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Service Supply and Demand – Methodology and Trends

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Abstract

The service supply and demand are components of the service markets. The authors deal with defining the concepts of service supply, demand, consumption need, as well as their categories in terms of several criteria. The identification and the analysis of the factors influencing the service demand are an important stage in the complex process of the service quantitative and qualitative evaluation. Specific analytic, statistic, normative methods are used to study the service demand. The service supply peculiarities are an outcome of their characteristic features. The service supply is influenced by a set of complex, simultaneous set of factors. A lot of trends have been noticed in the service supply dynamics.

Keywords: service supply, service demand, consumption need, need categories, service demand methods of analysis.
J.E.L. Classification: L80

1. Introduction

The consumer is the representative of demand on the market. He takes the benefits from the services provided and acquired, and uses them, thus meeting his own needs.

At a microeconomic level, the service demand stands for the quantity of services that one or all managers choose to acquire in a period of time, observing the price and other objective economic or subjective circumstances determining it, to meet the consumption needs.

Here is an analysis of the consumption needs, starting from the idea that consumption is the fundamental reason of the materialistic side of life.

The consumption needs are the amount of the people's needs, of sales units and institutions, and of all the managers active on the market. It may be defined as the wish to meet needs, generated either by a natural demand or by the behavioural demands of the society, urging to actions which may be met by means of consumption.

The consumption needs may become known through an individual or collective solvent request. The needs amount to represent the consumption cluster comes out and is formed on a concrete, general background issued by the social production, that generates the dimensions and the complexity of the needs system, through its volume, structure and diversity.

The demand is the wish to acquire a product or a service, through the opportunity and the availability of paying its price accordingly (Gherasim, 1993).

In accordance with Zaharia (2005), the service demand meets the main part of the consumption need, the services being also available on the market, so that the service demand is determined by the following three major conditions:

- the availability of buying the service;
- the customer's wish to consume the service in a certain quantity;
- the opportunity of acquiring the service, mainly determined by the consumer's solvency.

2. Factors of influence on demand

The analysis and identification of the service **demand factors of influence** are two important stages in the complex process of the service quality and quantity evaluation. The outcomes of this scientific research are a basis in grounding investments in this field, as well as in settling the market policy of the service suppliers.

The service demand factors of influence can be grouped in two large categories: general factors and specific factors (Zaharia, 2005).

The general factors of the service demand include: the tariffs in use, the consumer's income, the replaceable and complementary services tariffs, the consumer's demands and the time.

- **the tariffs in use** are a sound factor of influence of the service demand; when the tariff goes up, the consumer will buy a smaller quantity of that service. There are two explanations for that. Firstly, by asking a higher tariff for a service initially available at a much lower one, the consumer will considerably diminish a part of his income. Secondly, when the consumer encounters the service higher tariff in relation to other services, he will easily replace it by another service available for him at a price similar to the one he could pay initially. Generally, the service demand is indirectly proportional to the tariff when the other factors are at an invariable level. The changes in the service demand by the tariffs in use will depend on:
  - the tariff initial level;
  - the service quality;
  - the ratio between the service quality and its tariff;
  - the flexibility of the demand as against the used tariff.
- **the consumer's demands** are another factor of influence of the service demand. According to the demand evolution which is determined by the changings in the consumer's incomes, the services can be:
  - **normal services**, when the demand may go up or down, yet in the same direction with the consumer's income;
  - **inferior services**, when the demand goes contrary to the consumer's income.

The effects of the consumer's income on the service demand could be different, depending on the socio-economic environment of the demand.

- **the replaceable service tariffs**. The replaceable services are those services meeting similar needs. When a service tariff goes up, the demand for the replaceable service goes up, too. Depending on the replacement degree, services can be:
  - **entirely replaceable**, when the necessity of the replaced service is almost equivalent to the substitute;
  - **partially replaceable**, when the replacement is achieved in a certain ratio.

It is very important to know the consumer's availability to substitute one service by another one.

- **the complementary services** influence the level and the dynamics of the service demand in the opposite way. The main characteristic of the complementary services accounts for the need of services to be consumed together, while one service tariff growth will diminish the consumption of the both services. Depending on the **complementary degree**, services can be **strictly complementary**, when the degree is close to 1, and **partially complementary**, when the degree is different from 1.
- **the consumer's demands** for a certain service directly influence the demand evolution; thus, when the consumer's demands for a certain service go up, the total demand for that service will go up, too. The consumer's demands can be identified through marketing research, and they are generally invariable for a longer period of time. This factor has certain **features:**
  - it stresses certain quality aspects, influencing the service demand;
  - it grounds the criteria for the service supply segmentation;
  - it allows the quantity evaluation of the service demand, based mainly on a complex analysis of the financial restrictions.
- **the time factor** is less important to the evaluation of the service demand, mainly when the production and consumption simultaneity are considered. This factor is shown some attention only in the producer's attempt to become capable of offering a certain service. The tertiary sector is significantly vast and complex, and that is why the service demand is also influenced by **specific factors**, together with the general ones:
  - services for the population;
  - services for the organizations;
  - international services.

The specific factors of the service demand include: the specific factors for the population, the specific service factors for the organizations and specific international services factors.

- **Specific service factors for the population** are the demographic factors, the socio-cultural factors, the ratio between the spare time and the income. The main demographic factors with a direct influence on the structure and dynamics of the population service are:
  - the population number;

- the population structure by gender and age groups;
- the territorial distribution of the population, from the number point of view and its gender and age group structures.

The demographic factors for the population under 19 years will influence directly the evolution of the educational and training services, mainly the primary, gymnasium and high school levels. There also is the old population who strongly influence the medical health care services. The growth of the life length would also contribute to the growth of the tourist service demand.

In terms of the **socio-cultural factors** to influence the service demand there are the social changes, the town planning and the affiliation to a cultural environment which has its own traditions, customs and mentalities.

This influence can be also noticed from the opposite direction, as the services themselves may influence the evolution of the socio-cultural factors, too. Thus, the development of the means and ways of communication greatly contribute to the growing and the diversification of the consumers' needs.

The ratio between the spare time and the income would influence the quantity and structural evolution of the service demand. Actually, according to the ratio between the spare time and the income, the consumers can belong to the following groups:

- **high income people, with limited spare time** – this is characteristic to the middle aged population, busy with the professional work, a great service consumer;
- **high income people, with much spare time** - this is typical for a small category of population concerned about spending spare time in the most agreeable way (tourist services, entertainment services, etc);
- **low income people** – characteristic for a certain category of consumers who are forced to give up some services or to replace them. They mainly contribute to the first need service.

- **Specific service factors for the organizations**.

In the analysis and the identification of these factors influencing the service demand, two fundamental elements of the organization environment should be considered: the internal environment which is directly observed by the organization management, and the external one, with its two components, the micro and the macro environment. The complexity of the internal environment is the result of the modern technology effects on the organization, from mechanization to automation and cybernetics. In terms of the external environment dynamics, a special attention should be given to the impact of the competitive growth, together with the goods and services providers and customers.

- **Specific international services factors** will include :
  - the income growth and the changing of the population consumption;
  - the development and the liberalization of the goods trade;
  - the evolution of the scientific and technical progress;
  - the expansion of the multinational companies activity.

The income growth and the changing of the population consumption will strongly influence the international services, as a result of the changing of the demands and life style of the different consumers' categories.

The trade development and liberalism has determined the development of complementary services (car service, transportation, insurance, banking etc).

The technical and scientific evolution has led to the development of services with regard to the transfer of technology, engineering, and informatics, as well as of services of information protection.

The expansion of the multinational companies' activity creates the service dynamics in the market research, the growth of the telecommunication, banking services, etc.

Here are the main categories of methods used in the study of the population service demand, as well as the results of a research aiming at meeting the population service demand.

3. Methods used for the study of demand

That requires a large scale of methods, which have proved to be also valid in the case of the consumption goods. Yet, in the case of services, the difficulty consists in the quality of information with regard to the service demand, a difficulty caused by the service complexity, diversity, and characteristics.

By the way of approaching and the results, these methods can be grouped as follows: analytical methods, statistical methods and normative methods (Zaharia, 2005).

The **analytical methods** are based on a mathematical instrument, which offers best solutions to different targets, depending on the parameters considered. In the most complex cases, in the practice of service demand several simulation techniques are used, resulting in different solutions according to the various scenarios.

The **statistical methods** are used in the series of data analyses, to characterize the real service demand evolution expressed by the consumers in a certain time period.

The **normative methods** are based on the statistically determined use of consumption „norms". They account for the volume of the individual or/and collective services demand, generally of common interest, such as electricity and gas provision, transportation, mailing, etc.

These methods are not used separately, the study of the service demand requiring all the three of them, depending on the given situations and information available, thus generating a complex analysis.

The services expenditure represents an average of 24.7 per cent in the amount of the consumption expenditures of the households (24.9 per cent in 2006). The lowest service expenditures is represented by the farmers' households (13.2 per cent), and the highest by the employees (27,3 per cent), the amplitude of this variation being of 14.4 per cent.

An important factor to differentiate the consumption expenditures per person in the household is the **size of the household**, actually the number of the persons in the household. Thus, in 2007, the share of the average consumption expenditures per person in a household for the services in the amount of the consumption expenditures went down, while the number of the household members went up. This indicator calculated for a six or more member household is 17.2 per cent of the total consumption amount, compared to the 21.6 per cent (five member household), 25 per cent (four member household), 26.2 per cent (three member ones), 25.5 per cent (two member ones), and 26.2 per cent (one member household).

The service total consumption expenditures are significantly differentiated by the household categories: 28.95 per cent in the **urban area**, 16.6 per cent in the **rural** one, as compared to the average of the household amount (24.7 per cent).

In terms of the **total consumption expenditures structure, by destinations, in 2007,** the expenditures for the household, water supply, electricity, gas and other fuels reached 15.5 per cent, the transport costs reached 5.9 per cent, communications – 5.1 per cent, household furnishing, equipping, maintaining as well as recreation, leisure and culture costs - 4.6 per cent each, while 3.9 per cent was spent on the medical care, 1.2 per cent on hotels, coffee houses and restaurants, and 0.8 per cent on education etc.

4. Types of offer

The service supply, in the basic economy terms, is the amount of what the service market could offer an apparently simple definition with many economic implications and connotations.

There are two ways to present the service supply in the field literature: **the individual service supply and the aggregated supply** (Zaharia, 2005).

The individual supply is:

- the service supply of only one provider or supplier;
- the amount of a service a supplier can offer to his customers.

A service provider organization should respect several **conditions** to create a service supply:

- **availability** to create a certain service, as any businessman enjoys the freedom to develop a business in the service field;
- **the capacity** of the organization to produce a certain service, this needing human resource with a field professional training, material resources, I.T and financial resources. In the most frequent cases, the organization should face its capacity to offer services, by making proof of certificates, licence, warranty or patent;
- **competent management** to ensure the recuperation of the costs of producing and trading of services, from the income and profit generated by the said activity;

The aggregated supply represents the services total quantity made available for the consumers or for the users at a given time and it includes the individual supply of all the organizations.

The peculiarities of the service supply come out from its features and they are presented below, as they are common to the majority of services:

- **the nontransferability of the supply** derives from the service immateriality and nonstockability characteristics. Not being material and stockable, services cannot be transferred from one market to another. For instance, the hotel accommodation services could not be transferred into another location where the demand is higher, or vice versa, when the accommodation demand goes much too high, beyond the number of the accommodation places, such services cannot be transferred from such locations.

- **the difficulty of the service legal protection** comes out from the immateriality and the intangibility of certain services. These two characteristics generate conditions to increase the possibility of imitation. Due to their immateriality and to the consumer's participation to the service creation, the supplier can easily individualize the offer, thus both in theory and in practice there are real opportunities to get another service. The legal protection is limited to the trade mark, in such cases.
- **the consumer's involvement in producing services** generates:
- the creation of individualized services, which may generate difficulties for the supplier;
- a special system of relationships between the supplier and the consumer, with benefic consequences for the both parties.

The organization of the production and of the company structure starting from the consumer is determined by:

- the inseparable link of service between the supplier and the consumer;
- the production and consumption simultaneity;
- the service immateriality;
- the service nonstockability;
- the ever growing competition on the service market.

The supplier is the most important person to the customer, providing the latter the expected joy and satisfaction.

- **the service supply is a potential supply**, it may become real only at the consumption time, a fact generated by the nonstockability of the service and by the simultaneity of the service production and consumption.

Zaharia (2005) stated that the service supply is influenced by a set of complex factors, acting at the same time. The most important **factors** are presented below:

- **the volume and the structure of the demand** influence the service supply and can embody several forms.

The unsatisfied demand appears when it has not found an equivalent supply for a period of time. From this perspective, it is important to know it, from both quantity and structure as well as from time and location points of view. The investors' orientation to initiate and develop business in the direction of service supply required by the consumers and which had not been met yet might be very successful, for both the suppliers - who dispose of great chances to make a profit -, and the consumers - who meet their social needs.

The effective demand is an extremely important service supply factor of influence. To transform a potential demand in a real demand, it is important to know the compound elements of the potential demand, as well as the reasons for the social need which have not become obvious in the demand. Among these reasons, there are the lacks of the financial support the lack of the social need service suppliers, the service quality, the tariffs, the price-quality ratio etc.

The growth of the volume and diversification of the real service demand can be achieved through:

- reducing tariffs;
- improving the price-quality ratio;
- raising the number of the suppliers;
- informing the consumers permanently, with regard to the service supply.
- **the production cost** represents a factor of a major importance, especially for the starting point of a business in the service field (for example, in telecommunications, dentistry, beauty saloons etc). Yet, there are some services for which the production cost has not got such a special importance (for example, in consultancy, translation services etc).
- **the market tariff of the service** is a factor of influence, and it has a set of peculiarities generated by the service features. Usually, the service tariff is mostly determined by the consumer. The outcome of the encounter between the demand and the supply is less significant, to the advantage of the consumer.

The simultaneity of the production and the consumption of some services will lead to monopoly or the oligopoly, in most of the frequent cases. This peculiarity of the service tariff is greatly to the disadvantage of the consumer.

The provided quantity actually refers to the volume of a certain service that the suppliers want to provide to the consumers at the moment of pricing. Thus, the essential element in determining the supply is rendered by the correlation between the price and the quantity of a service provided on the market.

The target of all the service suppliers is gaining the highest possible profits. The end of the twentieth century and the beginning of the twenty-one century made obvious a series of **trends** in the evolution of the service supply (Ioncică, 2002a):

- a rapid growth of the service supply as compared to other sectors;
- association/dissociation of the goods and service supply;
- the ever growing role and importance of quality in the field of services;
- different dynamics of services.

The rapid growth of the service supply as compared to other sectors is a trend to be noticed on either the Romanian or the international markets. The development of the tertiary sector has been supported by the development of economy as a whole, which generated a positive output of the living standard, and consequently, the coming out and the diversification of the social need for services. This trend is determined by:

- the growth of the population employed in the service sector in Romania;
- the growth of the service share in the Gross National Product in Romania;
- the ever growing trend of the services contribution to the gross added value.

The association/dissociation of the goods and service supply reflects contradictory trends nowadays; yet, due to the development and dynamism of the social and economic phenomena they could be considered as normal, and all this owing to:

- the intense technical progress that has become a must in all the domains of activity;
- the growth of the living standard and of the life quality;
- the diversity of the social needs;

The dissociation trend of the goods and service supply can be noticed:

- **between the service supply and the goods supply**, for instance the software service used to be sold together with the computer, but at present this service is produced and delivered separately, and even became a distinct activity.
- **inside the service supply,** for instance the development of the catering services inside the common food network;

The association trend has been noticed and determined by the complementary relation between goods and services, and only between services;

- the goods and services supply: for example, the transportation, equipping, maintaining and the service during the warranty and post warranty time;
- inside the service supply: for example, the house decoration, painting, tilling, equipping with air conditioning, with a new furniture, etc.

The growth of the role and importance of the service quality has become a major target for any market economy. On a competitive market, where the companies are in a permanent competition of goods, services and prices, quality is one of the obvious conditions to gaining a competitive advantage. If the customers are provided the expected quality, they will manifest their loyalty, by resorting to the same provider, and recommending the services to their friends and relatives. Also, the sound competition will determine the service providers to relate and adapt themselves to the ever dynamic social and economic environment.

Different dynamics of services: the analyses of the Gross National Product related to resources categories in 2008, as compared to the instant year, revealed different indexes as follows: 113.5 per cent in the financial field, 108.1 per cent in the educational field, 105.1 per cent in transportation, storing and communication fields, 1033 per cent in the medical assistance field, etc.

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Aspects Concerning the Implications Brought by the E-Commerce Development on the Romanian Companies in the Context of the Economic Crisis

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Abstract

The economic reality of our country consists in the fact that the effects of the world economic crisis are already showing and the human crisis and the social instability created continue to have repercussions. Although the perspectives of the world economy are relative good, because of the governments' interventions, which have adopted immediate measures to save different banks and insurance companies but also to sustain the enterprises, they are not enough, and long term solutions are necessary in order to come off well from the crisis.

However, in the crisis context, the global e-commerce market has grown in a significant way. Although the revolution of the e-commerce was blocked by certain obstacles determined by the issues concerning the security of personal information, language issues, delivery costs, laws and taxes, the economic crisis represented a new stage in the e-commerce and the sales increased in Europe, United States and China.

In order to find new methods of reducing the consumption costs, Romanian customers started to achieve more and more products online. Therefore, the economic crisis has generated a significant increase of e-commerce in this period, fact which contributed to the creation of new real opportunities for the survival and development of many Romanian companies.

Keywords: world economic crisis, development, e-commerce, companies, crisis' effects.
J.E.L. Classification: L81

1. Introduction

Internet Revolution is an essential characteristic of knowledge-based economy. Promoting the Internet into a virtual space efficient distribution of goods, services and information, and a space for creativity and innovation which benefits the entire planet. Also, cyberspace has set up a communication network as easy and efficient for all performers of the global market. Therefore, the economic crisis effects on development of electronic commerce in Romanian companies are the major.

2. The economic crisis and Romanian e-commerce development

This global economic crisis is the context where manifested the Romanian companies. Romanian mentality greatly contributed to generating major impacts in all facets of economic and social life. So in the last months of 2008 our country also entered in crisis, making no discordant note to EU partner countries. In the following period, although various anti crisis measures were announced, the external borrowing from the International Monetary Fund (IMF), European Commission (EC) and the European Bank for Reconstruction and Development (EBRD), accessed by the government of our country in March 2009 and any budget adjustment in April of that year did not lead to positive results fight against the global crisis. As such, the level of our country continue to increase taxation measures, which involved, besides the increase in social contributions (decision taken in February 2009), introduction of flat tax and elimination of deductibility for value added tax (VAT) machinery, fuel and car maintenance expenses.

Although some experts felt that the major effects will be evitable in our country, and some politicians announced even the exit from the crisis, in the second quarter 2009 financial and economic year, crisis has manifested strongly in Romania, the effects were an increase in unemployment, small and medium enterprises (*SMEs*) ***bankruptcy,*** low purchasing power of population, reduce domestic production, etc. In this context the outlook for our country forwarded by experts from the German ZEW Economic Institute is bleak.

Global crisis affecting primarily automotive and light industry, which added buildings, while other sectors of Romanian economy was characterized by relative stability or even a slight increase. For example, according to data centralized by Business Standard (2008), in early 2009 announced substantial employment in some branch of the Romanian economy: retail, food industry, IT, security services and security, logistics and telecommunications. This is because these companies addressed to some needs that not disappear during a crisis, but rather amplified. Thus, people will opt to purchase consumer goods, security and information, but not durable goods and luxury, expensive various forms of entertainment.

Authorities in the field believe that retail and food are available 30-40000 jobs, while industry resists global crisis, logistics, showing relative stability compared to other niches. Also, Varban (2009) affirmed that **the economic crisis has generated a sustained development of electronic commerce.** *Electronic commerce stimulates competition and competitiveness by developing new products and markets, the emergence of new actors in traditional markets and new types of relationships between suppliers and consumers* (Popescu and Popescu, 2007). In the context of knowledge-based economy, which operates with new concepts and theories, development of electronic commerce is becoming a reality myth. The fact is that, regardless of definitions of electronic commerce by various experts, institutions or companies, e-commerce means "distribution, marketing, sale or delivery of goods and services by electronic means" (International Trade Center UNCTAD/WTO, 2000). Which means that electronic means can be traded both goods and services in any quantity, both individuals and legal entities. Thus, although developed as a form of free trade magazines, ***electronic commerce (traditional and Internet) is a form of movement of goods, activities and relationships that all organized and conducted by units involved in selling products or services to final consumers or intermediaries*** (Popescu and Popescu, 2007).

Global economic crisis represented another step in electronic commerce, with sales rising in Europe, the United States and China. Although e-commerce revolution has been blocked due to some border security an issue regarding personal information, language problems, costs delivery issues and tax laws, Organisation for

Economic Cooperation and Development (OECD) has shown that once consumers have sought ways to cut costs by buying items online, the **economic crisis has provided a significant increase in online commerce.**

Worldwide, electronic commerce has become a major component of economic development policies of governments of developed countries (Japan, USA, European Union countries, etc.) And by measures taken at government level by these countries to establish unique regulations regarding the transactions electronic commerce, *electronic commerce has become an essential component of world trade.*

In Romania, according to a survey conducted by Polish research company Gemius Research, Internet penetration is 36 per cent and about **50** per cent **of Internet users have used the Internet at least once for online shopping**, more than 22 per cent of 2006 (Varban, 2009).

2007, in which the economic crisis is already manifest in the U.S., Romania, developments in electronic commerce was a success because it was the year when it recorded the highest volume resulting from online payment card, i.e. 35 million Euro. In fact, in 2007 there were 918 stores, compared with just 589 stores in the year 2006, which means an increase of 55.86 per cent. In 2008, the number of stores has grown to 2215 stores (Radu and Taloi, 2008) an increase of 141.29 per cent compared to the number of shops registered in 2007. But an analysis made by publication Link 2 eCommerce regarding online stores, which are active on the Internet, already operating normally, showing that in 2007 there were 640 such stores, their number increasing to 875 in 2008. Fact is, under part number, nearly 5 per cent of sites are operating in Romania for e-commerce activities. Those electronic shops registered in the crisis, an increasing trend in terms of the transaction. Thus, if the average number of transactions each month of 2007 was approximately 37,400 transactions, in 2008 their number increased to nearly 51,000 transactions per month (Radu and Taloi, 2008).

A social analysis of the reasons for the occurrence of online stores confirmed that they were less economic by 2006, next year there was a revolution of the phenomenon, based on economic criteria, determined as the financial results of virtual actors. Of course, improving the public availability of computers has greatly contributed to success of e-commerce in time of crisis. Also, people's mentality towards purchases on the Internet has changed in a positive way. Therefore, according to Trafic.ro, e-commerce growth was 250 per cent in 2008 compared to 2007. Thus, regarding RomCard statistics requested by the only publication of electronic commerce in Romania Link 2 eCommerce, in the first half of 2008 amount from the online payment card security in the 3D secure system was almost 26 million.

Regarding areas recorded the highest transactions are: travel services, booking tickets, paying bills by mobile ICT products, electronics and appliances. During the period 2007-09 is noted increasing consumer interest in certain product segments, namely: notebooks, stationery, software, toys, car audio and video (2007), computers, telephones, movies, art, industrial, automotive and clothing (2008), computers, phones, industry, apparel (2009). In fact, most online stores are the IT assets. They mainly sell computer accessories, office supplies, consumables, copiers, laptops. Products are delivered to clients through the Romanian Post, the fastest runners, or by their means of transport.

Year 2009 brought positive results on all card transactions, both in number and value issue. But the average value of orders fell by 8 per cent following the purchasing power of population decline and also increased the rate of payment cards in about 20 per cent to 5-8 per cent in 2008.

This indicates that Romanian electronic commerce a trade future is online, meaning that it will increase legislative impediments, mindset and infrastructure. Online e-commerce grew in the early years (2001-04, 3 times each year), for the crisis to double from one year to another. Obviously, this trend will not continue in the future, but electronic commerce will still remain a dynamic sector. Thus, estimated RomCard corresponding online payments, will end 2010 at a value of 135 million Euros and 2011 were completed at a value of 202.5 million Euros. But representatives online stores appreciate that e-commerce market will reach in 2010, only retail area threshold of 1 billion Euros (Radu and Taloi, 2008).

It is true that an estimate of the Romanian market online is difficult because there is no authority in the field requiring data on the virtual market. Currently, the National Authority for Management and Regulation in Communications of Romania (ANCOM) worked both in the virtual market regulation, market regulation in the context of electronic communications and postal services. But it is difficult to quantify the electronic trading market in our country, since many online stores do not always declare the real figures and statements for electronic payment processors are not enough relevant analysis regarding actual and potential online market.

3. Consequences of electronic commerce development on the Romanian companies in crisis.

Is known that in financial crisis, many SMEs with all the sustainable growth potential offered throughout Romania's EU integration, will continue to disappear from the market (early failures being in October of 2008) and because Romanian SMEs development is directly influenced by the investments made by firms that acting on the European and global market. After the year 2007 the number of SMEs increased by over 18 per cent compared to 2000 (Sava, 2009).

Macroeconomic instability, insufficient capitalization of SMEs, dependence on large industrial companies and the lack of horizon faced by other SMEs without viable business plans fully contribute to reducing the number of SMEs in our country. Save to SMEs is mainly in accessing European funds, because other forms of financing will not be possible, given that operators will exercise caution regarding investment of any kind. There is hope that some countries affected by financial crisis will provide facilities that will benefit including some Romanian SMEs. This will lead to relocation activities SMEs in those countries. But accessing European funds for Romanian companies is possible due to communicational technology development. Using the Internet allows a communication cheaper, faster and efficient, and the marketing information products with lower expenses.

With known in is that, ***in terms of steps needed for the transactions,*** with few exceptions, ***electronic commerce does not differ greatly from traditional trade*** (Popescu and Popescu 2007). Therefore, it is noted that, today, more and more **enterprises from different countries, electronic commerce has become synonymous with profit growth.** This is because electronic commerce is developing a business as value-generating activity, with Internet support and use of specific software packages.

Moreover, the *Internet is a resource for all companies of strategic communication,* which allows the development of a consistent relational storage. Development of information and communications technology in companies contributing to facilitating access to real opportunities for development worldwide. Using the Internet by all businesses, regardless of activity, to strengthen business and relationships with partners is a major consequence of the development of electronic commerce.

Development of electronic commerce leads to substantial changes in company management in order to strengthen the role of strategic communication in achieving its objectives.

It also notes that the *development of electronic commerce increase the interactivity global economic agents,* which means that firms have new opportunities to diversify the supply and sales markets, to attract new customers loyalty existing ones, and the selection and training of employees.

In our country, specialists believe that online market begins to take shape both quantitatively and qualitatively. Over time, online shop owners understand that a functional electronic storage means to provide potential clients a pleasant experience and to keep up his interest to products sold by that store, for his loyalty.

In the current economic context, the decreased purchasing power and time available for making purchases, while the number of products and services in the virtual environment have increased, more and more interest in the Romanian online market is taking to meet the requirements. Especially since the online prices are competitive, quality products do not differ from traditionally purchased and delivery is to address customer.

Conclusions

The fact is that the global economic crisis, electronic commerce is a market opportunity rather unknown. Although our country, electronic commerce is not sufficiently regulated, this market has become the collective mind as a real alternative to traditional trade because online stores have lower costs and maintain contact with their partners: consumers, giving them quality products and services at competitive prices. But electronic commerce is more than an alternative to the traditional, it represents a real source of opportunity for all Romanian companies, increase their stock networking to promote products, customer loyalty and, in general, increase profit.

Reality confirms that the global situation creates both opportunities and threats for actual Romanian market. So companies will need to adopt policies to survive, either by taking advantage of opportunities generated by the crisis, either by reducing the activity or find new sources of funding. And **realizing the opportunities suggests firms entering the online market.** Therefore, electronic commerce, domain the outlook for the Romanian market, should be considered to identify ways to develop businesses.

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The Communications Impact on Personal Development and Organizational Performance in the Economy Based on Knowledge

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Abstract

In the actual context of the economy based on knowledge, meaning the globalization and the competition, the information and the communication are and organizational power. Those who have the information and know how to use it can change realities, significations and perceptions. The individual is the one who uses them voluntary or involuntary and in this way he develops on one hand the skills and communication abilities and on the other hand he changes his behaviour in a positive or negative way, generating at the same time the necessary parameters to create a favourable environment and develop his personality inside the organization.

Since the function of the organization definitely depends on the quality of the interpersonal communication, the organizational performance is possible only by using an efficient communication inside the organization.

In the actual context the present which people as well as the organizations perceive is full of challenges with a direct impact on the communication process. The globalization and the competition increase the content and the complexity of communication and especially the economic crisis. Therefore, the personal and organizational efficiency is based on the development of skills and communication communities.

Keywords: communication, communication abilities, personal efficiency, organizational development, communication communities.
J.E.L. Classification: D83**,** L26, M14

1. Introduction

Known is the fact that, regardless of perspective approach to communication in the Internet Age, communication process represents interconnection of certain agents relatively isolated, the result being the generation of new communication building level, what new features compared with the of components. These structures form networks of content and relationship plan is more than the individuals who compose them, and this is due to interpersonal communication between network members. Communication effect on members of the network that generate evolutionary behaviour of each individual in the network (individual development occurs through communication). Obviously, d individual enemy is being mentioned again in network dynamics.

In ***knowledge-based economy,*** information (combination of signs and symbols) and communication means personal and organizational power for everyone, regardless of the manifest and the context in which these dimensions. Communication represents a fundamental element of human development.

2. The role and the importance of communication in personal and organizational development.

A. Importance of communication in personal development

Communication, regardless of the perspective of research and how to define, is always present, both physically and metaphysically, since there are human beings and according to some writers - Bible, for instance - even before human existence, both in relationship with God but also with the earth: people, things, animals, plants, etc. Communication is either a process by which information is transmitted from a transmitter to a receiver or an interpersonal relationship in which two or more people can understand (Gondrand, 1981). In this sense, **communication determines the development of the individual,** at least in the socio-cultural perspective.

Thus, it is known that ***people are the result of*** ongoing and irreversible ***communication***. *Human behaviour is the logical consequence of the intrapersonal and interpersonal communication.* This is because all communication takes effect both on the receiver and the transmitter. *An individual's personality is the result of communication* because family and school education means first of all, communication. People are complexes, negative physical and psychological suffering due to poor communication with other friends, family, colleagues, with divinity, with doctors, with society, living world around them (Popescu, 2007).

In this context is, naturally, the question of why some individuals do not develop relationships (interpersonal or group)? Numerous studies have shown that some people cannot generate pleasant relations due to low *capacity communication.* So those lonely, generally have a pattern of self revealing, communicate less, are isolated and tend to be efficient through reduced transmission through verbal or nonverbal signs. Loneliness contribute to cognitive decline in individuals, they become passive and showing confidence and a negative attitude toward people (Popescu, 2007).

Any individual over the life belongs to different social groups: family, study group, group of friends, group work, etc. And to communicate knowledge of needs, language system, correct grammatical construction. Obviously, more than that, he must know when to speak, what to talk about who/what to speak, when, where, and how. This means that the *individual has communication skills.* Experts have not yet developed a scale for assessing these skills. It cannot be determined as objective as possible if an individual is more responsible than any other from this perspective.

After some experts (Lohisse, 2002), individuals who are proficient in linguistic (knowledge of language, linguistic and grammatical system), can learn the rules, determined by social context, necessary for obtaining a communication skill. The fact is that diversity of language combined with social diversity, hence the need to address interpersonal communication and the concept of ***communities*** in terms ***of communication.*** This represents a group of individuals who share certain practices of communication, rules governing the communication process. But an individual belongs to several communities of communication: family, work (working group)/place of study, social group, city, region, company. ***Personal effectiveness*** is directly proportional to the communities and communication skills. In fact, the human the socio-cultural point of view was possible because people were able to talk, listen, read and write, so to communicate verbally, nonverbal and written. This means that only through ***communication man can develop personally and professionally.*** This is because human communication is based on complex psychosocial processes: mental processes (thinking), social processes (codes, meanings, signs and symbols).

Interest in interpersonal communication problems today are the result of a great progress in human history, maybe for the simple fact that *the need for effective communication represents a psychological need.* It asserts that successful communication is to be in a relationship, and relationship occurs when one party to the communication process raises an emotional reaction or takes into account the emotional and affective realities of party (De Lassus, 2004).

Today win only the ones who are preoccupied in matching what they say and what they do relating to the circumstances, regardless of what I feel or think in reality. The question is whether the affect of self-organizational behaviour is beneficial or not for the organization. Unlikely, this is because, for those who can control their behaviour, there is a certain *cognitive dissonance* that will determine, at a time, a conflict of interest that cannot be extinguished as long as I will not know the origin.

In most organizations who wants to stand against globalization, appear so-called virtual groups, whether the organization operates in a virtual market or not. *The issues of personal development in these groups acquire* new meanings because, unlike a direct, personal relationship, communication through computer decreases performance of employees, mutual trust, leading to conflicts and affect relationships. This is because the socialization process of virtual teams and relational development of the stock is neglected which leads to decreased performance of the organization.

B. The role of communication in ensuring organizational performance

Communication inside and outside the organization is a highly complex processes underlying the increased competitiveness of any company. Organizational performance, expressed usually in financial indicators, depends directly to the organizational members' performance level. Of course, every organization wants to achieve high performance by meeting goals.

Therefore over time, but especially in knowledge-based economy, organizations have developed specific systems to proactively increase their competitiveness. And specialists in the sociology of organizations *had* defined *communication as a manifestation of the interaction between organization and environment* (Rogojinari, 2006). Communication actually occurs at all levels of management, being carried out on all levels of command between them, horizontally and vertically. *Communication represents the premise of management duties.* Moreover, effective communication enables sustainable planning for organization, coordination and adequate reasons personalities exist within the organization and its objectives, to control how that works and the extent to which objectives are attained.

The organizational framework emphasis on interpersonal and group communication. From the psychological perspective, organizational performance requires human intervention component of the organization that aims to increase overall performance and efficiency of organizational members. According to this, organization is a human resource system under which occupies the central place, achieving high performance as a consequence of human resource development through its training, improving skills and communication skills by increasing interaction and relational inventory. In other words, addressed from the perspective of organizational performance organizational psychology relates to personal and professional development organization members in the system. Currently, the concept of organizational performance was institutionalized with a multitude of meanings that cover the need for organizational changes that occur in all sub-organization: redesigning the organizational structure, changing organizational culture, relational skills of organization members, developing creativity and innovation, change system information, implementing a quality system, etc.

Organizational performance within the organization is a strategy to achieve the objectives that rely on communication and behaviour science that systematically changing attitudes and behaviour is essential. We must not forget that the initiative for their development belongs only to the individual. So, in essence, *organizational performances are aimed at performance of your organizational members, the interaction between them and thus increase the efficiency of organizational communication and culture.*

Within the organization, *communication is an important component of the leadership.* Communication activities are group and interpersonal communications. Currently, an organization functioning is inextricably tied to the quality of interpersonal communication because it is a condition for social success, professional and organizational. Organizational communication effectiveness is dependent on the one hand, communication skills and community organization members and, secondly, the communication system designed, developed, implemented and operated within the organization.

Also, *communication is the basis of coordination of an organization* (as a function of management) because the information is sent as messages through specific channels in the communication process. The organization is constantly subject to processes of external adaptation and internal integration, and complexity of situations and sometimes conflicting interests of the people, and members of the positive or negative reactions requiring managers' intervention, through communication, the harmonization and synchronization of all actions and decisions of members' organization, hoping to ensure high performance.

Moreover *motivating organizational members is not possible without a social interaction.* Interpersonal communication is the best way to generate an effective working relationship (Rogojinari, 2006), taking into account of all economic, social, technical, psychological, cultural, professional, etc. of the organization.

Obviously, the *role of communication in ensuring organizational performance is generated by a multitude of variables crucial to the organization:*

- Complexity of the mission organization and its objectives;
- Characteristics, size and specific operating parameters of the organization;
- Environmental characteristics in which the organization operates;
- Customer requirements;
- Dimension, nature and characteristics of the working group within the organization;

- Managerial work and personality of managers;
- Socio-professional characteristics and temperament of its members.

Communication within the organization is verbal, nonverbal, and written and is manifested in the organization as determined by specific aspects of the communication process components: transmitter, the source of the message (structure, meaning, composition), the channel filter receiver, jitter, recipient feedback effect. The message is the effect of other previously received messages. Determinant communication or information being given to events that made the writer decides to send the message receiver, in a certain context. Also, within each organization communication process is specific due to the personality of individuals that comprise that organization, organizational culture and other peculiarities arising from the influence of internal factors (organization parameters: field of activity, organizational structure, information system, management style, personality top managers) and external organization (environmental, technical and technological environment, economy, raising people's education).

And organizational communication entails ***the exchange of messages necessary to achieve the objectives of the organization system.*** Diversity of forms of organizational communication research requires complex role in ensuring performance in organizational communication. Especially since people are not only different but also have different behaviours in similar situations. In essence, the individual member organization plays several roles in order to achieve individual goals. However, regardless of role, each organizational member must define a *strategy of excellence,* resulting from the most relevant developments in relation to personal development. This strategy is based on behaviour change and aimed at the individual existence of creative capacities. This could be considered at the organizational level, as a strategy to achieve high performance.

3. Conclusions

Communication is the answer to existential problems confronting man's knowledge economy and digital age. People hate each other because they fear each other and are afraid because they do not know each other. Obviously, people do not know each other because they do not communicate. This generally holds true in the past, but especially today when the pace of life of individuals contribute to the phenomenon of loneliness. Moreover, many people feel lonely even when surrounded by other people and, superficially, develop joint communication. In the present context communication in the workplace is as important or even more important for both the individual and the organization. Communication allows establishing relations not only between individuals but also between objects or between people and objects and making possible personal and organizational development.

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A Glimpse into the Realm of Symbolic Communication

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Abstract

The purpose of the paper is to highlight the importance of symbolic communication and to synthesize the headway made so far in the understanding of this fundamental component of our conscious and unconscious mind. The extant definitions *and descriptions of this process were briefly examined and its impact on human subjects was evaluated. The conclusions show the existence and manifestation of 2 types of symbolic communication and focus on the role played by the one employing motivated symbols in preserving and transmitting fundamental social values and in building a bridge between the real and the imaginary worlds, the present and the absent, the known and the unknown, the concrete and the abstract, and between men and universe.*

Keywords: *communication, semiotics, symbol;*
J.E.L. Classification: D83

1. Introduction

The production, transmission, reception, storage, retrieval an use of information by the members of the social groups describe the major components of the communication process and play a fundamental part in the functioning and the evolution of human civilization.

Symbolism, as a mode of signification and communication, is a deeply rooted participant in the inner and public lives of the past and current cultural paradigms. Communication and symbolism are studies by specialists belonging to various domains such as semiotics, sociology, political science, psychology, psychoanalysis, linguistics, anthropology and neurology.

The attraction for the study of communication increased after the Second World War, duet o a rising awareness regarding the economic, political and social implications triggered by communication issues and due to the development of new technologies that augmented the volume of information transmitted as well as the access to the flux of information. An indication of this evolution was the creation of university departments dedicated to the analysis of communication, the introduction of the domain as a subject in the curriculum, and the inclusion of communication skills among the requirements to be met by employees. The analysis of symbolism become an object of formal study during the Middle Ages and remained a constant preoccupation for scholars ever since.

2. Definition of communication

The common understanding of communication is usually reduced to a simplified presentation of the process as the transmission of a message about a certain subject by a sender to a particular receiver.

Yet this common sense perception of communication is not confirmed the multiple attempts to define it. The study of these versions allowed Dance to identify 15 distinct points of view which highlight different aspects or components of communication and signal the underlying complexity of this human behavior:1.Language or code, 2.Reception, 3.Relationships between the participants, 4.Reduction of uncertainty in view of adoption, 5.Transmission, 6.Connotation, 7.Communication as connection, 8.Common ground, 9.Channel, 10.Storage of information, 11.Selection and interpretation of information, 12.Stimulus-response situation, 13.Intention and purpose, 14.Context, 15.Power to exert influence (Dance and Dance, 1970).

A working definition could describe communication as a permanent, circular, open/close process, involving participants who exchange information in determined contexts (space, time, situation), using a format and a channel for information transfer, developing relations (characterized by attraction/rejection, cooperation/conflict, subordination/super ordination, equality/inequality), using a common code as well as a set of formal/informal rules regarding the unfolding of the communication activity, following particular purposes, adapting their input by means of feedback, and obtaining certain effects.

3. Means of communications

The modalities employed by communications are determined by the level of development of the society and by the social and cultural rules accepted at given moments by the members of the community.

The means of communications used by individuals influence the selection of participants in the communications process, the frequency of the exchanges, the quality of the communicational events, and the content of the occurrences. The means of communications include the messages, the procedures to encode the messages, the various ways in which messages can be transmitted, and the decoding and interpretation procedures used by the receivers. The messages are classified according to the type of signs used to generate them, and which are listed forthwith: the generic categories of indexes, icons, and symbols the important categories of linguistic signs (as illustrated by spoken and written languages), and non-verbal language signs (body language).

4. Definition of the symbol

Peirce (1958), one of the "founding fathers' of semiotics, defines indexes, icons, and symbols in relation to the way in which these semiotic devices associate the signifier and the signified: in indexes the connection relies on contiguity, in icons on resemblance, and in symbols on convention. Thus, cause-and-effect relationship such as those holding between rain and wet streets illustrate an indexed configuration, tracks in the sand are iconically representative of the feet that made them, and the English word rain indicates a meteorological phenomenon by virtue of a convention accepted by speakers of English. The dictionary definitions highlight the dual nature of the symbol by showing its capacity to function both as an arbitrary sign (the Peircean point of view) and as a motivated one thus, the symbol is a "mark or character taken as the conventional sign of some object or idea or process, e.d. the astronomical signs for the planets", or a "thing regarded by general consent as naturally typifying or representing or recalling something (especially an idea or quality) by possession of analogous qualities or by association in fact or thought", e.g. "white" for "purity" (Sykes, 1976).

Evseev (1983) explains the symbol as a type of motivated sign, comprising two components, the signifier/symbolizer and the signified/symbolized. While the former belongs to the world of our perceptions, the latter is a concept, a mental entity related to a referent which can be real or imaginary. The relation between the two components (the symbolize and the symbolized) is essentially cultural and it is based on analogy or contiguity. The symbolic connotations do not eliminate the primary, referential meaning.

The discussion regarding the nature of the link uniting the “visible” and the “invisible” sides of the symbol has evolved into the establishment of antagonistic groups upholding irreconcilable opinions concerning the issue under analysis.

The supporters of the traditional point of view consider symbols as images taken from the sensible world that speak of realities of another order which cannot be described, or evoked otherwise that by analogy. The application of this principle lead to the development of the law of correspondences whose functioning is described by Rene Guenon, quoted by Raine (1965): “By virtue of this law, each thing, proceeding as it does from a metaphysical principle from which it derives all its reality, translates or expresses that principle in its own fashion and in accordance with its own order of existence, so that from one order to another all things are linked together and correspond in such a way as to contribute to the universal from one order to another all things are linked together and correspond in such a way as to contribute to the universal and total harmony, which, in the multiplicity of manifestation, can be likened to a reflection of the principal unity itself. For this reason, the laws of a lower domain can always to be taken to symbolize realities of a higher order, wherein resides their profoundest cause, which is at once their principle and their end”.

The theory of the transcendental, motivated link, uniting the symbolizer to the symbolized, is rejected by the positivists, who rely on the supremacy of the language of fact and science, and grant the symbol only a secular, semiotic “power”, classifying it either as an arbitrary sign, used in chemistry, physics, or mathematics, or a type of partially motivated sign which possesses “the rudiments of a natural link between signifier and signified” (Saussure, 1969).

But even this frail connection is rejected by those semioticians who refuse to abandon the principle of arbitrariness of signs for the sake of this exception, although the structuralists and the phenomenologists regard the symbolic relation between the signifier and the signified as “natural” (Culianu, 2002).

Culianu (2002) shares the views of the former group and justifies his position by showing that the signifier-signified relation in symbols is basically intellectual, artificial and cultural in its nature. In his opinion, the mind, in which the discussed relation is originated, could react in different ways to “different typologies, climatic conditions, and cosmogonies. “Symbols are cultural because they accompany certain technological paradigms and they are modified as new paradigms arise. For example, the symbolic universe of hunter-gatherer was radically transformed by the advent of agriculture and the creation of sedentary settlement”.

According to Culianu (2002), the creation of symbols is the result of the interaction between the human mind and the world as well as of the interaction between the mind and its own subjective imagine. Also, considering the symbols from a chronicle point of view, he expresses the opinion that the latter group appears to be more persistent than the one generated in the man-world relationship.

5. The communicational dimension of the symbol

Evseev describes the human simbolarium as a symbolic code possessing a "vocabulary" and a 'grammar", its components being defined by paradigmatic and syntagmatic relations, based on similarities and differences, as well as on associations determined by different types of occurrence, i.e., simultaneity or succession (Culianu 2002). The paradigmatic relations mentioned above include association based on partial synonymy, antonymy and hyponymy; on this dimension the meanings intersect and the symbols are ordered in derivational series: for example, the solar symbolism assembles in a single paradigm different symbols whose individual meanings allow only the establishment of a relation of partial synonymy.

The syntagmatic dimension becomes manifest in symbolic texts generated according to either mythic or poetic principles; in these texts, the succession of symbols is subordinated to certain text generation rules which are isomorphic with the rules applied in the creation of any type of message. People develop a lifelong familiarity with symbols as a result of their exposure to the public and private, formal and informal teaching referring to symbols and their meaning. The communication based on symbols seems to come naturally to humans and the oneiric experiences can easily illustrate this observation. This natural mental activity during which symbols are produced, recorded, and interpreted relies on the specialization of and the cooperation between the two hemispheres of the brain: "The left hemisphere processes information sequentially, the right hemisphere simultaneously, accessing several inputs at once" (Sagan, 1977). The right hemisphere is also the seat of non-verbal pattern recognition and auditory pattern recognition of a "holistic and simultaneous nature, very different from the analytical and verbal processes which are located exclusively in the left hemisphere" (Lawlor 1978). Individuals find symbols attractive because they satisfy "the human need to visualize the abstract and the need to transcend the visible" (Liiceanu, 1978). Another reason for humans to accept symbols consists in their modality of communicating information: the symbols offer a subtle, non-intrusive way of getting the meaning across, a possibility to avoid obvious, direct, readymade "message" which readers tend to resent; also, because the meaning is not "given" one has to work his way along various interpretation scenarios in order to reach a satisfactory "vantage point", thus enjoying both a sense of knowing and feeling of living participation.

The impact of the symbol on the human subject is not solely determined by the fact that the symbol is talking to his intellect, forcing him to accept, simultaneously, a cluster of meanings, but also by its capacity to address to intuition and the senses of the individual, thus creating moth a mental, an emotional and a "sensory" experience. This combined effect is possible due to the fact that the human brain is able to generate both nonverbal and verbal thought, the former category including the use of various types of images which one can bring to mind without the assistance of "propositional" reasoning (Crystal, 1991).

6. Conclusion

The symbolic communication includes two types of signs, the former relying on an arbitrary connection between symbolize and symbolized and the latter building its associations on analogy or contiguity. While the arbitrary signs are apt to produce linear, sequential messages, allowing us to understand and organize the world where we live, the motivated symbols are able to generate meanings which are not accessible by other means, to act as interpreters of reality, and to function as a bridge between the real and the imaginary worlds, the present and the absent, the known and the unknown, the concrete and the abstract and between men and universe. The motivated symbols express a marked axiological content, of an ethical or aesthetic nature and they are always communicating attitudes and values. In doing so, they also fulfil a social function, preserving and transmitting the fundamental knowledge of the community and enforcing its commandments.

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The European Consumer's Profile in a Global World

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Abstract

The key to success in business is to focus on the client. You must concentrates less on the product. The client must be seen as a financial active. The great challenge for a modern company is to keep their clients longer than their products. From a new point of view the marketing department has an important role in creating a database of clients.

Some new phenomena have appeared on the base of some less perfect competition mechanism of Romania's transition to the market economy, avoiding the European structures and its participation on the international market. The community citizen must have some characteristic to all the citizens from each participant (partner) country.

Keywords: *consumer, financial active, customer typology, consumer behaviour;*
J.E.L. Classification: M30

In the modern marketing, the consumer is placed in the centre of attention, for the companies interested in a long term full success. In the opinion of Ph. Kotler (2004) "we reached to a customer's economy, an economy where the client is king! It is one of the results of the capacity excess. The clients, not the goods, are in deficit".

In these conditions, the companies should learn how to "focus on the product" and to give up to the "concentration on product" and replace it with "the concentration on keeping the client". More than that, Kotler (2004) affirmed that "If the company doesn't take care of its clients, there will be someone who will".

The companies should see in the client a financial active, which needs to be administrated and optimized same as any active. The acceptance of the value of the active will determinate the companies to recreate their total marketing system, obtaining a higher rate to attract the clients, using their own products and services and marketing strategies created and applied.

30 years ago, Peter Drucker appointed the importance of a company to focus on the client. In this sense, he shows that the purpose of a company is to create a client. Therefore, the company has two – and not only – basic functions: marketing and innovation. Only the marketing and the innovation produce results – all the other represent costs.

The great challenge of a company is to keep their clients longer than their products. In general the companies spend the most part of their financial resources to attract new clients and they are not concentrating to keep the existing clients and the transaction volumes they have with them. Almost 70% from the marketing budget is spent for attracting the new clients, in the conditions when 90% from their expenses come from transactions with the current clients.

The modern marketing idea has deviated from the perspective of increasing the company's profit from each made transaction, getting closer of the optimization of the profit. Therefore, in a not far perspective, an important role comes to maximization of the data base concerning the clients and adapted to the client's request. The perspective according to which we need to see a client in each individual should be changed into the concept according to which we see the individual from each client.

The specialists agree that after Romania joined the European Union, the estimated impact on the consumer's behaviour will be very different according to their structures. In this sense, basing on some competition imperfect mechanisms, the transition to the market economy and the efforts made in order to integrate the European structures in Romania, certain phenomena already appeared:

- Passion for variety concerning the goods;

- The confrontation with an enormous variety of goods compared to the planned economy;
- The appearance of an important commercial deficit for many categories of goods which should normally be equilibrated by an export of industrial Romanian goods;
- The confrontation of Romanian companies, as users, with a conjuncture which influenced substantial the conditions of developing the activity, especially the investments and the profit level. Although the volume of the low or very low, the commercial supplements have disproportional levels, which make the Romanian products to be less competitive.
- Therefore, in relation between the consumer's behaviour and the marketing practice a multidisciplinary approached is welcomed, where the economy, sociology and psychology are found again. In this sense, the necessity of taking into consideration many elements appears:
- The attitude towards price, because the acquisition act represents an act of resource allocation. Therefore, the theory of the consumer's behaviour cannot limit only to attitudes and psychological processes. The multidisciplinary approach represents at the same time an examination of the resource allocation act and also the attitudes and psychological resources, both of them having the product as "an economic object";
- The acquisition act, the multidisciplinary approach requires a substitution vision between products, marks etc.;
- **The market study** must take into consideration the psychological elements related to the product and also the elements of the quantitative analyze and request prospect. The results of individual observation are satisfactory, being absolutely necessary the transition from "microscopic" level (individual observation) to "macroscopic" level (generalization of collectively level);
- **The product,** using the multidisciplinary approach the following things are relevant: the object of the real choice of the consumer is represented the specific good with its characteristics and not the product without characteristics. The product is considered as an economic good, which assures many services of functional nature, psychological and sociological. The product is an object to which the consumers attribute it an assembly of satisfactions.

From the marketing point of view, the issues of the consumers' behaviour – in multidisciplinary vision – have serious implications in the transition from the product psychology to the sociology of the economic good – the product.

For the social marketing the economy of the activities could contribute to the improvement of the methods of the market segments and consumers, putting at hand additional criteria.

Proud of his own origins or jealous on the "neighbour" who has a bigger Intern Brut Product, the European figure is a jovial one and at the same way weird and very pleasant. In opinion of Toader (2005) the community citizen should be:

- Skilled chef ...... as an Englishman;
- Nice ...... as a Finn;

- Talkative ...... as a German;
- Good driver ...... as a French;
- Technical ...... as a Portuguese;
- Agile ...... as a Swede;
- Handsome ...... as a Luxembourg Man;
- Patient ...... as an Austrian;
- Calm ...... as an Italian;
- Awake ...... as an Irish;
- Modest ...... as a Spanish;
- Generous ...... as a Dutchman;
- Organized ...... as a Greek.

Inside the unique European Market, in order to have success in business, companies should know deeply the European consumer and especially the consumer from this community space.

The aimed consumers represent “the target” of the local, national and regional markets or from the unique European market. In case of a multinational or transnational company “the target consumers” join the global market (Adăscăliţei, 2004).

The globalization is an irreversible process which affects the consumers at the same time and in equal measures. “To be a local in a globalized world it’s a sign of social inadequacy and degradation” (Bauman, 2005).

The globalization phenomenon has profound effects, appointing the complex transformation of the human conditions parameters and the phenomenon is in full development. Using the globalization concept the human practices related to “the material changes” and the quality of “the surrounding world” are explained. The globalization divides and unites at the same time and the division causes are the same with the ones which promote the uniformity from the globe. The business development, the informational commerce, as an ample process has as a result the initiation and development effect of another product of “space localization”. Between these two processes there is a tight and permanent communication which determines the difference between the life standards of the consumers at a planetary level and the differences of their inside segments. The mobility and liberty of movement promoted the stratification produces at a planetary level during the post modern era.

Once the information expanded to a planetary level it was created a cybernetic space, on the top of the fabrication, territorial/urban/architectural space. The elements of the cybernetic space don’t have spatial dimensions. People are not separated anymore of physical obstacles or temporal distances. The differences from here to there lost their sense (Bauman, 2005).

The behaviour of a consumption society is radically different than the consumers from the other known societies.

The expressions “we work to live” or “we live to work”, dilemma heard in present refers to: we need to consume in order to live or we live to consume? Therefore, the question refers to the fact that we only feel the need to separate life from the consumption (Bauman, 2005).

In present, because of the time mobility and the consumer space, we see everyday a custom decrement, except the meta-custom, "the custom of changing the customs".

The traditional relation between needs and their satisfaction is backwards: the promise and the hope of satisfaction ante cede the need of the promised satisfaction and it will always be more intense and attractive than the existing needs (Bauman, 2005).

In a world of economic, political and social changes, the consumers have new attractions and at the same time they are satisfied quickly and the development of the society according to the consumption pattern of the market is ready to change its attractions extremely fast (consumption goods, services, etc.). „The travel represents for the consumer's life a bigger pleasure than reaching the destination" (Bauman, 2005).

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The Implications of the Globalizing Phenomena

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Abstract

The globalization is a complex phenomenon with implications of both geopolitical and institutional nature. The evolution of the globalization process as well as the involvement of the local, regional, state and international level institutions into it determine a thorough analysis of the place and role of national institutions in a globalized and globalizing world.

The international structures and the national institutional structures must find those mechanisms of adapting to the challenges of a so complex process, with influences *on the international order, and Romania must assume its position within the international system. In the international relationships, an important role is taken by the trans-Atlantic dialogue and intra-European co-operation. The majority of globalization definitions indicates the fact that it is a multi-cause process which has as a result the fact that events occurring in a part of the world have consequences more and more ample on the societies and issued in other parts of the world.*

Keywords: *globalization, regional cooperation, sustainable development, knowledge society, sovereignty;*

J.E.L. Classification: F15

1. Introduction

Globalization has implications on the international order and involves many aspects. Besides the positive influence on the development, the globalization is considered the most complex form of internationalization of the economic activity, process intensified by the European Union and NATO expansion, aspects that leave its mark on a globalized state. This is because the process of globalization, taking place at economic, political, socio-cultural, etc. level involves the interdependence of certain events occurring in different parts of the world, which does not imply the possibility to control the consequences of such interdependencies.

The concept of globalization itself defines a process by which events, decisions and activities that take place in a part of the world can have significant consequences for individuals and communities in other parts of the world. This meaning will only highlight the fact that the nation-state, creation of the European modernity, seems already compromised. Nowadays the assets, the capital, the people, scientific knowledge, images, communications, crimes, culture, pollutants, drugs, fashion, terrorism no longer take into account the interstate barriers, with few exceptions. All this reiterates the idea of a universal space of humanity, developed at economical, political and socio-cultural level.

2. Globalizing phenomena

The processes that accompany globalization, especially integration of markets - goods, services and especially financial markets - and the progress of communications and the emergence of powerful non-state actors, mainly multinational companies, causes a strong pressure on the nation-states and causes erosion of the societal cohesion of traditional factors they are based on. At the same time, globalization causes denationalization, defined as an extension of social spaces, which consist of dense transactions beyond national borders. These cross-border transactions create problems for the national government for the simple reason that the social space that must be governed is no longer national only.

Globalization is understood as a set of processes especially marked by transcontinental exchanges and networks, inter -regional activities, power and interaction.

Thus, interconnections and trade, financial, cultural exchanges, investment, and migration intensify. The dissemination and circulation of ideas, goods, information, people and capital speeds up The impact of the effects of long-distance events are felt everywhere, and some local actions can have global consequences. We find that the boundary between local issues and global affairs becomes increasingly more flexible.

Although globalization has many definitions, but none universally accepted, most of them emphasize that globalization is a multicausal process that results in events occurring in a part of the globe having increasing repercussions on societies and issues in other areas of the globe. Globalization is universal in that it has come to affect the overall structure of global social system components - political, economic, military, social, religious, ecological etc. regime. From this perspective we can talk of political, military, social, financial, technological, environmental, etc. globalization and, of course, primarily, economic.

2.1. Economic dimension

Economic globalization indicates four types of cross-border flows, namely flows of goods/services, flows of people (migration), capital and technology. A consequence of economic globalization is to improve the relations between developers of the same industries in different parts of the world, and an erosion of national sovereignty over the economic sphere. IMF defines globalization as "the increase in economic interdependence of countries worldwide through increasing volume and variety of goods and services transactions across borders, the international capital flow much more freely and more quickly, and a wider diffusion of technology" The World Bank defines globalization as "the freedom and ability of individuals and firms to initiate voluntary economic transactions with residents of other countries." In management, globalization is a marketing or strategy term relating to the development of international markets for consumer goods characterized by similar customer needs and tastes. Connecting markets and businesses worldwide have intensified. This process has accelerated dramatically in the last two decades as technological progress enables people travelling, communication and international affairs. The two major guiding forces of globalization are the progress made by communications and Internet development. Globalization reduces the relevance of borders between states, at least in terms of economic processes or trade in particular.

Economic globalization has direct and indirect influences on developments in social, political, military, diplomatic, cybernetic, environment, health etc fields. Economic globalization will continue and will deepen. Despite protectionist trends, transnational exchanges will increase, determining the creation of inter - relationship and interaction between national economic systems and market integration. Openness and market orientation will increase competition and pressure on economic and social systems adjustment. States and regions that fail to meet requirements and keep up the pace of changes and technological progress are likely to be marginalized, and their economies will go into decline.

Four basic forms of capital movement capital causing economic globalization to the economic world have been identified: human capital - immigration, emigration, deportation, financial capital - aid, loan, credit, debt, etc., capital resources - energy, oil, natural gas, metals, minerals, wood, capital strength - security forces, alliances, coalitions, etc.

World economic globalization marks the transition from a patchwork of national agricultural - industrial economies to a global, intensive, integrated economy, based on information technology and communications. It is estimated that NATO countries and other advanced countries, not allied countries, such as Japan, will advance economically and other rising economies such as India, China, Brazil, the South East Asia - Indonesia, Malaysia, Philippines, Thailand - will play a special role in the geo-economic order.

Sustaining economic growth will depend on several factors such as: national fiscal discipline, public expenditure on education, health and infrastructure, tax systems, competitive exchange rate, liberalization of foreign direct investment, privatization, protection of copyrights, central bank independence, consistency of the private sector, labour market flexibility, financial and business standards harmonization with international and national ones and national financial systems strengthening.

Rationalization and consolidation of multinational corporations through joint ventures and acquisitions have an important role in the international economy. Economical and political interdependency is reinforced by corporate, multinational and transnational companies operating through various means, on the authorities to obtain access to resources, markets and instruments guaranteeing the protection through national power instruments.

2.2. The political dimension

Internationalization of economic relations introduces changes in addressing relations between institutions, organizations, state organizations and internationally existing ones. Globalization is a factor of integration of man in the global human community and provides space for development of new systems of global governance and to a civil society. The issue of globalization is closely related to the so-called global governance, understood as countries and institutions joining forces to manage the world as a whole. Organizations such as World Trade Organization, World Bank, the UN were created to lead/run the world.

Democratic states and governments are advantaged or constricted by constitutional rights of their citizens development, and by the effects of globalization in the media, so that events in different parts of the world have immediate impact on nations.

Due to the nature and scope of effects, governments should coordinate their efforts to face transnational challenges such as the environment (natural disasters, global warming effects), and cross-border organized crime, arms proliferation and trafficking, migration, health and terrorism. More the international issues affect national interests, the more international solutions are required.

Economic growth depends largely on the existence and attitude of socio-political factors (favorable or reluctant to openness and interaction): democratic participation in political, social and economic life, advanced IT and communication technologies: networks, 3G cellular, online trade, eradication of poverty, quality of education and manpower training, viable health systems, environmental protection, gender equality and strengthening the effectiveness of governance and the state institutions authority.

The political dimension is the increase of interdependence of actors in the international system. This increase occurs both quantitatively, by increased density of relations between stakeholders and qualitatively, by transforming the nature of stakeholders and the relations between them. Network metaphor may be helpful to visualize this relatively complex picture. The international system can be regarded as a network of rules, norms and customs that are organized and make predictable developments of world politics.

2.3. Socio-cultural dimension

Although critics of the phenomenon of globalization emphasizes the negative effects on human development, considering that man is focused only on economic, living only for production and consumption, empty of culture, politics, conscience, we cannot ignore the fact that with globalization, topics such as democracy, human rights, equality of opportunities and environmental protection have enjoyed more attention.

Analysts point out that the implications of economic globalization are the most obvious. So comes that, international trade growth rate is much higher than the world economy, international capital flows and foreign direct investment are increasing; creation of international structures and multinational agreements; development of financial global systems; affirmation and development of multinational corporations.

The same trend will manifest itself at socio-cultural level: international cultural exchanges intensification, multiculturalism spreading, hybridization of local traditions and local or national cultural values by assimilation of Western and global cultural values, international transport and tourism increase, increased immigration, including illegal immigration, and formation and development of a set of universal values.

The global telecommunications infrastructure development and transnational transfer of data using technologies such as Internet, satellite communications and cellular telephony, enabling communication, facilitates the processes of leadership and management through databases and information access and processing in real time, regardless of distance.

Culture globalization known a retrieved complexity and variety both in the forms and modes of communication and the transport. Therefore, we can talk about cultural globalization where and when transmission infrastructure and institutions emerge, reproduction and global cultural reception - cross-regional and transcontinental.

According to several authors, globalization, primarily, is a geopolitical and then geo-economic and geocultural process. This process is not only an approximation, integration of the economies of several countries. The qualitative characteristics of these economies change, that are transformed from closed systems into some elements of a global system. The notion of national economy has changed. The basic economic institution becomes the transnational corporation, which places its factories and sells products where it is more convenient, without taking into account the existence of borders. Whole regions are transformed into raw material suppliers and markets for transnational corporations, without developing their own productions.

In case of political globalization, the question is the future of state-nation, in case of economic globalization, the key issue is the balance of growth and stability within a truly globalized economy. We find that globalization includes several dynamic processes in various areas of a society. Thus, the analysis of the implications in the economic, political and socio-cultural field becomes important for understanding the phenomenon.

3. Geopolitical implications of globalization

Increased trade, investment and technology exchanges between different regions, facilitating interpersonal contacts, familiarity with the cultures of other nations are certainly beneficial for mankind.

Some challenges of globalization have regional or even global nature: environmental and technological disasters, transnational crime, international terrorism etc. Intensification of the globalization endangers national economies. Because of uneven distribution of globalization benefits the negative aspects of this process can have a negative influence especially on developing countries so that they could remain far from progress.

Notions of national and international security acquire new meanings in the globalization context. Functioning and stability of society bears the influence of external factors. The status of international security increasingly influences the possibility to safeguard national security. Maintaining global stability, assistance in the creation of such international mechanisms that would ensure sustainable and balanced development, will become a priority and one of the main problems for regional communities.

The new challenges in international security environment are represented by geopolitical and military threats faced by nations and armed forces both on short and medium and long term. Both at regional and global level, the security environment requires states to reconsider the concept of security and its understanding as a general state of the society in which citizens' fundamental rights and freedoms, constitutional democracy and the fundamental interests of states are assured and guaranteed.

The current security environment, represented by the age of information and the security architecture development, includes countries that are under intense development. Markets and economic activities are transnational in nature, and economic transformation and globalization should be included in the national security concept. Terrorism, migration, drug trafficking and strategic materials, organized crime, overlapping globalization with regionalization and fragmentation trends, etc. are currently the risks and threats to world security and stability. Opening the borders enables their wide proliferation, while the fight against them became a new component of globalization.

In the geopolitical dynamics of the world, the transatlantic relationship plays a crucial role. Europe has managed to eliminate artificial boundaries between East and West in the process of European integration and its defense component. Joint efforts to achieve peace and stability in Europe have intensified and amplified. European defense building became a reality and is based on conceptual, military and legal foundations.

Environmental issues and global resources, open markets and floating exchange rate, manpower and capital, trade as a major component of national income, proliferation of arms and nuclear technologies, clashes between cultures and values, interstate conflicts, significant involvement of new environmental global resources are important challenges that must be taken into account both by national governments and international organizations and institutions.

The European Union had an important role in strengthening and supporting this economic competitiveness in the multi-cause logic of globalization. Due to the EU the framework was created for Germany to be reunited without threatening the rest of Europe. Both institutions created the framework for thousands of official meetings, where those in charge of making decision on which peace or war depended were able to get to know each other. In comparison with the past, at present, the quality and stability of political relations are without precedent. Today, the European Union is the most developed example of a post-modern system and it represents security through transparency ad transparency through interdependence. The EU is more a transnational system than a supra-national one, a voluntary association of states and not their subordination before a central power. In reality, the dream of a single European state comes from other eras and is based on the presumption that the states are inherently dangerous and the only method to calm the anarchy of nations is to impose integration upon them.

The globalization process involves, first of all, economic systematization, then international relations between the states, at the political level, and, not lastly, the emergence of a global culture or conscience. However, in an are of diversity and axiological pluralism, we can speak of a culture own to a world seen as a single space in which a global culture would presuppose, before anything, at least the diminishing of the importance of particular cultures and, therefore, of the communitarian identity of different nations.

The processes accompanying globalization, especially the integration of markets – goods, services and especially financial – and the progress of communications, as well as the emergence of strong non-state actors, first of all multi-national companies, determine a strong pressure on the nation-states and cause the erosion of traditional societal cohesion factors on which they count. At the same time, globalization causes de-nationalization, defined as an extension of the social spaces, which is constituted of dense transactions beyond the national borders. These cross-border transactions create problems for national governance for the simple reason that the social space which must be governed is no longer national.

The European Union developed, during the last decades, into a new type of political system, with important consequences on democracy and governance in the member states. The case of the European Union is a particular one, but, probably, the most relevant, of a more complex problematic, defined by the manner in which internationalization affects governance and democracy. The correct balance was found between, on the one hand, the necessary international cooperation and the common decision-making and, on the other hand, to an equal extent, the necessary respect for national integrity, where citizens, as well as national or local institutions, have a clear role to play.

Within the European Union, a dynamic multi-level system developed. Without a doubt, the Europeanization of the economy is more advanced. This means that the possibility of capital owners to freely move throughout the entire European Union coerces national governments in their economic policy. The constraints of the national policies determined by the international environment are relatively much stronger than they were decades ago. Economic Europeanization is achieved ad institutionalized by the rapid development of a European economic legislation.

In the context of globalization, providing a stable security environment requires consistency and firmness in terms of policies and strategies in the field, and the international institutional system faces a big challenge.

We appreciate that on medium and long term, globalization will be subject to challenges and global contempt, increasingly expressed by global threats such as: imbalance due to insufficient implementation of sustainable development, low capitalization of local resources, which makes poverty to become more extensive, persistence of deficit of democracy in many parts of the world, increased social and economic polarization with extended stability effect, the inability of governments to fully cope with globalization.

4. State institutions and globalization

Globalization is a process or set of processes, which embodies a transformation in the spatial organization of social relations and transactions - assessed in terms of extension, intensity, velocity and their impact - generating transcontinental or inter-regional flows and networks of activity, interaction and exercise of powers.

Globalization allows free flow of people, goods, capital, technology, information, resulting in determining links between different levels of social organization. It is a phenomenon at different speeds, depending on the field and the size of the area in which they operate. Globalization increases its degree of institutionalization.

The evolution of the globalization process, its involvement in local, regional, state and international institutions causes a serious analysis of the place and role of state institutions in a globalized and globalizing world.

Globalization involves a reinterpretation of each element: nation-state's claim to be absolutely sovereign is significantly limited getting towards a relative sovereignty, distributed or shared; its territoriality remains important but is becoming less dependent on state boundaries; the international system is no longer supported exclusively on sovereignty and focuses on other principles such as peace keeping, human rights or sustainable development.

The state has monopole in the legislative, monetary, and military or foreign policy, instrument of intervention when the market moves in a direction considered being dangerous. Although, theoretically, it can intervene to control the various markets, this type of policy would be extremely costly and would result, under current conditions, in the isolation of that State, a true boycott from other states or big investors.

We consider that regional integration, once achieved, allows states an active involvement in the process of globalization. The national interest requires states to accept and to act towards regional integration and globalization, as phenomena that define human evolution.

The national interest is the fundamental factor that mobilizes states to multiple actions and at all levels. Globalization and regional integration are correlative and defining events for the evolution of mankind. They respond adequately to achieving national interest.

5. Conclusions

In conclusion, both regional integration and globalization involve a number of social and economic costs, but the rejection of the two phenomena is not beneficial to any state. Today, a set of non-state actors, defined by a great economic power are consistently acting on the world arena. These are multinational organizations, which agree and support the idea of globalization. These institutions have the financial and economic capacity and benefit from the political influence necessary to promote and support globalization.

States cannot oppose this global trend, if they intend to have a sustainable, harmonious and secure development. Basically, it is more advantageous to engage in regional integration and globalization, rather than oppose these phenomena.

Bodies operating at international level, European Union and national institutional systems must find the mechanisms to adapt to the challenges of a process of such complexity as globalization.

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Balkans Globalization

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Abstract
The following definition is one frequently used about globalization: "Globalization represents the process through which geographical distance becomes a less important factor concerning the development and stability of socio-cultural, political and economical cross border relations". Globalization is considered to be a two way process: the world is integrating, is globalizing but in the same time it becomes more and more differentiated, it becomes regionalized.

Keywords: globalization, the particularize and localize of the Balkans;
J.E.L. Classification: O13, Q26

Globalization, as a matter of fact, the incipient germs of globalization without which globalization itself would not be possible as a not necessarily conscious social phenomenon, can be identified and taken into consideration from the very dawn of group development of the human condition. Awareness of property, as well as of the instinctual need for its continuous development, permanent diversifying of the general object of ownership and implicitly, of its value, the constant improvement of forms and procedures domination exercising by means of force and war, the impossibility of maintaining the ownership over the crucial discoveries for the development of human society, conjoined with the generosity of their unrestricted spreading are but a few elements that can be taken into consideration when discussing the germs of globalization. Because, we need to emphasize, globalization is an unavoidable and irreversible process transcending institutionalized human will, being capable to rush, slow down and specifically direct the process, with specific consequences accordingly.

Undoubtedly, globalization is one of the most complex phenomena that influenced the development of human society and that, as present persuasively proves it, definitely and decisively imprints all events in the sphere of human existence of the 21st century. The complexity of the phenomenon as such induces into the sphere of general understanding a package of causes meant to determine, preserve and of course develop it. Because, we already agreed upon, globalization is an unavoidable, continuous and irreversible process.

Globalization is perceived in two equally improper ways:

- as a new concept that re-empowers the continuity of general issues variables control methods;
- as a long waited for solution to blockages against the understanding of power access limitations in the international system.

According to the first version, globalization is acknowledged as a formula for non-historic world configuration preservation, while the second version is destined to make top down functions of the international system eternal. if they did not cover a statistically consistent area of preferences, the two ways of charging the globalism concept would be mere speculations. Academic environments are also connected to the orientation of these viewpoints. The usual meaning of the globalization concept aligns with either what the generic globalism state represents or with the universe of significances radiated by globalism (Beck, 2003).

In the case of the state of globalizing we are dealing with universal and non-historic issues, such as sub-development with its social pendant – poverty that no international regime managed provide fully operational solutions to. As for globalism, it expresses a stage of inter-dependencies evolution where an actor of international life plays a main role for managing the planet's resources (economic, cultural, military, scientific, political, etc.).

Overlapping globalization and globalism sends this concept into the category of those who have always accompanied the confrontation of humankind with itself: with what it is, with what is has, with what it can do and with how it manages to do it (Held, 1993). What could not be solved – it is known – was transferred by the individual to the supernatural and by the communities to the supranational. One must clearly outline the interval when states got used to push these issues especially to the international.

Globalism aims at the situation in the world constitution where there is just one superpower, the constituents of the international system, being, in various and subtle forms, dependent upon the decisions, interests, behaviour and evolutions of the superpower (Brzezinski, 2000). It is clear that this world configuration represents a power management formula in international relations, namely it refers to the idea of order (Nye, 2005).

The two clone concepts of globalization suggest, on one hand, that globalization is the tendency towards the universal dimension in the vision of the humankind about itself, while highlighting what it has in common or what affects it in general, and on the other hand, the fact that evolution naturally led to an asymmetry of power distribution on the planet, dependent on a center that manages power solitarily, providing the functionality of the international regime.

The global dimension highlights the problem and globalism provides the solution! Together, the two replacement concepts for globalization seem to offer the matrix according to whose landmarks international life coherence and consistency are insured in the formula of the new global order.

But under these circumstances, why are we talking about globalization?

Globalization emerges as a new formula of world organization with the purpose to solve in a different, non-conflicting manner resources allotment as well as development issues that could not be solved according to the principle of adversity. Therefore globalization is an ultimate political problem that presupposes the constitution of a global society that would manage global economy, as well as all the other compartments of global governing.

The analysis of globalization is in fact, the analysis of global society. Any other alignments are subordinated to the society alignment. Spectacular, technical aspects have a global relevance only in relation to the effects upon the global society (telecommunications, internet, etc.), and economic aspects highlight the social function of economy (overcoming the risk of offshore, economy among other things).

In the past decades, more and more globalization approach perspectives were consecrated. One of the most used definitions of globalization is the following: "Globalization stands for the process through which geographical distances turns into a less and less important factor for establishing and developing economic, politic and socio-cultural cross border relations. Relation and dependency networks acquire an increasing potential for becoming international and worldwide developed" (Bari, 2001).

Globalization is a two way process: the world is integrated and globalized but at the same time, it differentiates more and more, becoming regionalized. So we can say that "regionalization and globalization are two processes that are neither subordinated one to the other nor sub-summed, but they are in a concordant polarity relation" (Negut, 1999).

Surprisingly, one of the regions that globalization analytics aimed at to a lower extent is represented by Balkans; in the specialty literature we can find few clear answers to the question whether we can talk about "globalization" in the Balkans, and even if we implicitly assume that the answer were positive, we are left with few attempts to structure an image of what the globalization process in the Balkans actually meant.

We can start with discussing the most important theories that operated with a "global" perspective that also included the Balkans.

Essentially, there are two major theoretical attempts to explain the way that the Balkans region was affected by the globalization process. The first is the theory of the world system issued by Immanuel Wallerstein, and the second, is Victor Roudometof's most recent theory that sees globalization as the process of integration in the modern (Western) world, consequence of which a whole series of social, political and cultural elements were "exported" from the West to the Balkans and to the other areas that were included in this integration process. Roudometof also says that nationalism is one of the major features of globalization that was thus “exported” form the West to the East of Europe.

According to Wallerstein, starting with the sixteenth century and up to the present moment, humankind witnessed the development of a worldwide system that was produced by the transformation of the domination manner within state relations from political (and therefore military) domination into economic domination. In the modern age, capitalism provided the foundation for the growth and development of a world economy in constant expansion. Its constituents are the states from the *center* (that dominate world economy, develop and exploit the rest of the system), *semi-periphery* (countries that are related to in various ways to the center, yet are rather stagnating), *periphery* (countries that are exploited by the center and constitute the source of raw materials for it) and the *external area* (the countries that were not touched by the commercial relations developed by the center).

Balkans were incorporated in the in the periphery of the world system within the Ottoman Empire, where they were when the “integration” process began – between 1750 and 1820 – and they actually stayed in the area until the end of the last century. The last conference of the Fernand Braudel Centre (of November 2^{nd} – 3^{rd} 2001) – the institution that issued the world system concept – talked about the world system restructuring processes that are currently taking place. Eastern Europe generally belongs to the semi-periphery together with (more or less) the whole Asia, Africa and South America. But since semi-peripheries generally are areas that give birth to great changes and innovating developments during the time when the system is transforming, then Eastern Europe (Balkans included, of course) is, according to the opinion of the Fernand Braudel Centre theorists, one of the least promising areas in this respect.

Of course, Wallerstein’s theory that essentially is a neo-Marxist theory can be and it actually was criticized due to the much too obvious emphasizing of the economical factor in the explanation it states: world history was set in motion only (or especially) by the economic engine during the past five hundred years and the only reactions that matter when describing the position of a country of region in the world system are the commercial ones.

As consequence, analysis does not leave too much room for political or cultural structures that were involved in the process for rendering the Balkans to the “semi-periphery”. Next, the *center*, that was always somewhere in the west, constantly is the only area with initiative. Therefore Wallerstein’s analysis was rightfully accused of "Western-centrism", because it does not give credit to local initiative and action. The areas as such are inert and the local actor plays no part in a world system led by a Western center.

In one of his recent works, Victor Roudometof is making an attempt to highlight the “social origins of the ethnical conflict in the Balkans” (Roudometof, 2001). The surging of nationalism and the formation of nations into regions are related to the globalization process understood in a more general manner as a process of integration into the modern world. Roudometof essentially speaks of a degraded evolution of nationalism into region: Western “civic” nationalism exported into the Balkans acquired here an “ethnical” form. The author invokes the argument that in the Balkans, minorities were marginalized and forcefully assimilated.

However the question emerging by itself is since minorities were assimilated and de-structured, then who fought in the wars of the past decade, that were most of the times defined as “ethnical wars”? On the other hand we need to remember that in reality, due to delays in the formation of national states in the Balkans, the centralization process was much less aggressive towards minorities than in the Western world (such as for instance, in France or in the United Kingdom). One of the reasons why state aggressiveness towards minorities diminished is related to the fact that in the end of the 19th century and the beginning of the 20th century, minority self-identity awareness had already structured, and reactions were much more firm and at the same time, various institutions and organizations capable to protect such communities from state actions had already started to appear on the international political stage.

Roudometof's book is called “Nationalism, Globalization, and Orthodoxy”, however the connection between the first two terms and the third is unfortunately never clarified. The author describes the process of formation of the states form the area, a process following a modern Western model, but he does not take into consideration the local context as much as he ought to, since he does not explain the relation between nationalism and the most important identity factor in the region, namely the religious factor. How did religious communities turn into ethnical and national communities and which were the consequences? A much deeper understanding of recent Balkans conflicts and rebellions depends upon the answers to these questions that can no longer be answered in a manner restricted to economical or exclusively political terms.

The term globalization was defined in various ways that all emphasized a somewhat all-encompassing process generated and supported by one of the following factors or by a combination of them: economy (financial and commercial relations), politics (an increasingly powerful inter-dependency in international relations), culture and communications (we find out about things that are very far away from us, both spatially and temporally and we are also influenced by them), surrounding environment (we are dealing with global risks that should be addressed using global measures).

But already in the beginning of the past decade, theorists started to draw attention upon the fact that the process is not univocal, but it implies opposite direction phenomena, they called “localization” or “particularization”.

In his work "Globalization. Social Theory and Global Culture" Rolan Robertson states that the essential feature of globalization, in the end of the 20th century, seems to be the “particular being rendered universal and the universal being rendered particular”. The universal and the particular are the two constituents of a global, cultural form that need to be seen and treated together, as two sides of the same coin.

The details regarding the way that the relation between globalization and localization works are also highlighted by Gheorghiţă Geană, according to whom “ethnicity” and “globalization” phenomena are not antagonist, as it is often presupposed, but on the contrary, they are “complementary process of the dynamic balance so necessary to the contemporary world”. They are explained using two pairs of concepts, describing the realities or processes inherent and fundamental to the modern world: culture/civilization and individuation/communication. So, between ethnicity and globalization, there are relations similar to the ones between culture and civilization, since "ethnicity is especially based on the fact category belonging to culture, while globalization is assigned to fact category belonging to civilization".

Cesare Poppi, in his work entitled "The Limits of Globalization. Cases and Arguments", argues that "g1 needs to be understood as the condition where localizing strategies become systematically connected to global interests" adding that "the tendency to emphasize «localization» and «difference», is the one becoming global, however «localization» and «difference» imply the very development of world dynamics of institutional communication and identification".

Localization and particularization are phenomena that should also be taken into consideration when we are discussing Balkans from a global perspective. Conflicts of the last decade of the 20th century can be understood, according to such an interpretation, as the back side of a globalization process that had affected the region during the last and a half century. The main reason why such phenomena of conflicting localization took place exactly at that time is related to what the theory of international relations is called "overlay": the normal conditions from an area are blocked, are stuck for a while by the domination of a superpower (or by the relations between two or more superpowers) and they reacquire their natural status and evolution once the "overlay" disappears. The Cold War was exactly such an overlay situation and not only from the point of view of interstate political and military relations, but also from the perspective of internal developments, of cultural and identity definitions of various communities from the region.

Globalization. The world became, in the defining elements of its existence, as direct consequence of the development of inter-dependencies that affect each of us, a single social system. The global system turned into the environment inside which particular societies develop and evolve. Social, economic and political connections that go across state borders decisively condition the faith of their inhabitants. We could see that globalization is assigned a multitude of states, conditions and meanings. The important thing ultimately is the tendencies that globalization manifests at the level of social relations and in this respect globalization must be understood as a rearrangement of time and distance in social life.

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EU In The Globalization Context

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Abstract

The globalization is a complex phenomenon with implications of both geopolitical and institutional nature. The evolution of the globalization process as well as the involvement of the local, regional, state and international level institutions into it determine a thorough analysis of the place and role of national institutions in a globalized and globalizing world.

The international structures and the national institutional structures must find those mechanisms of adapting to the challenges of a so complex process, with influences on the international order, and Romania must assume its position within the international system. In the international relationships, an important role is taken by the trans-Atlantic dialogue and intra-European co-operation. The majority of globalization definitions indicates the fact that it is a multi-cause process which has as a result the fact that events occurring in a part of the world have consequences more and more ample on the societies and issued in other parts of the world.

Keywords: *globalization, regional cooperation, sustainable development, knowledge society, sovereignty;*

J.E.L. Classification: F15

1. Introduction

Society's expansion at the world level confirms social development, due to the economic, political and cultural interdependencies between states and groups of states, which derive from this expansion. In other order of ideas, in the last decades, the nation-state, beyond its essential claim, that of national sovereignty appears placed in a subsidiary plane of history.

The unfavourable historical circumstances blocked the unification process, the ideal of building a united Europe not being materialized by the politicians, the only achievements being partial and temporary, made by coercion, due to personal ambitions and the thirst for power. Also, there were coalitions and systems of alliances established in the form of diplomatic or military combinations, but they were targeting the subordination of some before others, and not equality between parties, as would have been the natural follow-up.

However, the European idea was not novelty at the end of the Second World War. The formula "United States of Europe" was launched since October 1942, by British Prime-Minister Winston Churchill, in a memorandum, in which he spoke about a new world order. It was then reflected in the Atlantic Charter in year 1941, which comprises the common strategy for organizing the world following the war. The same British statesman revisits the idea of a united Europe in 1946, in a Conference held within the University of Zurich. European cooperation will develop, however, on three stages and three different levels military and diplomatic, economic – by creating the European Organization for Economic Cooperation – EOEC – having the Marshall Plan as initial support, following the signing of the Paris Treaty on April 16th, 1948, as well as at the political and parliamentary level, through the creation, on May 5th, 1949, of the Council of Europe, the first European organization with political and cultural vocation, with its headquarters in Strasbourg. The European Communities represent the result of concluding treaties between the sovereign national states, at the level of their authorized representatives, who underwent negotiations in this sense. Any European state may join the European Union, according to an own accession procedure, valid and possible to follow by all European states.

2. The European Union objectives and competences

The European Communities, as specialized organizations, have economic vocation, at least in their incipient stage, although the target it a political vocation. They emerged on the grounds of the search for new economic development solutions, because, in the context of Europe post-second World War, all types of existing organizations were sectoral organizations, specific to the military (NATO), economic (OECD) and political (Council of Europe) fields and did not have the capacity to ensure the focus of the economic development of Western European states and, thus, to ensure proper unitary policies in the economic field. Thus, all three Communities were grounded on solid economic basis, which generated throughout the years mutual interests and increased interdependency, which means communitarian solidarity. Although through the goal targeted, they lean towards the political field, primordial still remains the economic purpose, namely the Common Market.

From the legal point of view, the European Communities are integrated economic associations, where the Common Market represents a unique geographic area, result of the mutual joining of the national geographic areas, which merge as a unitary whole. To this common geographic space apply the rules of the convention, rules implicitly deriving from the rules of market economy. Thus, the Common Market represents the consequence of eliminating national customs barriers and their replacement with a common customs rate, thus allowing the free travel of products within the common geographic space. Also, the direct or indirect own producers' protection measures or state subsidies were forbidden, also forbidding any measures to limit competition and, implicitly, the Common Market, by removing all discriminations of public or private nature, grounded on nationality or citizenship.

The EU structure, as conceived by the Treaty, is based on three pillars: the European Community – with the Common Market and the Economic and Monetary Union; CFSP (Common Foreign and Security Policy) and Internal affairs and justice.

The European Union objectives are: the promotion of economic and social progress, balanced and sustainable, by creating the space without internal borders, by strengthening economic and social cohesion and by establishing an economic and monetary union including in time a single currency; the assertion of identity on the international stage, especially by putting into practice a common defense policy, which could lead to a common defence; the strengthening of the protection of the member states' citizens' rights and interests, by establishing a citizenship of the Union; the maintaining and development of the Union as an area of freedom, security and justice, within which the persons' freedom of movement would be ensured, together with the adequate measures of foreign border, asylum, immigration control, as well as in the matter of crime prevention and the fight against this phenomenon; the full maintenance of the community acquis and its development in order to examine to what extent would a review of the cooperation policies and forms established through this treaty would be necessary, in view of ensuring the efficacy of the communitarian mechanisms and institutions.

The principles on which the EU is grounded are: freedom and democracy; respect for human rights and fundamental freedoms; the state of law; respect of the national identity of the member states.

Until now, the European political order was based on the fundamental principle of state sovereignty and national self-determination – principle derived from the fact that Europe is a continent constituted of different peoples, having their own cultures, languages and history. In this sense, the main adversary against the success of European federalism seems to be an insurmountable one, precisely because it pertains to Europe's essence and particularity: the diversity and heterogeneity of the European space. Not few are those who believe that this diversity is a reality beyond which one cannot go and whose disregard could prove extremely dangerous. People from different cultures may live under the same economic umbrella, even if they have a bloody common history, but this does not necessarily imply a just as good cohabitation in the modified form if a veritable federation, which to cover and decide in all fields of vital importance for the composing nations.

It is becoming increasingly more obvious that the economic dimension is a determinant one, so that its success should mould the conscience of the European heterogeneity in the sense of the mental abandonment of the aspects differentiating the European Union peoples and determine the surpassing of the problems regarding the belonging to an own culture and history.

The European construction is characterized by a single institutional architecture. The Member States transfer part of their sovereign powers to certain common institutions created through the founding treaties, with the successive modifications, having as finality the assurance of the democratic participation of the member states to the Union's decisional process. The functioning of the European Union is currently ensured by five institutions with duties at the community level: the European Commission, the European Parliament, the Council of Ministers, in short, the Council, the European Council, as self-sustaining institution, and the Court of Justice.

The exercising of competences is based on the principle of subsidiarity and the principle of proportionality. The competence categories are also established: exclusive competences, competences common with the member states and of coordination. The exclusive competences are exercised in the fields of economic policy and policy for the occupation of the work force in the member states, of foreign policy and common security and defence policy, of the monetary policy, for the states that adopted the Euro, of the customs commercial policy, of the customs union, of the conservation of the biological resources of the sea, within the fishery policy, as well as for the conclusion of international agreements. The common competence fields are: the internal market, the freedom, security and justice space, agriculture and fishery, transport and trans-European networks, energy, social policy, economic, social and territorial cohesion, environment, consumer protection and public health. Also, the Union may initiate support, coordination or complementary actions in fields such as industry, protection and improvement of human health, education, professional training, youth, sport, culture and civil protection.

Europe continues to be in a period of transformations, the ratification and perspective of entering into effect of the Treaty establishing a Constitution foe Europe having a decisive role for the European institutional construction and, in the end, for the future of the continent.

3. European Union and globalization

Globalization represents a new concept widely embraced starting with the 1990's, which describes an ample process, unravelled on the three mentioned levels. The conceptual definition of globalization owes very much to Ronald Robertson, who defines the process, from the sociological perspective, as follows: "Globalization, conceptually, refers both to the compression of the world, and to the intensification of consciousness of the world as an entirety, both to the concrete global interdependence and to the consciousness over the global whole in the 20th century". We can no longer speak of society in the context in which the world become irrevocably pluralist, fragmented into a multitude of autonomous units, but in economic, political and socio-cultural inter-relations. Although some recent theories are still focused on the idea of one or several power centres (as in the case of Samuel Huntington's multi-centre conception), post-modernity imposes a non-centric perspective.

Three large ideas become fundamental in this context: liberalization in the economy, democratization in politics and universalization in culture. When we refer to globalization, we mainly refer to the economic aspect, or to the economic field of globalization, which is guided by the idea of the global market. Economic globalization ceased being a simple abstraction; on the contrary, it has become a fact which we feel in the everyday life and it involves two other fields: the political, in whose centre there may be located the concept of global politics, and global culturalization, based on the idea of a global culture. The inter-relations existing between these three fields, the fact that they mutually imply each other, imposes once more the underlining of the need of the idea that the globalization process must be understood in the terms of multi-cause logic. Thus, unlike the classical theories, other important factors are brought to light, which would determine the evolution of the globalization process.

As process occurring at present, the globalization phenomenon must be understood and explained. At a first level, it is a matter of active globalization, which presupposes two-way relations being established mutually between states or groups of states which have relatively the same economic, political or cultural strength. It is not essential, for such mutual relations to occur, that the states between which they are created are equal exclusively with respect to the economic strength. This is because the economic influence of a state may be counter-balanced by the cultural or political influence of another state. This makes certain regions of the globe much more involved in the global processes than others, and some nation-states or groups of states much better integrated in the global order than others. At the second level, we refer to passive globalization, which means the existence of one-way relations between states or groups of states between which there are visible differences of economic, political or cultural nature. Thus a discrepancy occurs between the states or groups of states imposing certain values and those that can do nothing but receive these values.

The European Union had an important role in strengthening and supporting this economic competitiveness in the multi-cause logic of globalization. Due to the EU the framework was created for Germany to be reunited without threatening the rest of Europe. Both institutions created the framework for thousands of official meetings, where those in charge of making decision on which peace or war depended were able to get to know each other. In comparison with the past, at present, the quality and stability of political relations are without precedent.

Today, the European Union is the most developed example of a post-modern system and it represents security through transparency ad transparency through interdependence. The EU is more a transnational system than a supra-national one, a voluntary association of states and not their subordination before a central power. In reality, the dream of a single European state comes from other eras and is based on the presumption that the states are inherently dangerous and the only method to calm the anarchy of nations is to impose integration upon them.

The globalization process involves, first of all, economic systematization, then international relations between the states, at the political level, and, not lastly, the emergence of a global culture or conscience. However, in an are of diversity and axiological pluralism, we can speak of a culture own to a world seen as a single space in which a global culture would presuppose, before anything, at least the diminishing of the importance of particular cultures and, therefore, of the communitarian identity of different nations.

However, as indicated above, economic globalization is in continuous inter-connections with what we called political globalization and cultural globalization. It is not a matter of a necessary interdependence because it can be agreed that economic globalization can no longer be placed under a question mark, since international organisms such as the World Bank and the International Monetary Fund regulate the world financial market, together, of course, with different multi- and trans-national companies. This means that, at the global level, the economic relations no longer fall under internationalism, but in the context of trans-nationalism. We return to saying that trans-national economic relations are those "ordinary interactions which exceed the national borders, in which at least one actor is not the state or does not operate in the name of a national government or of an intergovernmental organization".

One of the most important topics of the post-Nice agenda is the role of national Parliaments in the future European structure. This topic presupposes the "examining of the political system of the European Union in the broad sense and seeking the ways to strengthen the role of national parliaments in the different stages of the decision-making process at the community level". Discussions with respect to the position of the parliament imply the considering problematic of democratic legitimacy of political decisions at the European level and the manner in which it can actually be achieved. The consolidation of the parliamentary dimension, both at the national and at the European level is destined to bring consistent contribution to the democratic legitimacy of the political decision-making process.

The debate regarding the role of national parliaments in enlarged Europe presupposes the approach of three dimensions, namely: the role of national parliaments in the context of the clear distinction of competences between the Union – community level and the member states – national level, according to the principle of subsidiarity; the place of the national parliaments in the institutional architecture of the European Union; the constitutional role of the national parliaments in monitoring and controlling the executives regarding the decisions with European relevance and the transposing of the community legislation.

The processes accompanying globalization, especially the integration of markets – goods, services and especially financial – and the progress of communications, as well as the emergence of strong non-state actors, first of all multi-national companies, determine a strong pressure on the nation-states and cause the erosion of traditional societal cohesion factors on which they count. At the same time, globalization causes de-nationalization, defined as an extension of the social spaces, which is constituted of dense transactions beyond the national borders. These cross-border transactions create problems for national governance for the simple reason that the social space which must be governed is no longer national.

Social transactions refer to situations when goods, services, capital (in the field of economy), threats (military), pollutants (environment), signals (communications) or persons (mobility) are exchanged or produced in common. Lately, the number of cross-border social transactions has increased compared to those performed within the national territory, amplifying international interdependence. The most significant developments refer to the globalization of the financial markets, to the global environmental hazards, Internet and organized crime. The common trait of all these recent developments is that they are connected rather by the integrated production of goods and assets than the simple exchange of goods, beyond the national borders.

The European Union developed, during the last decades, into a new type of political system, with important consequences on democracy and governance in the member states. The case of the European Union is a particular one, but, probably, the most relevant, of a more complex problematic, defined by the manner in which internationalization affects governance and democracy. The correct balance was found between, on the one hand, the necessary international cooperation and the common decision-making and, on the other hand, to an equal extent, the necessary respect for national integrity, where citizens, as well as national or local institutions, have a clear role to play.

Within the European Union, a dynamic multi-level system developed. Without a doubt, the Europeanization of the economy is more advanced. This means that the possibility of capital owners to freely move throughout the entire European Union coerces national governments in their economic policy. The constraints ob the national policies determined by the international environment are relatively much stronger than they were decades ago. Economic Europeanization is achieved ad institutionalized by the rapid development of a European economic legislation.

For the European Union, as political entity, a problem is the fact that citizens of member states do not have full confidence in the Union’s political processes. There is the need to cope with an issue that has become increasingly obvious: the complexity and internationalization of problems have lead to a situation in which people’s trust in democracy seems to diminish, because they feel the decisions are taken too far away from them. The problem of the parliamentary control, of the European-level decisions is even more present in the context in which, although the European Parliament gained wider strengths in the control of the European Commission, the Council is not the subject of such control, at the institutional or community level. This could become a field within the European Union’s institutional structuring in which the national parliaments could play a larger role.

We consider that the natural response, but not the only one, to the problems indicated is the use, as efficient as possible, of the national parliament. The national parliaments are involved in several ways in the configuration of the national policies derived from international decision-making, such as the ratification of international treaties and of conventions signed by governments, the assignment of financial means at the disposal of governments; the execution of legislation as a consequence of international agreements etc. However, the enlargement must not be performed to the detriment of the deepening of the European integration, reason for which we consider just as importance the actions me ant to guarantee the continuity of the Union's force and coherence, according to the fundamental principles of the European reconstruction and its objectives of political, economic and social nature, which to harmoniously combine a common economic and social space with a more visible and stronger political union on the international stage. At the same time, an enlarged Union does not mean only an increased number of states, but also a higher degree of heterogeneity. Europe is a continent of diversity and cultural multi-laterality. However, the European Union's strength and "charm" were based precisely on its extraordinary ability to create unity from diversity. In the context of the current enlargement, the institutional expansion of the European Union is inevitable, a process which will involve both initiatives of constitutional order, and re-arranging and developments in the institutional field.

Conclusions

A series of conclusions regarding the place and role of the institutional system from the perspective of national security in a globalizing external environment resulted: the globalization phenomenon shall involve more and more states, with benefic effects especially on the field of the economy, diplomacy, human rights and consolidation of community and national security; the international bodies shall proceed to consolidate their role and their cooperation with the national ones shall increase, deciding together on the practical modalities to strengthen the global and national security. The crisis management has become an important component of the strategies of international bodies; the national security policy is a process implying drawing up, decision-making process, implementation and assessment. Its drawing up must be transparent and participating; the security interests of Romania are based on the values assumed and promoted by the Romanian society, the final objective is to provide prosperity, protection and safety to its members, as well as the state stability and continuity; the organization and working of public administration authorities at central and local level as well as the professional structures playing a role in the implementation of National security Strategy of Romania must be based on the compliance with the principles of full legality, political equidistance, objectivity and impartiality.

To all member states, hence to Romania, also, there must be guaranteed the preservation and the possibility of affirming the national identity, the certainty that it will not "dissolve" in a "supra-state" entity, regardless of the coordinates on which it will develop. More exactly, the European Union as a more visible economic and political actor at the international level must not inevitably become a supra-state entity. The exercise of the national identity is the main factor for mobilizing the national energies in achieving certain fundamental strategic objectives in the context of the European integration process. The citizens of all constitutive states must have the feeling of belonging to an entity with common values.

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The Analysis of the Violence in the Road Traffic. Expressions Forms and the Effects Related to the Level of Violence.

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Abstract

This paper, aim to analyze violence in traffic, is discusses and is launching new research themes on the way in which road users perceive the attitude of road partners, risks associated with this violence, the main causes that make traffic to affect the health of drivers. Also, are presented the conclusions of many market studies regarding safety in traffic, causes of the accidents, national official statistics and at EU level concerning accidents causing the deaths. It is presented an aggressive driver profile in Romania. The proposals made aim to increase traffic safety and to ensure a proper driver's education starting with training phase in order to obtain driver's license, followed by issues concerning measures to be taken to attenuate this phenomenon.

Keywords: violence in traffic, profile of aggressive driver, market research, traffic safety, car accident statistics, causes of accidents.
J.E.L. Classification: K14, K39, K42

1. Introduction

The importance of analyzing the sides of the violence is justified by the large share that involuntary manslaughter is caused by drivers in a generic crime of manslaughter, the consequences produced being caused by the aggressive attitude, often devoid of respect and realized by persons that overestimates themselves as drivers.

Of course, to this is added the lack of interest of some of the drivers to ensure technical revisions of the car, the context in which the lack of functioning of the lighting systems, security systems, the existence of the driving and/or braking safety system associated with an advanced wear of the parts and an irresponsible attitude to behave in traffic along the road partners are making from road violence a regression factor of socialization and of crime increase.

There can't be ignored the way how following a damage, without human victims, the drivers involved are trying to bring justice often by injuries and even by physical violence threatening each other, so that eventually are reaching to an agreement or by going to the police authorities to receive a legal classification, with associated consequences for the driver responsible for the accident.

In case of accidents with victims, the situation becomes completely different, flees the scene or refusing first aid being acts punished by legislation in force, these undesirable situations generating a profile of reckless driver or which by alcohol consumption or by state of euphoria generated by other substances was the author of a road event.

2. The analysis of violence in the road traffic

Analyzing the statistical data provided by INSSE, on the period 1990-2008, using in this sense the Statistical Yearbooks, it is noticed that on the period 1990-1999 the number of crimes investigated by the police in which manslaughter was due to the auto drivers exceeded the number of 1000 crimes, this holding shares between 71.49 per cent and 92.95 per cent on this period from the total of manslaughter crimes.

Previously, on the period 2000-2005 as number and share the crime taken into consideration by us is recording decreases, in 2005 holding a share of 18.65 per cent Worrying is the fact that since 2006, and previously, this crime has an upward trend, with shares exceeding 65 per cent, aspect that characterizes a worsening of how the risk of being victim of the drivers has increased. In the following table it is shown the mentioned statistics.

Table 1 – Evolution of auto accident cases during 1990-2008

Years	Number of crimes of manslaughter investigated by police	From which number of crimes of manslaughter made by auto drivers	Share of the cases caused by auto drivers (%)
A	1	2	3=2/1*100
1990	1210	1082	89,42
1991	1453	1336	91,95
1992	1311	1211	92,37
1993	1333	1196	89,72
1994	1389	1195	86,03
1995	1489	1211	81,33
1996	1446	1149	79,46
1997	1481	1200	81,03
1998	1431	1023	71,49
1999	1304	1011	77,53
2000	1200	904	75,33
2001	1242	802	64,57
2002	1047	220	21,01
2003	936	216	23,08

2004	884	172	19,46
2005	917	171	18,65
2006	1022	714	69,86
2007	1107	746	67,39
2008	1122	798	71,12

Source: I.N.S.S. – Romanian Statistical Yearbooks

From the data provided by the Romanian Statistical Yearbook (2009), it results that on the period 2003-2008 was an increase of the number of crimes investigated by the police classified as manslaughter and a decrease of the number of persons permanently convicted for manslaughter, of course the situations aren't showing how much represents as share the persons convicted as auto drivers but in these circumstances it is retained the general aspect of the fact that the rates with chain based rates reveals:

- The number of crimes investigated by the police qualified as manslaughter records positive values on the period 2005-2008, the smallest annual increase being in 2008 comparative with 2007;
- The number of persons convicted for manslaughter after 2004 and 2005 when negative chain rates are recorded is knowing an upward evolution with inferior rates comparative with the rates that are corresponding to the number of crimes investigated but in 2008 it is noticed a reverse of the situation (1.70 comparative with 1.36);

Table 2 – Rhythms with the chain on the number of cases investigated and the number of persons definitively convicted

Years	**The number of crimes investigated by the police-manslaughter**	**The number of persons permanently convicted for manslaughter**	**The rate with chain base of the investigated crime (%)**	**The rate with chain base of the number of persons permanently convicted for manslaughter**
2003	936	789	-	-
2004	884	679	-5,56	-13,94
2005	917	570	3,73	-16,05
2006	1022	575	11,45	0,88
2007	1107	589	8,32	2,43
2008	1122	599	1,36	1,70

Source: I.N.S.S. – Romanian Statistical Yearbook.

A recent survey conducted at national level by General Inspectorate of Police (Crime Time, 2010) among drivers on a sample of 1119 drivers who were constantly driving in the 6 months proceeding the survey period, revealed the following aspects:

- Many Romanians condemns aggressive driving behaviour of other road users, but did not think it's wrong if they exceed the speed, give flashes, horn, cursing them or even became aggressive to the other drivers;

- All drivers that have been interviewed stated that the traffic became worse over the past two years and the most troubling aspect is crowded;
- Half of drivers (47.3 per cent) appreciate that the behaviour of other drivers are making driving to be an adventure;
- Half of the interviewed drivers are feeling unsafe in traffic;
- 62 per cent are saying that the speed can be exceeded in certain conditions and one from five drivers stated that he can drive with high speed the reason being that he's a good driver;
- A quarter of the interviewed drivers admitted that are they are frequently exceeding legal speed;
- 83.7 per cent of the drivers admitted the negative effects of the alcohol consumption but 16 per cent said that a smaller quantity of alcohol doesn't affect the capacity of driving;
- With reference to his own person an important percentage affirm that a bottle of beer, a glass of wine and even 100 ml of alcohol doesn't affect them;
- One from four drivers admitted that at least one time he drove under the influence of alcohol;
- 85.2 per cent are saying about themselves that they don't have an aggressive behaviour when they are driving and 1.2 per cent admitted that they are very aggressive with their driving. These are young between 18 years old and 35 years old;
- More than three quarters from the interviewed drivers said that they were abused in traffic by flashes and horns and half said that they were shown threatening or obscene gestures;
- Over half from those interviewed admitted that they are using flashes and horns as an intimidation method and one from five drivers admitted that he verbally abused other participants to traffic;
- Three quarters from the drivers are reclaiming the unacceptable behaviour of the change of the running sense without signalling;
- The change of the running sense without being sure (47.8 per cent), non paying attention to traffic (45.8 per cent) and illegal parking (43 per cent) are representing behaviours that affects almost half of the persons from traffic;
- Blocking the intersection, exceeding the column at the traffic light, non keeping distance from the car in front, excessive use of horns and flashes and phone usage while driving are mentioned by approximately a third of respondents drivers.
- The too high or too small speed, frequently change of lanes and non-corresponding positioning on the lane when changing the are a little more tolerable behaviour among drivers in Romania;

The conclusions of the study revealed that young people between 18 and 25 years old, drivers that are driving the company's cars and those that have been involved in road accidents are showing a bigger risk in traffic than the other participants.

As regards the drivers' behaviour, only 3 per cent believe that it got better in the last two years but only 48.7 per cent believe that it remained the same and 47.3 per cent believe that it got worse.

Taking into consideration the data provided by the General Inspectorate of Police (Ministerul Administratiei şi Internelor, 2010), on the period 2004-2009 we can notice that in 2009 it is recorded the higher number of crimes (30957) relating to the road traffic, since 2007 this indicator having an annual increase. Also it can be noticed that in 2009 the rate of the serious accidents is decreasing with 2.44 per cent comparative with 2008, but on the period 2007-2008 this indicator exceeded 20 per cent. On the other hand it results that the victims of the car accidents are qualified as "injured" in most of the cases but on the entire period it can be noticed that the number of dead people following these accidents exceeds 2300 persons, in the years 2009, 2008 and 2007 the average (of 2611.17 persons) of the number of deceased people being exceeded.

Table 3 – Statistics of traffic police activity during 2004-2009

Activities of road police	2009	2008	2007	2006	2005	2004
1. Crimes relating to road traffic regime (Emergency Ordinance no.195/2002)	30.957	25254	21823	20309	24904	19501
2. Serious accidents noticed	9.992	10242	8203	6745	6905	6707
- dead	2.729	2947	2712	2460	2491	2328
- injured	12.216	9072	6779	5406	5637	5503
dead, according to data from EU road Fatalities	…	3073.40	2794	2478	2461	2418
Rate with chain **basis** of the serious accidents (%)	-2,44	24,86	21,62	-2,32	2,95	-

Source: data from the General Inspectorate of Police and the statistics of EU Road Fatalities (2008)

More, taking into consideration the number of the deceased persons and of those injured following the auto accidents and relating this with the serious accidents it results that a road event can lead to 1.16-1.50 human victims, in 2009 reaching a maximum level on the entire period analyzed. This evolution is shown in the table below:

Table 4 – Evolution of the number of fatalities due to motor vehicle accidents and the average as regards a car accident

Indicator/ year	2009	2008	2007	2006	2005	2004
Number of deceased and injured persons as result of auto events	14.945	12.019	9.491	7.866	8.128	7.831
Average number of persons victims/ serious car accident	1,50	1,17	1,16	1,17	1,18	1,17

Source: primary data from the General Inspectorate of Police
The average was calculated based on IGP data.

3. Types of violence behaviour in traffic and their effects

Addressing injuries to traffic partners was punished in 2007 by concluding contravention minutes and in 2008 concluding 291 of this contravention minutes but the phenomenon is more widespread than the level at which statistics refers, the fact being foreseen in the Road Code being punished with a fine and penalty points.

It is recommended that emotions be kept in check in case of an accident in which that person is involved, and to be avoided the contact with angry driver, the victim of the accident, the biggest danger being given by the situation where both drivers are angry, case in which no prerequisites for achieving certain levels of physical confrontation, violence becoming manifest.

On the other hand, should avoid while driving listening to lively music, in these cases, yielding an increased aggressiveness in the attitude of the driver.

According to statistics a quarter from the day of each driver in Bucharest is lost in traffic; on average, every inhabitant of the city spend 3 ½ hours in the car; annually are registered about 130,000 new cars in Bucharest; in the first 10 months of 2008 were recorded 1,000 serious accidents in which 117 lives were lost and people have suffered serious injuries other 944; in the past 17 years, 2,800 people died in car accidents only in Bucharest, and another 15,000 were seriously injured.

For the milder forms, like flashes, horns, swearing or obscene gestures to the most severe, as quarrels, scandals and fights, aggressive is expressed by terrorizing women or older drivers, hatred for motorcyclists, violence solidarity of taxi drivers involved in road incidents, noise pollution made by riders who bring changes to the muffler or charge with a maximum severity of the smallest error committed by the traffic colleagues.

It is known the staircase method DAS (Driving Anger Scale)on the basis which is measured the violent reactions of the car drivers and the impact that this phenomenon has, of the violence at the wheel, so, as some criminologists, aggressive behaviours in traffic are intentional conducts fuelled by anger or frustration and are threatening other road users, whether psychological or physical.

It is also shown, from the psychological perspective as an explanation of the gestures of the drivers while driving the fact that at the wheel you cannot directly ask the traffic participants and cannot get a response. Therefore horn or gesture. *You can see, but you cannot be heard. In addition, we stand behind other cars and, therefore, of their leaders. It results a relationship of subordination that does not do us no pleasure. This is somewhat contradictory to the natural way of communication, when you see your caller.* As regards this behaviour from the study resulted that also contributes the fact that the *sense of identity is lost in traffic*, the driver of the vehicle identifying with the mark and its registration plate.

According to police, traffic congestion, infrastructure works and undisciplined driving are causes that are inducing to drivers and pedestrians a state of nervousness that often degenerate into violent verbal and/or physical.

According to other data (Inspectoratul General al Poliţiei, 2010) it results that in the first 9 months of 2010 the number of serious road accidents was reduced with 11.44 per cent comparative with 2009, of the persons deceased with 16.49 per cent and of the serious injured people with 8.10 per cent it is shown by a bulletin of the General Inspectorate of the Romanian Police. In the period January-September 2010 took place 6.632 serious accidents, followed by 1.666 deceases persons and 6.164 of serious injured people.

Also in 2010, the main causes of the accident are:

- **Unsuitable speed to road conditions** (1.318 accidents with 110 less than 2009),
- **Irregular crossing of pedestrians** (1.051 accidents with 226 less than in 2009),
- **Refusal of priority between vehicles** (558 accidents with 96 less than in 2009),
- **Refusal of priority to pedestrians** (524 accidents)
- **Imprudent driving** (496 accidents).

On the other hand, during January-September 2010 the police detained in order to suspend the right to drive vehicles 134.361 of driving license and withdrew 72.354 of registration certificates.

Important to remember is that the evolution from 2010 at the level of road traffic in terms of number of fatalities in serious road accidents fall into the trend in serious decline that characterize this period of most EU states, according to statistics "EU road fatalities” (mortality on the roads of the European Union) published by the European Commission.

According to European Commission - Directorate - General for energy and Transport Energy and Transport, (2009) in which the available data stop at the level of 2008, Romania is reported to be characterized in 2008 compared to 2007 as the only state in which growth was of 10% and during 2001-2008 with an evolution of 24 per cent, the only country that has registered in that period a positive evolution being Bulgaria but with less data than those of Romania, while countries such as Belgium, Germany, Ireland, Spain, France, Italy, Luxembourg, Netherlands, Portugal, Sweden registered negative values of the evolution, values that exceeded the EU average (-28 per cent), that exceeded 30-35 per cent and even 40 per cent which means an increase of traffic safety in those countries as a result of measures taken and drivers responsibility.

It is worth noting, based on the same road fatalities EU statistics the fact that during 2001-2008 the evolution of deaths in road accidents had negative growth rates from 2 per cent in 2002/2001 to 20.5 per cent in 2007/2001 and 28 per cent in 2008/2001.

Decreases of indicators for Romania, compared to the EU criteria "Evolution in 2009 compared to 2008”, were close to EU average (-11 per cent) for the period 2008-2009, surpassing countries like Austria (-7 per cent), Belgium (+1 per cent), France (0 per cent), Germany (-7 per cent), Greece (-7 per cent), Netherlands (-5 per cent) and Portugal (-5 per cent).

Jean-Pascal Assailly, psychologist and researcher at the INRETS (Institute National de Recherche pour les Transports et leur Sécurité, Paris) distinguishes five car accident risk factors at people under 30 years: *alcohol, drugs, fatigue, overcrowding the car and speed, seen as an aggravating factor* (Sonea, 2007).

Taking into consideration a very interesting comparison, recently in the media Robu (2010) published the result of a study realized in UK on a sample of 3,000 persons, whose conclusions were that the car drivers leading the car of the Bavarian car manufacturer BMW are the most aggressive traffic, a similar behaviour having the drivers driving white vans and Audi drivers and on the other hand, drivers who drive Volkswagen and Mercedes cars are the last as regards the most aggressive drivers.

Also, 23 per cent of British people faced a nervous driver that got out from the vehicle in order to do justice, and 65 per cent said that every time they meet with an aggressive driver.

As regards the violence prevention and road accidents in Romania is currently working to amend the Highway Code, in the sense of giving a definition of aggressive driving and to establish an appropriate sanction, in this direction being analyzed notably the matters of Spain regulations.

In Spain, aggressive means "driving a motor vehicle threatening the life and integrity of persons or displaying contempt for the rules and road safety", the sanctions reaching to prison ranging from one month to five years and if foreigners refuse to pay the fine they remain without the car. Similarly, the authorities have decided to install mobile cameras on major roads used by tourists or in those cases where there were frequent accidents and in addition these surveillance systems are equipped with the function to distinguish between Spanish license plates and foreign ones.

According to another study realized by Board of Psychologists and Romanian Police it was managed to achieve a profile of the difficult driver on Romanian roads being targeted drivers who speed up or are aggressive while driving. Thus, it is recommended that the driver from which you should beware has up to 25 years old, is driving a car with a powerful engine with a capacity exceeding 2000 cc and has a driving license less than five years. It's better to keep distance from drivers who drive company cars, most often without a certificate to that effect.

The more aggressive in traffic said they were young people aged 18-25 years, followed by those between 26-35 years. Drivers in urban areas are assessed as having a more aggressive style than those in rural areas, also men versus women. The most aggressive are considered to be those driving during their job but without the certificate of professional drivers. Only one from seven drivers admit they have a pretty aggressive driving style, while 1.2 per cent think they are very aggressive in the way that are driving.

People who said they had been verbally abused (43.5 per cent) or whose cars were locked in the parking lot (39 per cent) blame this kind of violence, while a third of drivers said they mentioned that the driver in front deliberately have braked the car. The same, a third of respondents have risked passing motorists at red traffic lights, have exceeded the limit or have not signalled its intention to change the direction of travel. 13.1 per cent say that they like to feel the adrenaline when driving. Most of those who are driving drunk are men - 28 per cent, while one from ten women said that it happened to drive after having consumed alcoholic beverages.

Analyzing data and information presented above it can be immediately noticed the apparent way in which violence while driving and in traffic can degenerate, the ways in which violence becomes an instrument for exercise on the wheel and the compulsion to identify the driver of the vehicle, the fact that young people with little experience that are driving powerful cars are the most reckless engendering the lives of others, also displaying a hostile attitude, tough and ready to be perpetuated by continuing to disturb other car drivers that are driving correctly.

On the other hand, the results of the mentioned studies tend to worry about how drivers perceive traffic violation of certain prudential norms and the attitude of acceptance of alarming situations (a glass of wine, 50 ml of alcohol, a bottle of beer) prior climbing behind the wheel tend, to alarm. On the other hand, the combination of factors such as those of drug abuse, prolonged fun at night in discos, the degree of fatigue and eccentricities inevitably lead to increasing insecurity in road traffic.

In this situation, in order to prevent road accidents, the Institute for Research and Crime Prevention did a study on the attitudes of drivers in traffic, study that was conducted during 1-15 February 2008. The study was conducted on a sample of 1207 active drivers (who drove on the last 6 months), representative at national level for drivers under the age of 70 years.

The results of the study show that:

- More than half of drivers said they had been victims of verbal abuse and risky maneuver the car of other road participants;
- The vast majority of drivers perceive themselves as having a very prudent and cautious behaviour (96.3 per cent), but asked about the violation of traffic regulations, a significant percentage of them said they frequently violate traffic rules;
- Negative aspects of the traffic raised by drivers refers to state of the roads (87.8 per cent), parking situation (86.1 per cent), compliance with traffic rules (80.2 per cent) and traffic congestion(78.8 per cent);
- The questioned drivers are frequently willing to exceed the speed limit by 10-20km/hour because some traffic conditions allow or require it, because other drivers do that or they rush;
- The most of the respondents have shown they do not know the law on drinking, stating either they do not know the legal limit for blood alcohol concentration, either by showing different values. Only 16.7 per cent of respondents indicated the value 0;
- The risk is perceived as a minimum if the breach of the rule is done with moderation or caution;
- The behaviour and attitude of young people reveals: nearly 40 per cent believe *traffic congestion requires making some risky maneuvers* and more than a quarter of drivers in this category agree that *in order to arrive on time, you can break some rules of the road*; underestimate the danger associated with aggressive behaviour of drivers, irregular over passing, speed, lack of checking the technical condition of the car; 10 to 20 per cent more young drivers than other drivers appreciate that often exceed the legal speed by 10-20 km both in the city and outside it;
- 60 per cent of drivers involved in accidents agree that exceeding by 10-20 km / h the speed limit is acceptable as all drivers do it (compared to 45 per cent of drivers who were not involved in accidents);
- 50.2 per cent of drivers find it more important to maintain a smooth traffic than to obey all traffic laws (as against 39.2 per cent);

- People involved in road accidents, a much lower percentage (57.4 per cent) declare that never or rarely go on yellow traffic light, compared to drivers who were not involved in accidents (75 per cent).
- The percentage of drivers involved in traffic accidents who say they have driven after drinking alcoholic beverages is much higher than that of drivers who were not involved in accidents (44.5 per cent compared to 24.5 per cent);
- 40 per cent of drivers were checked by a test that measure alcohol concentration in the blood at least once in the past three years;
- A quarter of drivers have been fined for exceeding the speed limit at least once in the past three years;

The survey revealed that 92 per cent of respondents are concerned about the number of road accidents, 83.4 per cent of rising crime. In traffic they feel safe the most of it (40.6 per cent of respondents), while 43.5 per cent very little, the difference from our previous understanding being that they do not perceive that they can have an accident. The main reasons for which respondents did not feel safe in traffic relate to driver behaviour (nonobservance of traffic rules (79.7 per cent), making risky maneuvers (57.8 per cent), poor condition of roads (65.7 per cent) and perception of a number to high of accidents (45.3 per cent).

In the case of 71.5 per cent of answers, the most important reason of that traffic safety is that they consider "experienced driver". 68.5 per cent of car drivers recognize the benefits of seatbelt use, 18.6 per cent of them consider that in case of an accident there is the risk of being stuck by the seatbelt and 12.5 per cent believe that it is not necessary to wear the belt if you drive carefully.

Taking into consideration the causes relating to the speed exceeding and of its maladjustment to traffic conditions and as explanation of a significant number of accidents, we consider appropriate to render our responses in a graphic form as follows. It is retained only the aspect that over 50 per cent of the answers are referring to the fact that the current speed limits should be maintained but a significant value is given by de situation of “European national roads between small towns).

Another direction of approach regarded the risk factors in accidents, so that on the basis of notes it have been possible to summarize the answers, below are the factors taken into account, observing that the scale from 1 (not dangerous) to 10 (very dangerous) grades lead to the idea of danger for each of the ***factors***, namely:

- Driving under the influence of alcohol – 9.6
- Driving under the influence of drugs - 9.4
- Failure of braking - 9.3
- Excessive speed - 9.3
- Failure of the steering - 9.1
- irregular surpassing - 8.9
- Violations of rules relating to priority - 8.9
- Driving under the influence of medication (with drug effect) - 8.7
- Driving having a level of fatigue - 8.7
- The presence of carts on the roads – 8.6
- Failure to change the direction of travel - 8.6

- indiscipline of pedestrians - 8.4
- Condition of roads - 8.3
- Aggressive behaviour of drivers - 8.2
- Waste Tires - 8.1
- Failure of the lighting system – 8.1
- No verifying the periodic technical condition of the car – 8
- National roads poorly marked - 8
- No keeping the regular distance from the vehicle in front - 7.5
- Adverse Weather Conditions – 7.3
- Use a hand-free mobile phone while driving - 7.2
- Congestion - 7.1

As regards the involvement in accidents resulted that 20.5 per cent of drivers have been involved as a driver in at least one accident in the last three years and that 26.7 per cent of drivers aged between 26-35 years were involved in accidents in the last three years, compared with only 12.5 per cent of drivers over 55 years old. On the other hand, the percentage of men who were involved in accidents is twice that of women (24 per cent vs. 11.8 per cent).

Those who like to have a prudent driving style increases with age, from 29 per cent (under 25 years old) to 65.6 per cent (over 55 years old), while reducing the share of those who define their driving style quite dangerous from 5.6 per cent (under 25 years old) to 0 (over 55 years old).

44.5 per cent of drivers involved in accidents say they have driven after having previously consumed alcohol, while drivers who were not involved in accidents hold only 24.5 per cent.

Regarding the violent attitude of drivers in traffic, 25 per cent said they had assaulted verbally or through gestures other road participant, 12.6 per cent have done risky maneuvers on another road user, and 2.2 per cent have physically assaulted another road participant.

From the distribution of answers on the direction in which the authorities should intervene it can be noticed that the drivers clearly identify the activities in which authorities should be involved, over 90 per cent of the responses referring to the improvement of roads condition and road signs, as key factors of road traffic and of prevention of accidents/violence.

Of course, the scope of the study and its effectiveness are coordinates whose effects will be seen over time, but it can be retained the fact that the proposals issued on this occasion come to prevent reprehensible behaviour and attitudes of prospective drivers. Thus, detailing the courses of study in schools in promoting preventive driving and a respectful style of forming a partnership in traffic as a driver, managing incentives for institutions that are managing roads in order to rebuild the infrastructure by reducing the effect of stress and of the anxiety of drivers in traffic, plus useful measures for marking and signposting of areas identified by a high degree of road events, adaptation to the skills of legal speed limit on certain areas of the road so as to ensure a consistent flow of movement, by promoting supported campaigns by which drivers will know the risk of indiscipline, of eccentricities, of disrespect of traffic rules and traffic safety.

Recommendations

Among the proposals that can be made in conditions that already existed an aggressive driver profile, a useful measure in preventing accidents could be to prohibit to this drivers to drive cars with high capacity, meaning power, either for a period of time or until they reach a certain age or you might think a system by which a car with this power should be restricted to the hours, the speed at which to run or areas of intense traffic. In the most difficult intersections would be recommended to be placed a traffic police officer to prevent violence and fluidity of movement in case of congestion or a malfunctioning traffic lights or for younger drivers to make a particular record in road traffic offences, in the presence of which they have restricted access to certain areas of the road known as potential accident areas. Good manners on the road course would be useful in driving school graduation.

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Particularities of the Ecotourism in China

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Abstract

The protected areas represent – according to the opinion of many specialists – the main component of national and international strategies concerning the preservation/protection sustained by the governments and specialized organisms. As a result of the expansion of this country, in China many forms of tourism begin to be practiced, some of them modern such as extreme sports and even ecotourism which means that the Chinese authorities understood the importance of preserving the tourism resources of which the future generations will benefit, especially if the touristic fluxes to China will intensify. On the other hand, the population of China has learnt that they can take advantages from practicing the ecotourism as a part of the incomes earned go to the local economy, leading to its development. In the last years China created a complex national network of the natural reservations with a rational distribution and a solid function.

Keywords: protected areas, biodiversity, ecotourism;
J.E.L. Classification: O13, Q26

1. Introduction

The remarkable importance which nature, the environment has on life and human existence is reflected in the preoccupation to its preservation.

The system of protected areas covers approximately 12% from the land territory and offers the guarantee of a future.

The preservation objective materialized along time in the **constitution of protected areas** and creation of systems, first national and then international, of protected areas, in the improvement of the administration methods of this area, in the dissemination of the experience concerning their organization and administration.

The protected areas represent the answer of the modern societies to the more and more increased process of deterioration of environment, of species disappearance; exaggerate exploitation of various categories of resources, especially of the ones that cannot be regenerated and with impact on the life quality and society's perspectives.

The protected areas because of their natural value and the low level of human interventions on their territory are the best examples and patterns for the natural and semi natural ecological systems.

We need to add that inside these oases of ecological balance – the protected areas - there are lacks because of trespassing the rules, intensive exploitation of some resources, the encouragement for apparently inoffensive activities such as tourism etc.

The administration of the protected areas must be reported to the diversity of their activities from inside and outside which need to be approached in a unitary way and at the same time take into account the complexity of the integrated environment and the generated impact. From this perspective, the modern management of protected areas proposes a complete vision which will take into consideration the interdependences with the other components of the natural and economic-social frame assuring the efficiency of the benefic effects of their function. In other words it is about the application of the principles for a complete development at the level of protected areas.

2. The importance of tourism for China

In China the wild life is rare and close to disappearance and also its habitats are under the protection of the government, being well protected and preserve in various protected areas. The fast economic development and the increase of the population have led to an excessive consumption of plant resources and this fact increased the species close to disappearance.

The Chinese territory is known for its extremely diversifies relief which is divided in two different parts respective in West there are hills, plateaus and huge mountains (here, in Tibet, there is the highest peak in the world – Everest – 8.849 m), separated from the precipices and deep valleys and in the East there is a coast region with wide plains.

China, led by communists, is heading more and more to a free market economy. There have been created economic areas with a special statute such as Shanghai, and the concept of private property is reaching a sense.

This country owns a vast touristic potential, one of the best examples being the Great Chinese Wall which is the longest construction in the world and the only edifice built by man who can be seen from cosmos. We also add the Yun'gang grottos with more than 50 000 statues made for Buddha, the Metropolis Shanghai, and Wudang Mountain with old Taoist edifices for more than 500 years, the Hong Kong-one of the economic and urbanism „miracles" of the world (Matei et all, 2001).

The best proof of the value of touristic attractions is the ascendant evolution of China in the classification of the first touristic destinations of the world, increasing each year with ten places – in 2009 it was on the fourth place in the world with 50.9 million tourists. Concerning the incomes from international tourism, China is placed on the fifth place in the world with 39.7 billion dollars. Also, from the first countries that spend most at an international level for tourism, China is placed again on the fourth seat in 2009, with 43.7 billion dollars, meaning the country had an increased level of economic development which permits the population to leave the country for tourism purposes.

3. Specific elements of the natural protected areas from China

In China, the natural areas include 85 per cent from the natural terrestrial ecological system, most of them being natural relicts, 85 per cent from the wild population (in particular giant panda, the comb ibis, the Asian elephant, the Chinese alligator), over 65 per cent from the communities of superior plants (such as cycadels).

Around 4000-5000 superior plants have been close to disappearance or threaten to disappear, representing 15-20 per cent from the total number from China, more than the average at an international level.

The first natural reservation from China is Dinghu Mountain from Zhaoqing, province Guangdong, which was founded in 1956. The natural reservation Sanjiangyuan is the largest (316 000 km^2), with the biggest altitude (over 4000 m) and with the richest biodiversity. The reservation is situated inside the plateau Qinghai-Tibet, at the source of the rivers Yangtzi, Yellow and Lancang.

A part of the natural reservations are in special areas of protection the biodiversity with international importance. The province Yunnan has 152 natural reservations which cover a surface of 2.8 million ha. Therefore, **Yunnan is the province with the most natural reservations from China**. 22 natural reservations from which Wolong and Jiuzhai Valley from Sichuan province, Changbai Mountains from Jilin, Dinghu Mountain from Guangdong, Baishui river from Gansu and others have been included on the UNESCO list of natural reservations of the biosphere with international importance.

China has a great variety and a great number of humid areas. All categories of humid areas are distributed in the country except the North area. The surface of the 28 types of humid areas (each bigger than 100 ha) is of 38.48 million ha (excluding Hong Kong, Macao and Taiwan), or 4 per cent from the terrestrial surface. From these humid areas, the natural ones totals 36.2 million ha including 5.94 million ha coast humid areas, 8.2 million ha river-humid areas, 8.35 million ha lakes-humid areas and 13.7 million ha marsh-humid areas.

The species presented in the humid areas are extremely varied. The density of the plant species from the humid areas is of 0.0056 species/km^2, over Brazil who has the richest flora.

From the total surface covered by the natural reservations, the terrestrial surface represents 145.88 million ha and the marine one 6 million ha. The percentage of the terrestrial surface refers to the proportion between the natural reservations and the terrestrial surface.

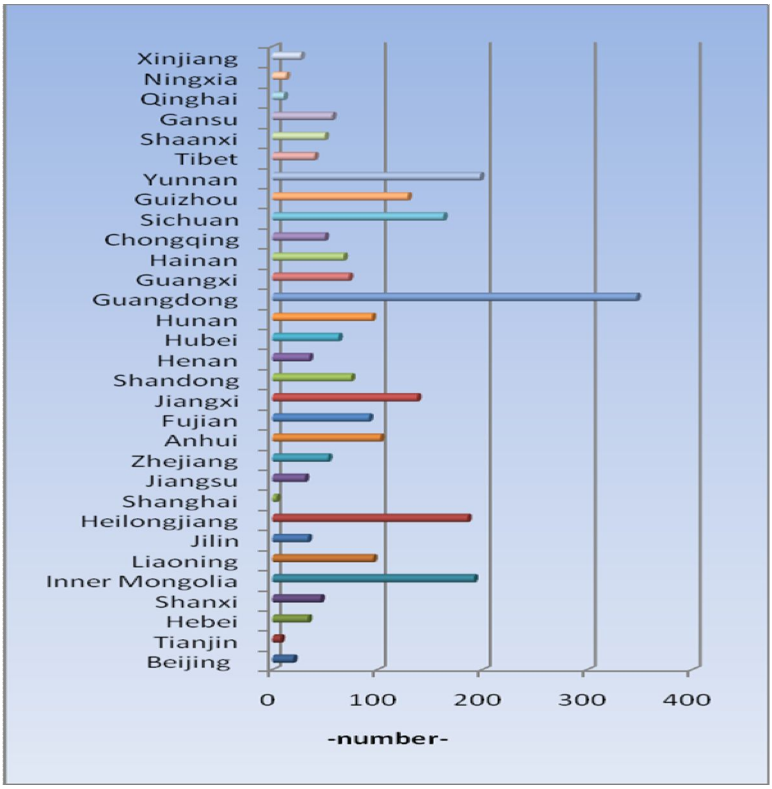

Figure 1. The numerical distribution of natural protected areas from China

The diversity of the ecological environment from China created rich resources for a wild life. The superior plants have a number of 30 000 species. Hundreds of rare wild animals and close to disappearance and over 17000 plants are unique in China, such as giant panda, comb ibis, the monkey with snub-nose, tiger from south of China, Chinese alligator, Chinese crock-lizard etc.. 31 Panda babies were born in captivity from which 25 survived. The tiger from north-east is more present to the natural activities, expanding in this way his habitat. The reintroduction of comb ibis, wild horse, Chinese alligator and also other species close to disappearance has progressed continuously.

There were founded 19 new reservations at a national level which has increased the number of natural reservations of the country with 2531 with a total surface of 93.65 million ha, which represents 12 per cent from the total number of natural national reservations and 61.7 per cent from the total surface occupied by them. There are 28 natural reservations on the list of Biosphere Reservations (UNESCO) and 33 from the natural reservations are on the List of Humid Areas of International Importance (Ramsar). 10 reservations belong to the natural world patrimony.

Table 1 – Categories of natural reservation from China

Category	Number		Surface	
	Total	%	Total surface (10 000) (ha)	%
Natural ecosystems	1717	67,84	10529,18	69,32
Forestry ecosystems	1314	51,92	3372,76	22,21
The meadows and pasture lands ecosystems	45	1,78	316,05	2,08
The desert ecosystems	29	1,15	4027,45	26,52
The interiors of humid areas and water areas ecosystems	261	10,31	2713,02	17,86
Coast and marine ecosystems	68	2,69	99,91	0,66
Wild biological species	683	26,99	4483,38	29,52
Wild animals reservations	523	20,66	4220,86	27,79
Wild plant reservations	160	6,32	262,52	1,73
Natural relicts	131	5,18	175,62	1,16
Geological relicts	99	3,91	123,04	0,81
Old creatures' relicts	32	1,26	52,58	0,35
Total	**2531**	**100**	**15188,18**	**100**

Source: Report on the State of the Environment in China, Ministry for the Environment Protection of Popular Republic of China, 2007;

In order to sustain the administration of the natural reservations, the resort ministry made an evaluation concerning the management of 12 natural reservations from 10 reference points such as the organization method, personnel, administration etc. As a result of this study, from the 12 reservations 4 were given „excellent” marks, 6 were „well” and two were „average”.

China increased the surface of the natural marine reservations and increased also the number of the protected species, these improving the protection of many ecological systems and in danger species. In the last period the Chinese government increased the survey of natural marine reservations and the fight against the destruction of coral Recife and mangroves.

Another major preoccupation of China for protecting the in danger species was **the construction of the biggest reservation of panda bears in the world.** This started in a major habitat of this specie from Sichuan province, from south-west of China. The project is making efforts to increase the in danger population. Situated in Gengda city from the Natural reservation **Wolong**, the base of 1 km^2 has approximately 200 panda bears. Outside the feeding and reproduction area, the base includes also a surface of 19 400 m^2 for exterior activities according to the plan. Because of the improved technologies, the number of panda bears kept in captivity increased to 130 from 10, but the actual facilities are not sufficient for reproduction.

The panda bear, an animal inactive sexually is one of the species in danger from the world because of the lack of habitat. China has 239 panda bears in captivity. Approximately 1590 wild pandas live in China, especially in Sichuan, Gansu and Shaanxi provinces.

The population of a rare species of monkeys from a reservation situated in the south-west of China tripled in the last 26 years. **The population of the snub-nosed monkeys from Yunnan increased** from a number of 500 in 1983, to approximately 1300 in present because of the ecological period of this area and the poaching prohibition. Over 60 per cent from the snub-nosed monkeys from Yunnan live in the Baima Snow Mountain Reservation and it is on the list of protected species of the country. In present, the monkeys from Yunnan have a population of approximately 2000 species.

4. Methods of practicing the ecotourism in China

Recently, Destination Australia Market Alliance (DAMA) elaborated a study on the ecotourism market from different countries of the world, focusing on the behaviour and motivations of the tourists.

An important number of Chinese eco-tourists declared that in their last vacation their tried to develop activities such as: watching the wild life in its natural environment (79 per cent); visiting the ecological areas (68 per cent); walking in natural environment and unpopulated rural areas (60 per cent).

Approximately half of the Chinese eco-tourists planned, sometimes, a vacation based on natural activities (48 per cent).

Table 2 – The demographic profile of the Chinese eco-tourists

Demographical elements	Characteristics (proportions)
Age	Most Chinese eco-tourists are between 25 and 34 years old to which it's added a percentage of 22% with ages between 45 and 54 years old.
Sex	The Chinese eco-tourists register equal proportions concerning the sex, respective 48% are men and 52% are women.
Children under 18 years being under custody	Most Chinese eco-tourists (68%) don't have children under 18 in custody; 29% from them have just one child.
Income/house	Most Chinese eco-tourists (67%) have a monthly income per house between 633-1896 American dollars.
Professional status	74% from the Chinese eco-tourists work full-time (30 or more hours per week).
Educational level	Most Chinese eco-tourists graduated at least two or three years of college (34%), a university or more (36%).
Size of travelling group	In China, the size of the travelling group divided in: „no one else" – „five or more". Compared to other countries, in a high proportion the Chinese travel in groups of five persons or more (29%).
Marital status	The Chinese eco-tourists are married/live as a married couple/live with the partner (63%).

Source**:** The Chinese Ecotourism Market, Tourism Queensland

Therefore, the characteristics of the Chinese eco-tourists (table 2) includes them in the profile of the international eco-tourist, such as, according to their age there is a big proportion between 25 and 34 years old, they have approximately equal percentages concerning the sex and a high level of education.

Concerning the **accommodation method**, most Chinese eco-tourists, in their last vacation, used hotels of luxury, respective hotels of 4-5 stars (39 per cent) and 36 per cent used hotels of 2-3 stars. A smaller percentage of Chinese eco-tourists stayed in all inclusive units (7 per cent); visitor houses/farms/cabanas – 5 per cent; apartments/individual villas – 5 per cent; tents – 1 per cent etc.

The Chinese eco-tourists tend to reserve all components of a trip before leaving in vacation. Approximately 46% planned all flights/other transportation means; all accommodation methods, a part of the alimentation services and also the touristic circuits/ supplementary trips before living their houses.

From all the television programs watched by the Chinese eco-tourists, „The relaxation and trip programs" has the third place with 62 per cent, after „The International News" (72 per cent) and „National News" (71 per cent). Among the magazines read by the Chinese eco-tourists the trip magazines have the highest proportion, more than half, respective 57 per cent.

The eco-touristic destination chosen depends in a great measure on the report between quality and price (86 per cent), then on „how welcome is the Chinese people in the country of destination" (82 per cent) and finally, the third place is represented by „the recommendations made by the family members or friends who's been there" in a proportion of 79 per cent.

Therefore, the **key factors taken into consideration when choosing the destination** are the following: the report between quality and price – 86 per cent; how welcome is the Chinese people – 82 per cent; recommendations from family and friends who's been there – 79 per cent; the infrastructure standard existing in the touristic destination – 78 per cent; economic and political stability – 75 per cent; easy visa to obtain – 74 per cent; needs of travelling – 73 per cent; somewhere totally different than China – 73 per cent; number of famous places that can be visited during a determined period of time – 71 per cent; terrorism threat – 70 per cent.

The activities according to which the eco-touristic trip is planned focus on the following aspects:

- Tasting the specific local culinary preparations and drinks – 75 per cent;
- Buying the products from the local market – 73 per cent;
- Ecological activities in nature/wild – 69 per cent;
- Walks on the beach/solar baths – 60 per cent;
- Watching the wild life in its natural environment – 55 per cent;
- knowing the animals/animals' farms/visit the zoological gardens – 50 per cent;
- Buying products that represent the local brand – 50 per cent;
- Swimming/surfing – 49 per cent;
- Visiting the botanic gardens/watch the flower species – 47 per cent;
- Taking pictures – 46 per cent.

It can be observed that the ecological culinary preparations and local drinks are more wanted by the Chinese eco-tourists than the walks in the nature.

5. Conclusions

The governmental plans must accord to the ecotourism a great priority in the developed countries especially, where the local population participates in an efficient way to touristic activities. In general the population who live close to the protected rural areas is characterized by low incomes and small economical options. The ecotourism can represent, in this way, a reliable economic alternative for these populations which makes that the inhabitants of these regions to become the guardians and active preservers of the natural areas, especially as their wealth depends on the preservation of the natural qualities and the environment. Therefore it is necessary that the local population to have practical information's concerning the natural characteristics of the area (landscape, flora, fauna), which will transform them into real guides. They can also participate directly to economic activities of exploitation of hotels, restaurants and providing some services.

O great number of visited places by tourists interested in ecological tourism is part of the fragile ecosystems which cannot support to be perturbed. In many cases the tourism creates damages to flora and wild fauna from the protected areas. In most cases the tourism causes damages to wild flora and fauna from the protected areas.

The local population risks believing that the protected areas were created for the strangers and not in for local interest. Also, most of the important areas for the nature preservation present a reduced interest for the tourists which determine the responsible authorities to neglect them as they are not obtaining any profit.

Because the previsions of the International Organization of Tourism show that in 2020 China will become the first touristic destination of the world with 130 million arrivals, more than France, it is obvious that the segment of eco-tourists will have an important percentage of foreign tourists and also internal tourists because practicing the ecological tourism, respective the sustainable one, represents the future in the tourism industry; therefore, in a short period the touristic resources – „prime material" of tourism will disappear because of the lack of preservation and protection actions such as the ecological ones.

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Considerations on the Definition of Food Quality on the EU Market

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Abstract

Quality on the EU food market today is a complex concept with a multifold approach. It is defined in terms of the interests of those who use it in order to attain their market goals, i.e. consumer satisfaction, economic interests or food safety and of the interest in having a market that functions according to complex yet clear and balanced regulations. The new context in which the European Union scientifically and economically places food quality urges Romania as one of the youngest members of the EU economic system to get acquainted to mutations that have occurred in this sector and to find means to actively adapt to them at the level of both authorities and market players.

Keywords: quality, demand, consumption, integration, food, European Union.
JEL Classification: A14

1. Introduction

Considering the mutations that have occurred in the definition and practical approach of the concept of quality, we can currently consider that the European Union, in its pre-2004 structure, is a unique example of what one can accomplish when seeks to solve a complex problem such as food, especially in terms of meeting quantitative and qualitative needs. The implications of the solution paths are particularly relevant and can be deemed exceptional: *to create a society in which satisfying basic needs is no longer the main purpose of economic and social activities, but rather satisfying higher order needs* (safety, belonging, acknowledgment, self-improvement) *by associating the latter with the first*. The changes that occurred in reference to the quality of agri-food products actually mirror this social reality of the EU's developed countries.

The solution found to existing problems was far from perfect, as shown by the reforms applied to EU agricultural policies and food crises in the last 25 years. Nevertheless, this does not change the fact that it has achieved the set goal. Neither does it change the performance that it represents in the agri-food sector as well as in an integrated market comprised of several national markets of countries that not so long ago used to be in a permanent state of economic rivalry and deep food crisis. Therefore, the European Union is a unique and particular example for other countries that seek to solve the food issue, be they new entries, candidates or non-EU states.

2. Defining Quality on the EU Market

The most significant trait of the pre-2004 EU food market is *the very high level of satisfying food demand.* This has first and foremost caused the food market to transform into a genuine consumer market and triggered a real revolution in the consumer-producer relationship. This has been outlined in the official definition of quality as regulated by the EU authorities and has triggered a need to *redefine* and revisit the approach on the concept of *food quality*. The complexity of the concept of quality has grown with *the difficulty in uttering and applying a global definition* that would be equally valid to producers and consumers alike, a difficulty which the EU authorities have acknowledged in relevant regulations. If we refer to producers, the problem is technical. If we refer to the end consumer of food products, the problem has to do with the role of decisive economic factor.

The difficulty resides also in the fact that many *elements of the concept's definition* are neither fixed nor invariable. They outline a dynamic, delicate and complex relationship that currently exists between consumers, producers and authorities and undergoes permanent changes which seek to preserve balance between their interests. The most significant elements among them are the following: (a) *meeting nutritional needs and subjective desires of individual consumers* by consuming a certain food product; (b) *meeting the economic interests of agricultural and industrial producers*, meaning first and foremost to provide economic efficiency that would not jeopardize consumer safety; (c) *the wish of national and EU authorities to maintain a fair balance between consumer and producer interests* by setting a proper legal framework that would define, foresee and thwart food-related hazards and implement effective methods of monitoring quality without an involvement that would damage the producers' interests and lead to malfunctioning and misbalance on the market.

Subsequently, *articulating a general definition of food quality is rather difficult and even impossible* given the complexity of the parameters that must be taken into account. The most relevant of them include: (1) *the sanitary aspect of quality* which is difficult to quantify given the influence of other factors that operate on the market and cause a permanent change of relevant values; (2) *the authorities' confining themselves to defining food safety only*, without making any connection between food safety and food quality as a complex notion; (3) *the ecological aspect of quality* which affects the way foodstuffs are obtained and processed and is influenced by both subjective (the consumer's) and objective (the authorities') factors; and last but not least (4) *the complex relations between market players*.

Concurrently, however, producers cannot advertise and/or label food products by referring to the impact that processing methods can have on the consumer's health. This measure ensures a balance between the producer's and the consumer's interests by avoiding unfair competition and enforcing the consumer's right to formulate his/her own definition of product quality depending on his/her subjective and subjective interests. The producers, compelled by food safety and product processing regulations can meet their economic interest by interfering in the consumer's "formulation" of this definition. Here the producers act along two lines. On the one hand, they seek *to influence the consumer's purchase decision by advertising the intrinsic quality features of the food or even by proposing new ones*. Both emerge as a result of innovation by using new processing methods and by increasing economic performance and competitiveness.

On the other hand, the producers seek to provide *a direct and positive answer to the consumer's demands of personalizing food by using new processing methods or by changing existing ones* so that food quality would meet or be as close as possible to the one established by the consumer.

Starting from definitions that depend on the specific interests of involved players in close connection to their concrete needs, assessing food quality is random and utterly subjective. Thus, on the EU market today, the officially accepted objective way of defining food quality is to define it *in reference to the processing method*, specified for each category of goods and each and every food product. For a marketed food product to meet the minimum required quality level the producer has to follow regulations and specifications for each processing method, however, without obligations as to the result.

Therefore, in the European Union today, food quality is defined *through the needs that food consumption satisfies and also through the way in which agri-food products are processed*. The mutations in agri-food quality in the European Union can be therefore found in those typical for demand that is represented by consumers and in those that are typical for offer that is represented by the agri-food production system and are a result of the relationships and interactions of these two sides of the market.

3. Defining Quality for the EU Consumer

The significance of food quality has undergone a radical change for the European consumer, which has been acknowledged in the definition given by EU regulations in the field. This significance refers to the satisfaction of complex needs characterized by four main components, i.e. (a) *nutritional security* which aims at reaching the best level of providing for the nutritional needs of the body; (b) *food security* which seeks to provide complete access to food products; (c) *food safety* in point of foodstuff innocuousness, and (d) *meeting the consumer's subjective requirements*.

The economic development and the good satisfaction of nutritional needs, which have practically resulted in the complete satisfaction of the needs pertaining to the first and second components, have boosted the relevance of components number three and four. Subsequently, when it comes to the EU consumers, *food quality is first and foremost tantamount to providing for their subjective needs.* In terms of food, the disappearance of nutritional constraints means the possibility to satisfy the needs underpinned by individual, subjective preferences which pertain to higher order needs: belonging, individualization, safety, etc. Subsequently, in the eyes of the consumer, *a better quality food product is the one that complies with the individually established conditions for the satisfaction of higher needs*.

Thus, the features of the food product do no longer have a strictly technical relevance but also a symbolic one, according to each consumer's individual perception in point of subjective higher order needs. Although food quality is the same in view of standardization, regardless of the product trademark, it ceases to be the same in the eyes of the consumer who will interpret it according to his/her own set of requirements and individual needs. We can therefore speak of a *personalization of the concept of food quality* which is justified if we take into account the fact that quality has become the main element in the individual purchase decision process.

A particular case is the case of *food safety*. The consumer's attitude towards it has undergone a significant mutation triggered by the food crises that occurred on the EU market. Their main consequence was a radical and sudden drop in the perception on food safety. The result was that the consumer became increasingly selective in his/her attitude towards producers and processors in terms of guarantees of food innocuousness and a better communication, i.e. providing full description of the product. The mere protection ensured by EU and national regulations is no longer enough for the EU consumer. The issue is no longer to guarantee a certain level of food safety, but rather to articulate and provide the most thorough product description possible. This description should offer the consumer the possibility to choose for himself/ herself depending on his/her own image about health and nature of the products as well as depending on his/her preferences determined by the product's sensory properties.

Relying therefore on personal preferences, the EU consumer seeks to choose for himself/herself what he/she believes to be good for his/her health and body. Thus, consumer protection is not longer focused exclusively on product innocuousness but also on the viability and credibility of the information about the product. Nevertheless, the consumer still demands less standardized and less uniform products and more varied goods that would allow him/her the opportunity of independent choice.

To sum up, if we look through the eyes of the EU consumer, food quality can be defined as *the capacity of the food product to meet the requirements in terms of the opportunity to choose depending on features that the consumer deems important, amidst a high-level food safety*.

4. Defining Quality in the EU Agri-Food Sector

In defining the quality of their products, the producers and mostly the industrial processors in the EU agri-food sector have long used the principle according to which *quality is a concept designed mainly for the definition and identification of the product.* This vision of quality that focuses on the product is rather restrictive. During the last decade, it has been replaced by a larger one that focuses on the consumer. According to this vision, quality would be *the ability of a good or service to satisfy expressed and potential needs of the user*.

Such approach implies also new methods of managing and achieving quality. Subsequently, quality in the EU food industry does no longer focus exclusively on the food product and rather integrates its conception and design as well as the entire logistic system. Therefore, the focus shifts on the foodstuff quality and on manufacturing with its intermediate stages (methods that are typical for the quality guarantee system and quality management in the non-food sector). Thus, the EU implements management methods that have initially characterized high-risk economic sectors that are subject to reliability and conformity restrictions. Subsequently, *the focus of the processors' action has shifted from the product towards the consumer in terms of providing a quality level that suits or even anticipates the consumer's expectations*.

This conceptual shift of quality has also meant the quest for new manufacturing methods especially in agriculture. They are significantly determined by the integration of agriculture and the EU food industry. The aim is to eliminate consumer risks and offer a better answer to consumer food safety benchmarks, i.e. the identity of the product. The latter element offers better consumer security and higher consumer confidence in the means of certifying product quality, such as labelling or marking.

Moreover, considerable efforts have been made in the EU food industry these last decades in order to improve food safety. Processing technologies have been adapted to increasingly tougher hygiene requirements. Monitoring quality throughout the production process has been substantially improved. Modern analysis technologies have improved and accelerated controls against contaminants.

Essentially, from the point of view of the EU producers in the agri-food sector food quality can be currently defined as *the capacity of food products to meet the consumers' increasingly complex requirements, including economic ones as well as the producers' efficiency and profitability needs through their properties*, in the context of a high satisfaction of food demand on the EU market which is a strong constraint for producers considering the implications it has for the functioning of the market.

Therefore, the 'good product for a good price' principle is but one of the dimensions of food quality for the EU food producer as well. Moreover, this principle is just an immediate aspect of quality while the real issues, i.e. manufacturing food products, go beyond it. The most important is to adapt food quality to the completely changed requirements of the consumers. From this point of view, diversity and variety are no longer the only ones important. It is also important to satisfy to the fullest extent possible specific, subjective and particularized needs by integrating numerous and complex data in product processing as part of industrial innovation.

5. Implications and Prospects

Therefore, the transformation of food markets in the EU's developed countries as a result of the high level of satisfaction of food demand has triggered *a radical change in the way food quality is defined*, i.e. mainly in reference to *the consumer's particularized needs*. The transformation of the EU agri-food sector has triggered a surge in its economic growth, with its subsequent advantages for producers, consumers and economy of the EU, in general. Furthermore, however, it has also had a series of negative consequences with a strong impact on food consumer, agricultural production and food industry. The interaction of these effects and the consumer's perception of quality have triggered a change in the producer's definition of quality by integrating consumer needs. Moreover, a reference to the action of producers and processors has been subsequently introduced into the definition of quality. The result was *an increase in the consumer's role in terms of his/her power of negotiation in the relationship with production*, which concretely meant a series of specific developments on the food market. These developments have been manifest ever since the 1990s either as phenomena with a significant PR impact over this sector or as profound conceptual changes that underpin current trends within it. Consequently, the tendencies within the EU agri-food sector appear as *feedback* mostly to *the EU consumers' concern with food safety and food quality in its subjective and objective aspects*.

Essentially, the main mutation that occurred in the conceptual definition of food quality in the EU is *its transformation into a concept that resulted from the direct relationship between offer and demand*. This change occurred in a context in which *the EU food market functions as a consumer market following a very high level of the satisfaction of food needs and of economic development*. These two aspects have allowed *the consumer to associate food needs to higher order needs*. Moreover, they have allowed the diversity of food offer to increase as a result of increasing competitiveness among producers. Thus, for the EU food producers and processors today *quality* represented by the features of food products *has become the most important answer to the requirements of demand*, which is a must for them to remain on the market and increase economic competitiveness.

The prospects of the EU food market as described by the tendencies in production and food offer helps identify the paths of future change and development for the food markets of recent members of the European Union, including Romania. Moreover, it is important for these countries to get insight into the tendencies in food production and offer on the EU market for them to acknowledge the way their own food markets and the consumer-producer relationship operate today.

As to the development of the food market in Romania we can consider that currently the legal approach on quality has largely adjusted to the EU benchmarks. Legislation has been amended in its essential points. A new way of setting the definition has been adopted to match the EU one. Institutions have been created and assigned to implement and oversee the measures designed to ensure food innocuousness. A series of elements requires improvement and not necessarily in terms of adapting to the EU system. The most significant such elements include the increase of the effectiveness of relevant food safety bodies and institutions; closer monitoring of the way licenses are granted to relevant economic agents, especially to small-sized enterprises; the integration of all legal acts that regulate the food sector into an integrated program that would render the authorities' efforts more unified; strengthening the traceability mechanism by enforcing it to all agricultural producers and agri-food processors; the improvement of communication systems between companies and consumers on food safety and food quality issues; the development of clear policies according to the EU policies in increasing sanitary security and food safety that should be based on compulsory measures and also on efforts to inform, encourage and co-opt companies and mostly consumers in this process.

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Freedom and Regulatory Intervention in the Functioning of the Economic System

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Abstract

Many specialists consider that at the base of the existing depression there is an improperly regulated financial system that points out severe weaknesses of the new liberalism. The existing world financial depression, especially its control points out the recurrent idea of the government intervention in order to provide the economic policies with more reason and pragmatism. That is why, among the contemporary economic mechanisms, there is a periodical change of the government intervention amplitude under the circumstances of maintaining the essential role of the market forces in resource allocation and stimulation of the entrepreneurial spirit. The essay points out some conclusions: non-existence of some economic "pure" systems; free market; pure and perfect market which is a fiction; the mixed economy in the modern meaning, the economy based on reality, which represents the real economic system where the mechanisms of the free market intermingle with the regulatory measures which refer to the state intervention in the economy.

Keywords: free market, mixed and command economy, economic performances, theoretical pattern of market economy, new liberalism
J.E.L. Classification: B40, B52, E60, K00, O11,

1. The market economy vs. the ordered economy; theoretical research

The operating mechanism of the contemporary market economy, more specifically the mechanism for regulating the economic system can be characterized as a hybrid mechanism which combines the principles specific to the traders' freedom of action with the rules/regulations developed within a democratic system of government.

The market economy is an economic system where the **market mechanisms are the only ones that tend to ensure the balance between supply and demand**, and the resource allocation is performed ruling out completely the intervention of the state and/or monopolies. It is a system of organization and functioning of the economy in which the relationship between supply and demand establishes the priorities as to the production of goods, methods of organization and combination of production factors, whereas the persons and categories of people have access to the manufactured goods by means of the price level and dynamics. It is, of course, a theoretical model of the market economy having the following structural elements: the economy operates under a system of market inter-connections, the private property and personal interests are decisive in the economic operation and decision-making, each economic agent ensures its self-reproducibility or comes out on the market as a result of their decisions, all traders and all the market categories are in a competitive relationship that is the most important factor of progress, cooperation and selection among the economic agents; the prices form freely, as a result of the relationship between supply and demand which, in their turn, they influence; it rules out the administrative interventions of the state and of the other powerful bodies (monopolies, syndicates, etc) in the activity and functioning of the economy (Dobrotă, 1999). It is impossible "to clone" this model as the real market economy, more specifically the system that actually works in different countries, never reproduces the features of the ideal model that existing only in the treaties of political economy, as in reality „No economy can function exclusively on the base of the invisible hand principle".....no state in the world takes its hands off the national economy completely" (Samuelson and Nordhaus, 2000). In this respect, John Cassidy argues that the free market has been worshiped for twenty years and demonstrates that this is in fact a fiction, an invention. He calls the doctrine he denounces (neo-liberalism) "utopian economy", as opposed to the reality-based economy he disseminates. He criticizes the supporters of neo-liberalism - Friedrich Hayek, Milton Friedman and the Chicago School, as well as the unfounded attempt of the crisis' authors to resort to mathematical models such as those of Arrow and Debreu, rewarded with the Nobel Prize. The author sees in the invasive presence of utopians in textbooks and courses a fever that will be relieved only by returning to the economy based on reality (Maliţa and Georgescu, 2010).

There is a great variety of models/forms in which the real market economy manifests itself, in fact each country has its own model of real market economy. The supporters of considering economics as a social science have understood that it can meet neither the requirements of mathematical precision nor the implacable casualization of physics. The analysis of the economic phenomenon has thus passed from exclusively quantitative elements to the qualitative ones, including subjective, psychological elements, the economy being influenced by a multitude of non-economic factors - legal, cultural, educational, behavioural, territorial ones etc. The multitude of factors which influence the evolution of the economic activity, as well as the diversity and complexity of the forms in which the real market economy manifests itself, probably accounts for the existence of some "white stains" in defining and using some terms such as: market economy, mixed economy, real market economy, capitalism, contemporary capitalism, real mixed market economy system, capitalist economic system, etc.; in spite of all their differences, the modern real market economies have a number of common features:

- **The diversity of ownership forms**, where the private property prevails, is one of the most important characteristics, the owner of each type of property being firmly oriented toward earning and assuming the right to decision under circumstances of risk and uncertainty.
- **The ownership right** of each person and the private property – the individual or associated one, represents the fundamental support for free initiative which manifests itself through the totality of economic freedoms. The ownership rights represent a large part of the rules that govern most social interactions in which traders get engaged deciding "who, what moves to make and under what circumstances". In this way, the property rights and other rules of the game determine, essentially, what the individuals want to do in the pursuit of their interest (Heyne, 1991).
- **Multi-polarity** represented by the plurality of autonomous centres of economic activity, management, and decision-making is a feature of the market economies.

These centres represent economic agents that are in free trade relations based on market prices formed through the mechanism of supply and demand. The private company (firm) is focused as an economic unit that establishes the link between goods and services markets, the factors of production markets and the money markets. It is the framework of combining and using efficiently the factors of production. The entrepreneur is the promoter of the initiative and business rationality. Despite the multitude of traders, there is the tendency in the contemporary economy of forming force or pressure groups - monopolies, national and multi-national oligopolies, professional unions, etc. that change the economic system from the inside, firstly, the balance of power between economic agents, between different poles within the economy.

- **Profit** is the traders' main objective. Mainly, the efficiency of one's own capacities and competence sets their own limit on the profit level. Under the circumstances of free competition and of a large number of producers and buyers, equivalent exchanges are taking place, and the factors of production (represented by the workforce, land, financial capital and physical capital engaged in production units) are remunerated by wages, rent, interest, income/profit.
- **Market**, as the venue for supply and demand, has an active role in carrying out the economic activity. Based on the functioning of a competitive market system structured by clear rules - which stimulates the entrepreneurs and eliminates those who cannot adapt to the constantly changing conditions of the market - the decentralization of the economic life becomes possible as the tendency towards balance is achieved mainly through the market relations. Largely free prices are the main carriers of information and material incentives that determine the actions and behaviours of economic agents. For most freight goods, prices are established through free negotiation between sellers and buyers, without the administrative interference of the state and other centres of economic power.

In the market economy, **the democratic state** (Iancu, 1992; Bucur, 1999; Stiglitz, 2003) ensures that the rules are obeyed, while adopting a series of measures to complement and/or correct the functioning of the market by using the legal, financial and economic levers and other tools. The state is in fact the guarantor of the proper functioning of the specific rules of the market economy. **The state intervenes in the economy not to replace the market functions, but to remove some frictions and inefficiencies in the functioning of the economic mechanisms and to avoid some of its negative consequences**. In order to respect the economic agents' freedom of decision and to keep as unaltered as possible the competition and laws of the market economy, the state intervention is not performed directly through planning and administration, but indirectly through fiscal and monetary policy, as well as through the social protection policy.

2. The real contemporary economy – the mixed economy

The analysis of the real structures in the contemporary world highlights the great diversity of situations as to the more or less importance attached to some characteristics such as: private property against public one, the economy's degree of polarity, the role of profit and economic levers against administrative levers, the level of monetization and banking institutions development, the degree and way of involvement of the state in the economy, the degree of decentralization of decision-taking, etc.

The two types of economic systems should be interpreted in a generalized manner, as **theoretical models**. In real life it appears that none of these theoretical models of organizing the trade economy operates in a pure form. The economic reality is always richer and more complex than the theoretical generalization**.** It appears that in today's trade economy, to certain extents, elements and mechanisms specific to the free market system interconnect with the central-planned ones belonging to the state intervention in the economy. From this perspective, some analysts consider that modern trade economy, as it operates in every country, manifests itself more as a mixed economy system that combines in different proportions both elements of the command economy and of the competitive economy. "We totally agree to the opinion that it is wrong to identify the socialist economy with the central-planned economy, and it is also wrong to consider the planning method inefficient and incompatible with the market economy" (Coşea, 2003). Consequently, it is necessary to adopt a methodological outlook that should enable to include the economic reality from a given country into the market economy system or into the command economy, according to the preponderance of these structures and mechanisms that are defining for one theoretical model or another. We shall list below the criteria for defining and grouping the various market economies mentioned. (See Table 1)

The existence in a given country of a particular type of market economy has several reasons. Firstly, we should take into consideration the changes in the socio-political choices of the dominant political forces in that country to give a particular direction to the market economy structures, which are supplemented by a number of factors, not less important, such as the existing social and economic conditions, the economic development, the existing political and economic institutions, social psychology, etc. For example, in a poor economy, where the entire operating mechanism needs to be reorganized, it is not possible to adopt a type of social market economy similar to that existing in the Nordic countries simply because it is deprived of the resources necessary to adjust production and / or technology; on the other hand, there isn't a proper institutionalized system, and psychological behaviour of the population is not fully adapted to the necessity of a hard and austere commitment with a view to enhancing rapidly the performance of the economic system.

Table 1 – Comparative analysis of the command economy system and the market economy system

Features	The Command Economy System	The Market Economy System
1.Propriety	Predominance of state and cooperatist public ownership of the means of production	Predominance of private ownership of the means of production
2.Resource allocation	Based on centralized administrative decisions	Based on market trends, supply and demand and price

3.Offer parameters	Established administratively by the unique national plan	Determined according to the in evolution of the market demand
4.Prices	Fixed administratively	Established mainly according to the evolution of supply-demand ratio
5.Material incentives	Absent, being replaced with the theory and practice of egalitarian collectivism	Motivation by linking the income with the labour results
6.Consumer needs system	Established and covered administratively at central level	Corresponding to the signals /information sent by the market
7.Planning	Imperative, with a biased/strong political character	Indicative, strategic and market - oriented
8.Economic mechanism	Coercive-administrative	Freely competitive
9.Economic Performances	Chronic incapacity of ensuring efficiency and competitiveness; low living standard	High efficiency in using the resources; competitive advantages and a high living standard;

Source: Iancu (1992); Negucioiu (1999); Coşea (2003).

As a matter of fact, from a modern perspective, **the mixed economy** is the real economic system that works primarily in economically developed countries (Iancu, 1992; Popescu, Ciucur and Popescu 1996; Constantinescu, 1997; Negucioiu, 1999; Popescu and Trandafir, 2001). In such a system, most decisions are based on market mechanisms, but this is only one of the means of regulating the economic activity, the state plays an important role in correcting the market imperfections, in counterbalancing or correcting some excesses and inconveniences of the market functioning, as well as in ensuring the balance between economic efficiency and social equity. “None of the developed economies is left to the free play of market supply and demand, the respective governments keeping more or less these forces under control. No social system leaves to the market essential functions such as social security or the protection of individual, national security or the protection of the community” (Heyne, 1991).

Therefore we speak about **a hybrid mechanism of regulating the economic system**, a mechanism that combines private property, competition, free price formation with the use of economic and financial levers and the legal norms developed through a democratic system of government. "Our economy (the U.S. note) is a mixed system of free trade and economic control carried out by the company (through its specialized, democratic bodies) and by private institutions with monopolistic tendencies." – argues Paul A. Samuelson. The same author, pointing out that markets are the engines of economic growth, believes that the state is not a useless relic, dating back to a previous era, as “it plays a critical role by ensuring a climate in which markets can flourish and that removes excesses that occur when markets enjoy an absolute freedom. The prosperity of a modern economy depends on finding a balance and dividing the responsibilities between markets and state” (Samuelson and Nordhaus, 2000).

The fact that the mixed economy, the real system of the market economy works only in the economically developed countries, also results from the fact that the diversified, modern equipped banking system and the modern technical-economic structures –key features of the real market economy – are present only in such countries. **Within the current real economic system**, a mixed system, there is a combination of private initiative, of the competitive private company with a certain central control. While the allocation of resources for different uses is largely determined by the price mechanism, the authorities play an important role in determining the aggregate production level through fiscal and monetary policy, along with income distribution. In some cases, the government can exercise control over certain sectors of the economy by nationalizing industries. "For third world developing countries, the economic systems, very hard to define, are characterized by the incomplete and inefficient use of all human, material, financial and environmental resources, with serious consequences for human life, deepening the gaps between them and the developed countries on issues such as efficiency and competitiveness, living standard and social justice" (Popescu, 1996).

If we relate all the effects of the economic activities to the life transitions need of ensuring intergenerational equality of opportunity, more specifically to the human nature of the economy, we wonder, along with other professionals, to what extent the economic systems that have been so far operational in different countries of the world meet the requirements of human economy.

Taking into account the fact that the market economy system is dominant in the developed countries of the world, we can assert that because of the freedom of action and competition, it managed to produce an abundance of economic assets in a diversified structure and quality. This is an important argument for the superiority of the market economy system in the countries listed, compared to the system specific to the central-planned economies. But we should not overlook the fact that the same economic system, that of the competitive market economy, has generated serious environmental damage, has dispersed the most important factor of development (workforce - by the existence of chronic unemployment) and diverted a number of resources from their normal use (material, financial and environmental) through the production of military goods, etc.

3. Conclusions

The contemporary realities points out that the pure market economy and ordered economy, completely centralized are models of economic systems to be present only in the economic books. In fact, the market economy type which distinguishes the contemporary world is the mixed economy, in which the mechanisms of the free market and private property are interpenetrated with the mechanisms of the state intervention and public property. In these conditions the practical problem is not choosing one of the two methods but we had to choose the mix of market and the govern intervention necessary to accomplish the objectives of the public policy without affecting economic efficiency. That means by rules and regulations, by public property, by tax, etc., the governs have to prevent or to correct the fail of the complete free markets. Many specialists consider that at the bottom of actual financial international crises is the co-operation of the markets and financial engineering insufficient and inadequate established.

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Macroeconomic Indicators

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Abstract

Currently, the macroeconomic indicators for results are determined and analyzed by the System of National Accounts (SNA), a macroeconomic analysis system which meets the demands of information and economic analysis of the companies based on market economy. The National Accounts (NC) requires the main filing system and macroeconomic analysis used by most of the countries within international statistics. The macroeconomic indicators are: the domestic product, private consumption, government consumption gross investment (gross capital formation), national product and disposable income personal income, household income, personal income of the population.

The macro-economic indicators can be analyzed according to the following aspects: development analysis, economic dynamics, structure analysis and changes in economic structure, calculation and analysis of input use efficiency; comparison level, comparison of structure and national economic development to other countries.

Keywords: macroeconomic indicators, national economy, macroeconomic analysis, domestic product, national product, national income;
J.E.L. Classification: E60

1. Introduction

The indicators expressing the results of the national economy have an important role within the system of macroeconomic indicators. They are also called economic aggregates and highlight the different aspects of the production of goods and services obtained by the economic agents within a period of time.

These indicators characterize and analyze the size and structure of national production, its evolution in time and - by linking with other macroeconomic indicators - the efficiency of both the overall economic potential of national economy and its structural elements are calculated and analyzed.

Currently, the macroeconomic indicators for results are determined and analyzed according to the System of National Accounts (SNA), a macroeconomic analysis system which meets the demands of information and economic analysis of the companies based on market economy.

The System of National Accounts or The National Accounts (NA) we mean the main accounting and macroeconomic analysis system used by most of the countries within international statistics.

The macroeconomic indicators are:

- Domestic product
- Private consumption
- Government consumption
- Gross investments (Gross capital formation)
- National Product
- Disposable income and Household income
- Personal income of the population

The domestic product and the national product are macroeconomic indicators, which express the final output of goods, the first one starting from the "internal" criterion and the second one from the "national" criterion.

The following three methods of calculation are used:

- The production method or the value added method;
- Method of distribution or the income approach;
- Method of using income or expenditure

2. The macroeconomic indicators

I. Gross Domestic Product expresses the gross value of the final products during the period of economic calculation by the economic agents that perform their production activities within the country.

Production method consists of measuring and highlighting the gross value added (GVA) created by the factors of production in all units within the country, producing consumer goods and services for the public sectors and the aggregation of these sizes according to industry branches and national economy as a whole.

$GDP = \Sigma\ VABi,$ (1)

where i represents the economic sectors or industries.

Out of the gross or total value (PBI) they decrease intermediate consumption (CII), namely the value of material goods and services produced during the calculation period and used to produce new products. Gross value added is thus obtained (VABi) for the economic industry or branch. So,

$VABi = Pbi\text{-}Cii$ and $PIB=\sum PBI\text{-}=\sum Cii$ (2)

Indirect taxes are also excluded from the production value, but net indirect taxes are added, so GDP within the prices of the production factors is obtained.

$PIBpf= =\sum VABpf + I\ net\ indirect= =\sum\ VAB\ pf + I\ indirect\text{-}Sv$ (3)

According to the method of final use (expenditure approach) GDPpp is the sum of the elements representing the final use of the economic goods (materials and services) valued at market prices, less the value of imported goods.

$GDPpp= Ppv + Cpb + FBC + EXPnet$ (4)

II. Private consumption can be measured starting with two concepts:

The market or restricted concept, according to which private consumption includes only the household purchases in the market. This indicator can be determined based on the information regarding the sales to the public within a period of time.

The general concept, according to which private consumption is calculated as the sum of values of all the materials and services that have been used to meet needs.

Household consumption refers to the following elements: land purchases; purchases of property included in gross capital formation and household purchases of tools and materials.

III. Government consumption comprises the consumption of central and local government institutions, made for the provision of public services.

IV. Gross investments include gross fixed capital formation (GFCF) or gross capital investment (Iv.b) and inventories (DS).

$$Iv.b = Iv.n + Am \tag{5}$$

The following elements are not included in the gross capital investments:

- work clothing, spare parts and tools of little value, even if they are more than one year old (they are considered intermediate consumption)
- durable goods obtained by households for domestic needs;
- military unit goods, which are outlined in intermediate consumption;
- Land and intangible assets.

The distribution method, according to which the gross domestic product is obtained as the sum of the income of the production factors plus amortization of fixed capital, and the net domestic product as the sum of production factors income (VF).

$$PIB = \sum VF + A \tag{6}$$

$$PIN = \sum VF \tag{7}$$

V. The national product is calculated as gross national product (PNB) and net national product (PNN). The national product is calculated by adding the balance of the production factors income compared to the foreign production to the domestic product.

$$PNB = PIB + SVFS \tag{8}$$

$$PNN = PIN + SVFS \tag{9}$$

The net national product represented by the prices of the production factors is the national income of society (VN).

$$VN = PNNpf \tag{10}$$

VI. Disposable income and Household income

The national income represents the sum of net added value created by the national production factors within the country and in other countries as well. By correction of national income with the balance of current transfers to foreign countries another macroeconomic indicator is obtained : the national disposable income (VND).

$$VND = VN + STCS \tag{11}$$

VII. Personal income of the population represents the nominal income of the population.

$$VPM = VN - CAS, \tag{12}$$

undistributed profit, tax on the profit, etc + retirement allowances, scholarships, etc.

$$VDM = VPM - Imp.\ pop. \tag{13}$$

$$VDM = C + E \tag{14}$$

The GDP deflator is the ratio between GDP expressed in current prices and GDP expressed in comparable prices.

By adding result macroeconomic indicators to other indicators, the following aspects can be analyzed:

1. Analysis of the economic evolution and dynamics;
2. Analysis of economic structure and its changes;
3. Calculation and analysis of the efficiency of using production factors;
4. Analysis of the main macroeconomic correlations;
5. Comparison between the level, the structure and the evolution of the national economy and those of other countries

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Tangible and Intangible Dimensions of Business Value

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Abstract

The profound structural changes occurred in the global economy and also in the national one – globalization, dematerialization, crisis, etc. – impel us to watch critically not only the managerial practices on different levels of economic organization, but also the theoretical scaffold that inspired them. The „disembodiment" of the processes and the economic value exert particularly pressing effects within the meaning of the purposes of reviewing the concepts and the theoretical models of most management sciences. The financial management of the enterprise does not only represent an exception, but contrariwise is situated in the vanguard of this conceptual renewal inasmuch as it is the area that took the mission to answer some fundamental questions:

- *What does it represent in the present the economic value and, consequently, the business' value?*
- *What are the main factors (inducers) of business' value?*
- *What are the means of stimulation the increasing of the business' value?*

The problem of the financial management is more complex, but we must recognize that the other concerns are, directly or indirectly, just some subordinate derivatives of these three crucial issues, and the economic dematerialization require us to revise, sometimes radically, the traditional views focused on them.

Keywords: goodwill, intangible assets, intangible investment, intellectual capital, fuzzy sets.
J.E.L. Classification: G34, L21, M21, O16.

1. Introduction

The interest in the study of goodwill as a tool for diagnosis, valuation and reorganization of business is generated and enters in the area of these concerns: it is evident the fact that an increasing part of the value of modern companies is intangible, and the goodwill represents the global financial approximation of the intangible capital held by enterprises.

With the New Economy the approach of the valuation of the enterprise means, first of all, to understand, in a manner as rigorous and as objective as possible, which are the causes that generate the goodwill or the overvaluation. Basically, this equates with the estimation of the economic value of the intangible assets of the enterprise, identified over the value of its tangible assets. Undoubtedly, the tangible assets, after making the corrections and the adjustments necessary to establish their „fair" value, constitute by definition a solid basis for determining the value of the enterprise to the extent that these assets are easily identifiable and verifiable using the traditional tools of accountancy. In the case of the intangible elements which generate additional economical overvaluation of the „patrimony value" provided by the tangible assets, things are completely different. Most of the times, the financial accounting does not offer a relevant image and does not capture properly the „intangible patrimony" of the enterprise. Consequently, neither the financial management, which is responsible for the efficacy of the decisions with regard to the use of resources, is too sensitive to these issues of utmost importance for the good functioning of the enterprise. In this way, we observe a hiatus with the tendency of enlargement between the accountancy value and the market value (global).

2. Literature Review

The interest in the study of goodwill as a tool for diagnosis, valuation and reorganization of business is generated and enters in the area of these concerns: it is evident the fact that an increasing part of the value of modern companies is intangible, and the goodwill represents the global financial approximation of the intangible capital held by enterprises. Despite this reality and the fact that abroad are taken substantial efforts in studying the intangible component of the enterprise and its financial implications, in Romania, we recognize so far an acute shortage in this area.

In order to develop this material were consulted a lot of bibliographical sources, many of which are signed by renowned authors - Edvinsson, Lev, Ross, Brilman, Martory, Copeland, Mouretsen, Tobin etc.

3. Theoretical Background

In formulating this article is a retrospective and above all relevant material synthesis field. I made assumptions and conjectures in the context of the mission management sciences emergence of knowledge-based economy. Vectors are also proposed to explore possible means.

4. Paper content

4.1. The structure of economic value in knowledge-based economy

A company that controls an attractive market share, which has a technological progress, which has developed strong operational skills (trade, management, innovation etc.) or which was endowed in a certain way with other rare competitive factors, obtains a higher real value of its theoretical value. Empirical studies ascertained that, on medium or on long term, a rate *Market value/Accounting Net value* over unitary is not only the index of some profound changes in the processes of creation of the economic value or the expression of some permanent dysfunction on capital markets. It also reflects the decline of accountancy's traditional instruments and financial management, which largely ignores the intangible capital of the company.

These observations demonstrate that the value of a company cannot be exclusively associated with its formal accounts. The goodwill as a synthetic financial expression of the immaterial elements represents at the same time the unaudited counterpart of a part of the overall value of the company. The very existence of goodwill offers the hardest argument in view of the research the causes of the spread observed between the market value and the patrimony value (accounting) of the company. The correlated tracking of the evolution of the patrimony value, the goodwill, and the overall value of the company may serve as a marker in the foundation of financial strategies, starting from the assumption that the main objective of these strategies is to maximize the firm's value.

The valuation of the intangible capital of the firm doe not oppose to traditional approaches – the valuation based on future economical and financial study of performances and the valuation based on the accountant identification of the tangible patrimony elements – but, contrariwise, complements them, in order to obtain, by combining them, the most realistic estimate of the firm's value. The accurate knowledge of the composition of the intangible capital, respectively its accurate dissection in elements of human capital, relational or structural, represents an important premise in making the assessment. This forasmuch the rigorous quantification of the various components of the intangible capital is not always possible. However, a number of general principles in assessing the intangible financial capital are necessary:

- the valuation of intangible elements is not an exact science;
- there are several methods for assessing the intangible elements;
- the valuation of intangible assets is valid only for the assessment study, without regard to possible future elements;
- the classification of the intangible items in "sources" and "collectors" of cash flow;
- the identification of some obvious correlations between the intangible elements generators of goodwill and the economical and financial performances of the firm.

Unlike the tangible patrimony items, which have financial „behaviors" somewhat similar, predictable and controllable, the intangible elements are characterized by a wide variety of manifestations and hypostasis, which requires some particular steps in their financial valuation. Many experts recognize the capital value of reputation as being almost an equivalent of the goodwill, as all the intangible advantages of the firm are perceived from its outside through the light of its gained reputation. Since the intangible elements generators of goodwill usually have a volatile nature, which does not facilitate accurate financial measurements, are needed specific quantitative techniques, sensitive to quality issues, in order to carry out financial estimates and credible forecasts. Fuzzy mathematics offers, in our conception, numerous openings and opportunities in this regard, including the certainty intervals. Even if it does not offer exact values, but only „ranges", the certainty intervals make possible however some approximations on the basis of which the decision maker, clarifying at least the „trajectory" of the future evolution of a financial value, is able to choose the strategy which will serve his interest the best way possible.

It is well known that the fundamental objective of the financial management is the maximization of the global (market) value of the firm. To this extent, the situations where the decision makers find themselves in the position of choosing between several alternative strategies are quite frequent. If in a stable environment this choice is in fact a simple issue of optimization, the uncertainty magnifies at an exponential rate the degree of complexity of the process. However, the certainty intervals allow the accomplishment of pertinent comparisons between different strategies, even if they are expressed as intervals, and the selection of the best of them.

The certainty intervals treat uncertainty in a very little structured manner, meaning that inside the extremes of the interval one does not know anything about the way in which the possibility varies, which further means that the possibility is considered to be uniformly allocated.

The fuzzy arrays allow the treatment of the uncertainty in a somewhat nuanced manner, so that, even if the estimations of the experts are not expressed by means of a to the point number, estimations of the most likely previsions can still be emitted, situated inside the extremes of a certain interval (Kitainic, 1993).

The advantage of the fuzzy techniques lies in the fact that they incorporate computational schemes which we consider to be more reliable when treating the nowadays issues in the field of financial management (Bajazdiew, 1996). Of course, the fuzzy arsenal is greater and more complex, but even the few elements that we have used demonstrate the efficiency of this approach to quality and uncertainty – that is, to essential characteristics of the modern financial phenomena.

Since it holds an increasing part of the value of modern firms, the goodwill keeps the right to be regarded as an essential part of the overall business strategy of the company in general and its financial strategy in particular. The explanation for this conceptual reconsideration is the following: the goodwill is the synthetic financial expression of all the company's competitive advantages, respectively of all the relevant and sustainable factors, especially those with intangible (immaterial) nature, which define its strategic position. Usually, an important goodwill as size is associated to highly competitive companies, with excellent strategic positions.

4.2. Possibilities for analyzing the economic value created

To be competitive and to maintain long-term competitiveness, modern companies are required to guide their strategies preponderantly to the accumulation and development of the intangible elements bearers of goodwill. In strictly financial terms, a strategic approach as described above is equivalent with the selection of a certain profile of investment and the choice of a particular financing structure. In the decision-making area, it is about a new arbitration between the imperative to maximize the financial performance and the need to ensure the financial balance at the company level. These mutations of strategic order are caused by the fact that currently the economic values created by firms, even in the traditional capitalist sectors, incorporate a more significant intangible content. And the company's intangible elements cannot be managed strategically as the tangible assets (physical and financial). In this case, the investments to create them cannot be analyzed and selected in a reliable manner using the classical financial criteria - net present value, internal rate of return, recovery time etc.

If the overall objective of the company's financial strategy is to maximize its value, this actually means the faster growth of the goodwill in regard to the size of the tangible component of the overall value of the firm. Also, this creates an acute need for conceptualization of some appropriate analytical tools designed to proper measure the efficacy of the financial efforts undertaken by the firm. Thus, if the firm is a „machine“ to create economic value, the most pure economic value being the cash flow, and if the most important sources of economic value are so intangible, the goodwill being their overall financial expression, then a new generation of profitability indicators should link directly these two aspects (the cash-flow and the goodwill). We are convinced that such an approach could provide a more precise and more accurate image of the profitability achieved by the firm, thus allowing optimizing the allocation of the available resources. For example, is very useful comparison between the report *Goodwill / Patrimonial value* and the so-called *Q report* conceptualized and proposed by the Nobel laureate James Tobin (Tobin, 1980). Broadly speaking, *Q is obtained by reporting the total value of the company to its patrimonial value*, indicating the extent to which the enterprise, in a given period, by functioning, creates value over the patrimonial value (Black, 2000).

The economic crisis we are going through now, through its dimension and intensity, has shown clearly as possible the numerous profound problems of modern capitalism, presented at a worldwide and macroeconomic, and also a microeconomic level. Undoubtedly, all these issues form a dense network of intrinsic causalities and logics which generate more vicious circles. In fact, just by breaking and dissolving these vicious circles may result the solution to get out of the crisis. Of course, the issue to which we refer to is extremely large and complex, including first strictly microeconomic aspects, mainly related to the way in which an enterprise, located or not in financial difficulty, can significantly improve its organization, functioning and integration in the specific environment in order to obtain the most advantageous global strategic positioning, and, consequently, to increase its financial performance and, ultimately, to maximize its value. Therefore, recognizing that the basic mission of a reorganizing approach is to maximize the overall value of the company, approach however, suggest the rehabilitation and restructuring processes at the microeconomic level from a systemic, integrative and interdisciplinary perspective. This inasmuch as the restructuring of the enterprise is essentially, a large and complex project of organizational change. Undoubtedly, the enterprise is an economic system and, in this aspect, validating its effectiveness can be achieved only with specific criteria, primarily of financial nature. Is necessary, in fact, the placement of the objectives and the financial determinants of the enterprise's restructuring in a more nuanced context. In this way we aim to avoid the reductionism and simplistic reasoning which so often have been guilty of the failure of the restructuring and financial recovery programs of enterprises.

Conclusions

We see the concept of goodwill as a „cornerstone" of this intended approach. The explanation is that the intangible assets bearers of goodwill are, in the modern economy, the main drivers of strategic positioning, competitiveness and, ultimately, economic value. At the same time, the success of the restructuring strategies depends crucially on the creation of certain „levers", the most important of them leading directly to the idea of goodwill. In this way, is extremely important to introduce indicators of testing the feasibility of a corporate restructuring program, which, through the goodwill's value to correlate the dynamics of the financial performances on the commercial development and the accumulation of the intangible capital.

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The Role of Mass Media in Modern Democracy

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Abstract

Based on reviews of communication literature, the present paper intends to analyze the functions of mass media from the theoretical points of view. It is established through the findings that mass media plays a significant role in modern society. They bring about a general diffusion of knowledge about life in the world today, thus influencing many aspects of our social, political and economic patterns. Mass media has certain important functions to perform which include influencing public opinion, determining the political agenda, providing a link between the government and the people, acting as a government watchdog, and affecting socialization, entertainment, educating the masses, and mobilization as well.

Key words: Media, communication
J.E.L. Classification: L82, M37

1. Introduction

The term "mass media" in the literature on mass communication theory covers a wide spectrum. By definition, mass media is any medium used to transmit mass communication i.e. a message created by a person or a group of people sent through a transmitting device to a large audience or market at the same time. From this definition we can immediately outline the main types of mass media: newspapers, television, radio and cinema. For example, television, when it broadcasts, it goes elsewhere and the people of different places can watch it. In another way, mass media can be called as the function in communication that is apparent through a carrier of signals to multi point destination: such as, language, design, facial expression, print, radio, television, mobile phone, billboards and musical instruments etc. (Berger, 2002). In the electronic age, some new tools of communication become prominent because is reaching an increasingly mass audience. It is called 'new media' and includes the Internet, mobile phones and others. From other points of view, mass media was defined as comprising of eight industries: books, newspapers, magazines, recordings, radio, movies, television and the internet.

2. Developments on the media market

The development of the mass media during the last several decades is characterized by the following main tendencies (Fog, 2004):

- *Convergence:* Different media like newspapers, radio, television, telephone and internet are increasingly being fused together, technologically as well as economically.
- *Concentration:* Media companies are being merged together and controlled by fewer owners. This concentration is horizontal (several media under the same owner) as well as vertical (several links in the "food chain" under the same

company group). Different media bring news from the same sources. In Romania, more than half of the media deals– regarding the print sector and news agencies as well as TV and radio stations – are done by media groups that are controlled by three Romanian businessmen (Pavel, 2010):

- Adrian Sârbu, majority shareholder in the Media PRO group;
- Dan Voiculescu, founder of the Intact media group and,
- Sorin Ovidiu Vântu, owner of the Realitatea-Caţavencu media group.

- *Globalization:* The media are owned by multinational companies broadcasting across borders. For example, The Ringier, a Swiss-owned company has a massive print business with operations in 10 countries, and a portfolio of about 100 titles. In 2010, in Romania, its portfolio includes: the former market-leader of the newspaper market and now second most important, Libertatea (is the daily newspaper issued in tabloid format); Libertatea de Duminică, (issued in tabloid format), Libertatea Pentru Femei **(**weekly magazine for women), Unica (monthly glossy magazine), Joy and Lumea Femeilor (two trend magazines for women), two TV guide, (TV Mania, and TV Satelit), Auto Bild (a bimonthly magazine dedicated to the automotive industry), and two magazine dedicated to teenagers (Bravo and Bravo Girl).
- *Commercialization:* Advertisements are sneaked into entertainment as well as news stories. The distinctions between advertisements, news and entertainment are increasingly blurred. Audience groups with less spending money are not considered.
- *Commercial influence:* Advertisers and owners have influence on editorial decisions.
- *Trivialization* that means*:*
  - More sex. Until the 1990s, the Romanian television constructed the mainstream viewing public as idealized replications of the middle-class nuclear family, defined as monogamous, heterosexual couples with children. In response, the overwhelming trend was to provide programming targeted toward this consumer group. After the 1990s and the introduction of demographic measurements, the television broadcast networks defined mass audience as an index of a program's popularity to set commercial rates for advertisers and start to produce and broadcast a plethora of programs built around the values and concerns of the contemporary nuclear family, where pleasure became a more acceptable foundation for sexual activity.
  - More violence, which has negative effects because, causes aggressive behaviour. It has often been feared that children are particularly vulnerable to violence on television because their immature cognitive development does not enable them to discriminate between real and fictional violence. Another dimension of the e.g. television violence debate has been a concern that frequent viewing of violence on television makes people unrealistically fearful of violence in their own environment. In Romania, if we quantify the extent of violence on our screens, we can say that 80% of prime time Romanian television contains at least one incident of physical violence.

- More prying into the private lives of celebrities. As long as there are celebrities, people will be interested in their private, as well as their public lives – and the media will try to satisfy this desire. Celebrity photographers, or „paparazzi”, armed with zoom lenses and the promise of huge cash rewards for an exclusive exposé, pursue the rich and famous. Photos of Princess Diana and Dodi Al Fayed kissing on a boat in the Mediterranean may have constituted the biggest celebrity exclusive in the history of tabloid journalism. The Daily Mirror paid a reported $450,000 for British rights to publish shots of Princess of Wales and Dodi Al Fayed on their vacation off Sardinia. Italian photographer, Mario Brenna earned an estimated $5 million (£3 million) from global sales of the pictures. On the other hand, media editors have also been known to use private investigators to find out about the private lives of the rich and famous people because when a celebrity is involved, the value of that sale can be quite substantial. The past few years have seen an explosive rise in the prices paid for exclusive celebrity photos. For example, in the Topping the Forbes' list of the 10 most expensive celebrity photos is a photo of twins of Brad Pitt and Angelina Jolie. According to published reports, People magazine, has paid between $11 million and $15 million for exclusive first shots in August 2008. The second most lucrative photo sale to date came in March 2008, when bold-face pair Jennifer Lopez and Marc Anthony sold exclusive first shots of twins Max and Emme to People magazine. In return for the lavish spread, the glossy allegedly forked over $6 million. Third place went to Pitt and Jolie for photos of their first biological child, photos for that People magazine paid in June 2006 $4.1 million (Rose, 2009).

This examples show us that media avoid controversial issues and serious debates. Debates are reduced to an entertaining clash between personalities, resembling a boxing match, where the issue of controversy has only secondary importance.

3. The function of mass media

The functions of mass media became an important field of research during the 1940s and 1950s, a period of rapid and extensive development in the mass media. This was also a time when struggling economies and other consequences of the Second World War were causing disruptions in society. Researchers became interested about the effects of mass media messages on people and society: how they affect opinions and attitudes, culture, habits etc. This kind of effects was called functionalism. Earlier forms of structural-functionalist theories were used in anthropology and sociology and set out to interpret society as a structure with interrelated parts. Functionalism addresses society as a whole in terms of the function of its constituent elements; namely norms, customs, traditions and institutions. A common analogy, popularized by Herbert Spencer, presents these parts of society as "organs" that work toward the proper functioning of the "body" as a whole (Urry, 2000).

Merton (1949) introduced a form of functionalism that has been widely adopted by media researchers. He criticised functional unity, saying that not all parts of a modern, complex society work for the functional unity of society. Some institutions and structures may have other functions, and some may even be generally dysfunctional, or be functional for some while being dysfunctional for others. This is because not all structures are functional for society as a whole. Some practices are only functional for a dominant individual or a group (Holmwood, 2005). Thus, televisions that show crimes might be functional for the viewing audience as a whole but dysfunctional for children who learn that aggression is a good way to deal with problems. The functions for society (the larger audience) may be offset by the dysfunctions for an individual child or for a particular group of viewers (children).

Directly applied functionalism to mass communication, according to Lasswell (1948), the main functions of media in society, were surveillance of the environment, correlation of the parts of society in responding to the environment and transmission of the social heritage from one generation to the next (cultural transmission). Another theorist, (Wright, 1960), developed this basic functions to describe many of the effects of the media and added entertainment as a fourth key media function. This may be part of the transmitted culture but it has another aspect - that of providing individual reward, relaxation and reduction of tension, which makes it easier for people to cope with real-life problems and for societies to avoid breakdown (Mendelsohn, 1966). These four functions became known as the “classic four functions of the media”.

3.1. Surveillance of the environment

The first function of mass media is surveillance of the environment, because inform the people about what, when, where, who, why and how things are happening pertaining to personalities or institutions. The media keeps the public informed about national and international news, ranging from world stock-market prices and revolutionary uprisings to local traffic and weather conditions or as to the actions and policies of government agencies and officials.

So, we can say that the mass media has watchdog role as the “eyes, ears and voice of the audience” because the peoples accept their reports and use them as a basis for shaping their thoughts, attitudes and actions. There are two types of surveillance:

- ***Beware*** or ***warning surveillance*** that occurs when the media the people about natural calamities like floods, depressed economic conditions, malfunction, evidence of corruption, abuse of power, increasing inflation or ineffective policies and programs. An important role in surveillance of the environment has investigative reporters such as those from Antena 3, that often uncover evidence of unethical and sometimes illegal conduct of officials, thus causing the resignation of high government officials. Although the media has been criticized of having a "liberal bias" all presidential administrations have been closely observed by the media.
- ***Instrumental surveillance*** that refers to the transmission of information that is useful and helpful in everyday life. For instance, the advertisements provide news about the new products, health issues, fashion ideas and so on. They help the customer to make purchasing decisions. At an individual level, the surveillance of the environment function of media increase personal esteem, provide base for

social interaction, provide knowledge and information, confers social status and prestige.

3.2. Correlation of the parts of society in responding to the environment

According to Lasswell (1948), closely linked to surveillance is the correlation function. The mass media do not only supply facts and figures when they provide news and information. They also provide information about the meaning of many of those news items. Correlation function refers on the one hand to how the mass media selects, explains, interprets and comments the meaning of events and information about the environment, and on the other hand to the response of the whole society to the environment – that is developing public opinion. An informed or enlightened opinion is essential for a healthy democracy.

Articles in newspapers, or discussions on radio and television shows about political, economic or social events, for example, have been selected and interpreted by the mass media, and have consequences for how the audience understands and responds to these events. People's attitudes and their opinions about political figures, for instance, are often influenced by the impressions that they receive from the mass media. A negative impression of the Romanian Government, for instance, was reinforced by some press and television, which continually portrayed the government as corrupt. On the other hand, other press and television highlighted the positive contributions of government departments and commercial institutions.

Through the media, audience can read, watch or hear the views of a variety of people: politicians, economic analysts, political analysts, cultural critics, academics and so on. There are two main advantages of the mass media performing this function. Firstly, audience is exposed to a larger number of different points of view about an issue than would be possible in interpersonal communication alone. Also, the mass media make available a wide range of expertise that individuals might not otherwise have access to.

Interpretation can take many forms. Because of that, the downside of the correlation function, that is often regarded as editorializing function of mass media is that there is no guarantee that interpretations by media commentators and other 'experts' are accurate and valid. There is also the danger that an individual may come to rely too heavily on the views carried by the media and become a passive and uncritical recipient of mass messages.

3.3. Transmission of social value

Today media have assumed the functions of transmitting social value, which was done by parents, teachers and other elders. This is also called the cultural transmission or socialization function of mass media. This third function refers to the media's ability to communicate the norms, rules and values of a society. Various aspects of our habits, desires and relationship, both as individuals and as groups, are examined by the media. Thus it helps in shaping social values and people learn how they are supposed to act and what values are important.

Media today provide main frames of reference to society. Cultural transmission is a teaching function of mass media and tries to create common bonds among members of society. For example, the audience learns that motherhood and child rearing are activities that have a positive value for society and it is assumed that mass audiences will accept this value. Many television reality shows promote values such as respect for authority and family harmony. Other programs are built around a specific theme such as health, literature, culture, art, religion, environment, or sport, designed to educate the audience and encourage behaviours which are considered appropriate in a given society.

In the same time, urbanization, relative anonymity, social uprooting, and the shift from traditional social organizations like joint family, clan have increased the role of media as transmitters of knowledge and values.

On the other hand, the media is considered an agent of socialization, because teach audience about the political facts and opinions and finally help people to form their political belief-structures and their political culture. The transmission of value through media, most of the time, is subtle but important and because of this, mass media have today become essential to carry out functions of socialization and transmission of social heritage.

3.4. Entertainment

The fourth function of the mass media, entertainment, refers to the media's ability to present messages which provide escapism and relaxation. Sometimes entertainment is called the diversion function because it diverts us from the real world. Entertainment always has been part of society, increasingly so in an age in which more people have a greater amount of leisure time. Through sound recordings, film, press, radio, television and internet, entertainers have been able to attract audiences around the globe. Such entertainment may involve ***stimulation*** of the senses (as an antidote to boredom), for example by use of music. Another type of entertainment focuses on ***relaxation***, with the media offering verbal, visual or musical assistance in calmness and tranquillity. The third aspect of entertainment is called ***emotional release***, in which the media provide a means for getting rid of tensions, hostilities, anger or fears.

Although the entertainment function of the media has frequently been criticized because of the low quality content of some programs, we have to recognize its positive consequences because mass media learn us about things in general, seek relief from boredom, stimulates our emotions and satisfy our curiosity, helps fill our leisure time, exposes us to experiences and events that we could not attend in person, keeps us company for pass the time.

Conclusion

The mass media constitute the backbone of democracy. The media provide information, identify problems in our society and serve as a medium for deliberation. They are also the watchdogs that people rely on for uncovering errors and wrongdoings by those who have power. It is therefore reasonable to require that the media perform to certain standards with respect to these functions, and our democratic society rests on the assumption that they do.

We cannot give any general rank order to these functions, or say anything about their relative frequency of occurrence. The correspondence between function and precise content of media is not exact, since one function overlaps with another, and the same content can serve different functions. The set of statements refers to functions for society and needs to be reformulated in order to take account of the perspectives either of the media themselves (their own view of their tasks) or of the individual user of mass media, as in 'uses and gratifications' theory and research. Media function can thus refer both to more or less objective tasks of the media (such as news or editorializing) and to motives or benefits as perceived by a media user (such as being informed or entertained).

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Identity, Image and Corporate Reputation

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Abstract

Corporative identity, image and reputation represent intangible assets which have greater and greater importance for the competitive character of the organizations as the modern economies advance to tertiarisation. The corporative identity is directly associated with the personality and self-perception of the organization. The corporative image is the result of the public representations and impressions about the organization. The corporative reputation may be seen as a product of comparisons which the public makes between the organizational image and the ideal type of organization. The coherent administration of these factors gets a more and more obvious strategic character.

Keywords: identity, image, reputation, communication, coherence, organizational culture.
J.E.L. Classification: M14, M37.

1. Introduction

In the common linguistic use, the meanings of the terms identity, image and reputation are very close. However, if we consider these words as concepts applied to the management of the organization, we run the risk of bringing confusion into domains which need to be treated with highest tact. Thus, explaining the differences of content between these concepts seems both convenient and useful.

In a broad sense, the corporative identity is built up from essential attributes and features which differentiate the organization from others: its reality, the specific manner to perceive itself and the organizational behaviours.

The concept of corporative image can be defined as a set of significations which a person or a group associates to an organization, in other words – the ideas used to describe or to categorize that organization.

Reputation is a perceptual representation of previous actions and future perspectives of the organization, a representation which describes the attractivity of the organization for the public.

2. Literature Review

Interest in the comparative study of identity, image and corporate reputation stems from the fact that these three interrelated dimensions were transformed into genuine sources of competitive advantage for modern business organizations. All sources of relevant literature reveal a common substrate for these particular manifestations of personality and organizational communication. However, the authors can be seen at all concerned about identity, image and reputation the same causal: it is not possible without building a positive image in advance to build a robust corporate identity, just as one can not be built without a solid reputation for image favourable.

The purpose of these works have been consulted numerous bibliographical sources, most of them belonging to the renowned specialists, such as Fomburn (1996), Dowling (1994), Capriotti (1999), Villafane (2004), Zyman (2008) and Olins (2003).

3. Theoretical Background

Formed the conceptual basis of the article is a summary of relevant published materials about the issues studied. Logic and causality are explored relationships between the three aspects of research subject (identity, image, reputation). I examined the influences exerted by these dimensions of development and competitiveness of business organizations.

4. Paper content

4.1. Corporate Identity

We shall begin with the notion of corporative identity. Generally speaking, we may define the corporative identity as a set of symbols which the organization uses to identify itself in front of different public groups and to differentiate itself from other similar organizations. These symbols reflect the shape in which the organization wants to be perceived by various segments of the public and at the same time they are ways in which the organization presents itself. The corporative identity is designed in four different manners: who is the organization, what does the organization do, how does the organization usually act and what does it want to become. The identity also appears in four clearly outlined areas: products and services (what it makes and sells), environment (the usual places and circumstances on which it carries on its activity), communication (the ways in which it explains to the public what it does) and behaviour (the favourite actions and positions in its relations with the employees and the social, economic and political-administrative environment etc.).

Charles Fomburn (1996) assigns three different meanings to the term identity:

- The total amount of values and principles which employees and managers associate with the organization they work in;
- The characteristics and marks which employees and managers use to currently describe the activities, products and clients of the organization;
- The basic features of products, strategy, managerial structures and systems of the organization.

The last specifications allow us to turn from the concept of identity as self-image to identity as organizational reality. The corporative identity has two function levels – one broader and another one more limited: the global corporative identity and the internal corporative identity. The global corporative identity is determined by four factors: organizational behaviours, the culture of the organization, visual and verbal signs of organizational identification and communication. All these factors are expressions of organizational personality.

Regarding the internal corporative identity, this is connected to the daily organizational realities. The organization has its own perception of these realities, so that every individual and collective actor from within the organization, perceiving themselves and the other members, form their own representation of the organization. The sum of all these representations is a form of self-consciousness of the organization which will necessarily have a subjective and heteroclite character. This self-consciousness coincides with the limited definition of corporative identity, thus reflecting the concept of internal corporative identity. The organizational reality and the internal corporative identity rarely overlap in a perfect sense because the latter, as any other representation, is subjected to a selection process, often being in course of transformation. The internal corporative identity is not the representation of all the organizational characteristics, but only of some of them. In certain situations, it is possible that some of these selected features to be transformed, before being included in the internal corporative identity, thus generating a distorted self-consciousness far away from reality. However, both the organizational reality and the internal corporative identity are projected inside and outside the organization with the help of communication. To be more precise, communication functions as an intermediary between the organizational reality and the corporative image. Essentially representing an interrelationship behaviour, communication is part of the global corporative identity and at the same time is closely associated with the corporative image. The latter is simply not possible without communication.

4.2. Corporate Image

Dowling defines image as the general impression (beliefs and feelings) which the organization generates in the mind of the public (Dowling, 1994). In fact, we cannot discuss strictly about one corporative image, but about more corporative images shaped by the perceptions, impressions and specific experiences of a large number of people and groups. It is impossible to have a total, global perception of the organization, which is why it is necessary to cut up the corporative image in fragments. A solid proof of the usefulness of this fragmentation is the possibility of projecting on the organization different types of image: the institutional image, the brand image and the image of the product. The first one refers to the image of the organization as the expression of efforts made to form a specific identity and to differentiate it from other organizations. The second is the result of all the visual and verbal signs chosen by the organization to identify itself, signs which would represent that organization in the conscience of the public. The third refers to the place occupied by the products and services which the organization offers in comparison to those of the competitors. If these images are not solid and coherent, the reputation of the organization might suffer.

According to Capriotti (1999), we can distinguish three sources of information which have a decisive impact over the process of building up the image: mass-media, interpersonal relations and personal experience. Within the mass-media, a clear distinction has to be made between the commercial messages issued and verified by the organization and the news, i.e. the information which the public obtains directly from the society, having, thus, a less verified form. Unlike the media which simply consolidates already existing attitudes and opinions, the interpersonal relations have a more powerful influence over the process of making the corporative image because they involve actions (with a forming character) of reference groups and opinion leaders. Regarding the personal experience, this is probably the most influential factor when it comes to build up the image of an organization. This source provides "first hand" information, although it is possible that its influence to be mediated by the other two sources. Personal experience may be direct as in the case of immediate personal contacts with the employees and managers or at an institutional level, with different specialised structures of the organization. Personal experience can also be indirect, for example when it is associated to using the products and services offered by the organization or when it results from observing the organizational behaviour in different contexts.

The image is a strategic element and a management principle for the organization. From this point of view, the image is related to those operations which result in creating impressions determined by different segments of the public. Therefore, the image is the reflection of identity and its function lies in determining the public attitude in a positive sense for the organization. Irrespective of the degree of approach between image and corporative identity, the organizations have to be aware that the image is integrated by certain values which are real for the public as the reality itself. Image is true reality for the public. The corporative image is built up along three vectors: what the organization is, what the organization does and what the organization says. Here is why the image is the result of the way in which the organization manifests its essence, does its job and sends its messages. This structured set of actions and manifestations gives a certain style, a "coat of arms" which determines the corporative image of the organization.

In fact, the corporative image is a mosaic, but in its structure, otherwise very complex as we have seen, four major elements can be identified, belonging to different levels. These levels are identity, environment, behaviour and communication. Each of these levels incorporates an element of image:

- The identity generates the essential or basic image of the organization, made up by characteristics directly linked to the central identity of the organization and to the perception of these characteristics outside and inside the organization;
- The environment is reflected by the contextual image made up by politico-legal, socio-cultural, sectorial, technological characteristics etc.;
- The behaviour produces the factual image, very complex, with plenty of ramifications in different domains (financial, commercial, media, social, internal, institutional etc.);
- Communication is materialised in the conceptual image which is conceived and spread by the organization through the media to which it has access.

4.3. Corporate reputation

The concept of reputation is closely connected to the corporative image of the organization. The reputation of the organization comes from the comparison made by the consciousness of the public between the image of the organization, namely the characteristics attributed to the organization based on their knowledge and experience, and what they think the ideal values and behaviours for that type of organization should be. Thus, reputation is not the image of the organization, but a judgment of value made upon the image. Therefore, reputation can be defined as a result of the estimations made by different segments of the public which are related to the organization. The most difficult step for the organization is to manage to acquire a good reputation for all the segments of the public related to it because these actors usually have divergent interests and objectives.

The reputation of the organization can be decomposed in the following five elements (Dumitraşcu, 2007):

1. Commercial reputation with reference to the estimations made by the clients based on their experience with the products and services of the organization. This reputation is affected by the following aspects: the degree of clients' satisfaction, the judgments over the quality of the products/services, the degree of clients' fidelity, the estimations of the strong and weak points of the organization, the degree of trust in the organization and its products, the concepts associated with the organization and the social value given to these concepts, the comparisons with other organizations within the sector.
2. Financial reputation is determined by judgments and estimations made by the actors from the monetary and capital markets, financial press, quotation agencies, financial analysts etc. This reputation depends on factors such as: the credibility of the organization; the sense of security and stability; the evaluation of volatility for financial performances, debt and return; the estimation of management quality; the perception of perspectives for commercial and financial growth; the comparisons with other organizations within the sector.
3. Internal reputation is given by the judgments which the employees make regarding the corporative image and thus, it determines a close connection between the internal communication and the global image of the organization. The factors which interfere with the structure of the internal reputation are: the evaluation of work conditions; the appreciation of dialogue and participation within the organization; the evaluation of organizational image; the reference to internal values; the appreciation of internal communication; the estimation of organizational functioning; the sense of pride, trust and security conferred by the organization; the evaluation of expectations and perspectives; the comparison with similar organizations.
4. Sectorial reputation depends on the appreciations made by competitive organizations. It is determined by factors such as: the estimation of organizational virtues and defects; the estimation of its position within the sector; the appreciation of leadership capacity; the development perspectives; the estimation of the quality of products/services; the estimation of the quality of its relationship with clients and the market; the appreciation of management performance; the treatment applied to the employees and partners; the innovating capacity.
5. Social reputation is measured by those attributes of image projected by different social groups (of interests or pressure) on the organization and by the evaluations made to those attributes. The aspects which configure the social reputation are: the estimations of the degree of social consciousness; the estimations of the degree of social responsibility; the estimation of the degree of preoccupation for the problems of community; the estimation of contributions to social development; the care for environment.

Conclusions

It can be asserted that the notions of corporative identity and image are interdependent: there is no image without a well shaped identity, because what it is being transmitted it cannot only be a simple drawing or an aspiration, but it has to be based on the reality of the organization. At the same time, any representation of organizational identity is not possible unless using the image, which is its best expression. The positive image and reputation are not only results of an efficient communication. This is important, but there are also other fundamental characteristics of identity with deep implications over the reputation. The image has to be administered on every level of the organization and in every domain of activity because the behaviour of the organization, every action and decision which the managers and the employees take, might have lasting effects within the global image and its most concentrated expression – the reputation.

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