

International Conference "Knowledge Economy, challenges of the 21st century. Europe under pressure – the social and economic crisis"

Special Section under the Patronage of Jean Monnet Module
European Regional Policy in Action (ERP2020)

**REGIONAL DEVELOPMENT STRATEGIES
AND POLICIES
IN CENTRAL AND EASTERN EUROPE**

November 17th, 2016, Aula Magna, 10⁰⁰
Constantin Brâncoveanu University, Pitești, Romania

WITH THE SUPPORT OF THE ERASMUS+ PROGRAMME OF THE EUROPEAN UNION



Co-funded by the
Erasmus+ Programme
of the European Union

LIST OF ABSTRACTS

1. EU COHESION POLICY IN CENTRAL AND EASTERN EUROPE: A COMPARATIVE ANALYSIS

Ovidiu Puiu, Cristina Serbanica, Alina Voiculescu, Sebastian Ene, Cristina Gănescu
Constantin Brancoveanu University, Pitești, Romania

***Abstract:** The purpose of this study is to shed light on the spending patterns and impacts of the EU Funds (2007 – 2013) in Central and Eastern European countries which are also EU Member States: Bulgaria, the Czech Republic, Estonia, Lithuania, Latvia, Hungary, Poland, Romania, Slovakia and Slovenia. With more than half of the total allocations from the European Regional Development Fund (ERDF), Cohesion Fund (CF) and European Social Fund (ESF) going to the CEE countries, the region has made important progresses in supporting development investments throughout the crisis period, but there is much room for improvement in terms of efficiency in the years to come. By far, the most important allocations went to Environment and Transport, for which almost all of the countries spent about a half of their total allocations. The most striking differences in CEE countries spending patterns are those related to payments for Innovation & RTD and Culture, social infrastructure and urban development, whose shares in the total allocations reach a third for Baltic countries and about 10% in Romania and Bulgaria. Policy implications in terms of impacts on regional development and best practices are discussed in the final part of the paper.*

2. THE IMPACT OF GLOBALIZATION PROCESS ON DEVELOPMENT OF REGIONS FROM CENTRAL AND EASTERN EUROPE

Codruța Duda-Daianu
University Aurel Vlaicu of Arad

***Abstract:** For shaping a future cohesion policy that takes anticipatory into account the new realities of economic and social life, it requires an objective and multi-parameters diagnosis of historical causes of development disparities that remain in the regions and the challenges that will exert on regions. This can be done by using the tool dedicated to the convergence theory that reflects and has consequences on the mechanisms for regulating cohesion policy, combining the instruments of endogenous theory with externalities produced by human capital improvement, information and technological progress infused into the economy and the theory instruments that outline the influences of growth poles.*

3. PRIVATE EQUITY MARKET DEVELOPMENTS IN CENTRAL AND EASTERN EUROPE

Mihaela, Diaconu
Gheorghe Asachi” University of Iasi

***Abstract:** This paper discusses the current state of the private equity industry in terms of size of investment, funds raised, disinvestment mechanisms practiced and their trends in the CEE region in comparison with other European countries. The low level and limited success in developing venture capital industry in Europe, particularly in the Central and Eastern European countries raises concerns, given the numerous evidences which show the positive role of venture capital investment in supporting innovation. We believe that the lack of supply of venture capital is one of the hampering factors to demand of funds came from entrepreneurs in the CEE states, including in Romania, which we show to be one of the countries with a systemic lack of venture capital funding in early-stages of business.*

4. ELECTRIC ENERGY MARKET IN CENTRAL AND EASTERN EUROPE - CHALLENGES AND PERSPECTIVES

Dana-Elena, Holban
Dunarea de Jos University, Galati, Romania

***Abstract:** In the energy sector, each type of fuel used has a number of advantages and disadvantages. The high degree of pollution of power plants based on coal, seasonal instability of hydropower, low efficiency of wind power and environmental disasters that could be caused by nuclear plants has led to sizing each type of fuel, so that the benefits generated by their use to be maximum. At European level, the main objective in energy independence is that the energy mix used by each country to be dominated by increasing energy efficiency - satisfying consumption with minimal financial effort. The principal aim is to minimize the financial effort of the final consumer; this goal can be attained only through the involvement of financial levers of state power. The low level of state involvement in energy efficiency would create huge costs for final consumers, with devastating effects on all market participants. Romania is in a small proportion dependent on external energy resources. Opening new electricity production units is justified only if it aims to increase exports. The lack in takeover and implementation of European legislation in national legislation makes this prospect to remain at the level of aspiration, electricity exports being limited to neighboring countries whose Transport and System Operators have direct connection points.*

5. DIGITAL ECONOMY AND CHALLENGES FOR LOWER DEVELOPED ECONOMIES

Sorin Dinu,
Institute of Economic Forecasting, Romanian Academy

***Abstract:** With the fourth industrial revolution, digital economies bring challenges for lower developed economies, especially for those that are members of developed economic block such as European Union or want to join such economic blocks. These countries are characterized by the economies which are either in stage of second industrial revolution or in between the second and third industrial revolution stages, with some software and digital activities, but less significant at the size of economies. The challenges consist in designing and implementing economic transformation processes that lead these economies in a single leap to the digital economy. During the process, the main challenges are:*

a. The investment in new capital intensive technologies will require highly skilled work force such that their actual industrial work force, well qualified for the second industrial revolution economies, will be highly depreciated and it will be forced to migrate to another labor intensive economic non-industrial sector that, in turn, are affected by the impact of digitalization and robotics implementation.

b. The financial and other tertiary sector will be affected by digitalization through standardization and migration of customer services from front desk approach to online web approach.

c. Their economies are located on part of global value chains where are lower margins and lower value added, especially in manufacturing and labor-intensive services (such as call center). The research & development activities are underdeveloped both in terms of financing opportunities and in the quality and number of work force.

d. Their budgetary deficit and low opportunities for higher budgetary revenue and usually higher public debt cannot permit the State to invest more in education, infrastructure or human capital development.

In this context, the new development process must be developed to permit the economic development to reach digital economy objectives while keeping the level of employment, increasing the standard life of people under balanced government budget and sustainable public debt.

6. FOREIGN DIRECT INVESTMENT SEEN AS A FACTOR OF ECONOMIC GROWTH

Oana Camelia Iacob, Anca Cristea
Hyperion University, Romania

Abstract: *The overall objective is to identify foreign direct investment as a factor of economic growth in Romania by pinpointing problems for foreign direct investment have increased at a rate similar to that of other Eastern and Central European. Analysis of this problem is a starting point in finding solutions. Importance of the work has relevance both in theory and in practice as it can serve several interested groups, investors, and individuals concerned with the welfare of the country.*

The paper also can serve nationally, as the basis for making decisions on Europe 2020 targets or national strategies for attracting foreign direct investment. We choose this topic because we believe that foreign direct investment is an important factor in a country's economy, especially if that country does not have a level of savings so large as to create their own investments. At the market in Romania there are numerous barriers to entry so that foreign direct investors are not attracted by our country in a very large extent; especially because of bureaucracy. The research method is considering an empirical approach based on statistical data of the development implications of foreign direct investment and multinational corporations of the Romanian economy.

7. A STRATEGY FOR DEVELOPMENT OF REGIONS: REGIONAL DEVELOPMENT AGENCIES IN TURKEY

Derya Altunbas,
Giresun University, Turkey

Abstract: *Regional Development Agencies is used as a tool for development of the regions for a while in Turkey. According to the population, there are different sizes of regions. Therefore, regional development issues are related with the population and economic level of the region. In this paper it will be studied the regions in the context of regional development agencies in the historical view to development in Turkey. Management of these agencies and development policies of the regions will be criticized. Whether is useful for the regions in Turkey's all of the regions. Regional development will be included in comparatively before and after the policy changing to the agencies. Benefits of the regional development agencies will be examined for different regions in Turkey. Also, EU regional policy application is included, that related with the Turkey's regional development policy. Organizational structures, efficiency, funds or other instrument that belongs to the investments will taken be into account and some implementation problems will be studied at the same time. This paper has comparatively and deterministic scientific method. Issues are studied by the deductive method about the Regional Development Agencies in Turkey.*

8. REGIONALIZATION IN ROMANIA BETWEEN THEORY AND PRACTICE

Diana Maria Idoraş, Piteşti, Romania

Abstract: *Regionalization is often considered as one of the main drivers of socio-economic development and Romania has taken steps forward to pursue territorial administrative reorganization and decentralization. However, a still open question is whether decision makers have adopted an appropriate approach to achieve its purpose. Can regionalization be an engine of development, or, conversely, can it become an obstacle to increasing the quality of public services? The present paper reviews the legal framework of regionalization in Romania and offers a perspective over the implementation of the regionalization process in practice.*

9. DECENTRALIZATION - A SOLUTION FOR LOCAL DEVELOPMENT. CURRENT REALITIES AND PERSPECTIVES

Tudor Pendiuc,
Constantin Brancoveanu University, Pitești, Romania

***Abstract:** Economic development is one of the most important pillars for improving the living standards and the main concern of any democratic government. Is decentralization – with all its pillars for decision-making, patrimonial and fiscal decentralization – a solution? The present study attempts to review the current level of decentralization in Romania and its impact so far. Meanwhile, the author investigates the prospects for future development and the expected impacts on local and regional development, while focusing on immediate and forthcoming implications.*

10. SMART, CREATIVE AND INNOVATIVE COMMUNITIES AND CITIES AS KEY DRIVERS OF ROMANIAN COMPETITIVE DEVELOPMENT

SUCIU Marta-Christina,
Bucharest University of
Economic Studies, Romania

***Abstract:** Smart cities are one of the key engines for the socio and economic development, contributing to the national and regional sustainability. Creative, innovative and smart communities such as smart cities are places, where gifted, creative and innovative citizens are living, working, playing and entertaining themselves by means of co-existence and co-operation. Smart cities are becoming more and more effective and efficient based on the use of their tangible and mostly intangible assets and on proving to be careful and responsible with the environment. They are innovative and creative places, applying good governance and transparent systems design such as to support entrepreneurs and start-up business co-working within creative and innovative regional clusters, while investing in the development of both physical and social infrastructure.*

The paper aims to highlight the importance of regional communities in the context of Romanian smart, sustainable and inclusive development framework. Based on a brief literature review followed by the identification of some examples of best practices the paper is focusing on Romanian case and suggest a set of alternative designed in order to build creative, innovative and smart cities. The paper concludes by highlighting the importance of smart cities for the regional and national competitiveness.

***Keywords:** Smart cities, Creative and innovative clusters, Competitive advantage, Smart, sustainable and inclusive development*

11. REGIONAL DETERMINANTS OF FOREIGN DIRECT INVESTMENTS IN ROMANIA. A SPATIAL ERROR MODEL

Zizi Goschin,
Bucharest University of Economic Studies; Senior Researcher, Institute of National
Economy, Romanian Academy

***Abstract:** Considering the well-documented significance of investments for the regional economic development, this paper explores the underlying factors that drive FDIs' behaviour in Romania, at county level, in the year 2014. The empirical analysis employed a variety of statistical methods, focusing on the detection of the potential spatial dependence among counties and subsequent use of spatial econometric models able to account for such autocorrelation. The analysis revealed that well developed counties, having large innovative potential, stronger entrepreneurial spirit, better human capital and a higher degree of specialization are the most attractive locations for new foreign direct investments.*

12. EMPLOYMENT AND MIGRATION IN THE ROMANIAN REGIONS AND COUNTIES

Chilian Mihaela-Nona, Iordan Marioara
Institute of Economic Forecasting, Bucharest, Romania
Elena Mihaela Pavel,
The Romanian-American University, Bucharest, Romania,
Gabriela Cirariu,
"Petru Andrei" University, Iasi

***Abstract:** One of the main targets of Europe 2020 Strategy envisages the inclusive growth, by promoting, among others, a high employment rate, however, insofar Romania is quite far from reaching even its national target. Considering these issues, the paper analyzes the latest evolutions of employment and domestic and foreign migration in the Romanian regions and counties, with a view towards the Europe 2020 and national targets. These aspects were previously approached by many authors, but here they are considered from the point of view of the (theoretical) development potential through the human factor gained or lost by a region/county – indicators of the attractiveness for investors and labor force, as well as of territorial cohesion and resilience.*

13. TERRITORIAL JOB PROFILE IN HEALTH AND SOCIAL ASSISTANCE SECTOR

Mihaela Ghența, National Scientific Research Institute for Labour and Social Protection (INCSMPS) Romania

***Abstract:** The aim of this article is to highlight the potential use of spatial analysis in public policy decisions concerning older people. We intend to see to what extent it can be better understand where the elderly are, where the social services are provided, and most importantly to identify policy measures that could improve the provision of services for this group of population. The methods used in this chapter include spatial analysis of available data for health and social assistance sector at county or region levels. The first part covers the national demand for social services; the second part is devoted to the supply of labor in health and social assistance sector, and the last part is an analysis of social and healthcare services for the elderly. Results demonstrate that many counties have low levels of net average wage for this sector compared to the national average for overall economic activities. Cartographic representations of employees and the distribution of net average earnings at the county level shows the geographic areas most vulnerable in terms of the attractiveness of the sector. Comparing the results with the territorial representation of population aged 65 years and over, we observe a partial correlation between the number of employees and the number of older people in need.*

14. HUMAN DEVELOPMENT- A ROMANIAN REGIONAL ANALYSIS

Georgeta Cristina, Pencea
Academia de Studii Economice din Bucuresti

***Abstract:** The article focuses on the analysis of Romania's performance in the field of human development (HD), as it is presented in the Human Development Reports. This performance is understood as a process of broadening the possibilities of people's choices, and as the level of people's welfare. The year 2010 brought with it changes not only in terms of the HDI calculation, but also a favorable change of the Romania's situation. In highlighting these changes, it is brought into attention the aspect of inequalities in human development.*

The article also includes a comparison regarding the development regions of Romania and also an analysis between Romania and other European countries in terms of Human Development Index and the Modified Human Development Index. The analysis is accompanied by explanations of the differences coming from the two calculation methods and which is more advantageous for the countries presented in a global ranking according to the level of development.

15. STUDENT WITH A JOB OR NO JOB? QUALITATIVE RESEARCH ON INTERNSHIP AND LABOUR OPPORTUNITIES AND THREATS FOR UNDERGRADUATES STUDYING IN ROMANIA

Cristina, Nicolau

Transilvania University of Braşov

Abstract: This paper examines university students' motivations with regard to developing skills in a job during their academic years of study. In this respect, we conducted two pieces of qualitative research by focusing on two different sub-samples of students, one represented by Romanian students and another one represented by foreign non-UE students who come to study in Romania. Our main purposes are, firstly to highlight the motivation of students to be employed and secondly, to put the basis of more student-centred public policies with regard to improving the future labour force's complex skills and employers' consciousness by using it more efficiently. Hence, we herein present the advantages of creating, implementing and using a mutual platform both for universities which have high quality standards in developing skills and for employers who are socially responsible for teaching and orienting students so as to successfully face with the labour market challenges.

16. REGIONAL DIFFERENCES REGARDING TOURISM POTENTIAL AND ATTRACTIVENESS. A STATISTICAL-ECONOMETRIC APPROACH

Cătălin – Ioan Nechifor

Bucharest University of Economic Studies

Abstract: In the work that follows, based on data from the Statistical Yearbook of Romania are analyzed a series of regional indicators, in order to highlight the differences between regions about the potential and attractiveness in terms of tourism. In the period under the present review the number of overnight stays registered a dramatic decline from a peak of 45.48 million recorded immediately after the changes in socioeconomic 1989-1990 to a low of 16.05 million recorded as a result of the economic crisis manifested in 2008-2010. The South East region, which contains two of the main tourist attractions in Romania - Black Sea and Danube Delta - has the highest share of total number of overnight stays for the entire period. Still visible is declining contribution of this region to the total overnight stays, the value decreased from 30% in 1990-2000 to 21% in 2013. After analyzing the evolution of the structure of tourists each year by developing region we can observe that trends are similar to overnight stays number, which explains to a certain extent that overnight stays, while containing worth and movements determined by the specificity and duties of the job, are directly influenced, as expected, by the amplitude of tourism activities.

17. SMES COMPETITIVENESS: MAJOR FACTORS OF INFLUENCE AND IMPLICATIONS AT REGIONAL LEVEL

Ionela Georgiana Ştefan (Iftimie),

Bucharest University of Economic Studies

Abstract: Entrepreneurship is the basis of the national economy with benefits for the society, such as: employed population, revenues and paid taxes, high level of welfare and services provided, thus having a major role in decreasing the disparities and balancing the development of different regions. In the context of globalization

and economic crises, entrepreneurs are faced with the challenges of finding ways and resources to raise their business performances in order to defend and maintain their market position, their ability to compete. Therefore, this paper aims to define, analyze and create a conceptual model regarding the key factors that influence SMEs competitiveness taking into account the implications on regional development. The findings will reveal the significant influence of two major categories of factors (basic factors including internal and external factors and globalization-related factors) on SMEs competitiveness and the decision-making process of entrepreneurs and policy makers to improve SMEs performances.

18. POLYCENTRICITY ISSUES OF ROMANIA'S SOUTH-EAST REGION

Sorin Daniel, Manole

Constantin Brancoveanu" University of Pitesti

Abstract: Polycentricity at regional level, a concept introduced in the 1990's, aims at identifying and describing regional spatial structures and requires a more equitable spatial distribution of economic opportunities, public services, urban amenities etc. Being a complex notion, it has a lot of facets, which is why the assessment of polycentricity dimensions is not an easy task at all. In order to perform polycentricity analysis, first it is necessary to identify functional urban areas, which the building blocks of a polycentric region are. In this paper, after a brief review of the polycentricity concept, a methodology for estimating several dimensions of polycentricity at regional level is presented. More specifically, it is about some indicators of morphological polycentricity and of the polycentricity potential. For the polycentricity potential, a method is also proposed to aggregate indicators into one indicator. Finally, the proposed methodology is applied to Romania's South-East Region.

19. TOURISM IN THE NORTH EAST REGION OF ROMANIA. THE CASE OF SUCEAVA COUNTY

Cătălin – Ioan Nechifor,

Bucharest University of Economic Studies

Abstract: The analysis of tourism in Romania is a very good instrument to explore various economic and social evolutions, including regional development and GDP. From the total of 8 NUTS 2 regions in Romania, the South-East region is by far the most important in terms of tourism. In the last years, the Center region is getting more and more tourists. Within the North-East region, well-known for its natural and cultural-historical attractions, Suceava County becomes one of the most attractive areas in Romania. The evolution of accommodation share in the NE region is following the economic developments in Romania: between 1990 and 2001 the decline is evident, while in the following period, 2002-2007, a stagnation occurs, followed recently, especially after 2010, by a quasi-exponential trend, in short run. Between 2006 and 2015, in the NE region both Romanian tourist arrivals and foreign tourist arrivals increased. Romanian tourist arrivals dynamic is greater, increasing their arrivals in 2015 compared to 2006 by 41%, while foreign tourist arrivals in the same period increased by only 20%. From the six counties of the region, Suceava has held and holds the largest share of tourist arrivals in the area, namely 24.1% of Romanian tourist arrivals in 1990, continuously growing up to 32.2% in 2015.

20. THE ROLE OF LOGISTICS IN THE IMPLEMENTATION OF THE INTERMODAL TRANSPORT STRATEGY IN ROMANIA. STRATEGIES FOR DOBROGEA REGION, TRANSPORT AND STORAGE OF LNG

Florin Iordanoiaia,
Universitatea Maritima din Constanta

***Abstract:** Dobrogea, the two counties, Constanta and Tulcea, can become a real "engine" of intermodal transport development in Romania. Most analyzes in this regard concerned only Constanta county and especially the port of Constanta, but the region's potential is much greater and must be analyzed carefully, and in this analysis should be made a number of conclusions and strategies that contribute to the development of logistics and intermodal transport. In this work it is analyzed the situation of liquefied natural gas.*

21. EUROREGION DANUBE-CRIS-MURES-TISA (DKMT) – A SUCCESSFUL STORY?

Codruta Duda-Daianu,
University Aurel Vlaicu of Arad
Denisa Abrudan,
West University of Timisoara

***Abstract:** Outbursts regions from different European countries on international stage are a fact that without being fully realized, seems inevitable. With the globalization of trade, the regions seem involved in some kind of transnational frenzy. Fostering this new field of external relations was due to the adoption of decentralization laws that allow intra-European cooperation between regions. Through these relationships are established not only to peer into shares of common interest, but also it gives powers to local authorities in the international order. The paper highlights the success story of the Danube-Cris-Mures-Tisa, focusing on its development strategy analysis. Also, are underlined the complications caused by unsynchronized accession of partner countries to the European Union.*

22. ABOUT REAL CONVERGENCE IN ROMANIA

Bogdan Daniel Floroiu, Rm. Vâlcea

***Abstract:** Regional convergence is one of the fundamental objectives of the EU Cohesion Policy, through assistance from the Structural Funds, the underlying economic efficient drawing up a strategy to support disadvantaged countries and regions. Thus, a high degree of convergence leads to a lower level of support for bridging economic. Romania meets the convergence criteria set by the Maastricht Treaty in June 2014 but still this is not enough. The nominal convergence criteria can not be met in a sustainable manner without competitiveness, financial stability and fiscal balance. Even if the real convergence criteria are not so clear and measurable indicators have not as if nominal convergence does not mean that this indicator is less important. The goal is to reduce structural differences between regions and countries, and social and territorial cohesion. In terms of real convergence, assessed by discrepancies with the EU average GDP per capita expressed in purchasing power standard (PPS), Romania has progressed significantly in the last two years, currently standing at about 55% of the average EU-28. Experience of the new Member States which joined the euro underlines that such a goal is realistic insofar as the report of the EU average GDP per capita exceeds 60%. In such conditions, the chance of countries like Romania to achieve real convergence with the EU is closely linked not only by increasing the stock of physical capital, but also stimulate the development of the two factors - knowledge and human capital - their increasing contribution to achieving higher growth rates. Should not be*

neglected dimension of development disparities between regions, as Romania is the EU country with the greatest disparity between regions.

Membership of the EU has acted as a catalyst for real convergence in Romania, but GDP per capita in PPS is still below levels in other Member States when adopting the single currency. In these circumstances, Romania must develop macroeconomic policies to stimulate economic competitiveness, develop all regions, to attract foreign direct investment and external grants.

23. TRANSPARENCY AND THE NEW PUBLIC PROCUREMENT SYSTEM IN ROMANIA

Adrian Ducu Matei

Motto: The lack of transparency results in distrust and a deep sense of insecurity (14th Dalai Lama).

Abstract: *This paper emphasizes the fact that public investment in times of crisis can be an opportunity for economic rebalancing provided that certain principles and rules stipulated by legislation are observed and also if it is subject to adequate control. Following both the regulation and functional errors in national and international mechanisms, some legislative and institutional changes were made. These changes were carried out at European level through the adoption of new EU directives on public procurement at national level but also at national level through new legislation transposing European directives. Europe 2020 strategy for smart, sustainable and inclusive growth is about a vision of the social market economy competitive in Europe for a period of ten years, based on three interdependent and mutually reinforcing priorities: developing an economy based on knowledge and innovation; promoting a competitive economy, with low emissions of carbon dioxide and efficient in terms of resource usage; and promoting an economy with a high employment rate, ensuring social and territorial cohesion. Public procurement is an important element, as it is one of the market tools that can be used to achieve those objectives. Procurement markets and, in particular, major work projects are often considered a sensitive area where corruption scenarios are carried out either by manipulating the tender documentation in favor of bidders or by using intermediary companies to cover illegal activities.*

24. THE EUROPEAN UNION AT A CROSSROAD

Baltador, Lia-Alexandra

“Lucian Blaga” University of Sibiu

Abstract: *The last years were challenging for the European Union. Maybe that’s not a novelty, after all, since its beginning there were numerous aspects to be consider and harmonized. Aimed initially to bring about welfare and prosperity to its citizens, today it faces numerous problems. “Brexit” and refugees are merely the top of the iceberg of the EU’s Agenda. Other, at the time less obvious and discussed issues, such as Trade Policy, international competitiveness and sustainable entrepreneurship are further seeking to find a convenient approach and an effective implementation. This paper aims to strike out some of the major vulnerabilities and concerns about the future of the EU but also considers some of its stronger points and the advantages it still brings about for the Member States.*

25. ISLAM IN EUROPE – A NEW GLOBAL CHALLENGE

Alina Voiculeț, Nicoleta, Belu

“Constantin Brancoveanu” University of Pitești

Abstract: *In the context of the new world order, one of the major challenges to global economy lies in finding the most effective way of including Islam in 21st-century architecture. Globalization means increasing*

interdependences among national economies, whereas borders are becoming less and less visible. Will Islamic countries manage to integrate into this whole? Or on the contrary? Fighting against “uniformity” raises barriers increasingly difficult to surpass to everything the West refers to. Recent developments in Europe unfortunately demonstrate the proliferation of terrorism amid the major European immigration of Muslim population due to deepened domestic conflicts in some Islamic states. The growth of Muslim population in some EU countries has led to imposing certain restrictions on immigration, but nevertheless a steady growth of Muslim communities in Europe is estimated in the near future.

26. THE ROLE OF INNOVATION IN THE ECONOMIC DEVELOPMENT: A PANEL DATA ESTIMATION IN THE EUROPEAN UNION

Olimpia Neagu,
”Vasile Goldis” Western University of Arad

Abstract: *The aim of the paper is to highlight the impact of R&D activities on the economic output GDP in the European Union countries. By using EUROSTAT data for the 27 European Countries in the last 15 years (2000 to 2014) in panel data techniques we found different results in Eastern and Western Europe, regarding the impact of R&D activities on the economic output. In ten Eastern and Central European countries (Romania, Bulgaria, Poland, Hungary, Estonia, Latvia, Lithuania, Czech Republic, Slovenia and Slovakia) we found a strong positive association between economic output and Gross Expenditures of R&D (GERD) and Human Resources in R&D (GERD) activities. In Western European countries (France, Italy, Ireland, Denmark, Netherlands, Greece, Portugal, Spain, Belgium, Luxembourg, United Kingdom, Germany, Malta, Cyprus, Austria, Finland, Sweden) the level of GERD is important for economic output as well as the quality of human resources in R&D reflected by the share of tertiary educated people employed in R&D activities.*

27. ENHANCING SMES COMPETITIVENESS THROUGH INNOVATION

Ionela Georgiana Ștefan (Iftimie),
Bucharest University of Economic Studies

Abstract: *The core of our economy, SMEs competitiveness resides at the forefront of Europe 2020 Strategy for smart, inclusive and sustainable growth. SMEs and SMEs competitiveness represents the driving force of the economy and economic growth that can be achieved only through specific support policies that give more access to resources, new technologies and innovation and ensure the development of the entrepreneurial environment.*

In order for SMEs to be able to face the current market conditions and challenges, to better their position versus other enterprises or organizations, innovation becomes a critical factor in enhancing the competitiveness of firms, in local, regional or global markets. The vital contribution of innovation to SMEs competitiveness also gives a boost in achieving a sustainable regional development.

This paper aims to identify the factors that contribute to the development of a firm innovative capacity, to analyze how this innovative behavior can improve the firm's competitiveness and performance and what is the impact on regional development.

28. INFORMATION ASSYMMETRY AND ECONOMIC GROWTH

Cristiana Matei

Motto: Simple but honest is more valuable than brilliant but dishonest. (**Honoré de Balzac** (1799 –1850, France, French novelist, literary critic, essayist, journalist and writer)

Abstract: *The paper emphasizes the fact that most of the things we consider essential for our society are not fully based on information asymmetry, a concept highlighted by the theory developed by G. Akerlof, M. Spence,*

J. Stiglitz in the 70's. The effects of information asymmetry are visible everywhere; the current financial crisis is such an eloquent example - among its many causes may be an issue of information asymmetry where someone knew that crediting could not continue on a permanent basis, but that person preferred to speculate at the expense of those who made loans relying on the assurances given by the same persons who knew the system would not work forever.

Information asymmetry is complex; it is not a mere lie or about concealing the truth, but it is the result of a practical calculation made by the buyer, who does not want to be properly informed, as that would imply some costs he or she is not willing to pay. We can exemplify such an attitude when one wishes to buy a house, which would mean to look for information, know other buyers' experiences, discuss with the builders, the architects, the engineers, see many houses, know prices; these are activities that require time and money. Should one buy the house and should it not meet one's expectations, then it is mainly the buyer's fault due to the lack of information. Therefore it is useful to investigate the relationship between information asymmetry and economic growth, especially as one of the perverse effects of information asymmetry is that there is not a clear obligation of the seller to voluntarily offer complete information, but on the other hand, he or she is obliged to correctly answer all questions.

29. THE HEALTH OF ACADEMIC ORGANIZATION, A PROJECT OF TOMORROW SOCIETY DEVELOPMENT?

Stanciu Vasile Miltiade,

Spiru Haret University, Economic Sciences Faculty, Bucharest

Abstract: *Starting from the hypothesis that the university organization must be healthy to form and shape the human beings, we measured and compared the degree of health of the two similar universities from Romania and Bulgaria, the two countries close as levels of development, to detach the conclusions in the healing process of that educational organizations. The health of the two universities has been calculated based on the Aggregate Index of University Health (AIUH), designed and developed from a transdisciplinary perspective. We believe that through the implementation of solutions to the health problems of the educational organizations we put the bases of natural frame for the development of the responsible citizen future, both for himself and for the future of his Family, Community, Region of the Country of which he is a member and implicitly the planet Earth.*

30. THE GREEN ECONOMY PARADIGM AND THE SUSTAINABILITY OF DEVELOPMENT

Petru Ciprian Bradu, Justin Emanuel Alexandru

Alexandru TaSnadi

Bucharest University of Economic Studies

Abstract: *The authors start from the idea that the present linear model of development, based on the binomial production – consumption, is no longer sustainable. Therefore, the debates and measures of the economic policy that are interacting with the social, political and ecological ones, bring arguments in favor of forming new models. The paper insists on the strategies regarding the transition towards the „green economy”, developed on the basis of some of the sustainability principles. They target the impact upon the environment, the efficiency of resources and energy, the welfare and quality of life. In the end we press on the benefits generated by the „circular economy” having as horizon 2030.*

31. ECONOMIC INTERVENTIONISM: A THEORETICAL ANALYSIS AFTER CRISIS

Costin Ioan Răsăuțeanu, Vice mayor

***Abstract:** The financial and economic crisis as well as the interventionist efforts of respective governments to stabilize their economies, have generated a lot of controversy about the virtues of the free-market system and the wisdom of state intervention. As reality has shown, without an appropriate economic policy and regulatory framework, a nation's financial system becomes vulnerable to crisis and jeopardizes the stability of the entire economy.*

In this paper we analyze the main trends of economic thought which preceded the global crisis, focusing on those that have been directed towards increasing state intervention in democratic nations: Keynesianism, corporatism, ordoliberalism and neocorporatism. Extreme interventionism will not be a topic of the paper.

In the present work, we reach the conclusion that global crises have drawn attention to the great economists of the time and many of them were the spearhead for new directions of state intervention in the economy. The solutions proposed by these economists are nowadays used to rescue economies from the economic crisis.

32. TOWARDS SUSTAINABLE DEVELOPMENT OF DANUBE REGION. THE ROMANIAN DIMENSION

Carmen Beatrice Păuna, Institutul de Prognoză Economică

***Abstract:** An industrial ecosystem establishment, that is competitive worldwide, it has become one of the most actual EU objectives and that should be reflected in the development strategies of Member States. In the case of Romania it was stated the lack of coordination between different strategies – for competitiveness, re-industrialization, innovation, export, for SMEs and business programs, for financial support of SMEs and clusters, for the internationalization and increased competitiveness. In this context, the EU Strategy for the Danube Region represents an opportunity for our country, for the alignment to joint initiatives and to engage in projects with multiple spillover effects for the entire region. The paper analyzes the priorities, initiatives and perspectives of Romania's economic integration into the Danube area, indicating some recommendations for a National Strategy of the Romanian Danube Region.*

33. REGIONALIZATION, THE GROUNDS FOR ROMANIAN PUBLIC ADMINISTRATION REFORM

Nicoleta Miulescu,

Faculty of Law, Administrative and Economic Sciences, SPIRU HARET University – Craiova

***Abstract:** The thorough analysis of Community administrative systems reveals the diversity and variety of forms and structures of public administration, by which it is sought in fact to achieve the same purpose, to meet the needs of citizens at a higher-level. From this perspective, long before putting the question of creating an European model, it was imposed the necessity for cooperation and collaboration, namely for twinning between the local regional communities from different states, in order to achieve common interests. Practice has proved that not only states can be governed by law, but the constant action of local regional communities, in order to increase their self-government, makes them be virtual entities of law in foreign relations.*