing a cross-border function within the

human resources management system. Furthermore educational institutions have to move from a reactive culture of social responsibility, specific to CSR 1.0, toward transformative culture of social responsibility, specific to CSR 2.0.

**Keywords:** education, social responsibility, educational institutions, CSR 2.0

## **CORPORATE GOVERNANCE OF PUBLIC ORGANISATIONS IN THE WATER RESOURCE SECTOR**

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**Abstract:** On the background of the current economic realities, characterized by uncertainty and distrust, by the rising level of complexity of the environment in which they operate, Romanian enterprises must show their organisation skills, flexibility, good managing of risk factors and prove their trust for economic and social partners. The answer to many of these challenges is offered by a modern management system, which convincingly proves its capacity through corporate governance. The present economic dynamics and the strong competition existing in all markets, regardless of profile, impose major changes in the management systems of the enterprises and fostering a new management conduct. In this context, the system of performance management and corporate governance applied more and more often as modern and extremely efficient management systems. The principles of corporate governance implies a series of measures which lead, in the end, to the rise in the societies` transparency which makes them more attractive. In addition, the implementation of corporate governance measures represent a preoccupation for the companies` managers, as well as for the authorities.

**Keywords:** corporate governance, management systems, performance management

## **THE PERSPECTIVES OF THE PROMOTION OF THE ROMANIAN CAPITAL MARKET TO AN EMERGENCY MARKET**

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**Abstract:** In the current economic context marked by the phenomenon of financial globalization, as the revenue growth increases, there is an increasing tendency for financial systems to increasingly focus on capital markets. The development of local capital markets has become an important desiderate for increasing the stability of financial systems in developing countries. The Romanian capital market is classified as a border one, being kept on the monitoring list for a reclassification to the secondary emerging market status. In this article we propose to analyze the degree of development of the Romanian capital market, its factors of influence as well as the arguments for which our country could be reclassified as an emerging market in terms of the criteria to be observed in order to achieve this desideratum.

**Keywords:** border market, emerging market, liquidity, capitalization, investment climate, flow of funds

## **THE EVALUATION OF THE RENTABILITY OF TITLES ON THE MARKET THROUGH THE FINANCIAL PERFORMANCE INDICATORS**

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**Abstract:** The current economic perspective, characterized by the globalization of economic systems, increased competition, and the frequent occurrence of financial instability has increased the importance of evaluate the degree to which the capital market values companies' financial performance or, on the contrary, penalizes its lack. In this article we aim to identify and quantify the implications of the information transmitted by the financial performance indicators (profitability and profitability, value creation, size and efficiency of activity, balance and financial stability) on the market profitability of companies listed on the Bucharest Stock Exchange, by testing the correlation existing between these indicators and the substantiation of a regression model that highlights the evolution of the profitability of the listed companies in terms of their financial performance. Until now, economic theory has not been able to accurately determine whether the financial performance of companies has a significant or not significant effect on the market. The

uncertainty is all the greater because the capital market considered is a border one, but in continuous expansion and development that will generate an increase in advanced capital flows.

**Keywords:** Financial performance, profitability, yield, capital market, value creation, correlation, regression

## **CORRELATIONS BETWEEN STOCK MARKET AND CURRENCY MARKET FROM ROMANIA**

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**Abstract:** The Romanian currency market and stock market are important components of the Romanian market system. Also, the stock market prices and the exchange rates were study subjects very often, for an important number of authors. Furthermore, the correlation between these two markets was reviewed, with opposites results. This article examines the correlation between the stock market prices and the exchange rates in Romania over the period 2000 – 2017. We use three different models (ADCC - GARCH, DCC- MIDAS and PCA) in order to capture the co-movements of the two analysed markets. We find that co-movements are time-varying and quite volatile. In the crisis period, we see an increased positive correlation (a possible sign of contagion). The results are similar for all three used models.

**Keywords:** stock market, currency market, ADCC – GARCH, DCC- MIDAS, PCA

## **THE IMPACT OF MARKETING CAMPAIGNS IN SOCIAL ASSISTANCE IN ROMANIA**

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**Abstract:** The use of marketing campaigns in the social field is no longer a novelty, but there are always original approaches by which marketing succeeds in raising the interest of target groups and society in general on issues that do not want to disappear just because we avoid them. Interestingly, while business marketing has gone from telling the customer what to buy to ask him what he wants, in the social field most of the time “the client” needs to be taught to want what is good for him. And here comes the magic of marketing. The paper aims to analyze the impact of marketing use in a number of significant social assistance campaigns in Romania (school abandonment, social exclusion, and the phenomenon of children abandoned by parents left for work abroad).

**Keywords:** marketing campaign, social assistance campaign, school abandonment, social exclusion

## **MOBILE MARKETING AND THE MOBILE DECADE TO COME**

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**Abstract:** Mobile will democratize every institution just as the Internet did. It will enhance the value of marketing, content and commerce for some and cut the margins in others. In other words, mobile will level the playing field, empowering consumers even more with information that shifts the balance of power even further away from the marketer. How will likely play out for marketers as regards brands, agencies, media and retailers? More consumers will rely on their mobile media to tap into news, information, shopping and entertainment. Brands cannot afford to be locked out of a mobile relationship with customers and prospects. Mobile will not come at the expense of TV or radio or other media. But advertisers will soon discover that mobile media are as efficient, if not more, in attracting and retaining customers.

**Keywords:** mobile marketing, marketers, consumers

## INTERNAL AUDIT, INTERNAL CONTROL AND ORGANIZATIONAL CULTURE

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**Abstract:** The overall objective of the internal audit activity is to ensure that the organization's internal management and control system functions normally, as required by regulations in force, and that the performed operations are fair and with no material errors. Implementation of the control system within the organization and adjustment of policies in order to achieve these objectives is the responsibility of the management of the institution; the management of the institution must ensure the professional functioning of the monitoring system and the internal audit system. An important prerogative of control is to ensure reliability and it must represent the organization's guarantee in achieving its objectives. The control environment is part of the organizational culture, influenced by the style of leadership, the value system of employees, the professional competence and integrity of the employees, description of the activities and procedures, organizational structure, tasks separation – all these represent the framework of different forms of internal control. The auditor should know and understand the organizational culture and internal control of the organization so that he / she could easily identify and evaluate the risks specific to the operation of the organization and the carried out activities. Finally, the result of this research is to identify the strategy used by the internal audit within the organization, organization that should be concerned about the way in which the internal control system is organized, as the object of the internal control activity is to be found in the structure of each management function, each activity and represents the responsibility of each employee.

**Keywords:** internal audit, internal control, organizational culture, objectives, activities, procedures, risks

## A REVIEW: DEVELOPING A QUALITY MANAGEMENT STRUCTURE FOR THE EDUCATIONAL SYSTEM IN ORDER TO INCREASE THE INSTITUTIONAL PERFORMANCE BY APPLYING THE PRINCIPLES OF TOTAL QUALITY MANAGEMENT

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**Abstract:** The interest in managing educational change has grown in recent years. The reality of education at national level shows a significant number of gaps as against the international education systems. This requires the development of a sustainable, feasible and current quality management structure. Quality assurance, as a structure of quality management for the education system, means gaining confidence among the direct or indirect beneficiaries of education and creation plus value. This study aims the application of Total Quality Management using a number of methodological activities such as literature view, problem identification, GAP analysis, service quality determination by the Servqual method, deviation analysis, ideas formulation and conclusions generation. Finally, the result of this research is a conceptual model for improving Romanian education as compared to the complete success of the education process in other states of the world.

**Keywords:** Total Quality Management (TQM), Institutional performance, Service Quality Determination, Desired Performance, Information and Communication Technology (ICT), Leadership Style

## UNFAIR TRADE PRACTICES - CONSUMER PROTECTION AND INTERNAL MARKETS PERSPECTIVES

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**Abstract:** Consumer protection is an important branch of a country economy based on fairness and loyalty to consumers needs. Although efforts are being made to improve legislation and not ultimately improve business practices, there are still some issues that need to be put in place to create an equitable internal market for consumers and their needs. We can talk here about a quality right ratio and, not ultimately, about the correct practice of promoting and providing a clearer and closest image to food and non food items.

**Keywords:** consumer protection, loyalty, market, image, quality



## SECURITY MANAGEMENT AT THE LEVEL OF THE COMPANIES. CHALLENGES, PROBLEMS, SOLUTIONS

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**Abstract:** Security in the 21st century proves to be essential competitive advantage. Regarding both physical integrity and personal data (accounts, contracts, personal data or access to information), security becomes the key to stability, continuity and ongoing development. However, the issue of security is often neglected or treated with superficiality, the leaders of the trading companies dealing with lack of interest the problem. Implementing security measures is certainly one of the fundamental principles of performance management focused on results over the medium and long term. Finally, the goal of the research is to implement a state of awareness, up to the normality, of all the perspectives and benefits generated by the correct adaptation of the security measures.

**Keywords:** security, management, state of awareness, leadership style, overall performance, security information

## THE ESSENCE OF THE MACROECONOMIC THEORY BASED ON THE AGGREGATE DEMAND

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**Abstract:** The concept of the aggregate demand refers to that quantity of goods and services that we want to achieve at a specific price by a customer. Actually, it is the demand that has coverage in available income. The total income refers to a variable importance that helps us analyze substantially the way in which some events may affect the market. It can be determined by the multiplication between the sale price and the sold quantity. Apparently, the increase of the sale price is beneficial for the seller/producer but it cannot always determine an increase of the total income. When the price increases, the income may have fluctuations, so it appears that it may increase, decrease or it may not change taking into account the elasticity of the demand depending on the price. The elasticity of the demand depending on the price represents some important information for the producer because depending on this it may be taken a decision about the modification of the price so that the income can increase. The knowledge of the demand's elasticity is important for all the managers, especially when they take decisions about the price because it helps them getting the increase of the company's income and the reduction of the storage costs. As a matter of fact, the knowledge of the factors that may influence the elasticity or the inelasticity of the demand allows to decide when the increase or the decrease of prices is beneficial. The key elements that may be taken into account during the analysis of production, inflation, economic growth and economic policies are done with the help of an aggregate demand which plays a major role in explaining and previewing the fluctuations of the price level.

**Keywords:** aggregate demand, the demand's elasticity, economic growth, storage costs

## THE SUSTAINABILITY OF THE PENSION SYSTEM. CURRENT MEASURES AND PERSPECTIVES

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**Abstract:** As a result of the inflation growth based on the increase of food and non-food goods and services, pensioners felt the shock of securing the consumer basket. The option for the second fund was based on the way in which money is placed in state's titles, actions, bank deposits and corporate bonds, the investments increasing pension's money. Taking into account the finance minister's opinion, the second fund could become optional by using a transfer service to the first fund but it may also need the beneficiary associations' agreement. The transfer could be realized only if people would be convinced that the state is the best guarantor of the future. The nowadays current pension system which includes the sustainability of pensioners by employees can be unsustainable especially if there are taken no methods regarding the stimulation of birth rate, the creation of work places and the increase of the private-public system's role. With the immense retirement and availability, the number of taxpayers has fallen, so the ratio between retirees and employees has reached parity. The pensions' increase was influenced by the increase of the retirement point, beneficiaries of the guaranteed minimum pension being a special category. People who worked in difficult conditions

such as miners felt the increase by a third of pension from which beneficiaries being 100.000 pensioners. Pensions and social insurance for military and police officers have increased more and more because they had a special status not being involved in the pension system even if they receive money from the budget. The government thinks that the increase of pensions may be sustained by recovered debts from ANAF ( The National Agency of Fiscal Administration), from those who didn't pay the taxes for independent activities: liberal, author's rights, rents etc.

**Keywords:** increase, retirement point, government measures, mix between the first and the second fund, second fund of compulsory pensions

## WHO DO WE HOLD ACCOUNTABLE FOR OUR HIGH INFLATION?

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**Abstract:** At world level, inflation is a global phenomenon present in all economies of the countries. If properly restrained through healthy fiscal and monetary policies as well as under the strict surveillance of authorized institutions, inflation is not an incurable disease for a national's economy organism. But at the opposite end of the scale, it can become a lethal disease when the treatment hasn't been given on time and the specialists' prescription to fight against it has been either incorrect or inefficient due to the fact that the treatment can no longer cope with the rapid pace of development of the disease. In this respect, an eloquent example of sky-high inflation is the prospective level that is going to be reached by Venezuela, according to IMF estimations by the end of the year: 1.000.000. In Romania, the current level of inflation is not surreal like the one in Venezuela, the latest reports showing a 5.1% value registered in the month of August. Without being ironic or cynical, the level of inflation registered by our country produces a lot of social unrest amongst both the population and economic analysts. Considering that in the month of September inflation only hit 2.1% inside the Eurozone, Romania is confronted with the highest inflation rate within the EU and moreover, for the rest of the year things don't look bright on the horizon. In this article, our aim is to analyze those factors which have led to the increase of inflation in Romania, such as the raise in wages, the increase in fuel taxes, the increase in prices for electricity, natural gas and thermal energy, the cutbacks in some taxes, the international price of oil, the relaxed monetary policy of the National Bank of Romania, the country's increasingly higher rate of indebtedness or the disequilibrium of the trade balance as well as to find those ways that can help us reduce the inflation rate.

**Keywords:** inflation, fiscal and monetary policies, raise of wages, inflation rate

## THE SCOREBOARD - A MANAGEMENT TOOL

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**Abstract:** In an organization, for all categories of managers, full and rigorous information is of particular importance. A very useful managerial tool for the synthetic and integral reflection of the observed phenomena is the dashboard. The Scoreboard is a set of pertinent information on the results achieved in the field of driving, presented in a synthetic, pre-established and operationally transmitted form to the beneficiaries. The Scoreboard is a system of indicators, in absolute and relative amounts, used to evaluate, control and regulate the work of the organization, which gives decision makers the ability to communicate with executives in order to obtain information on the conduct of all the organization's activities, to draw attention to key management points in order to improve it The Scoreboard, as a tool for addressing decisions, is useful both in the preparation of decision-making and in the decision-making phase. The usefulness of the dashboard is to alert managers to analyze the problems, identify the real problems, investigate them, and verify the signals attesting a difference between the existing state and what it was intended to provide a diagnosis of the problem in order to correctly determine the directions action needed to resolve.

**Keywords:** scoreboard, manager, decision, organization

## KEY FACTORS FOR SUPPLY CHAIN PERFORMANCE

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**Abstract:** This paper presents the factors which influence on supply chain performance: cost, time, customer service and integration. The activity of any organization is strongly influenced by the environment where it acts (the market, the materials and service providers and costumers). The enterprise's reactions towards these changes are limited, particularly targeting the internal environment. For being able to face the quick changes, the enterprises know that they should adopt new attitudes in their working activities. Logistics is the area which can respond to the challenges that the external environment is generating. The organizations can respond to the challenges of a competitive environment using logistics as a competitive weapon and not as a group as activities, generating costs. Because of the fact that same logistics' activity can be realized in many ways, with different performances and costs, the activity's evaluation and the connection between them are important for logistics' influence on understanding on the competitive advantage. Supply chain supposes the connection between the seller and purchaser, regarding the acquisition and stockpiling of materials, the creation and physical distribution of products so that the enterprise could please the costumers meeting demands. The logistics offers an overall picture to the interflow of goods and services, from the provider to the final consumer and also a general view to the payments and information circulation on the opposite way. Between the sellers and buyers exist strong relations which allow the advantages' identification from the strategically vision of the supply chain's functionality. The managerial attention must concentrate not only on its own organization but also on the interactions which give functionality to the supply chain.

**Keywords:** logistics, supply chain, customer service, performance, competitive advantage

## THE FOREIGN EXCHANGE MARKET AND THE MACROECONOMIC EQUILIBRIUM IN ALBANIA

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**Abstract:** The economy of Albania is part of a decentralized system where macroeconomic factors have a special importance in the country's economic growth and development. The success of transition is conditioned by the degree of macroeconomic stabilization. This stabilization requires first and foremost achieving equilibrium in the conditions of full employment, a steady growth of national product, price stability and an unemployment rate similar to that of the natural unemployment rate. Macroeconomic stability in the narrow sense requires stabilization of inflation. Stabilization of inflation often called macroeconomic stabilization. The high inflation in 1990-1992 was a result of the past system, inefficiency and lack of experience to manage it in the first steps of transition, the costs of structural economic changes and so on. Exchange rate management can be achieved through direct interventions in the foreign exchange market or through manipulation of factors influencing the exchange rate. Factors affecting exchange rates are numerous in short-term exchange rate fluctuations, except for psychological factors, important factors such as the trade balance interest rate, which directly affect the the report " request-offer " for foreign currency. However, in any case, the costs of such a policy of interest rate changes should be calculated. Trade balance manipulation can be achieved through custom policies, which change the volume of imports and exports. In the case of our economy a strong impact has been the unilateral transfers such as income from emigration, international aid, and income from illegal activities. Their reduction was one of the factors of the downward trend of the Lek value at the end of 1997. A long-term increase would require increased domestic production and be associated with import constraints and a substantial increase in the export role as a stable source of foreign exchange earnings. This would require the continuation and deepening of structural and institutional reforms in the economy, the recovery and refinement of the production apparatus, the diversification of resources towards comparative advantages of the country, the promotion of a free initiative to foreign investment.

**Keywords:** macroeconomic stability, exchange rate, foreign exchange

## THE ELECTRONIC HEALTH RECORD (EHR) – THE BASIC COMPONENT OF THE HEALTH SYSTEM

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**Abstract:** The use of information and communication technology (ICT) in the health system has improved the provision of medical assistance services worldwide. This has to connect hospitals, pharmacies, primary health care doctors, clinics, patients, insurance companies. Implementing a system that can manage the data about diseases in an organized format contributes to making efficient health maintenance programs for patients. Due to the fact that healthcare providers have essential electronic medical information, electronic medical records can save lives, reduce human errors, eliminate delays in emergency treatments and critical care. The lack of necessary health information leads to the delay of healthcare provision. The health system needs standards and technologies for the process of all patients' digital monitoring. Nowadays, medical data are inaccurate, incomplete, inconsistent and disorderly; the use of unstandardized local terminologies, interfaces, hardware platforms, software applications conceived to meet the needs of the standardized market will simplify the process of data-entry for doctors. The electronic health records (EHR) need a common digital format in order to integrate information about a patient, thus allowing the exchange between informational health systems developed by different manufacturers. One of the greatest challenges regarding the management of health data in electronic format is to obtain very accurate data which can be used for analysis, as well as to process the natural language and its turning into standardized and interoperable data. Interoperable systems that can share data are necessary.

**Keywords:** electronic health record, standardization, interoperability

## THE EFFECTS OF CHANGING LEGISLATION ON PUBLIC-PRIVATE PARTNERSHIPS

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**Abstract:** With the repeal of the Public Private Partnership Act 233/2016 and the approval of GEO 39/2018, many aspects of the public-private partnership have been redefined and modified. The approval of the GEO is intended to stimulate private investment by enhancing projects and granting state aid to the economy. The objective of this GEO is to achieve, restore and expand the assets belonging to the public partner's patrimony or the operation of a public service. Among the novelty elements brought by the new ordinance can be mentioned: the scope and the mechanism of the public-private partnership, its forms, the financing and preparation of the partnership project, the procedures for awarding the contracts, the conclusion / modification / termination of the partnership contracts, and not last, contraventions and sanctions. However, many problems still remain in current legislation that does not fully clarify the relationship between business partners, as highlighted in the Communication.

**Keywords:** public-private partnership, relationships between partners, legislation

## ARTIFICIAL INTELLIGENCE AND BUSINESS AUTOMATION IN AUTOMOBILE INDUSTRY

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**Abstract:** Artificial intelligence in automobile industry impact the automate activities in tasks that relay on emotions, learning and fast- thinking. The growth of automation replaces with success human work across many industries. On the other hand, automation has created many new jobs. However, automobile companies gain a lot through automation by lower production costs. The research article aims to analyze the impact of artificial intelligence and business automation, taking as example the Ford Automobile Company.

**Keywords:** artificial intelligence, business automation, automobile industry, economic growth

## THE EU BUDGET DESIGNED TO ADDRESS GLOBAL CHALLENGES AND HARMONIZED TO THE SUSTAINABLE DEVELOPMENT GOALS OF THE UN'S 2030 AGENDA

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**Abstract:** The budgetary objective of the European Commission is to growth with 30% the external action budget to €23 billion for the period 2021-2027. Also, the European Commission has to simplify the EU budget structure and make it much more malleable and operative to address today's global challenges. The Commission intends to decrease the number of instruments, which would permit a stronger focus on political purposes and arrangements with partners, harmonized with the EU's values and priorities. Building on the successful experience of the External Investment Plan, the new investment framework will involve the European Fund for Sustainable Investment (EFSD+), restructuring the current architecture and the External Action Guarantee, which will have a volume of €60 billion to guarantee the EFSD+ operations, as well as macro-financial assistance and loans to third countries. Together with the private sector and thanks to the leverage effect, this may mobilize up to half a trillion euro in investments for the 2021-2027. A new departure is the universality of the 2030 Agenda for Sustainable Development, meaning that it applies to all countries at all levels of development, considering their different capacities and circumstances. The EU will continue to play a leading role to the application of this ambitious, transformative and global Agenda that provides poverty abolition and sustainable development for all countries.

**Keywords:** European Commission, EU budget, European Fund for Sustainable Investment, 2030 Agenda for Sustainable Development

## STUDY ON AVOIDANCE OF UNCERTAINTY IN THE MANAGEMENT PROCESS BY CAPITALIZING ON THE VALENCES OF ORGANIZATIONAL CULTURE

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**Abstract:** In the current context, the knowledge based economy confers on organizations many opportunities, the exploitation of which is directly conditioned by the specific manner in which managers identify and implement the most appropriate solutions to avoid uncertainty in the management process. In this sense, organizational culture is a veritable tool for capitalizing on the competitive advantage in the direction of increasing organizational performance. The present study highlights the conclusions of the analysis of answers given by a number of 65 respondents from two Mehedinti organizations, most of them managers (from all hierarchical levels), but also performers, regarding the way they perceive the specific values that characterize the cultural dimension avoidance of uncertainty.

**Keywords:** organizational culture, cultural dimension, avoidance of uncertainty, variables of organizational behavior, managerial behavior

## AUGMENTED REALITY – A NEW PARADIGM

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**Abstract:** This paper elicitates a new paradigm of the modern world, augmented reality. The idea is to improve someone's perceptions of the real environment introducing parts of the digital environment to be seen as natural world. Augmented Reality technologies like object recognition and computer vision offer new enriched experiences to users. Apart from gaming, where the utility of augmented reality is obvious, there are many other areas of activity that use these techniques more and more: medicine, archaeology, architecture, visual arts, education, army, commerce, tourism etc. Some augmented reality techniques may raise security and privacy issues – for example, face recognition, requiring additional care in using the gathered information.

**Keywords:** augmented reality, computer vision, object recognition

## VALUE MAKING DECISIONS VS NEUTRAL VALUE DECISIONS

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**Abstract:** The increase of the value represents one of the main concerns, challenges and tasks for all the enterprises. The value of the firm is in fact, the present value of expected cash flows generated by operating assets, the cash flows being updated with the cost of capital. In order to achieve this task for the firms, should be analyzed the value making decisions but also, the neutral value decisions. For the creation of value, a decision must have one or more of the following effects: the increase of cash-flows generated by existing investments; increasing of the expected profitability ratios and future cash-flows; increasing the period of high growth (with supplementary returns for the firm investments); the decrease of the capital cost at which the cash flows are updated. These elements represent the main variables used for the growth model of the firm value. On the other side, the neutral value decisions regard the followings aspects: the payment of dividends in shares or the division of shares does not affect the reinvestment rate or the invested capital returns; accounting changes in inventory evaluation or depreciation methods which do not affect the tax rate have no effects on the cash flows or the value of the firm; elimination of the costs that do not contribute to the profit or the future growth of the firm. The neutral decisions ensure the consolidation of the position of company on the market and they represent an important element in making decisions process that contribute to the increase of the firm' value.

**Keywords:** value making decision, neutral value decision, cash-flow, firm

## THE IMPACT OF ECONOMIC FREEDOM FACTOR IN FDI ATTRACTING IN POST-COMMUNIST TRANSITION ECONOMIES: THE CASE OF ALBANIA

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**Abstract:** The study investigates the impact of foreign direct investment on the economic development of post-transition economies, the case of Albania. The economic freedom factor is taken as a study to analyze the steady growth of post-communist countries and is used to analyze the effects of FDI in these countries. The results show an increase in the presence of FDI in countries such as Albania based on increased freedom to do business, freedom of trade, fiscal freedom, government size, freedom of money, freedom to invest, financial freedom, freedom over rights. Ownership, lack of corruption and freedom of work. The document ends with the explanation of the results and the suggestion of some policy recommendations.

**Keywords:** economic freedom factor, FDI attracting, financial freedom

## THE PERFORMANCE OF THE ROMANIAN EDUCATIONAL SYSTEM - FACTORS OF INFLUENCE, REALITIES, CHALLENGES, TENDENCIES

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**Abstract:** European and Member States' priorities are focused on two major orientations, which generate a country's competitiveness and economic development. In this context, education systems need to be flexible, thus generating skills on the labor market that are anchored to labor market needs and which facilitate the performance and development of the individual and society. Although the percentage of spending on education in GDP at EU level has been increasing, the progress registered by Romania has been almost non-existent, which raises concerns in terms of the 2020 targets. In the context where investment in education and the quality of the educational process will continue to be limited, Romania will still occupy lower positions in terms of economic and social performance, generating additional internal and European inclusion costs. With a difficult to quantify educational offer, targeting a category of young people with new aspirations and guidelines, without taking into account regional development strategies and labor market requirements, Romania risks losing to European direct competitors, which continue to invest heavily in the education system and in developing connections with the labor market.

**Keywords:** educational system, labor market, trends, strategies, progress

## **SOCIAL RESPONSIBILITY A FACTOR INFLUENCING THE WELFARE OF THE ECONOMY**

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**Abstract:** Social responsibility is one of the preoccupations of Romanian companies' managers, especially after the legislative regulation started in 2005 with the emergence of the first governmental ordinance on environmental protection. In addition to their interest in driving the company to profit, the interest in the environment which it carries out its activity. How real is the concern of big companies to protect the environment is the starting point for research. In this regard, we have gone from two hypotheses, one according to which companies deal with the problem of social responsibility superficially, ticking this paper on paper in order to avoid legislative problems and another where the concern is a real one, massively contributing to environmental protection and insurance a circular economy. The paper aims to investigate this aspect, but also, through its structure, the link between social responsibility and indicators that reflect the standard of living and well-being of the country's economy.

**Keywords:** performance, social responsibility, economic well-being, correlation

## **CULTURAL FACTORS IMPACT IN INTERNATIONAL BUSINESS NEGOTIATIONS**

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**Abstract:** In a more and more globalized world, the strategy of expanding on international markets becomes a requirement for successful businesses. In this context, interacting with different international partners, who come from another cultural background, is a challenge which the business people sometimes have to face on a regular basis. This is the reason why, they ought to be prepared for negotiating with distinct types of cultures. National culture, as a specific way of thinking and action of a certain people is of utmost importance when the topic of the factors which influence the negotiators' behaviour in business is put forward. This paper analyses the factors which are determinant for the business culture and have the greatest effect on the way negotiators act in different situations: traditions, beliefs, values systems; dominant religion; level of economic development; social and political system; institutional and legal frame; natural, geographic and climatic environment. The cultural differences express various approaches of the negotiators who are their representatives for finding solutions to the ordinary or special problems which they are challenged with; the way they communicate; their vision upon time and space; the human condition; the attitude towards risk and action; ethics and moral norms.

**Keywords:** intercultural negotiations, national culture, values system

## **BUSINESS' RISKS ARISING BY PRACTICE OF TRANSFER PRICES**

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**Abstract:** The practice of transfer prices by multinational companies has always been a tax issue. The question is whether transfer prices are tax optimization solutions or are the source of a "legal tax evasion". The answer is based on comparative analysis of the profitability of the multinationals in both situations: using of transfer pricing and the practice of market prices. This article outlines some of the risks associated with transfer pricing. Under Community law, the level of transfer prices has to be approved by national tax authorities. In the case of transfer pricing adjustment, the consequences will be seen in the cash flow, predictability, political development, performance, relationships between affiliate companies. The adjustment leads to the situation of double economic taxation (taxation of the same profit at both ends of the transaction). The group should resort to the amicable double taxation procedure (lasting, additional costs) and / or to the arbitration agreement. At the same time, the group (the parent company) has to revise its transfer pricing policy in relation to the subsidiaries.

**Keywords:** transfer prices, tax optimization, business risks

## SOCIAL ENTREPRENEURSHIP – A NEW WAVE OR A SUSTAINABLE BUSINESS?

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**Abstract:** Sustainable development seems to be a top priority topic in our contemporary reality. Whether we are talking about reducing poverty and hunger, improving the quality of education, social and economic equity, or environmental goals, all these are objectives promoted globally. The aim is to implant in the corporate consciousness the role of social responsibility, manifested through the adoption of measures that ensure a sustainable development of the community. But how many entrepreneurs choose to invest in less accessible and less profitable areas, for the benefit of the community? Why to choose that the added value to be mainly repaid to the community, and not to use it to remunerate the capital? And what are the aggregate economic and social effects of such a strategic behavior? In this paper we aim to address the sphere of social entrepreneurship, which, from our point of view, is beyond a new wave, a sustainable business. A new design thinking, which involves a multi-purpose patience exercise.

**Keywords:** social entrepreneurship, social responsibility, sustainable business

## IMPACT OF AUTOMATION ON EMPLOYMENT

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**Abstract:** Over the last decades, technology is impacting the environment and the human society at a very rapid pace. The change that technological advancement and automation brought is so profound that we cannot imagine our lives anymore without the technology that is surrounding us and the benefits that the automation brings into our day to day live. Along with the myriad of benefits, technology and automation in general, is posing one significant challenge to the traditional workforce cultivated in the spirit of the industrial age and that is the risk of unemployment. Robots nowadays can replace human beings on many manual, transactional tasks that generated millions of jobs in the industrial era and this technological advancement disseminated very fast in all industry sectors even in the domains where we could not imagine that happening (medical services, legal services, accounting, etc.). The change is massive and is affecting millions of people across the globe especially in the more technological advanced countries with higher labor cost. Is the human society prepared to face this challenge? How easy and fast the people who lost their jobs as an effect of adopting technology and automation can specialize in a new domain and find new jobs? Are the governments prepared to deal with this new challenge? These are only the couple of questions and topics that we will elaborate on into our article.

**Keywords:** automation, employment, technology

## DILEMMAS REGARDING REGULATION AND ACCOUNTING SPECIFIC TO SOLAR PANELS PARK IN ROMANIA

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**Abstract:** The research conducted in this paper is oriented on two main directions. One of them targets the national regulatory aspects which derive from the European regulations regarding renewable energy. The second directs tackles the problem of the accounting regarding the energy obtained through solar panels parks in Romania. We have chosen this approach because the regulatory elements influences both the regular activity, as well as how we obtain the accounting data and thus, nowadays, in practice.

**Keywords:** solar panels parks, specific regulation, energy accounting