



*Romanian Academy
Institute for Economic Forecasting*



*Transilvania University of Brasov
Faculty of Economic Sciences and Business
Administration*

**Inclusive and sustainable economic
growth. Challenges, measures and
solutions (ISEG 2017).**

Program

SCIENTIFIC COMMITTEE

Lucian Liviu Albu, Institute for Economic Forecasting, Romanian Academy (Romania)
Ali Bayar, Free University of Brussels (Belgium)
Oscar Bajo-Rubio, Universidad de Castilla La Mancha (Spain)
Gabriel Brătucu, Transilvania University of Brasov (Romania)
Ileana Tache, Transilvania University of Brasov (Romania), Project Director of Jean Monnet Centre of Excellence CHALLENGES AND PROSPECTS OF EU INTEGRATION IN SOUTH EASTERN EUROPE (SEURINT), Project Number 2015-2403
Tsangyao Chang, PhD., Feng Chia University (Taiwan)
Ioana Chițu, Transilvania University of Brasov (Romania)
Bogdan Dima, West University of Timisoara (Romania)
Gheorghita Dincă, Transilvania University of Brasov (Romania)
Marius Dincă, Transilvania University of Brasov (Romania)
Marioara Iordan, CSI, Institute for Economic Forecasting (Romania)
Ion Ghizdeanu, Institute of Economic Forecasting, Romanian Academy (Romania)
Ramona Lile, Universitatea Aurel Vlaicu University (Romania)
Radu Lixăndroiu, Transilvania University of Brasov (Romania)
Alessandra Michelangeli, University of Milan-Bicocca (Italy)
Rodrigo Mendieta Munoz, University of Cuenca (Ecuador)
Francesco Pastore, Seconda Universita degli Studii di Napoli (Italy) and IZA Institute of Labor Economics (Germany)
Ciprian Preda, State Secretary, Ministry of Research and Innovation, West University of Timisoara, (Romania)
Monica Răileanu Szeles, Transilvania University of Brasov (Romania) and Institute for Economic Forecasting (Romania)
Corina Sâman, CSIII, Institute for Economic Forecasting (Romania)
Chi Wei Su, Ocean University of China (China)
Ovidiu Stoica, Alexandru Ioan Cuza University of Iasi (Romania)
Klaus F. Zimmermann, Princeton University, UNU-MERIT (Germany)

Friday, October 20-th, 2017

8.45	Aula
9.00-10.45	Visit at The Research and Development Institute of Transilvania University of Brasov
10,45-11,00	Registration of participants & Coffee Break
11.00 - 13.00	Plenary session (room UI7)
13.00 - 14.00	Lunch break
14.00-16.00	Sessions presentations I (rooms UI6,UI7)
16.00-16.30	Coffee Break
16.30-18.30	Sessions presentations II (rooms UI6,UI7)
19.00 - 22.00	Dinner (Cerbul Carpatin, 12 Piata Sfatului)

Saturday, October 21-th, 2017

9.00-13.00	Visit at The Bran Castle
13.00-15.00	Round table (Bran Restaurant)

PLENARY SESSION (ROOM UI7)

MIGRATION AND WELL-BEING

KLAUS F. ZIMMERMANN, President of the Global Labor Organization (GLO); Visiting Professor Princeton University; Co-Director of POP at UNU-MERIT; Full Professor of Economics at Bonn University, Germany

TWO STYLIZED FACTS OF TERRITORIAL ECONOMIC GROWTH IN ECUADOR AND POLICY IMPLICATIONS

RODRIGO MENDIETA MUNOZ, Universidad de Cuenca, Ecuador

REVISIT POPULATION GROWTH AND ECONOMIC GROWTH NEXUS IN CHINA USING A NEW DEVELOPED BOOTSTRAP ARDL BOUND TEST

ZAN ZHANG, Shanghai University, Shanghai, China

TSANGYAO CHANG, Feng Chia University, Taichung, Taiwan

RISING INEQUALITY: TRENDS, EFFECTS, IMPLICATIONS

OSCAR BAJO-RUBIO, Universidad de Castilla-La Mancha, Spain

GLO SESSION: ISSUES IN GLOBAL LABOR (ROOM UI7)

Chair: Klaus F. Zimmermann (UNU-MERIT Maastricht and GLO)

OVEREDUCATION WAGE PENALTY AMONG PH.D. HOLDERS: DOES THE FIELD OF STUDY MAKE THE DIFFERENCE? AN UNCONDITIONAL QUANTILE REGRESSION ANALYSIS ON ITALIAN DATA

GIUSEPPE LUCIO GAETA, University of Naples L'Orientale, Italy

GIUSEPPE LUBRANO LAVADERA, University of Salerno, Italy

FRANCESCO PASTORE, University of Campania Luigi Vanvitelli, Italy

REMITTANCES AND INCOME INEQUALITY IN NIGERIA: A QUANTILE REGRESSION ANALYSIS

JAMES T. BANG, St. Ambrose University, SUA

ANIRUDDHA MITRA, Bard College, SUA

PHANINDRA V. WUNNAVA, Middlebury College, SUA

PROTECTION AND ABUSE OF PROPERTY RIGHTS: POLITICAL CULTURE HERITAGE IN THE EASTERN EUROPEAN POST-COMMUNIST SOCIETIES

CAMELIA FLORELA VOINEA, University of Bucharest, Romania

CHALLENGES AND PROSPECTS OF EU INTEGRATION IN SOUTH EASTERN EUROPE SESSION (ROOM UI6)

Chair: ILEANA TACHE, Transilvania University of Brasov, Romania

ENERGY POVERTY AND THE CONNECTION TO SOCIOECONOMIC METABOLISM

RALUCA I. IORGULESCU, Institute for Economic Forecasting–NIER, Romanian Academy, Romania

JOHN M. POLIMENI, Albany College of Pharmacy and Health Sciences, USA

AN ANALYSIS OF FACTORS INFLUENCING TERTIARY EDUCATION DEVELOPMENT IN EUROPEAN UNION

LAVINIA DOVLEAC, Transilvania University of Brasov, Romania

GABRIEL BRATUCU, Transilvania University of Brasov, Romania

IOANA BIANCA CHITU, Transilvania University of Brasov, Romania

ALEXANDRA PALADE (ZAMFIRACHE), Transilvania University of Brasov, Romania

QUANTIFYING THE EU INTEGRATION PROCESS FROM THE PERSPECTIVE OF EUROPEAN SOCIAL MODEL

STEFAN GEORGE, Bucharest University of Economic Studies, Romania

PARASCHIV ANCA MARIA, Bucharest University of Economic Studies, Romania

ZAVERA IOANA CORALIA, Bucharest University of Economic Studies, Romania

CONSIDERATIONS REGARDING THE PATIENTS' SATISFACTION IN THE CONTEXT OF ENSURING ROMANIAN SUSTAINABLE HEALTHCARE SYSTEM

SMARANDA COSMA, Babeş-Bolyai University, Romania, Romania

MARIUS BOTA, Babeş-Bolyai University, Romania, Romania

CRISTINA FLEŞERIU, Babeş-Bolyai University, Romania, Romania

MĂDĂLINA VĂLEANU, Iuliu Haţieganu University of Medicine and Pharmacy, Romania

DAN COSMA, Iuliu Haţieganu University of Medicine and Pharmacy, Romania

THE INFLUENCE OF EDUCATION AND INTERNET ACCESS ON HEALTH STATUS IN EUROPEAN UNION

BRĂTUCU GABRIEL, Transilvania University of Brasov, Romania

CHIŢU IOANA BIANCA, Transilvania University of Brasov, Romania

DOVLEAC LAVINIA, Transilvania University of Brasov, Romania

ŞTEFAN MĂDĂLINA, Transilvania University of Brasov, Romania

DID MINIMUM WAGE HIKES REDUCE EMPLOYMENT? PANEL DATA EVIDENCE FROM ROMANIA

SMARANDA PANTEA, Ministry of Public Finance, Romania

TOURISM BUSINESS MANAGEMENT

SESSION (ROOM UI6)

Chair: **VALENTIN TOADER**, University Babeş-Bolyai, Faculty of Business, Romania

A STUDY OF THE AIR TRAVEL PASSENGERS' ROLE IN URBAN DEVELOPMENT

VALENTIN TOADER, Babeş-Bolyai University, Romania

OANA RUXANDRA BODE, Babeş-Bolyai University, Romania

ROZALIA VERONICA RUS, Babeş-Bolyai University, Romania

ADINA LETIȚIA NEGRUȘA, Babeş-Bolyai University, Romania

AN EXPLORATORY STUDY OF ROMANIA'S CURRENT TOURISM BRAND EFFECTIVENESS

MONICA MARIA COROȘ, Babeş-Bolyai University, Romania

CRISTINA IOANA BALINT, Babeş-Bolyai University, Romania

OANA ADRIANA GICĂ, Babeş-Bolyai University, Romania

THE CHALLENGES OF DEMOGRAPHIC DECLINE ON THE LABOR MARKET

ADRIANA LITRA, Transilvania University of Brasov, Romania

DEFENSE EXPENDITURES AND THEIR IMPACT ON ECONOMIC GROWTH – CASE STUDY THE 27 EU MEMBER STATES

VLAD DUMITRACHE, DRESMARA Brasov, Romania

THE IMPACT OF RISK ON THE STOCK EXCHANGE BEHAVIOUR

TITUS SUCIU, Transilvania University of Brasov, Romania

PATRIZIA GAZZOLA, Insubria University of Varese, Italy

A PROCEDURE THE MANAGER COULD USE TO AVOID THE CONFLICTS INSIDE ORGANIZATION

ORIANA HELENA NEGULESCU, Transilvania University of Brasov, Romania

QUANTITATIVE RESEARCH SESSION (ROOM UI7)

Chair: **LUCIAN-LIVIU ALBU**, Institute for Economic Forecasting, Romanian Academy, Romania

MACROECONOMIC CONVERGENCE VS. REGIONAL CONVERGENCE IN EU

LUCIAN-LIVIU ALBU, Institute for Economic Forecasting, Romanian Academy, Romania

LOGIT MIXTURES AND SPATIAL INTERDEPENDENCE:

RURAL HOUSEHOLD ADAPTATIONS TO CLIMATE CHANGE IN ETHIOPIA

STEFANO MAINARDI, University of Ostrava, Czech Republic

THE ECONOMIC GROWTH CONVERGENCE AT TERRITORIAL LEVEL AND REGIONAL BUDGETARY CONTRIBUTIONS

LUCIAN-LIVIU ALBU, Institute for Economic Forecasting, Romanian Academy, Romania

ION GHIZDEANU, Institute of Economic Forecasting, Romanian Academy, Romania

DANA IOANA ȚAPU, Institute of Economic Forecasting, Romanian Academy, Romania

SOCIO-ECONOMIC DISPARITIES AND SOCIAL HOUSING IN EUROPEAN COUNTRIES

ALESSANDRA MICHELANGELI, DEMS, University of Milan-Bicocca , Italy

RICCARDO BORGONI, DEMS, University of Milan-Bicocca, Italy

ELISABETTA CROCI-ANGELINI, University of Macerata, Italy

SILVIA SORANA, University of Macerata, Italy

THE RELATIONSHIP BETWEEN UNEMPLOYMENT AND LEVEL OF EDUCATION IN ROMANIA

MIHAELA SIMIONESCU, Institute for Economic Forecasting and Centre for Migration Studies, Romania

PUBLIC DEBT AND ECONOMIC GROWTH IN EUROPEAN UNION

ADA MARINESCU, SCOSAAR, Romanian Academy, Romania

THE PREDICTIVE POWER OF CREDIT FLUCTUATIONS FOR ECONOMIC ACTIVITY IN EMERGING COUNTRIES

CORINA SÂMAN, Institute for Economic Forecasting, Romanian Academy, Romania

A MULTILEVEL APPROACH TO THE REGIONAL DIGITAL DIVIDE IN THE EUROPEAN UNION

MONICA RAILEANU SZELES, Transilvania University of Brasov, Romania

THE IMPACT OF INCOMES AND LOANS ON HOUSEHOLD EXPENDITURES

CRISTINEL CONSTANTIN, Transilvania University of Brasov, Romania

EUROPEAN INTEGRATION SESSION (ROOM UI6)

Chair: SIBEL MEHTER AYKIN, Akdeniz University, Turkey

53 YEARS PLEDGE FOR TURKEY: ANKARA AGREEMENT AND BEYOND

SIBEL MEHTER AYKIN, Akdeniz University, Turkey

ILEANA TACHE, Transilvania University of Brasov, Romania

FOREIGN TRADE DYNAMICS IN THE ROMANIAN REGIONS AND COUNTIES - SPECIALIZATION, SECTORAL SHIFTS, POLARIZATION?

MIHAELA-NONA CHILIAN, Institute for Economic Forecasting, Romanian Academy, Romania

MARIOARA IORDAN, Institute for Economic Forecasting, Romanian Academy, Romania

MAASTRICHT CRITERIA AND TURKEY

SIBEL MEHTER AYKIN, Akdeniz University, Turkey

SAYIM IŞIK, Akdeniz University, Turkey

INTERDEPENDENCY BETWEEN MIGRATION AND URBANIZATION

MARIANA BALAN, Institute for Economic Forecasting - Romanian Academy, Romania

INTERRELATIONSHIPS BETWEEN FOREIGN DIRECT INVESTMENTS, RENEWABLE ENERGY AND CO2 EMISSIONS AMONG DIFFERENT EUROPEAN COUNTRY GROUPS? A PANEL ARDL APPROACH

MEHMET MERT, Akdeniz University, Turkey

GÜLDEN BÖLÜK, Akdeniz University, Turkey

A. EMRE ÇAĞLAR, Akdeniz University, Turkey

THE SIMPLIFICATION OF COHESION POLICY: ONE OF THE MAIN CHALLENGES FOR THE 2021-2028 PROGRAMME PERIOD

CARMEN ELENA DOBROTĂ, Bucharest University of Economic Studies, Romania

THE EUROPEAN MULTI-LEVEL GOVERNANCE AND ITS IMPACT ON THE MARKETING ENVIRONMENT IN CONDITIONS OF SUSTAINABILITY

BIANCA TESCAŞIU, Transilvania University of Brasov, Romania

GHEORGHE EPURAN, Transilvania University of Brasov, Romania

ALINA SIMONA TECĂU, Transilvania University of Brasov, Romania

JUNKER'S "MORE TOGETHER" - THE NUMBER ONE SCENARIO FOR ROMANIA AND EUROPE

NICU MARCU, Bucharest University of Economic Studies, Romania

THE EXTENT OF ROMANIA'S CONVERGENCE AND DIVERGENCE AFTER 10 YEARS OF EU MEMBERSHIP

OANA CRISTINA POPOVICI, Institute for Economic Forecasting, Romanian Academy, Romania

ADRIAN CANTEMIR CĂLIN, Institute for Economic Forecasting, Romanian Academy, Romania

FINANCE

SESSION (ROOM UI7)

Chair: **GHEORGHITA DINCA**, Transilvania University of Brasov, Romania

SUSTAINABILITY OF FISCAL POLICY IN THE EUROPEAN UNION

GHEORGHITA DINCA, Transilvania University of Brasov, Romania

MARIUS SORIN DINCA, Transilvania University of Brasov, Romania

CĂTĂLINA POPIONE, Bucharest University of Economic Studies, Bucharest Romania

THE IMPACT OF FISCAL POLICY BY INCOME TAX IN ROMANIA

BREZEANU PETRE, Bucharest University of Economic Studies, Romania

TODOR SILVIA PAULA, Bucharest University of Economic Studies, Romania

GHIUR RODICA, Bucharest University of Economic Studies, Romania

CLUSTERING TAX ADMINISTRATIONS IN UE MEMBER STATES

DANIELA PIRVU, University of Pitesti, Romania

CLAUDIA STANCIU-TOLEA, University of Pitesti, Romania

INFLATION, REAL ECONOMIC GROWTH AND UNEMPLOYMENT EXPECTATIONS: AN EMPIRICAL ANALYSIS BASED ON THE ECB SURVEY OF PROFESSIONAL FORECASTERS

MARÍA DEL CARMEN RAMOS-HERRERA, University Complutense of Madrid, Spain

SIMÓN SOSVILLA-RIVERO, University Complutense of Madrid, Spain

FOREIGN DIRECT INVESTMENT: THE GROWTH ENGINE IN CEECS

ALINA CIOBANU, SCOSAAR, Romanian Academy, Romania

DIRECT EFFECTS OF INCLUSIVE PUBLIC POLICIES ON SLOVAK ECONOMY

IVAN LICHNER, Institute of Economic Research, Slovak Academy of Sciences, Slovakia

MAREK RADVANSKÝ, Institute of Economic Research, Slovak Academy of Sciences, Slovakia

PLENARY SESSION ABSTRACTS

REVISIT POPULATION GROWTH AND ECONOMIC GROWTH NEXUS IN CHINA USING A NEW DEVELOPED BOOTSTRAP ARDL BOUND TEST

ZAN ZHANG, Shanghai University, Shanghai, China

TSANGYAO CHANG, Feng Chia University, Taichung, Taiwan

ABSTRACT: Using a newly developed Bootstrap ARDL model we evaluated causal links between population (for both male and female) and economic growth in China over the period of 1952-2016. Our Bootstrap ARDL bound test indicated no long-run relationship between these variables and Granger causality test based on Bootstrap ARDL model indicates a relationship between total population and economic growth in China. If we look at sub-category data sets we also find a correlation exists between female (and/or male) population and economic growth. By looking at the sign of coefficients of the independent variables we find economic growth reduces total population and total population promotes economic growth. Interesting is that we find male population has negative impact on economic growth and it is female population stimulate economic growth in China.

KEYWORDS: Population Growth; Standard-of-Living Growth; Bootstrap ARDL Bound Test; China

RISING INEQUALITY: TRENDS, EFFECTS, IMPLICATIONS

OSCAR BAJO-RUBIO, Universidad de Castilla-La Mancha, Spain

ABSTRACT: In recent years, there has been a growing concern about distribution, and the extent of income inequality in the world economy. Indeed, by interacting with financial deregulation, rising inequality might have had a role as cause of the current crisis. When looking at several indicators of inequality (i.e., Gini coefficient, ratio of average income of the top 20% to the average income of the bottom 20% of the income distribution, poverty threshold) for the 22 EU countries that are members of the OECD, we can see how income inequality has risen in most countries, reaching in some cases historical highs; and that inequality has not been reduced with the crisis, in most cases. In general, inequality is greater in the Baltic countries, Mediterranean countries, and the UK. After documenting the main trends and features of the recent evolution of inequality in the OECD economies, we discuss several issues related to inequality. First, we review the main propositions of Thomas Piketty's book *Capital in the Twenty-First Century*, where the rise in inequality is explained from the dynamics of the capitalist economy. Given the increase in the ratio capital/income experienced by advanced economies, if rate of return on capital is greater than the rate of growth of national income then the share of capital incomes in the total national will increase.

Next, we examine the effects of inequality on growth and aggregate demand. On the one hand, lower net inequality (i.e., inequality after taxes and transfers) seems to affect positively growth, at the same time that redistribution would not harm growth. On the other hand, greater inequality (in the form of a lower labour share of income) affects negatively consumption spending, but positively

investment and net exports, so the net effect on the whole aggregate demand would be strictly indeterminate.

With respect to the possible sources of inequality, the most important factor behind the fall in the labour share of income in advanced economies would have been technological advancement leading to the substitution of capital for labour, due both to the fall in the relative price of investment goods and the greater automation of routine tasks. In turn, in emerging economies greater inequality seems to have rather driven by the extent of global integration, through participation in global value chains.

We finish by providing a brief discussion of some policy proposals to reduce inequality.

GLO SESSION

ABSTRACTS

OVEREDUCATION WAGE PENALTY AMONG PH.D. HOLDERS: DOES THE FIELD OF STUDY MAKE THE DIFFERENCE? AN UNCONDITIONAL QUANTILE REGRESSION ANALYSIS ON ITALIAN DATA

GIUSEPPE LUCIO GAETA, University of Naples L'Orientale, Italy

GIUSEPPE LUBRANO LAVADERA, University of Salerno, Italy

FRANCESCO PASTORE, University of Campania Luigi Vanvitelli, Italy

ABSTRACT: Over recent decades Ph.D. education has markedly expanded in most of the OECD countries. This trend is beneficial for the society as a whole given the positive externalities that are associated to the spread of research-based skills. At the same time it is also beneficial from the point of view of the new and additional doctorate holders, since attaining doctorate education is correlated with better labor market performance, e.g. a higher employment rate than the one achievable thanks to other tertiary level degrees (Oecd, 2015). Nevertheless, some Ph.D. holders are not able to find a job in line with their educational title (i.e. they are over-educated) and/or with the skills they acquired through their studies (i.e. they are over-skilled). This condition severely undermines the possible positive societal impact of doctoral education and has been proved to be detrimental for individual wages (Bender and Heywood, 2009; Di Paolo and Mañé, 2016). The literature focusing on Italian Ph.D. data (Gaeta, 2013 and 2015; Gaeta et al, 2017; Ermini et al, 2017) supports this evidence by empirically exploiting cross-sectional survey data recently collected by the Italian National Institute of Statistics.

This paper aims to extend these previous analyses on Italy in two ways. First, it investigates whether the wage effect of over-education and over-skilling significantly varies according to the field of study. Second, it applies to the case of overeducation a recent methodological approach based on the regression method proposed by Firpo et al (2009), i.e. unconditional quantile regression. This method, which, to our knowledge, has never been applied in the overeducation literature, allows us observing changes in the effect of over-education/over-skilling on wages for the quantiles of unconditional marginal wage distributions. Both these contributions allow us better defining the profile of Ph.D. holders in different fields of study whose wage is affected by over-education/over-skilling. The results provide new and enlightening insights as to the origin of the overeducation wage penalty among Italian Ph.D. holders.

KEYWORDS: over-education; wages; Italian Ph.D. holders, field of study, unconditional quantile regression

JEL CODES: I23, J24

REMITTANCES AND INCOME INEQUALITY IN NIGERIA: A QUANTILE REGRESSION ANALYSIS

JAMES T. BANG, St. Ambrose University, SUA
ANIRUDDHA MITRA, Bard College, SUA
PHANINDRA V. WUNNAVA, Middlebury College, SUA

ABSTRACT: This paper investigates the impact of remittances on poverty and inequality in Nigeria. In contrast to the existing literature, our methodology of instrumental variable quantile regression (IVQR) explicitly demonstrates the differential marginal impact of remittances for households at different levels of the conditional expenditure distribution. Further, in tracing this heterogeneous impact, we are able to address the effect of remittances on poverty and inequality simultaneously in a unified econometric model. Distinguishing between internal and international remittances, initial results reveal that the former reduces inequality but the latter worsens it. However, in contrast to internal remittances, international transfers have a favorable impact on poverty.

KEYWORDS: Poverty, Income Inequality, Migration, Remittances, Quantile Regression

JEL Codes: F22, F24, O15, O55

PROTECTION AND ABUSE OF PROPERTY RIGHTS: POLITICAL CULTURE HERITAGE IN THE EASTERN EUROPEAN POST-COMMUNIST SOCIETIES

CAMELIA FLORELA VOINEA, University of Bucharest, Romania

ABSTRACT: Property Rights issues in Eastern Europe after the fall of the iron curtain in 1989 prove particularities in their relationship to the dynamics of the Eastern European democratic polities. The correlations to voice & accountability indicators in Eastern European countries as well the correlations to the elite circulation mechanisms (Voinea, 2017, *forthcoming*), to state capture (Voinea, 2015) and to democracy quality dynamics are relevant for defining a particularity of the political culture heritage and also of the typical democracy in Eastern Europe. Meant initially to support the design of a polity simulation modelling approach in the Artificial Polity project, the empirical analysis of survey data on (political) attitudes toward government and public policy has provided a rich collection of case studies concerning the possible explanations of the particularities of the polity dynamics in the eastern half of Europe after the fall of the iron curtain in 1989.

KEYWORDS: political attitudes, property rights, Eastern European democracies

CHALLENGES AND PROSPECTS OF EU INTEGRATION IN SOUTH EASTERN EUROPE SESSION ABSTRACTS

ENERGY POVERTY AND THE CONNECTION TO SOCIOECONOMIC METABOLISM

RALUCA I. IORGULESCU, Institute for Economic Forecasting–NIER, Romanian Academy, Romania
JOHN M. POLIMENI, Albany College of Pharmacy and Health Sciences, USA

ABSTRACT: Nicholas Georgescu-Roegen presented a ‘minimal’ bioeconomic program as absolutely necessary for the long-term harmonious survival of humans on Earth. In his view, economic systems are considered as viable entities (socioeconomies) with an exosomatic metabolism. The flow of exosomatic energy represents, in a basic form, the use of energy by humans outside of their body (in the socioeconomy) and corresponds to the exosomatic metabolism, differently from the flow of endosomatic energy, which corresponds to the endosomatic metabolism associated with the processing of energy and matter inside the human body. Energy poverty can be defined as a condition where humans cannot afford energy to a necessary level. This paper provides an examination of the connection of energy poverty to exosomatic and endosomatic metabolism.

AN ANALYSIS OF FACTORS INFLUENCING TERTIARY EDUCATION DEVELOPMENT IN EUROPEAN UNION

LAVINIA DOVLEAC, Transilvania University of Brasov, Romania
GABRIEL BRATUCU, Transilvania University of Brasov, Romania
IOANA BIANCA CHITU, Transilvania University of Brasov, Romania
ALEXANDRA PALADE (ZAMFIRACHE), Transilvania University of Brasov, Romania

ABSTRACT: Tertiary education is a critical pillar of human development worldwide. The ability of a society to produce, select, adapt, commercialize, and use knowledge is critical for sustained economic growth and improved living standards.

Developing and transition countries are at risk of being further marginalized in a highly competitive world economy because their tertiary education systems are not adequately prepared to capitalize on the creation and use of knowledge.

A look at World Bank lending for education over the past three decades shows that about a quarter of the entire education portfolio has consistently been dedicated to projects in tertiary education. Various studies showed that education infrastructure and human resources are essential for this sector development.

The aim of this paper is to analyse the influence of several different factors on the evolution of tertiary education sector. The authors considered that living conditions (as housing conditions and housing cost overburden), health status (healthy life years), information access (internet users and the interest in searching of education information) and transportation possibilities (mobility) could affect the development of tertiary education outcomes.

KEYWORDS: tertiary education, education outcomes, economic growth, living standards.

QUANTIFYING THE EU INTEGRATION PROCESS FROM THE PERSPECTIVE OF EUROPEAN SOCIAL MODEL

STEFAN GEORGE, Bucharest University of Economic Studies, Romania
PARASCHIV ANCA MARIA, Bucharest University of Economic Studies, Romania
ZAVERA IOANA CORALIA, Bucharest University of Economic Studies, Romania

ABSTRACT: The important processes of integration, social inclusion and real convergence represents important vectors of EU construction. In the context of the more and more frequent idea of "two-speed European Union", we intend to consider the role of social pillar in the integration process and, more specifically, the adoption of the European Social Model features in the EU Member States. Moreover, an European social union is based on the functional argument regarding the Economic and Monetary Union and the interactions between EMU and ESM, namely the possible compromise between symmetry and flexibility. Therefore, we propose (1) to create a set of complex indicators according to an accredited and recognized methodology at European level and (2) to quantify the multi-level integration process through a comparative analysis in domains like labor market, social inclusion and social protection efficiency, ability to resist at economic shocks etc.

CONSIDERATIONS REGARDING THE PATIENTS' SATISFACTION IN THE CONTEXT OF ENSURING ROMANIAN SUSTAINABLE HEALTHCARE SYSTEM

SMARANDA COSMA, Babeş-Bolyai University, Romania, Romania
MARIUS BOTA, Babeş-Bolyai University, Romania, Romania
CRISTINA FLEŞERIU, Babeş-Bolyai University, Romania, Romania
MĂDĂLINA VĂLEANU, Iuliu Haţieganu University of Medicine and Pharmacy, Romania
DAN COSMA, Iuliu Haţieganu University of Medicine and Pharmacy, Romania

ABSTRACT: Studies on patient satisfaction for healthcare service quality and access are a very important part of the overall evaluation of healthcare system and the basis for the forming of national healthcare policy. The aim of the study is to evaluate the perception on quality of healthcare system through the opinion of the Romanian patients. In order to evaluate the level of satisfaction with the healthcare system in general and its components a descriptive research was performed. The data were gathered using face-to-face interviews with patients, based on a questionnaire. The study reveals that in the last 12 months 14% of the sample never used the Romanian healthcare system and 36% used it ones. 65% of the sample used the healthcare system between 1 to 3 times and 63% of the respondents do not trust the system. The majority of the Romanian patients (84,65%) take into account the doctors opinion in the case of illness. The conditions and facilitators offered in the Romanian hospitals are perceived at a low level. More than a half of the investigated respondents is unsatisfied and very unsatisfied in respect with the overall impression of the Romanian healthcare system. The research reveals a strong statistical significant relationship between confidence and overall impression of the healthcare system (dependent) and the age and studies (independent).

THE INFLUENCE OF EDUCATION AND INTERNET ACCESS ON HEALTH STATUS IN EUROPEAN UNION

BRĂTUCU GABRIEL, Transilvania University of Brasov, Romania
CHIȚU IOANA BIANCA, Transilvania University of Brasov, Romania
DOVLEAC LAVINIA, Transilvania University of Brasov, Romania
ȘTEFAN MĂDĂLINA, Transilvania University of Brasov, Romania

ABSTRACT: Health is a precondition for economic prosperity and the EU policies aim to develop sustainable health systems trying to reduce inequalities.

Over the last decade, European health systems have faced growing common challenges like increasing cost of healthcare, population ageing, shortages and uneven distribution of health professionals, inequities in access to healthcare.

The negative effect of these challenges on population health status can be diminished by discovering some factors which could improve population health outcomes and health care quality. Experts state that education is critical to social and economic development and has a profound impact on population health. Education offers opportunities to learn more about health and health risks, about how to prevent or manage diseases. Individuals with lower health literacy had poorer health-related knowledge and comprehension and ability to interpret medication labels and health messages.

The increase in online health information challenges users with limited literacy skills or limited experience using the Internet. For many of these users, the Internet is stressful and even inaccessible.

The goal for this paper is to analyse the influence of two of these factors - level of education and internet access to health information - on population health status.

DID MINIMUM WAGE HIKES REDUCE EMPLOYMENT? PANEL DATA EVIDENCE FROM ROMANIA

SMARANDA PANTEA, Ministry of Public Finance, Romania

ABSTRACT: Rising minimum wages is a popular policy used to increase the income of low wage workers, reduce inequalities and improve labour market participation. However, there are concerns among policy makers about its possible negative effects on employment. This paper examines the effect of minimum wage increases on regional employment, using a panel of 42 NUTS III regions from Romania over a very recent period, 2008-2014, which includes the economic crisis and the recovery. The results show that, on average, increases in minimum wages had an insignificant effect on employment during the period studied and that the results are very robust to different specifications. The results also show that industrial structure is a key determinant of regional employment.

KEYWORDS: employment, minimum wage, industrial policy, manufacturing, regional labour markets.

JEL CLASSIFICATION: J23, J31, O25, R23.

TOURISM BUSINESS MANAGEMENT SESSION ABSTRACTS

A STUDY OF THE AIR TRAVEL PASSENGERS' ROLE IN URBAN DEVELOPMENT

VALENTIN TOADER, Babeş-Bolyai University, Romania
OANA RUXANDRA BODE, Babeş-Bolyai University, Romania
ROZALIA VERONICA RUS, Babeş-Bolyai University, Romania
ADINA LETIȚIA NEGRUȘA, Babeş-Bolyai University, Romania

ABSTRACT: Air transportation represents an important factor in urban economic development. Previous studies have emphasized the benefits of air travel increase on many areas, like population growth, employment, investment, labor productivity, tourism and other service sectors' progress. The present study focuses on the impact that Cluj Avram Iancu International Airport has on the growth of Cluj-Napoca. In the last decade, both the number of passengers flying through this airport and the economy of Cluj-Napoca registered a significant increase. As a result, using a quantitative approach, the authors will test different hypothesis highlighted in the literature regarding the role of airports in urban growth (development of service sectors, mainly tourism, increase of employment and investments).

The results obtained using historical data, will be used to forecast the evolution of air travel through Cluj Avram Iancu International Airport and its future impact on Cluj-Napoca's economic growth.

KEYWORDS: urban development, air transport, employment, investments, service sectors

AN EXPLORATORY STUDY OF ROMANIA'S CURRENT TOURISM BRAND EFFECTIVENESS

MONICA MARIA COROȘ, Babeş-Bolyai University, Romania
CRISTINA IOANA BALINT, Babeş-Bolyai University, Romania
OANA ADRIANA GICĂ, Babeş-Bolyai University, Romania

ABSTRACT: Since the change of the political regime in 1989 which implied the need of building a new identity both in terms of country and tourism brands Romania struggled to find its own path in an highly competitive and globalized tourism industry. Romania missed on taking the first steps in this respect, as only 1998 marked the beginning of this process whit the adoption of the Governmental Ordinance No.58/1998 which governs the organization of tourism activities at national level. Ever since, several branding attempts were made, the last one being in 2010 – Explore the Carpathian Garden.

Our paper focuses on evaluating the current branding strategy's effectiveness. We analyzed the impact of the information present on the official websites which promote Romania's types of tourism (authentic/eco-rural, natural-sustainable, cultural, active-adventure and health-wellness) on its target markets as reflected upon the registered tourist activity in the promoted areas. Based on a content analysis of the websites we identified the destinations and the promoted tourist activities. Further we investigated the evolution of the tourist supply and demand in each of these destinations.

The main conclusions reveal the effectiveness of the advertising efforts and formulate recommendations for the improvement of such actions.

THE CHALLENGES OF DEMOGRAPHIC DECLINE ON THE LABOR MARKET

ADRIANA LITRA, Transilvania University of Brasov, Romania

ABSTRACT: The fall in natality, accompanied by the explosion of the post-1989 emigration, determined the population decline and deepened the phenomenon of demographic aging. The picture of the coming decades is even darker, showing a population decrease not only in absolute size but also marked by a redefinition of the proportions of the main age categories, the percentage of working-age adults falling alarmly, while the elderly will be much more numerous. The effects are multiple in the future, economically and socially, among the worst being the strong fiscal pressure on employees, intense pressure on the state budget, the possibility of collapsing of the pension national system, increasing retirement age, higher taxes not only on wages but also on wealth or consumption, social inequalities, etc.

DEFENSE EXPENDITURES AND THEIR IMPACT ON ECONOMIC GROWTH – CASE STUDY THE 27 EU MEMBER STATES

VLAD DUMITRACHE, DRESMARA Brasov, Romania

ABSTRACT: Following the Wales summit, the NATO member states have pledged to gradually increase their defense expenditures up to 2% of GDP. Considering the relative economic recovery experienced by the EU countries (many of whom are also NATO members) and the increased EU defense ambitions, this political commitment is on its way of becoming a reality. The existing literature on the subject offers contradictory conclusion over the positive or negative impact of military spending on economic growth. It is the aim of this paper to analyze the impact of the increase in defense expenditures on the economic growth in the 27 states of the EU.

THE IMPACT OF RISK ON THE STOCK EXCHANGE BEHAVIOUR

TITUS SUCIU, Transilvania University of Brasov, Romania

PATRIZIA GAZZOLA, Insubria University of Varese, Italy

ABSTRACT: Risk is a permanent feature of the capital market, as it plays the main part on the stock exchange. The work shows us the impact of risk on the behaviour of the stock exchange traders: ignoring correlations, prejudice of familiarity, national bias, local bias, employer's prejudice and the emotional bias. Investors are faced with the difficulty of assessing the risk of owning an asset for their income. They would rather take into account the inherent risk of assets, than to appreciate the change generated regarding the global risk of their securities. Investing will actually allow to adapt the income performances when they are on the rise, when the others fall, and the other way round.

Revenue, taken as a whole, has to be optimal and to best reflect the preference of those who economise relatively to the risk. Even for someone who is very prudent, risky actions may be needed to get the best performance possible, taking into account the low risk level. Prejudice of familiarity appears when an individual prefers an option to another one just on grounds of familiarity. Advertising effort has a stronger impact on the number of individual shareholders. Such a result confirms the idea that private persons, more than professionals, trust nonfinancial criteria such as familiarity to choose investments. Investors exaggerate the weight of domestic shares in their income. Academic studies have shown that national titles are perceived by private persons as less risky than the foreign ones. The local prejudice determines the investors to give preeminence to shares of companies in their region. The employer's prejudice is the most dangerous consequence of the attraction for financial investments. It is characterized by an overconcentration of income of the investors into the titles of the hiring company. Employees build their trust in the capital of their company after the share has progressed. A strong ratio of investments by the employees in the company bonds doesn't show sign of a strong future progress of shares. The contrary relationship between the perceived risk and the perceived benefit of an activity is actually connected to the soundness of the negative or positive feeling associated to the respective activity. Individuals found their judgment not only on what they think, but also on what they feel. If they like an activity, they are tempted to consider risks as minor, and gains as important. If they have a negative feeling, they tend to judge the opposite. Although risk means that many things only may happen than they will actually do, a definition comprising the idea of volatility- this statement does not specify a time unit. Once the temporal dimension is introduced, the link between risk and volatility tends to weaken. The risk is within us. If we over estimate our ability to really understand an investment or to come out clean after a dramatic price period, it doesn't matter what our portfolio contains or what happens on the market. In the end, the financial risk does not lie in what types of investments have we done, but in what type of investor we are. All these elements pertain to behavior finance and they show us that the investor is not reasonable most of the times when he/she makes a decision on the capital market and in relation to the risks undertaken on the stock exchange.

KEYWORDS: risk, behaviour, finance, investor, psychology

JEL CLASSIFICATION: C92, D53, G02

A PROCEDURE THE MANAGER COULD USE TO AVOID THE CONFLICTS INSIDE ORGANIZATION

ORIANA HELENA NEGULESCU, Transilvania University of Brasov, Romania

ABSTRACT: In our days, when all businesses have to face the challenges of tough competition and to fight for the markets the managers and also the employees have to deal with difficulties, pressure, concern, dissatisfaction, frustration or other problems that are more or less leading to grievances or conflicts between the managers and employees. Nevertheless, the communication may be the main way to avoid the conflicts, but this is not the single strategy. This paper is aiming to present the main aspects of the conflict management based on references, some of the main sources of the conflicts in the organizations based on observations and analyse and to emphasise a procedure comprising twelve steps that we consider a manager could follow to avoid the conflicts inside organization.

QUANTITATIVE RESEARCH SESSION ABSTRACTS

MACROECONOMIC CONVERGENCE VS. REGIONAL CONVERGENCE IN EU

LUCIAN-LIVIU ALBU, Institute for Economic Forecasting, Romanian Academy, Romania

ABSTRACT: The purpose of this study is to investigate the relation between regional convergence inside of countries in EU and economic growth, and, based on it, to establish some relevant behavioural regimes. The convergence inside of a group of countries or regions simply supposes in case of those positioned under the average level of income to grow faster and in case of those placed above the average level to grow slower. However, in real economic systems the convergence problem is so far from a simple one. Based on available data, after a short literature review, in this study we estimated trends in real convergence in EU both at the level of countries and at regional level. We shall try to demonstrate that there are significant differences between the two levels of analysing. Based on our methodology, it was elaborated a general typology that permitted us to classify countries of EU in four major groups: 1) countries that improved their position in EU (as GDP per capita), but by sacrificing the regional convergence; 2) countries in which it was registered a regional convergence, but by worsening their position in EU; 3) countries for which both their position in EU was decreasing and a regional divergence registered (the most unfavourable dynamics); 4) countries for which both their position in EU was increasing and a regional convergence was registered (the most favourable dynamics).

LOGIT MIXTURES AND SPATIAL INTERDEPENDENCE: RURAL HOUSEHOLD ADAPTATIONS TO CLIMATE CHANGE IN ETHIOPIA

STEFANO MAINARDI, University of Ostrava, Czech Republic

ABSTRACT: Binomial and multinomial models applied to farmers' climate adaptation fail to capture heterogeneity and 'mixing' across alternatives and individuals. This analysis formulates conditional and mixed logit models accounting for decision-makers' interdependence and heterogeneous taste variation, with an application to adaptation measures to climate changes by Ethiopian farm households. The models shed new light on farm household decisions, by partly hinting to revised interpretations. Neighbouring farms with relatively more educated farmers and larger plot sizes increase the scope for a household opting to sell livestock and land along with adopting climate mitigation measures. Random parameters associated with person-days and, to lesser extent, farm gross margins highlight the presence of unobserved heterogeneity across farmers (including groupwise heterogeneous parameter means). Although the models do not differ substantially in predictive ability, mixed logit outperforms conditional logit in explanatory power, and likelihood ratio tests prioritise models with spatial effects. Detailed revealed-preference information, along with higher spatial resolution data, will be necessary for further testing.

KEYWORDS: climate adaptation, conditional and mixed logit, spatial interdependence, Ethiopia.

THE ECONOMIC GROWTH CONVERGENCE AT TERRITORIAL LEVEL AND REGIONAL BUDGETARY CONTRIBUTIONS

LUCIAN-LIVIU ALBU, Institute for Economic Forecasting, Romanian Academy, Romania

ION GHIZDEANU, Institute of Economic Forecasting, Romanian Academy, Romania

DANA IOANA ȚAPU, Institute of Economic Forecasting, Romanian Academy, Romania

ABSTRACT: The general objective of real convergence overlaps and requires in the same time territorial convergence. The sustainability of economic growth and of the convergence among the EU countries involves both structural reforms and especially a balanced contribution of regions and sub-regions according to their potential to national development.

Moreover, the reform of the cohesion policy aims to ensure maximization of regional contribution to economic growth by adapting Community assistance to the development level of each region and channelling resources to key growth sectors.

The different economic evolution during the crisis period, especially in the years of recovery has also been a feature of territorial economic development as well. In Romania, where regional disparities are more pronounced, effects of the crisis were even more significant. The phenomenon is more visible within the regions, potential and economic structure of the more developed counties allowing a faster exit from crisis. Territorial concentration of the economic growth is reflected by the gaps within the regions.

The improvement in real convergence towards the EU average was different among regions, widening the inter-regional gaps. The regions with high economic growth potential, which were in 2007 closer to the EU average, had a pronounced dynamic of the convergence.

For development and convergence, financial and human resources that can be used at local and regional level are crucial. EU's regional policy and Community support are also important but the basis is represented by the local investments resources both private as well budgetary.

The paper discusses local budgets and to what extent these are ensuring the sustainability of the development processes. A good regional and county budgetary performance supports and attracts private investments and represents therefore the contribution for economic convergence speed-up.

The paper also highlights the fact that the contribution to the national budget of the counties and regions is not in accordance with the evolution of the economic activity. The analysis for Romania shows that due to some specific factors the contribution of the regions to the budgetary revenues is influenced by the economic structures, structures which generally can be upgraded only in the long run.

Territorial development of economic and budgetary performances was directly influenced by a well-marked vulnerability of population and small enterprises, with a higher contribution in the less-developed areas but also by the economic structure focused on agriculture existing in many counties.

Local budgetary performance is directly connected with local economic evolution but the national fiscal system is also influencing, which can or cannot be according with the decentralization principles. Therefore, the analysis will have in view the transfers between the components of the general consolidated budget either from national to local budget or from several levels of local budgets. In Romania, the centralisation and redistribution of the budgetary resources are still important processes. The reason is that there are areas less developed which in terms of widening budgetary autonomy would not have the resources necessary for the functioning of key-sectors as education or health.

KEYWORDS: *economic growth, regional gaps, disparity index, territorial cohesion, budgetary revenues*

JELL CLASSIFICATION: P25, R11, O23, E62, H61

SOCIO-ECONOMIC DISPARITIES AND SOCIAL HOUSING IN EUROPEAN COUNTRIES

ALESSANDRA MICHELANGELI, DEMS, University of Milan-Bicocca , Italy

RICCARDO BORGONI, DEMS, University of Milan-Bicocca, Italy

ELISABETTA CROCI-ANGELINI, University of Macerata, Italy

SILVIA SORANA, University of Macerata, Italy

ABSTRACT: During the last years European policymakers and scholars have been considering housing policies as a tool for coping with poverty and social exclusion. So far, the far-reaching importance of housing policies has not yet been acknowledged by all policy makers, among which only few decided to intervene by targeting such needs. In addition, the literature has not taken up this subject as much as it deserves, although international studies include dwelling in the multi-dimensional aspects of wellbeing.

This paper aims at highlighting the socio-economic characteristics of the beneficiaries of housing policies as opposed to those of non-targeted households. To bring under scientific attention this issue the dwelling characteristics such as its physical structure, environmental quality, location and other circumstances have been investigated as well as dweller satisfaction, which has a central role in well-being. The complexity of this issue needs to be investigated from the subjective as well as the objective point of view.

Shelter, in addition to health and education, is an important complement to income in the consideration of multidimensional well-being.

Public housing policies are crucial as home conditions both significantly affect individuals' subjective well-being and objectively absorb the relatively highest expenditure in a standard household budget. Our approach is twofold: on the one hand, those factors driving individual satisfaction related to housing issues need be investigated; on the other hand, housing conditions need be detailed according to several dimensions such as building quality, premises location, overall living expenses affordability.

Before challenging housing policies on the grounds of their scanty features, one also needs addressing the dimension of poverty (to be measured through the income gap ratio i.e. to what extent the poor are poor, quantified by the mean of the distance between poor households incomes and the poverty threshold). Income poverty is known to be a limited concept, therefore some other indicators relating to the (subjective) quality of living in given circumstances should be added in order to obtain a more detailed description. Several indicators have been added so to describe both the dwelling and the household living in it. As to the first, it is possible to know whether the household is living in a house equipped with common facilities (such as color tv, washing machine, telephone, computer), which could be kept warm in winter and cool in summer, without space shortage, with adequate plumbing and electrical installations, with a fair accessibility to standard services (such as postal, banking, transport, groceries, primary health care and compulsory schools); as to the second, it is possible to have information about the household composition in terms of gender, age, marital status, education attainments, health assessment, and about its annual income which is checked against the household's possible debts and its ability to pay bills as well as every instalment on time,

to make ends meet, to afford unexpected expenses, a proper diet and one week on holiday away from home every year.

Our empirical analysis relies upon the EuSilc dataset, which in year 2012 provides for a special housing ad hoc module covering 29 European countries: 26 EU (i.e. all but Denmark and the Netherlands) plus Iceland, Norway and Switzerland. The tenure status singles out households whose accommodation is either rented at a reduced rate (i.e. at a price lower than the market price) or free, from the owner-occupiers and the tenant or subtenant paying rent at prevailing or market rate. The satisfaction from the dwelling is measured on a scale between 1 (Very dissatisfied) and 4 (Very Satisfied) with Dissatisfied and Satisfied coded 2 and 3 respectively.

The housing issue complexity is appraised also by taking into account the very fact that income inequality may hide inequalities (or otherwise) in other important spheres such as health and education. A central issue to be evaluated is to what extent public policies could be improved by increasing means tests transfers based on the differential impact of housing on their overall budget.

THE RELATIONSHIP BETWEEN UNEMPLOYMENT AND LEVEL OF EDUCATION IN ROMANIA

MIHAELA SIMIONESCU, Institute for Economic Forecasting and Centre for Migration Studies, Romania

ABSTRACT: In this paper, the relationship between unemployment rate and level of education is considered using the number of secondary level and higher education graduates in Romania in the period 1991-2016. According to the estimations based on error correction models, there was a long-run relationship between unemployment rate and the changes in the number of graduates from a year to another (secondary level graduates and higher education graduates, respectively). In Romania, higher education graduates got employed faster compared to those with only secondary studies.

PUBLIC DEBT AND ECONOMIC GROWTH IN EUROPEAN UNION

ADA MARINESCU, SCOSAAR, Romanian Academy, Romania

ABSTRACT: We will study in this paper how public debt accumulation influences economic growth. Expansionary fiscal policies practiced by governments are based on the increase of fiscal deficits, which requires the financing of these deficits through loans, increasing thus public debt. The future payment of these loans will lead to lower investment and reduced economic growth. Numerous studies show that when public debt exceeds a certain threshold, it will negatively impact economic growth. A bigger public debt is on average associated with smaller rates of growth on long term (when public debt exceeds 90-100% of GDP). Governmental debt can affect economic growth through various channels, like private savings, public investments, total factor productivity and long-term nominal and real interest rates. We will then use a panel fixed-effect regression to explore the relationship between GDP increase rate and public debt in EU countries, showing that there is a negative relationship between public debt and economic growth.

A MULTILEVEL APPROACH TO THE REGIONAL DIGITAL DIVIDE IN THE EUROPEAN UNION

MONICA RAILEANU SZELES, Transilvania University of Brasov, Romania

ABSTRACT: A large body of literature was recently devoted to the examination of the digital divide all over the world, but little evidence still exists on the regional digital divide. This paper aims to contribute to the literature in this regard, by analysing the regional- and country level determinants of the regional digital divide in the EU-27, based on a panel dataset running from 2011 to 2016. The results indicate that only a mix of effective regional and national measures could address the regional digital divide, and also that the influences of some variables could be different at the regional and country level. Stimulating regional economic growth, increasing the regional tertiary education attainments, boosting R&D expenditure, and discouraging early leaving from education are regional- and national level policy measures that could successfully reduce the regional digital divide in the EU, even after controlling for the regional economic heterogeneity.

THE IMPACT OF INCOMES AND LOANS ON HOUSEHOLD EXPENDITURES

CRISTINEL CONSTANTIN, Transilvania University of Brasov, Romania

ABSTRACT: The expenditures of population in Romania increased during the last decade. In the same period of time we also can observe an increasing of the population's incomes and of the loans to households. These trends reveal a direct relationship between the named variable and a possible influence of the loans on the household expenditures that exceed the influence of the incomes' increasing. Starting from this hypothesis, the aim of this paper is to put in evidence this influence using a multiple regression model. The results could be useful for the decision factors that develop public policies meant to increase the population wealth and to decrease the poverty.

KEYWORDS: population incomes, loans to population, household expenditures, poverty, economic development.

EUROPEAN INTEGRATION SESSION ABSTRACTS

53 YEARS PLEDGE FOR TURKEY: ANKARA AGREEMENT AND BEYOND

SIBEL MEHTER AYKIN, Akdeniz University, Turkey
ILEANA TACHE, Transilvania University of Brasov, Romania

ABSTRACT: The Association Agreement between Turkey and the European Community (mostly referred to as Ankara Agreement) set the goal of establishing a customs union between the parties in a 3-paced process, with a hope of Turkey's eventual membership to the European Economic Community. Despite customs union envisages elimination of all barriers in free movement goods between the parties and adoption of the common customs regime by Turkey, it required further alignment with other freedoms such as free movement of services, capital, people and adoption of competition policy, so on and so forth, for proper running of the Agreement. Decision 1/95 of the Association Council that took effect by 1st January 1996 resulted in a complete customs union in industrial goods, excluding agricultural goods and services. Provided that Turkey succeeded to realize its obligations on free movement of goods, it is now time to deepen the integration by introducing free movement of people, capital and services between the parties if they are really pledged "to promote the continuous and balanced strengthening of trade and economic relations between the Parties, while taking full account of the need to ensure an accelerated development of the Turkish economy and to improve the level of employment and the living conditions of the Turkish people" as put in article 2 of the Agreement. In this context, the aim of this paper is to discuss the pros and cons of the Customs Union with the EU in view of Turkey, with reference to past and prospective welfare results of Ankara Agreement. In order to achieve this end, a qualitative research will be carried out analysing relevant literature and statistics on the issue, and policy recommendations for both Parties will be provided.

FOREIGN TRADE DYNAMICS IN THE ROMANIAN REGIONS AND COUNTIES - SPECIALIZATION, SECTORAL SHIFTS, POLARIZATION?

MIHAELA-NONA CHILIAN, Institute for Economic Forecasting, Romanian Academy, Romania
MARIOARA IORDAN, Institute for Economic Forecasting, Romanian Academy, Romania

ABSTRACT: The paper aims to assess the dynamics of foreign trade exports and imports (overall and by sectors) in the regions and counties of Romania over the period 2005-2016. Literature showed that regional competitiveness involves an external/international and even global dimension, which may be analyzed starting from the theory of comparative advantage. Also, besides being a key factor of regional/sub-regional prosperity, the export base of a specific territory was revealed as acting more as an absolute advantage for its development. Thus, in order to analyze the impact of overall and sectoral foreign trade at the economic regional/sub-regional level, one has to find answers to issues such as: i) which are the regions/counties with the highest and lowest shares in the overall exports and imports of Romania, and how their dynamics looks? ii) which are the products/groups of products/sectors in which these regions/counties are specialized in trading on the foreign markets (if they exist)? May we identify significant sectoral shifts and/or polarization patterns? iii) which are the regions/counties whose foreign trade balance has improved or worsened, and what

might be the likely impacts on their competitiveness and longer run development? iv) what was the impact of the crisis period in the regions/counties in what regards their competitive position in foreign trade, and which look to be the structural sectoral adjustments induced in the economies of the Romanian regions/counties and their likely impacts if the economic crisis/recession returns? Considering such issues, the paper attempts, by the means of shift-share and convergence analysis to discover which are the Romanian regions/counties that register dynamics of economic structures conducive to high external competitiveness (and, thus, to a higher integration into the single market) and to sustainable specializations, adequate to the requirements of building a modern, highly flexible economy, with a high technological level. The results generally reveal that the changes in the sectoral structure of regional/county exports were partially towards increasing the competitiveness of some product groups with medium and high technological level on the foreign markets and towards a deeper integration into the international value chains of medium and high technology, but also partially towards increasing the quality and competitiveness of agriculture-based products, poorly represented in the national exports before Romania's accession to the EU because of their low competitiveness. Also, different dynamics of regional/county exports and imports were revealed, mostly correlated with the national sectoral dynamics induced by crisis. The national positive effect was higher in the post-crisis period for approximately the same product groups that registered positive structural changes in all the regions/counties. Such an analysis may bring new insights into the growth and structural processes occurring in the regional/sub-regional economies of Romania, and may provide useful ideas for both the general and the domain-specific policies, such as the regional policy, the cohesion policy, the competitiveness policy, the education and R&D policy, etc.

KEYWORDS: Romanian regions and counties, shift-share analysis, convergence analysis, regional foreign trade analysis, regional competitiveness

JEL CLASSIFICATION: R11, R12, R15

MAASTRICHT CRITERIA AND TURKEY

SIBEL MEHTER AYKIN, Akdeniz University, Turkey

SAYIM IŞIK, Akdeniz University, Turkey

ABSTRACT: As agreed at the European Council in December 2004, accession negotiations have been launched on October 3, 2005 with the adoption of the Negotiation Framework (NF) by the Council of the European Union. The NF includes the principles governing the negotiations, the substance of negotiations, negotiating procedures and list of negotiation chapter headings. Within the NF, the EU Acquis has been categorized under 35 chapters of which 17th is on Economic and Monetary Policy. Chapter 17 was opened to negotiations with the Intergovernmental Accession Conference on 14 December 2005. Since then Turkey has been working on adopting the norms on the issue which is identified with Maastricht Criteria. The aim of this paper is to assess the performance of Turkey in aligning with the Maastricht Criteria. To achieve this end, after presenting a brief info on the accession negotiations, a descriptive analysis about Turkey's performance against thresholds will be made, and finally policy recommendations will be provided.

KEYWORDS: EU, Turkey, Accession Negotiations, Copenhagen Criteria

INTERDEPENDENCY BETWEEN MIGRATION AND URBANIZATION

MARIANA BALAN, Institute for Economic Forecasting - Romanian Academy, Romania

ABSTRACT: Migration is an intensively debated phenomenon during the last decades both at international and national level, but most concerns, including in this period are dedicated to international migrant flows and to the root causes of their migration. The urban environment provides to high-skilled but especially to low-skilled migrants higher employment opportunities. The increase of migrants in the urban area is triggered also by population ageing, by the unequal development between the regions of country or between states, by environmental and climate instability, etc. In most cities migration turned into a more important factor for population growth and of its age structures, than fertility and mortality. To this added also the fact that social networks to which migrants resort either for integration, survival or economic opportunities are placed within the cities. Cities are also the areas that provide higher education opportunities. The paper proposes an analysis of the interdependencies between the trends and structure of migration flows and the urbanization degree in the main countries of destination at European and national level.

INTERRELATIONSHIPS BETWEEN FOREIGN DIRECT INVESTMENTS, RENEWABLE ENERGY AND CO₂ EMISSIONS AMONG DIFFERENT EUROPEAN COUNTRY GROUPS? A PANEL ARDL APPROACH

MEHMET MERT, Akdeniz University, Turkey

GÜLDEN BÖLÜK, Akdeniz University, Turkey

A. EMRE ÇAĞLAR, Akdeniz University, Turkey

ABSTRACT: Global warming and climate change is one of the most important problems in 21 st century. Reduction of global CO₂ (carbon dioxide) emissions has become a very important policy objective of international efforts to mitigate the undesired effects of the global climate change. Trade liberalization and FDI inflows have rapidly increased during the last decades all over the world and have become an important environmental phenomenon as well. This rapid capital movement has also created long debate in academic researches and policy makers about its advantages and related cost. The relationship between economic growth and environmental degradation which takes the inverted U-shape form is known as the environmental Kuznets curve (EKC) hypothesis and takes place at the heart of this controversial relationship between FDI, economy and environmental pollution.

This study examines the impact of FDI and potential of renewable energy consumption on CO₂ emissions in 28 countries by using panel co-integration method. Moreover, we tested the Pollution Halo and Pollution Haven hypothesis between two groups, namely 1-4 th enlargement and 5th enlargement countries of EU since their adaptation periods of environmental rules may differentiate.

THE SIMPLIFICATION OF COHESION POLICY: ONE OF THE MAIN CHALLENGES FOR THE 2021-2028 PROGRAMME PERIOD

CARMEN ELENA DOBROTĂ, Bucharest University of Economic Studies, Romania

ABSTRACT: Although the achievements of EU cohesion policy are undoubtedly positive, the large number of norms currently in place do not always facilitate the work of local governments that are managing EU funds or those of companies wishing to apply for EU funding. Simplification is therefore essential and the European Commission is exploring ways to further simplify the access to EU funds within the budget in the after 2020 period. This article aims to analyze which is the optimal way to manage from the perspective of the harmonization of EU funds and instruments. At both EC and Member State level, it has been agreed in several working groups, for the after 2020 period, that a radical reduction of cohesion legislation and guidelines is needed. Likewise, it is unanimously accepted that it is necessary to maintain the elements that offers the uniqueness of this policy, such as ex-ante conditionalities, but without reaching to micro-management. It would be desirable that the same rules should apply to the same types of intervention, indifferent of the funding sources and the rules should be less complex. The scientific approach will analyze how a much-simplified framework should look like between 2021-2028, to be accessible to all Member States and regions, but also to meet a number of conditions such as: the existence of reliable management and control systems; a significant level of national co-financing, in order to encourage the efficient spending; identifying key structural reforms to implement and focus on a small number of political areas, in order to get the best results.

KEYWORDS: EU funds, EU cohesion policy, ex-ante conditionalities

THE EUROPEAN MULTI-LEVEL GOVERNANCE AND ITS IMPACT ON THE MARKETING ENVIRONMENT IN CONDITIONS OF SUSTAINABILITY

BIANCA TESCAȘIU, Transilvania University of Brasov, Romania
GHEORGHE EPURAN, Transilvania University of Brasov, Romania
ALINA SIMONA TECĂU, Transilvania University of Brasov, Romania

ABSTRACT: The Single European Market determines specific macro and microeconomic consequences. In this circumstances, the connections between different levels of governance and their specific effects on the marketing environment might be explained by new approaches. The political leadership is directly connected with the coordination actions and the process of implementation. They might determine strategic actions at the local, regional, national and European level.

To get the right marketing approach of The Single Market a careful analysis of the marketing environment is requested. This involves a complex point of view regarding the European marketing environment levels and the ways that this levels interacts. It is also involves an analysis of the way that national and European governance influence the components of the marketing environment.

KEYWORDS: Multi-level governance, European marketing environment, “a better governance”, euro-clusters, over-national governance, coordination of policies

JUNKER’S “MORE TOGETHER” - THE NUMBER ONE SCENARIO FOR ROMANIA AND EUROPE

NICU MARCU, Bucharest University of Economic Studies, Romania

ABSTRACT: Several scenarios regarding the further developments within the EU, that Jean Claude Juncker recently presented, stirred a vivid debate all across Europe – especially regarding the tighter integration and possibilities to avoid a so called two-speed Europe. Romania can increasingly become a stronger member shall it continue with a 4-5% economic growth in the near future. Romania, at a rather slow pace, managed in the recent years to capitalize on its strategic position and is currently an emerging dynamic market at the European Eastern frontier. The paper provides an economic analysis of Romania strategic role in the new Europe perspective, the appropriate use of funds. Special attention is paid to ESI funds. The document will provide insight on correlation between government strategic objectives and the efficiency and effectiveness of the funds. We will analyze the Romanian strategic approach in the last 10 years towards Lisbon Strategy and Europe 2020 linked with the fiscal strategies. Analyzing the near future one from the strategic perspective one might come to the conclusion that there are 6 member states that have the strategic and economic potential to re-energize and re-orientate the EU as we now know it, i.e. Germany, France, Italy and Spain on one hand with tightened cooperation with Poland and Romania on the other.

KEYWORDS: economic growth, ESI funds, Europe perspective, two-speed Europe

THE EXTENT OF ROMANIA’S CONVERGENCE AND DIVERGENCE AFTER 10 YEARS OF EU MEMBERSHIP

OANA CRISTINA POPOVICI, Institute for Economic Forecasting, Romanian Academy, Romania
ADRIAN CANTEMIR CĂLIN, Institute for Economic Forecasting, Romanian Academy, Romania

ABSTRACT: The main goal of this paper is to draw a general picture of Romania’s evolution in the EU during the last ten years and to emphasize the actual opportunities that can be harnessed for a better integration. The first part of the paper investigates the literature in order to build Romania’s image in the framework of convergence and in relation to the countries that joined the EU after 2000. In the second part, we assess Romania’s real and structural convergence with the EU by considering the mitigation of living standard’s gap and the Krugman index related to the sectoral value-added and employment structure. We examine the recovery speed in GDP per capita as compared to the other new EU member states. In addition to this, the results indicate good evolution of Romania’s economic structure in terms of gross added value in the last years, but still point to an important dose of divergence in terms of the sectoral employment structure. In the last part of the paper, we emphasize the role of collaboration economy as EU’s tool for further developing the Single Market, in order to raise awareness and enhance Romania’s capacity to be an active part in shaping the instruments that create the future.

KEYWORDS: structural convergence, Krugman index, collaboration economy, EU membership

JEL CODES: C43, F02, F63

FINANCE SESSION ABSTRACTS

SUSTAINABILITY OF FISCAL POLICY IN THE EUROPEAN UNION

GHEORGHITA DINCA, Transilvania University of Brasov, Romania

MARIUS SORIN DINCA, Transilvania University of Brasov, Romania

CĂTĂLINA POPIONE, Bucharest University of Economic Studies, Bucharest Romania

ABSTRACT: Our current paper analyzes the way in which fiscal policy works across the phases of the economic cycle, more precisely to check the pro-cyclical features of this policy. The sample we have chosen includes the EU countries, except for Cyprus and Malta, for the period 1995 to 2014. To measure procyclicality and the way in which fiscal policy responds to economical, social and political stimuli we have used multiple regressions, tested for time-series for each country at a time, as well as for panel data for the entire sample.

We have started from an a-priori premise that developed countries lead an anti-cyclical/counter-cyclical policy, whereas developing countries have a procyclical one, yet the analysis of the fiscal policy instruments adopted during the analyzed period showed this particular insight is not necessary valid for all the cases. We have found that along the entire analyzed period, most of the countries led a pro-cyclical fiscal policy, no matter if they are developed or developing countries. The influence the policy variable has upon the fiscal policy cyclicity is a constant result across the entire study.

THE IMPACT OF FISCAL POLICY BY INCOME TAX IN ROMANIA

BREZEANU PETRE, Bucharest University of Economic Studies, Romania

TODOR SILVIA PAULA, Bucharest University of Economic Studies, Romania

GHIUR RODICA, Bucharest University of Economic Studies, Romania

ABSTRACT: The fiscal policy is an instrument that collects resources for the state budget necessary to perform state functions; stabilize the economy; regulation of the economy and recovery growth. The most important instruments are taxes and taxpayers. The taxpayer is obliged by law to transfer to the state budget some of the value it creates ago performing an activity. Although there are usually many similar elements in understanding the concept of "taxpayer" globally each tax authority establish criteria according to which a citizen falls into the category of taxpayers.

The epicenter of this article its the income tax, being built around two objectives: the analysis of income tax and, implicitly, the fiscal pressure evolved in Romania over the past 20 years, and how statistically it has influenced important macroeconomic indicators, such as gross domestic product, household final consumption and public trust and confidence in state authorities. In this sense, the first part of the article presents a theoretical synthesis of the evolution of this tax, and the second part, through three unifactorial linear regression models, attempts to outline the influence of this tax on the economy, consumption and trust of the population.

KEYWORDS: tax conformity, tax policy, direct taxes, evolution, regresion

CLUSTERING TAX ADMINISTRATIONS IN UE MEMBER STATES

DANIELA PIRVU, University of Pitesti, Romania

CLAUDIA STANCIU-TOLEA, University of Pitesti, Romania

ABSTRACT: This paper analyses tax administrations in the EU Member States from the perspective of the 8 indicators obtained based on the information made available in the OECD data base on tax administration. Thus the main characteristics of these institutions are highlighted, along with the correlations existing between the respective indicators. Using the hierarchical Clustering procedure, tax administrations in the Member States are grouped into clusters which will facilitate, in a future research, certain comparisons between the tax administration in Romania and the EU tax administrations with the highest performance.

KEYWORDS: cluster analysis, EU member states, tax administrations

INFLATION, REAL ECONOMIC GROWTH AND UNEMPLOYMENT EXPECTATIONS: AN EMPIRICAL ANALYSIS BASED ON THE ECB SURVEY OF PROFESSIONAL FORECASTERS

MARÍA DEL CARMEN RAMOS-HERRERA, University Complutense of Madrid, Spain

SIMÓN SOSVILLA-RIVERO, University Complutense of Madrid, Spain

ABSTRACT: Expectations are at the centre of modern macroeconomic theory and policymakers. In fact, quantifying individual expectations has become a very important topic in economics, both for academic researchers and for policymakers. One of the most relevant advantage of collecting probabilistic expectations is that the quantitative answers can be used to compare predictions across different agents and time, as well as to analyse their consistency. In this paper, we examine the predictive ability and the consistency properties of macroeconomic expectations using data of the European Central Bank (ECB) Survey of Professional Forecasters (SPF). The ECB offers forecasts related to different macroeconomic indicators along several time horizons. More specifically, this survey has the advantage of analyzing an integrated macroeconomic perspective since it reflects the expectations about real economic growth, inflation and unemployment rates.

KEYWORDS: inflation, real economic growth, unemployment, expectations, euro area.

JEL CODES: F31, E31, D84.

FOREIGN DIRECT INVESTMENT: THE GROWTH ENGINE IN CEECS

ALINA CIOBANU, SCOSAAR, Romanian Academy, Romania

ABSTRACT: Foreign direct investment (FDI) continues to have an important role on international economic integration. FDI produces externalities in the form of transfer of new technology and spillovers between countries. Increased FDI inflows to a country can have a favorable effect on the economic growth. This paper attempts to show the impact of FDI on the economic growth and if that foreign direct investment was the engine of growth in Central and Eastern Europe in the last 20 years. The results show that FDI promotes the economic growth and to obtain more positive growth-effect it is necessary to be recognise the importance of FDI for the growth and transition process and to enhance the investment climate.

KEYWORDS: foreing direct investment, economic integration, transfer of new technology, the engine of growth, the investment climate

JEL CLASSIFICASION : E20, E22, F43

DIRECT EFFECTS OF INCLUSIVE PUBLIC POLICIES ON SLOVAK ECONOMY

IVAN LICHNER, Institute of Economic Research, Slovak Academy of Sciences, Slovakia

MAREK RADVANSKÝ, Institute of Economic Research, Slovak Academy of Sciences, Slovakia

ABSTRACT: In this research we focused on the analysis of theoretical effects of two alternative policy settings on the economic development and inclusive growth of Slovakia with respect to the sustainability of public finances. Two alternative scenarios with relatively high impact on the inclusive growth in Slovakia are analysed: education and inclusive. In the case of education scenario we assumed that past trend of growing share of university students on the respective age group will lead to higher share of public expenditures on the universities, by 5 p.p. up to 2030. In the case of inclusive scenario creation of inclusive interim labour market that would provide incentives to employers to hire long-term unemployed. Results suggest that education scenario would provide more positive effects on the overall level of economic growth in the long-term and slightly low employment in short- and mid-term horizon. On the other hand in the case of inclusive scenario long-term effects on the GDP level would be slightly negative and level of employment would be relatively lower in the short-term due to crowding out effect and significantly higher in the mid- and long-term horizon.

This research was supported by VEGA under project No. 2/0135/2017.