

The epistemic failure

“Often, the physicist arrives at a better, more economical description of nature if he can formulate the laws he observes through a principle of maximization. Often, the economist can achieve a better, more economical description of economic behavior by using the same instrument.”

Paul A. Samuelson

As long as economic decision has determinants other than those offered by the theory, Economics will remain an exercise of vain rhetoric. Dissecting the human mechanism of decision making is, in general, difficult. The post-enlightenment theoretical experience strives to have rational relevance, even though in matters of economy, as in any other activity which includes man and his dilemmatic universe, it illustrates failure.

The key to this situation lies hidden in the reductionism intrinsic to the theoretical approach which legitimates itself only through the rational consistence of the assertions. That which does not correspond to a congruently empiric scheme is eliminated from the explicative field.

The fatal step was taken by abandoning the analytical effort for the rituals of mathematical logic. The status of science was bestowed on Economics only if it let itself prey to formal simplifications. For things to have a measurable coherence there was a need for eliminating man from any deductive algorithm. Cybernetics had already replaced in the field of conceptualization the hesitant and too marred-by-the-subjective vision of Economics.

The scissiparous methods of mathematics and the instruments of quantitative based calculus have banished from the universitarian Agora the descriptive constructions, the explicative models, the inductive analyses, the personalized presuppositions that Economics was guilty of. Success belonged to the method. There was no need anymore to search into reality looking for solutions. Doubt and approximation were misplaced in any case!

The triumph of formalization over the essence of the Economy was complete. The solutions to the problems of economic performance would undoubtedly arise from the solving of equations. Not even planning had any need anymore for the analysis of market evolutions, as the infallible cybernetics had facile remedies at hand.

Mathematics has eliminated uncertainty, cybernetics has tamed risk, technology has sublimated rarity, management has rationalized decision, marketing has instrumentalized the law of offer and demand. The Economy became a mechanic, repetitive, massified, programmed, certain and eminently objective activity.

The exceptions that strengthen the rule are almost inconsequential. Public discernments confirm the accuracy of the perception of a reality seen only in terms of progress, growth, optimization, maximization. What counts is rhythm, accumulation, physical production, rational allocation of resources. The social perspective is reified because the individual option is forbidden.

The conquer of Economics by formalization was followed by the transformation of Economy into social

mechanics. In one case, man has been replaced by method, in the other case he has been incorporated into the machine. The unavoidable result was that Economics no longer needs vision, and the economic activity has no time to rest.

The bad part is that these epistemic and empirical wanderings continue to produce mayhem. Economics is today considered a science only if it makes abstraction of man, and economic activity is justified only if it ignores the social. A non-human Economics and an asocial economy are the inevitable consequences of the Enlightenment's paradigm, in which science is absolute power, and life is pure reason.

The symptom of formalization without restraint has favored the fragmentation of knowledge. The fury of legitimizing methodological sufficiency has created the barren monsters or the hermaphrodite métis of university disciplines, in a manner which sustained the illusion of the progress of knowledge. Not even the path of the interdisciplinary could save the collapse of communication and the informational chaos.

Mimicking the profundities by giving autonomy to themes and methods as part of the curricula has amplified the Babylonian fragmentation. Economics, by losing perspective, has run aground in the alluvia of diving in sub-concepts prefabricated for partial solutions, of an engineering nature.

Economics has industrialized. It is at most innovative in the way of the medicine that alleviates symptoms but does not cure diseases. Consulting replaces research, phenomenological expertise renders doctrine and vision useless. Theory has retreated in encyclopedias, Economics is trapped in dictionary pages.

The most unexpected result of the dilution of the epistemic force of Economics is the invasion of uncritical adoptions of conceptualizations from all over. The lack of epistemological consistency is theorized as a redeeming openness. Unfortunately, the disaster is fueled by the explosive of simulating scientific relevance.

The mixture of concepts is not only revealed as an indigestion of reason, but it also perverts the conceptual rigor and makes the cognitive framework relative. The respect towards the specifics of the object of knowledge is abandoned with professionalized carelessness, in reality, displaying itself with de-cultivated haughtiness.

The unexpected stake is the missing of the specific synthesis of Economics. The language of Economics becomes gibberish and the only thing it seems to convey is the epistemic failure. Furthermore, it handicaps the judgment of an important part of the generations of intellectuals that Economics might benefit from.

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Measurement of the Economic Growth and Add-on of the R.M. Solow Adjusted Model

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***Abstract.** Besides the models of M. Keynes, R.F. Harrod, E. Domar, D. Romer, Ramsey-Cass-Koopmans model etc., the R.M. Solow model is part of the category which characterizes the economic growth.*

The paper aim is the economic growth measurement and add-on of the R.M. Solow adjusted model.

Key words: representative consumer; representative firm; economic growth; technical progress; macroeconomic model; macroeconomic equilibrium; human capital; physical capital.

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We have to notice that a complete analysis of the economic growth must explain the social changes and the progress steps registered by the production technologies, also.

The measurement element in R.M. Solow adjusted model is showing that, on long term, the economic growth depends only by the technological progress, but on short term is depending also on the capital accumulation.

The add-on of the R.M. Solow model with human capital come to conclude that the output differences for each employee are having as source the physical and human capital also.

It is known that the process of economic growth is changing the society, because is having a strong impact

over the living and the working, on one hand, and is realising transformations over groups which have to adept to these new production exigency, on the other hand.

In the sequel, a complete analysis of the economic growth has to explain the social changes and the progress steps registered by the production technologies, also.

Although it is noticed that the majority of the economic growth models are based on a close economy – the theoretical one – without taking in account the extern sector, on one hand because of the simplicity and on the other hand the main element of the economic growth is a consequence of the internal economy.

1. Brief presentation of the economical and mathematical model

Adequate to the J.M. Keynes laws, from a threshold when the people are having a specific level of the welfare, if the income is increasing, the lag between this and consumption is becoming bigger.

As a result, the rhythm of savings increasing, $\frac{\dot{S}(t)}{S(t)}$, is higher than the income one, $\frac{\dot{Q}(t)}{Q(t)}$, namely $\frac{\dot{S}(t)}{S(t)} > \frac{\dot{Q}(t)}{Q(t)}$.

R.M. Solow is starting, for building his model, from the condition of general macroeconomic equilibrium: aggregate demand is equal to the aggregate offer - $D(t) = Q(t)$, and because:

$$D(t) = C(t) + I(t)$$

$$Q(t) = C(t) + S(t)$$

and we deduce the relation:

$$I(t) = S(t), \text{ cu } \dot{K}(t) = I(t) = S(t) = sQ(t)$$

or, in average terms, after calculation, the condition of macroeconomic equilibrium is: $i(t) = s \times q(t)$ or:

$$i(t) = sf \times (k(t))$$

Therewith, from $\tilde{i}(t) = r_1 \times k(t)$, the equilibrium condition leads to the next differential equation:

$$\dot{k}(t) = i(t) - \tilde{i}(t) = s \times f(k(t)) - r_1 \times k(t)$$

which has the solution noted with k^* .

The last relation it is the fundamental equation of the R.M. Solow model, wherewith can be analysed the dynamic stability of the equilibrium, using the state diagram (Stancu, 2007, pp. 151-156, 165-173).

If we consider the case with the depreciation capital rate, ρ , the former equation becomes:

$$\dot{k}(t) = s \times f(k(t)) - (r_1 + \rho) \times k(t)$$

2. Measurement of the economic growth with the R.M. Solow model

In the R.M. Solow model, the economic growth on long term depends only on the technological progress, while on short term depends on the capital accumulation, too.

Using the relation from the R.M. Solow model (Rosca, Stancu, 2007, pp. 3-6), which shows that the

production function, at the macroeconomic level, is a neo-classical one (linear homogeneous), with two interchangeably production factors, labour and capital:

$$Q(t) = Q(a(t)L(t), K(t))$$

and doing the differential, we obtain:

$$\dot{Q}(t) = \frac{\partial Q(t)}{\partial L(t)} \dot{L}(t) + \frac{\partial Q(t)}{\partial a(t)} \dot{a}(t) + \frac{\partial Q(t)}{\partial K(t)} \dot{K}(t) \quad (1)$$

$$\text{with } \frac{\partial Q}{\partial L} = \frac{\partial Q}{\partial (aL)} a, \quad \frac{\partial Q}{\partial a} = \frac{\partial Q}{\partial (aL)} L$$

Dividing the relation (1) to $Q(t)$, we have:

$$\begin{aligned} \frac{\dot{Q}(t)}{Q(t)} &= \frac{K(t)}{Q(t)} \times \frac{\partial Q(t)}{\partial K(t)} \times \frac{\dot{K}(t)}{K(t)} + \frac{L(t)}{Q(t)} \times \\ &\div \frac{\partial Q(t)}{\partial L(t)} \times \frac{\dot{L}(t)}{L(t)} + \frac{a(t)}{Q(t)} \times \frac{\partial Q(t)}{\partial a(t)} \times \frac{\dot{a}(t)}{a(t)} = \\ &= \beta_L(t) \frac{\dot{L}(t)}{L(t)} + \beta_K(t) \frac{\dot{K}(t)}{K(t)} + R_S(t) \end{aligned}$$

relation which emphasizes the growth rate of the income, where $\beta_K(t)$ is the output elasticity, at the macroeconomic level, against the capital, $\beta_L(t)$ is the output elasticity, at the macroeconomic level, in respect with the labour, with $\beta_L(t) + \beta_K(t) = 1$, from the linear homogeneity hypothesis of the production function at macroeconomic level, and $R_S(t)$ it is *Solow residuum* which reflects other sources of growth, except of the capital accumulation.

From $\beta_L(t) = 1 - \beta_K(t)$, and deducting $\frac{\dot{L}(t)}{L(t)}$ from both members, the last relations can be written:

$$\begin{aligned} \frac{\dot{Q}(t)}{Q(t)} - \frac{\dot{L}(t)}{L(t)} &= \beta_L(t) \frac{\dot{L}(t)}{L(t)} + \beta_K(t) \frac{\dot{K}(t)}{K(t)} + R_S(t) - \frac{\dot{L}(t)}{L(t)} \\ &= (1 - \beta_K(t)) \frac{\dot{L}(t)}{L(t)} + \beta_K(t) \frac{\dot{K}(t)}{K(t)} + R_S(t) - \frac{\dot{L}(t)}{L(t)} \\ &= \beta_K(t) \left(\frac{\dot{K}(t)}{K(t)} - \frac{\dot{L}(t)}{L(t)} \right) + R_S(t) \quad (2) \end{aligned}$$

Observations:

1. Growth rate of K and L are measured through empirical data;
2. Growth rate of the ratio output on employee depends on the output elasticity per capita, considering the labour technical endowment, the margin between growth capital rate and labour one and the Solow cross.

3. The extension of R.M. Solow model with human capital

In this model, the resources assignment between human capital and the physical one is exogenous.

The total quantity of goods and services made by the economy's employees is given by the function:

$$Q(t) = [a(t)\tilde{L}(t)]^{\gamma_2} [K(t)]^{1-\gamma_2}, \text{ cu } 0 < \gamma_2 < 1 \quad (3)$$

The dynamic equations of the capital, labour and technical progresses are:

$$\dot{K}(t) = s \times Q(t) - \rho \times K(t) \quad (4)$$

extending:

$$\dot{K}(t) = s \times Q(t) - \rho \times K(t) - r_2 \times K(t) \quad (4')$$

$$\frac{\dot{L}(t)}{L(t)} = r_1 \quad (5)$$

$$\frac{\dot{a}(t)}{a(t)} = r_2 \quad (6)$$

The human capital of each employee is depending on education (the number of studying years), E .

Supposing the same education for all the employees, constant in time, E , then the human capital is described by the next relation:

$$\tilde{L}(t) = L(t) \times k_{\min}(E)$$

where $k_{\min}(E)$ is the minimum of human capital on each employee, considering the studying years, with $k'_{\min}(\cdot) > 0$, $k''_{\min}(\cdot) > 0$.

Supposing that $k_{\min}(E) = e^{\tau \times E}$, $k_{\min}(0) = 1$, where $\tau > 0$ is the growth rate of the human capital, and noting the ratio capital on effective labour unit with k , given by:

$$k = \frac{K}{a \times k_{\min}(E) \times L} \quad (7)$$

which has the next dynamic equation:

$$\dot{k}(t) = s \times f(k(t)) - (r_1 + r_2 + \rho) \times k(t) \quad (8)$$

For the case when the production function is a Cobb-Douglas one, the relation (8) becomes:

$$\dot{k}(t) = s \times k^{1-\gamma_2}(t) - (r_1 + r_2 + \rho) \times k(t) \quad (9)$$

and the equilibrate growth trajectory is obtained for $\dot{k} = 0$, with the solution:

$$k^* = \frac{s}{(r_1 + r_2 + \rho)^{1/\gamma_2}} \quad (10)$$

Observations:

1. For the case $k = k^*$, the economy is one the equilibrate growth trajectory and $\frac{Q}{L}$ rises with rate $r_1 + r_2$;

2. Considering the R.M. Solow model without human capital, there are maintained the quantitative and qualitative of the savings rate changes s , over k and c , where c is representing the consumption for each employee;

3. The $a(t)$ trajectories and $k_{\min}(E)$ are not affected by of the savings rate changes: a rises with r_2 and $k_{\min}(\cdot)$ is independent on s .

The effect of E modification: \dot{k} remains constant – not depending on E . Because $\frac{Q(t)}{L(t)} = a(t) \times k_{\min}(E)$, $q(\cdot)$ will growth in the same way with.

In conclusion, the differences from the ratio output on employee are depending on physical and human capital, too.

Note

(1) The human capital is defined as professional abilities and employees knowledges.

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Performance in Service Marketing from Philosophy to Customer Relationship Management

■

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***Abstract.** The contribution of services to the development of every national economy is in the progress, they becoming the major contributor to the gross national product of most countries. In their turn, the customers become more demanding and powerful in their relationship with service providers. They ask for more and new relationship. The appropriate new marketing, known as Relationship Marketing, looks to engage the customer interactively in the many steps of creating value which is later shared between service provider and customer. This requires to focus on long-term customer relationship. In order to establish and maintain long-term relationship, the relationship marketing should understand customer expectations, know the customers, evaluate services process, obtain a proper service quality and adequately manage customers' relationships. The service customer's is placed on an expectation range to a five dimension scale and have two levels which may be analyzed into a model of service. A stimulus for relationship marketing performance may be the quality of service. The objective and subjective quality of service is essential for the service customer relationship management. In order to reach the goal of retaining actual customers, service companies should be prepared to spot customers who leave and then analyze and act on information they provide. Managers should make sure the entire organization understand the importance of keeping customers and encourage employees to pursue zero defections by trying incentives, planning, and budgeting to defections targets. Most important, managers use defections as a vehicle for continuously improving the quality and value of the service they provide to customer.*

Key words: relationship marketing; service customer expectations; molecular model of service; service quality; service customer relationship management.

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1. Service marketing as part of the new relationship marketing

Services are a major component of every national economy and their contribution to the development is in progress. Services contribute an average of more than 60 percent to the gross national product of the industrial nations, but they are also rapidly moving to the forefront in many other nations as well, accounting for 69 percent

in Mexico, 66 percent in Argentina and South Africa, and about 50 percent in Thailand. Even in the least developed countries, services typically contribute at least 45 percent of GDP. Table 1 shows the importance of the service sector across the world.

Services across the world in 2002

Table 1

Country	Service as percentage of GDP	Percentage of workforce in services
United States	80	83
Belgium	75	73
Denmark	75	79
United Kingdom	73	74
Australia	72	73
France	71	71
Germany	71	63
The Nederland	70	73
Canada	69	74
Austria	69	67
Finland	69	76
Luxembourg	69	90
Sweden	69	63
Italy	67	67
Spain	68	64
Portugal	65	60
Greece	64	63
Kenya	63	n/a
Japan	62	65
Brazil	59	53

Romania	44,6 ¹⁾	-

¹⁾ 2003

Source: Czinkota, Ronkainen (2004), p. 472.

At the same time, customers are more demanding, expecting more value and benefits from the services they buy. The customers become more powerful in their relationship with service providers. This is a very strong indication for the service providers to recognize the leading part of the relationship they have with the customers. But the customers ask for new relationship, as the nature and the specific character require. This kind of relationship requires a new marketing, which is known as Relationship Marketing. The clear and characteristic feature of the Relationship Marketing is the cultivation of long-term mutual beneficial relationships with a defined customer group (McDonald, Wilson, 2001, p. 6). By contrast, to transactional marketing, the Relationship Marketing focuses on keeping the current customers and then to attract new consumers. At the same time, Relationship Marketing aims to understand, anticipate and satisfy customers.

The Relationship Marketing looks to engage the customer interactively in the many steps of creating value, looking for innovative ways to unlock new and meaningful benefits for the customer and then share the value so created between producer and consumer. The Relationship Marketing recognizes the key role customers have not only as purchasers, but in defining the value

they want. Previously, companies would be expected to identify and provide this value in what the company would consider a “product”. With Relationship Marketing, the customer helps the company provide the benefit bundle that consumer values. The value is created with the customers and not for them. Relationship Marketing requires that a company designs and aligns its business process, communications, technology and people in support of the value customers want. Relationship Marketing recognizes the value of customers over their purchasing lifetimes. In recognizing lifetime value, Relationship Marketing seeks to bond progressively more tightly with customers. Relationship Marketing seeks to build a chain of relationships within the organization to create the value customers want and between the organization and its main stakeholders (Gordon, 1998, pp. 8-9).

The above described characteristics of the Relationship Marketing suggest that the Relationship Marketing is defined by relationship, interactivity and long-term. This kind of marketing activity may be considered as relationship management which is creating, developing and maintaining a network in which service provider is part (Doole, Lancaster, Lowe, 2005, p. 279). Customer relationships do not simply exist; they must be established and earned.

The service provider and customers work out bi- and multilateral activities to produce and provide value, especially through an interpersonal communication. In order to be created and maintained, the relations need time. The short relationships in which customer come and go, becoming lost, are generally more expensive in the service sector. The marketing budget for attracting customers to the service provider and stimulating potential customers to accept the companies’ promises is often very large. For this reason, the marketing for protection of the customer base becomes extremely important. It is more important to focus on establishing and maintaining long-term customer relationships.

Relationship Marketing must identify and solve specific issues, meaning understand customers’ expectations, know the customers, evaluate services process, obtain a proper service quality and adequately manage customers’ relationship.

2. Understanding customer expectations, the key for performance in service marketing

2.1. Dimensions of customer expectations

Understanding customer expectations is a prerequisite of delivery superior service. The range of customer expectations may be displayed in five dimensions of the services, each one identically important.

Reliability. Customers expect the services providers to have the ability to perform the desired service dependably, accurately and consistently. This involves keeping the service promise and the reputation.

Tangibles. The way the physical facilities, like equipment appearance of personnel and the communication materials, are used by customers to judge the service. Tangibles influence service quality perceptions by offering indirect clues about the nature and quality of the service itself, and indirectly, by the usage of physical aspects in the production of service. The customers expect all these to be like they are promised and have the quality they appreciate.

Responsiveness. The customers appreciate the willingness of services providers to provide the service promptly and efficiently. To be responsive to customers means help them keeping informed, buying and post buying, too.

Assurance. This is caused by the employees, knowledge, courtesy, competence and ability to convey trust and confidence in customers. Every customer believes the reability must be doubled by the trust.

Empathy. The customers want to be very well understood by services providers. Thus, they expect the provision of caring, individualized attention, speak to them in language they can understand and listen to them.

Assurance depends more on the outcome. The customers trust the providers who meet their expectations. The tangible, responsiveness, reliability, and empathy are the parts of the provision by services, but contribute to the outcome.

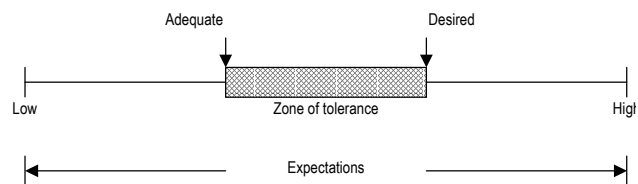
2.2. Modeling the customer expectations of services

Customers' service expectations have two levels: desired and adequate.

The desired service level is the service the customer hopes to receive. The adequate service level is that which the customer finds acceptable. It is in part based on the customer's assessment of what the service "will be", that is, the customer's "predicted service".

Separating the desired service level from the adequate service level is a *zone of tolerance*, as shown in Figure 1.

The zone of tolerance expands and contracts like an accordion, following the two expectations levels. It can vary from customer to customer and potentially from one situation to the next for the same customer. This is to say that customer expectations have their own dynamique. Because customers view reliability as the service "core", and tend to have higher expectations for it, they seem least willing to relax reliability expectations. Thus, the zone of tolerance for service reliability is likely to be smaller and the desired and adequate service levels are likely to be smaller.



Sursa: Parasumaran, Berry, Zeithamel (1991), p. 42.

Figure 1. A model of Service Level Expectations

If this is true, the opportunity a service provider to exceed customer expectations is greater with the process dimensions than with the outcome dimension. For this scenario may be credible, the factors that may cause the desired service level to rise are to be observed. The customer experience, the expectations of some affiliated party – the customer's customer or a superior – are important.

Customer's adequate service expectations seems to be influenced more by specific circumstances and are therefore more challengeable than their desired service expectations. The most important factors susceptible to influence customers' adequate service expectations are the number of service alternatives customers perceived and emergency and service failure situations (Parasumaran, Berry, Zeithamel, 1991, p. 43). If customers perceive that they have alternative suppliers from which to choose, their zone of tolerance is likely to be smaller than if they don't feel they have this flexibility. Emergency and service failure situations tend to raise customer's adequate service level temporally thereby narrowing the zone of tolerance.

2.3. Managerial implications of customer expectations of services

In order to find goods solutions, the managers of the firms providing services must take into consideration the impact the customers expectations have on their services.

First, *the service provider must demonstrate fair play*. This is to say that the company must "play" correctly, in its relationship with the customers. If so, it may be able to extend customers' zone of tolerance. This will require devoting far more attention to explaining its policy about the service and it is buying, and listening to customers and becoming more sensitive to their expectations and concerns.

Second, *the firm must be reliable, by performing the service properly the first time*. Firms that do not provide the service core that customers are buying fail their customers in the most direct way. Managers should impose a "do it right the first time" value system in the firm by establishing reliability standards, teaching the "way" and

“how” of reliability in training sessions, forming “reliability terms” to evaluate specific services for ways to reduce failures.

Third, the *firms must manage its promises*. The services providers will have a better chance of meeting customer expectations when their promises reflect the service actually delivered rather than an idealized version of the service. The hotel room, water quality, for instance, contributes to the customers’ positive and negative assessment of the hotel’s service quality.

Fourth, *leverage the process dimensions* is to consider as managerial implication. Services firms that seek to exceed customer expectations, in order to enhance their quality image should capitalize on the best opportunity, if they focus on service delivery. It is during delivery, when customers directly experience provider’s service skills and “tone” that firms are best able to *augment* the service core of reliability in ways that are differentiating.

The leverage of process dimensions involves a wide span of actions designed to enhance the willingness and ability of employees to be effective servers. These include recruiting the most promising employees, providing them with ongoing training in interpersonal and problem-solving skills as well as technical skills; empowering employees to exercise judgment and creativity in responding to customers’ special needs; measuring employees capacity for excellent service, e.g. with product knowledge tests and the quality of service they actually deliver, e.g. mystery shopper research and rewarding the most excellent servers financially, non financially, and with career advancement.

Fifth, *managers must observe that developing genuine customer relationship is a primary, controllable means for service companies to enlarge customers’ zone of tolerance*. This is maybe the most dramatic managerial implication of the customer expectations. Customer relationship provides companies with a “goodwill” or credibility factor that encourages customer tolerance.

The possibilities for relationship-based service extend to virtually all services that customers use on an ongoing on periodic basis.

Any relationship service system is to be designed consistent with some requirements, as follows:

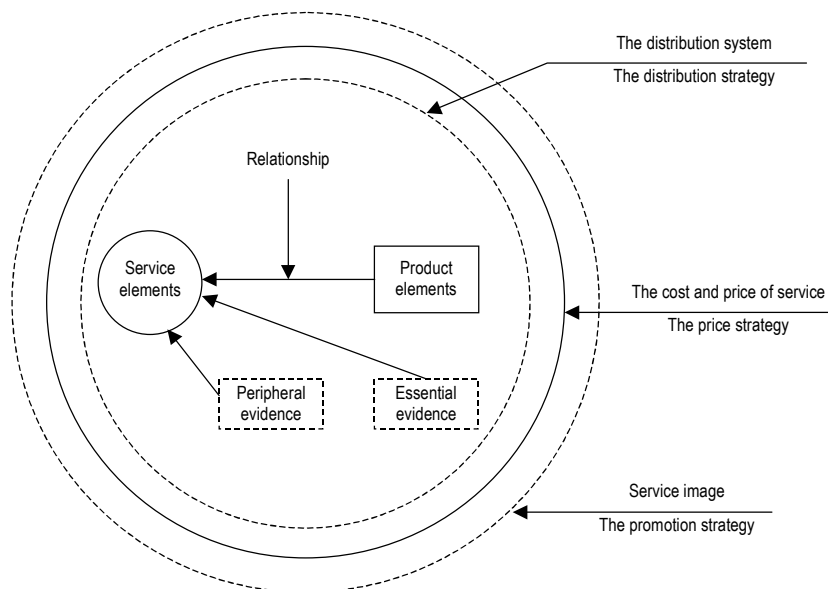
- Customers must have access to service when the need arises. Customers need to know, when they contact, how to make the contact, and then be able to actually make the contact.

- Communications between the company and the customers should be company-initiated as well as customers-initiated, that is to be flexible and quick.
- In addition to being able to tailor the service to the customers, the service providers must also be willing to do so. They must have the means, in every way: information, communication, services’ access, delivery.

3. The molecular model of service, a stimulus for marketing performance

For performance in services marketing, the starting point is focused investigation of services. A molecular approach, as a product/service combination, has a considerable merit for visualizing the complex character of a service. The molecular modeling is a flexible, easily used tool which can help the marketer better understands any market entity. First, it allows full consideration of service elements as well as product elements. Second, it offers a framework for identifying and visualizing all the parts of any complex market entity. Finally, it suggests the behavioral hypothesis that rearrangement or alteration of any element, whether by design or accident, will change overall entity (Donnelly, Williams, 1985, p. 221). This latter hypothesis has significant implications for both the planning and management of complex market entities. Thus, scientific analysis can be applied in marketing to build models and to show structure and relationship. Figure 2 shows the molecular model of service. All product and service elements have been identified and bond between elements have been described and drawn. The peripheral and essential evidence associated with each service element has been described. Finally, the remaining elements of the marketing equation have been added. They are shown as encompassing, or ringing, the entity, reflecting both their relationship to entity, and the order in which the marketer should logically deal with them.

First, service provider should consider the company’s distribution system. Services can be difficult to distribute, since service uniformity is difficult to create and maintain. Second, the company must consider the cost and set a proper price. Again, services present a problem. Finally, the provider must consider the promotion of service, focusing on a distinctive image.



Source: Donnelly and Williams (1985), p. 224

Figure 2. Molecular model of the service

As the model of Figure 2 shows, services are often accompanied by physical objects which cannot be categorized as true products elements. These objects or pieces of “evidence” play critical role of verifying either the existence or the completion of a service. A true product element never requires evidence. It is its own evidence.

These are two kinds of *service evidence*. *Peripheral evidence* is actually possessed as part of purchase, and it has little or no independent value. A debit card is useless without the funds that it represents. The admission ticket to a theatre, bus or plane serves to confirm the service, it is not a surrogate for service. *Essential evidence*, unlike peripheral evidence, cannot be possessed by the consumer. Nevertheless, it may be so dominant in its impact on service purchase and use that it must be considered virtually an element in its own right. To the customer who purchase a credit contract (peripheral evidence), the bank that “facilitate” the service has a strong impact on service perception and even purchase. Because of its importance, essential evidence may be shown in the molecular model as a quasi/product element.

Whether peripheral or essential, service evidence is at the heart of service image, advertising and promotions. Evidence must be as carefully designed and managed as a service itself, for it is evidence that provides the clues and confirmations that consumer seeks and needs in order to formulate a specific mental “reality” for the service. The management of service goes beyond what is commonly thought of “packaging”. It extends to the control and design of all tangible evidence that the consumer might associate with the service. Tangible

evidence may be people. As essential evidence of a service, people perform it. The environment in which the service is performed is another example of potentially essential evidence. Of course, evidence management can include many other items. What is important is that every tangible clue be considered for these entire have an impact on the service.

4. Service quality as support for performance in marketing

The service quality has a particular meaning for the buyer’s decision. Thus, the service provider must identify and understand what quality means for the service customer. In the 20th century, Gasvin (1984, 1987), Parasumaran, Berry, Zeithamel, (1985, 1986, 1991) suggested the multidimensional character of the service quality.

The reliability involves consistency of performance and dependability, i.e. the firm performs the service right the first time, accuracy in billing, keeping records correctly, and performing the service at designated time.

The responsiveness concerns the willingness or rediness of employees to provide service. It involves timeliness of service, i.e. mailing a transaction ship immediately, calling the customer back quickly, giving prompt service, e.g. setting up appointments quickly.

The competence depends upon possession of the required skills and knowledge to perform the service, i.e. knowledge and skill of the contact personnel knowledge and skill of operational support personnel, research capability of the organization.

The access consists in the approachability and ease of contact, i.e. the service is easily accessible by telephone (free lines no holding), the waiting time to receive service is not extensive e.g. at a bank the convenient location of service facility.

The courtesy is in relation with politeness, respect, consideration and friendliness of contact personnel, clean and neat appearance of public contact personnel.

The communication means keeping customers informed in language they can understand and listening to them. It may mean that the company has to adjust its language for different consumers, increasing the level of sophistication with a well-educated customer and speaking simply and plainly with a novice, i.e. explaining the trade-offs between service and cost, assuring the customer that a problem will be handled.

The credibility is the result of the trustworthiness, believability, honesty and having the customer best interests at heart. Contributing to the credibility and company name and reputation, personal characteristics of the contact personnel, and the degree of hard sell involved in interactions with the customer.

The security is viewed as the freedom from danger, risk or doubt, i.e. physical safety while using service, financial security and confidentiality.

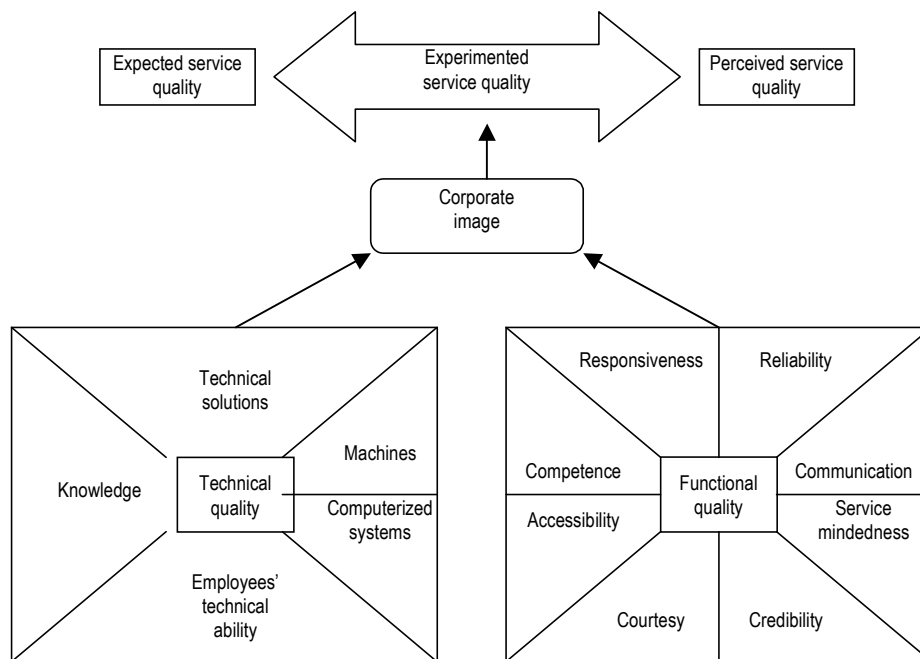
Understanding and knowing the customer are important in terms of customer perceptions and satisfaction. This means to make the effort to understand the customer's needs,

i.e. learning the customers' specific requirements, providing individualized attention and recognizing the regular customer.

The tangibles, as element of service quality, are the physical facilities, appearance of personnel, tools or equipment used to provide the service, physical representations of the service, e.g. plastic card or bank statement, other customers in the service facility.

As it is stated above, the customers of a service firm do not perceive the results of the service production process only, i.e. what they have got when the buyer-seller interactions are over or the called *technical quality of the service*. They also perceive how the end result is transformed during the buyer-seller interactions, i.e. the so called *functional quality of the service*. The technical or objective quality of the service depends on the tangibles and on the conformance to the established standards and requirements. The functional or subjective quality of the service is the final perceived outcome as a result of the termination of the buyer-seller interactions. As is indicated in Figure 3, the objective and subjective aspects of the service quality are in close relation with the factors which may exercise influences over it.

As Gronroos (1998, pp. 10-13) suggested, the customers perceived good service quality using six criteria, as follows: professionalism and skills, attitudes and behavior, reliability and trustworthiness, recovery (correction, ability), reputation and credibility.



Source: Adapted from Block and Zeithame (1985), p. 42

Figure 3. A model of service quality

The customer makes use of three assessments in order to judge the service quality, i.e. the expected quality, the

experimented quality and the perceived quality, which are displayed in Figure 4, as a service quality process model.

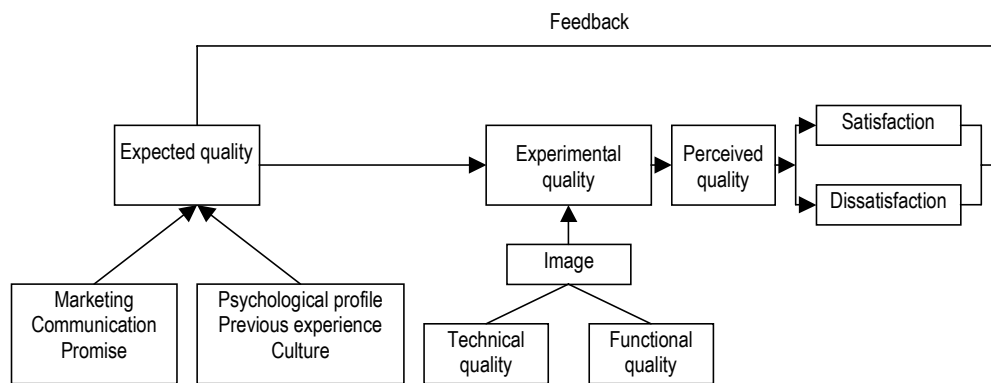


Figure 4. A service quality process model (A process model of service quality)

5. Service Customer Relationship Management

Attracting and maintaining the customers are the primary goals for the professional management and marketing. Maintaining and increasing the customer base into the service provider's portfolio is aimed to intensify the efforts for the lost customers' replacement. Service customer management should take into account the relationship character of the service marketing. The focus on retaining actual customers is the first objective, goal of the service relationship marketing. In order to reach this goal, service companies should be prepared to spot customers who leave and then analyze and act on information they provide. In other words, the service customer relationship management should pay attention to the specific things that are causing customers to leave.

Defections analysis is an important way to identify the number, the rate and, more important, the reasons for leaving. Customers who leave can provide a view of the business that is unavailable to those in the inside. This may be used as an early warning signal, to learn from defectors why they left the service company and to use that information to improve the business (Reichfeld, Strasser, 1990, p. 109).

Unlike conventional market research, feedback from defecting customers tends to be concrete things like attitudes or satisfaction, which are changeable and subjective. Defections analysis involves specific relevant questions about why customer has defected. The information obtained by this kind of research is useful in a variety of ways. It may be a clue that the

competition is under pricing the company services. This information can also help service companies decide which service quality investments will be profitable. Achieving service quality doesn't mean slavishly keeping all customers at any cost. If particular customers don't stay and become profitable, service companies should not invest in attracting them. Conversely, much of the information used to find defectors can point to common traits among customers who stay longer. The service company can use defection rates to clarify the characteristics of the market it wants to pursue and target its marketing efforts. More, having the entire company focused on keeping profitable customers is important for management performance.

Trying to retain all the profitable customers is an elementary objective. Managing towards zero defections is revolutionary. It requires careful definition of defection, information systems that can measure results over time in comparison with competitors, and a clear understanding of the microeconomics of defection. Ultimately, defections should be a fundamental component of incentive systems. Managers should know the company's defection rate, what happens to profits when the rate moves up and down, and why defections occur. They should make sure the entire organization understand the importance of keeping customers and encourage employees to pursue zero defections by trying incentives, planning, and budgeting to defections targets. Most important, managers should use defections as a vehicle for continuously improving the quality and value of the services they provide to customers.

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Applying for a New Paradigm. Not Anti-globalization, but Alter-globalization?



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*“Two excesses: to exclude reason,
to accept nothing but reason“*

Pascal

Abstract. *the alter-globalization opposed not only to the present globalization but also to anti-globalization.*

Why? Which are the essential arguments in this direction, what does the alter-globalization rely on, as well as its criticism in the field of present day globalization? Why is it often stated that alter globalization can constitute a component in the building of a new paradigm that our world however needs so much?

These are the questions our article is trying to answer underlining a Romanian point of view as well.

Key words: alter-globalization; development; discrepancy; prices; market; globalization.



“The international capitalism is however individualist...it is not a success. It is deprived of intelligence, beauty, virtue and doesn't keep its promises. In short, we dislike it and we begin despising it.

But when we ask ourselves how to replace it, we feel puzzled. With what can we possibly?” Gilles Dostaller, a well-known economist and French politician analyst, quotes the great John Maynard Keynes, in his book:” Keynes and his fights”, Albin Michel, Publishing House, Paris, 2005. Indeed, very realistic and non-communist, the master from Cambridge, the one who will be ennobled by the British Crown, and will lay the foundations of the monetary system from Bretton-Woods, which” saw” and examined the most of the real evils of capitalism-unemployment, inflation, huge differences between incomes, poverty. Keynes didn't intend to replace it, but to improve it with the view of keeping it socially effective on a long term. Such statements and upheavals were specific of the 4th decade of the last century and were maintained

in a vivid confrontation of ideas up to the present moment. According to all clues they will maintain like this further on.

1. We have, however, to deal now with a new period of changes, changes produced through the centuries, stirring the “depths” and released at the surface, opened no doubt in the year' 980, last century. It's about mondialism, the process we often referred to.

Briefly, it's about the unbelievable proportion of the external exchanges between the countries, about a large and overall traffic of the capitals, in searching for the highest advantages, a traffic that surpasses steadily that of the goods. It's about a spectacular increase of the multinational companies and their interconnections, among these ones economies, too, activities developed under specific rules however.

It's about a huge increase, through all these, of the profits, of several desirable individual or group advantages.

The faults that Keynes invoked for capitalism in '930: that it is an individualist capitalism, unjust, that doesn't

respect its promises remained valid but from another angle nowadays as well. Or such well exploited, well turned to account elements have done and are still causing the genesis of a current opposed to globalization: the anti-globalization. In our opinion, to be anti-globalist and only, without other aspects and necessary specifications, without stating considerations which can open another road for the research, means only the opposition to a phenomenon, which through its universality, its substance, regarding the movement of the 21st century and the next, proves to be unavoidable.

Who will stay away from the globalization process will eventually suffer or will have to suffer important negative effects, sometimes much bigger than the ones provoked by a certain globalist integration.

The humanity is confronted with terrible global problems – the environment, the climate, the pollution, the global warming, poverty, violence, terrorism – where necessary reactions are needed, global answers, as the national or communal, local answers do not suffice.

We certainly encounter and face globalization. But what kind of globalization, that globalization that sometimes deepened and still deepens the differences in the development of the world, strengthened and still strengthens, consolidated and consolidates the borders between the rich and the poor, keeping active the conflict areas in the world, influenced and still influences the environment till endangers the survival of the humanity or the human being?

I don't think it's about this thing. There are not a few economists of very many European states and from the world, too, that share the opinion that we do not need an anti-globalization but an "alter-mondialism", that is more individual profitable, more socially profitable. But what kinds of reasons are, therefore, launched?

2. It's obvious that the present economic system of the world proves nevertheless international. Since the XVth century and even earlier, the "long distance" merchants acted surpassing the borders between states. The Hanseatic League, the Venetian and Florentine bankers and merchants, the Fuggerii, the Rotschild's later on, the great American enterprisers show it very clear. Actually, till it led to the multinationals there weren't needed many steps, even if it took centuries.

However, as Fernand Braudel writes, it was and it is about an international capitalism, but less about a global capitalism.

Because, as the renown researcher stresses, it a lot of persons and territories lived and still live "out of time." As Christian Chavagneux shows, too, there neither did exist and nor does exist a capitalism with a capital "C", there exist capitalist systems which were invented and reinvented by most nations according to their history and the political and local social compromises. In the dynamic and geographical extension of the capitalism, «the national

fact» was and is well uttered. In this respect the politholog François Bayart writes "The internationalism of capitalism itself created and developed the national states: starting with the XIXth century the globalization went along and goes along with the universality of the state as a way of political organization and creation of a global system of hierarchical states". In fact Bayart points out that the states and the capitalism haven't listened and don't listen to contradictory logics, but are submitted to the "dynamics of the couple." Thus it is said significantly.

Further on. Our partly globalised world is however an "individualist world". Everyone for "himself" remains a past, present and surely a future motto. An "everyone for himself", that doesn't refer only to the individual level. Those specific words glow and shine at the states level, institutions that not once were involved in confrontations with each other – often not so widely spread, reduced to stormy negotiations, it is true. It is not an absolute rule but it starts to become an almost characteristic phenomenon. And all this in spite of the fine polishing of some asperities at the level of the unions, communities, the groups of different states. Other asperities persist and are found in the most violently way sometimes, though not confessed revengeful, precisely within the frame of the relations among the groups we mentioned.

Anyway the realities didn't fail to point out that the "competition of everybody against everybody" fed and still feeds the injustice of the capitalism as such. From a practical point of view the inequalities between the most developed states and the most poor haven't ceased to progress, for 40 years. And the inequalities and social discordances within the rich states as well.

What does the statistics show? For instance the USA, the true champion of contemporary capitalism of present civilization with a democratic system that everyone could envy, reveal the highest level of inequalities among the rich states of the world. It is only 1% of the richest population that sees a progress in its position, thus the gape being deepened not only for the "hopeless" but also for the middle classes, whereas the budget for the food payment for poor children is decreasing. In France, with a social system alike in essence but different in details from the USA, poverty persists and is far from being limited only to the outlaws of the society. "The poor of today are working", an analyst of Jacques Rigaudiat's rank stated, the rise of the poverty among the employees proves to be the new fact of this period, there is a deep degradation of the wages candidature, too". Christian Chavagneux is writing the same, too:" for the new capitalist powers, as well: the inequalities between the incomes and the regions are strong; they often increase. Eventually, go to Southern Italy, to Naples where you will see what poverty means in a country that is a founder member of the UE. What can we say about Russia that is globalizing itself, but globalizes with a lot of harmful elements, as well...

These are realities, elements, processes which not only are unpleasant but can generate, through successive accumulations, in time, real fractures or even earthquakes. Let's think of what is happening in detail to the less developed countries, states strongly disadvantaged without real chances to progress, can we think of what conflict centres these conditions can generate? These kinds of states that the globalization didn't provoke "at nuce", but has amplified them, amplifying the cultural and civilization fractures, among the different societies and within them, themselves? But the change of the earth climate, it's global warming, caused by the exploitation of the forests, the irrational exploitation of the resources, the pollution and the nixes? These processes are generated by the running after profit at any price, not taking into account the man-environment relationship. We also have in mind the overuse of the hydrocarbons only, with all the terrible consequences that this fact provoked, and still provokes, powerful pressures of all kinds, among which conflicts and wars, etc. Taking into account the interpretation of the human condition, of a certain human condition, connected to the material elite, from an economic view only, of the individual profit, of the "homo oeconomicus", when it has to manifest itself, as well as, eventually we can not exist, otherwise – and "homo socialis" and "homo culturalis".

Let's think of all these but also about the necessity of some changes, the changes in progress, the fact that the Anglo-Saxon type of capitalism, brutally dominated by finances, money, punctual profit, a lot of inequalities, even if it is used and respected it doesn't represent – It is often stated – the exclusive horizon, strictly indispensable for the old continent. In fact we have to deal with not only one but 6 types of market economy: Anglo Saxon, West-European, North-European, paternalist, social market economy, and the market economy oriented exclusively towards – and dependant strictly and integrally on – the exterior. It is basically about a *genus proxima* and a *differentiae specifica*. There is and will be a convergent movement towards a globalized economy, a "world economy" as such. But how can this be achieved?

Could it be accomplished solely by extrapolating a single type or through the spinning movements, through the harmonious fusion and the sublimation of all the economy types that were mentioned?

As Chavagneux showed "North Europe proves that it can liberalize in economy, being innovative but protecting the workers. How much protection is there for the workers? This depends on a certain amount of civilization of that kind of economy, on a certain philosophy and a culture of it. At the same time he writes "the newly emerged capitalist powers, like China and India as leaders, prove that the economic rise can meet for along time with the hope, framing strongly the movements of the international capitalism".

A conclusion could be drawn in this sense, that "each society should organize its capitalism, integrating the

actions promoted at regional and global level". On the other hand the substantial, long term truth could be on "the middle way". Here there are some examples of the interest's core, of the foundation core, at present in trend, of an "alter-globalization" of another „globalization".

3. A first victory against the "plundering elements" of the capitalism is not to forget that life means not only the contribution of each person to the economic system. This latter one is necessary of course but not exclusive in the desired and necessary evolution of the individual, as Christian Chavagneux writes. Alain Caille, the sociologist, states as well that it is important not to favor the economic, not to consume it solely, but to place it on the right place. Which will this place be? Among the priorities of his political programme "The poverty within the richness", proposed in 1925, by lord Keynes, placed the economic on the 5th place after those occupied in order by peace, governmental organization, sexual issues, and the fight against drugs, eventually on the 4th. On the fifth as we said was the "economic".

...And we find ourselves merely in 1925. It was then, when the peace, though frail, seemed to have a pretty longer time expectation. It was then, when the governments except Germany and some of other countries seemed to have undoubtedly a real authority. It was then, when the sexual issues, despite "Les annes folles", didn't cause by far the reaction they have today. It was then, when the drugs, usually "soft", were taken especially within the frame of the high society, in intimate, bored, "affected" relatively close circles, more like a fashion than like a remedy against a lost battle with life by the youth, especially, nowadays. It was then when we could hardly talk about the big industry of the drugs, which manifests at present with an intense noxiousness, on large areas, and with a huge social cost for the humanity, too...

Was Keynes rambling in his speech by his mentioned classification? Even if we do not approve of classifications, but of the ones that appreciate the development as a systemic process where all the things are equally important, some priorities existing of course, we are tempted to consider valid his statements. A researcher sees in them not only a hierarchy as such, but also a superior understanding of the complexity of life.

A complexity in whose frame the economy constitutes naturally a fundamental dimension.

In a world – a system – in which money constitutes the "immanent water" which irrigates the system, as Alan Smith showed, it is obvious you can not do anything without money, "emerged not from the costs, from the expenses but from the profit", from performance, from the capacity and the speed of movement to respond to the market operatively, to value and detect the performance areas, all these representing "resources" that can be covered by costs.

Therefore a fundamental component is the economy, but not the only one.

The more so as in the present days world from a planetary perspective – a perspective that doesn't abolish the competition, but assumes its correctly developed – there can not be, there are not allowed any wastes of the resources – waste that brought us to the present state of affairs – with purposes that are not justifiable from a social-human angle or so. Here is the humanity, humanism regaining as a matter of speaking a first level of significance. We do not turn our face to the past but we take into account the traditions, its wisdom. In such a social and economic frame we notice more concrete the alter-globalization approach, the one rational and temperate, an approach beyond other ideologies, alter-globalist themselves, that propose nice but utopic targets, without indicating the resources that can be used in order for these targets to be achieved.

4. In fact what does the alter-globalization represent and what does this movement refer to? The encyclopedic article "Alter-globalisation" is amply studied by Wikipedia the free encyclopedia with lots of considerations some with a didactic connotation, some more literally.

Hence, the alter-globalization is an ensemble of conceptions formulated and defended by the partisans of the alter-globalisation. It is in fact "a movement of the civil society, of a part of this society that fights against the new liberal pattern of globalization, pretending a better and more careful way towards the human being and environment. All these themes and ideas are found in the texts of different organizations and institutions of the alter-globalization movements, manifests or reports elaborated by mondial social organizations, some texts of UNO regarding the human rights, taken over by alter-globalist reformers, within the frame of which they advance reforms, projects, actions, etc. The Alter-globalization, more exactly the alter-globalist movement, proves to be a "heterogenous general approach requesting that the total of the humanist values obtains and takes over certain preponderance and prevail with regard to the economic logics of the neoliberal globalism."

It refers especially to the "economic justice", understood sometimes, as it is stated in a confusing way, without the clarifying and shading of the necessary aspects. What is in fact the economic justice, whose justice is this and what are we talking about? Referring is made to the autonomy of the peoples, especially in the case of federative and preponderously multinational states asking for some economic requests to be respected. It refers to the protection of the environment, too, especially to the firm obeisance of the imperative of the Kyoto protocol, the firm obeisance of the imperative of the fundamental human rights. In this last meaning they militate, especially, for equality in work and what concerns its reward, between men and women, for decent work conditions, etc.

It is also taken into account the request of accomplishment of some democratic demands according to different political orientations.

A certain democratization of the international courts, the integration of the World Bank and the International Monetary Fund within Outré building of a political organization of the world, with a right for decision equal to the rich or poor countries, and with a real presence of the women is being aimed at.

The prefix "alter", as it is shown in Wikipedia and some other works, too, was initially introduced in Belgium with the purpose to make the difference to the anti-globalization, and to the anti-globalists, a largely and firmly contestant vision and that only.

There is some confusion sometimes for many relatively more ignorant people, the term representing they say a francophone term for anti-globalization. Not by far. But let's return to our point. Politically, the alter-globalization movement oscillates between a Western reformism and the" image of a real fracture "the two components "being reunited around the motto: another world is possible" or very recently around the slogan "some other worlds are possible". In fact it's about a criticism to the internal organization of the status and the politics of the global organizations like OMC, IMF, G8, World Bank and the exploring and emphasis of the alternatives, global and systemic to the international order especially in the field of finance and commerce.

Reaching to the next level, the movement caught some roots, little by little during the entire XX-th century. The really larger impact was in fact in the beginning of the '90s last century especially in the Southern states along with the fight for the diminishing of the 3rd world debts, with the fight against some precautions of the Organization of the Commerce, against the precautions taken by IMF. But it was rather a feeble movement, especially for this reason less perceptive than in the Western world. A Western world which through his force and example will bring the communist system to an end, the former communist states advancing with more or less determination, but advancing towards the market economy.

But after 1994, however the alter-globalization, aiming at the "common Denominator" of the present capitalism with its qualities and flaws, started to manifest as a stronger, less and less neglectable force in Europe, USA, and in Coreea within the frames of the critics many times real, aimed towards the dimensions of the unemployment and the questioning of the social protection's at a level, considered by the most specialists as necessary. The manifestations in Seattle, USA, 1999, will represent the first broadcast alter-globalist movements, according to official sources.

They were followed by a first Social World Forum, an alternative to the Economic Forum from Davos, but also by a great Meeting in Italy, in Genoa, against the G8 summit.

There were then the social forums that took place almost every year: Either Porto Alegre (2001, 2003), Mumbai 2004, or other cities on the globe. In November 2002 the Social European Forum from Florence unfurled, concerned with

the identifying and promotion of European interests of specifically alter-globalist type. Here, in the famous Italian city, a valuable cradle of art and European humanism, 450 Thousand-1 Mil. persons gathered to fight for another world, to protest against the Irakian war. Being more than mere occasions of exchange, the social forums as mentioned above sometimes –accompanied by violent reactions from the demonstrators and from the authorities, too, with dead and injured, many injured policemen, etc. – became favorite areas and moments for the manifestation of the altermondialism.

They are more and more frequent lately, becoming respectively global, continental and local.

But which are the forces of this movement, as such, which are its orientations, more or less just, presented like “another globalisation”, which is the critical perception of the movement?

5. The alter-globalists in their sometimes confused and contradictory manner of expressing themselves reunite persons with very different horizons: for instance peasantry-farmers, popular fractions, the bourgeoisie from the south, the unemployed, the poor, the workers with small and humble incomes from the industrial states.

Eventually, the work trade unions and trade unionists from the education system, associations of, several famous researchers, from both hemispheres, this time, a lot of young people, ecologist movements, anti-militarist movements, some Marxist or Keynian movements, sometimes anarchic currents, etc. Precisely of this reason, of the ideological dispersion is the alter-globalization also called the “Movement of movements?” It is not organized on a concentrated level, that specific movement reflecting more a horizontal functioning, refusing any vertical hierarchies. However, it follows the development of international networks.

But who are the alter-globalists and how do they legitimate, generally? According to Wikipedia, there are some specific orientations. There are the anti-liberals and anti-neoliberals, rising against the pattern of the “free exchange” and wishing to reform profoundly the principles of the economic logics, on the basis of some traditional social and moral criteria.

The Marxists and the anti-capitalists defending strongly a certain way of capitalism, but faithful to their traditional opposition against the economic capitalistic globalism, the bourgeoisie’s orientation, as he states, promoting the globalization of the people’s action, of the action of the proletariat, according to a social and solidier pattern. We have then the “sovereignists”, the nationalists that wish to protect the nation from the neoliberalism of the markets that destroys the borders leading to social insecurity, social dumping, and unemployment, especially, etc. they supporting thus protective measures of national and regional interest in economic matters. The exegetes and also the critics of the alter-globalization reveal 2 elements in this respect: a) the alter-globalists mentioned above, must not be taken for the right extreme, their message

being completely different; b) they prove to be pretty soon anti-globalists. Eventually the pacifists with rational, judicious ideas fight against nuclear weapons, for the applying of the pacifist treaties, to stop the global warming. There are hence the ecologists that fight for the protection of the environment and its natural resources with regard to the great dangers produced by the industrial society. Then, last but not of a less importance, the libertines, that disconnect themselves from the rules, sometimes more than necessary. But many reformers, generally of a moderate tendency, some of them even partisans of free exchange, but promoting the thesis according to which the market should be regulated, in the first place according to the social and environmental imperatives – for instance, the ‘‘principle of the nutritive sovereignty’’, etc.

Certainly, there is an obvious absence of theoretic and practical homogeneity. Thus, some kind of an ideated “Babel Tower”. In other words, great difficulties in the building of a political, complex, general, coherent, complex and unique programme and in the orientating of the specific partisans towards a single way, common for everybody. Sometimes the alter-globalization movement with its speeches, messages, idealistic approaches regards itself as a “motor of the social fight “, assigning as a main adversary the ideology of the neoliberalism, the actions and the facts of the latter evolving in the light of the neo-liberal movement. These are pretty complicated matters, basically exploiting more of those specific failures of reality. The criticism of the alter-globalists are aiming at –we have referred, now we extrapolate – especially “the finding of an «ecart» of poverty and domination among the states of the North, especially the South-Saharan region, many countries of Asia, from South America, the almost complete «dephasation» of these last in relation to the first. Such kind of criticism is preoccupied with the huge gap between the richest and the poorest” well presented in the whole world.

Those specific pieces of criticism are preoccupied with the “ecological insecurity”, with various effects accumulated in time, strongly negative in what concerns the survival of man, consequences caused by the industrial pollution, the green house effect, chemical and nuclear weapons, “the OGMs”, etc. There are unmediated, accused big transcontinental companies of “favorizing, directly or indirectly, the private interests in relation to the general interests”, aiming at substantial profits at the disadvantage of the social and ecological factors, of the human being as such, for instance, the negative externalities, the difficulties of appliance of the protocol from Kyoto. In such a frame there are critical approaches, especially in what concerns the politics of delocalization. Politics – according to the thinking of many alter globalists – negative for the developed states of the world, especially – threatening here the stability and the degree of occupation, the social security and the wage minimum. Therefore, even more negative for the Southern countries, as such delocalization

encourage the social dumping and even quicker the exploitation of the South by the North instead of the local development of the countries in the South.”

6. Especially having in mind the eradication of the mentioned causes, of the consistently bleak effects “cause” especially because of the perspective of the neoliberal dogmas” the alter-globalists aim at their reforms and alternatives according to the so libertine world we live in nowadays. They want something else, too, instead of the “globalization through the market”, globalization that they do not consider similar to the human progress, the latter being, according to them, equitably profitable for all. They appreciate and state it as often as they can – that the inequality and the permanent poverty in the world represent “perverse effects of the free globalised market”. The market reduces and will reduce even more the products and activities – according to the alter-globalists – only to their commercial value, thing that is not fair. The compensation should be constituted by the – “instances that are exterior to the market as such, as well as the states, their institutions, many international organizations as well as the civil society, without many statements being made about the specific representations. On the other hand, the alter-globalists aim at, though favorable to the development of the international organizations, the attack of those world organizations that seek to privatize everything, to reduce the vastness of public services, the access to them, which have as a target the limitless liberalization of the economies”. There could be thus, built “a preliminary condition to the building of an alternative globalisation founded with the power of the peoples and a new conception regarding the lasting development”...

The alter-globalisation has been massively criticized on its turn even of many fields, by the politicians, by the favorable economists obviously to a certain exclusivism of the free market. There is reproached to the alter-globalists a weak, incomplete analysis of the economical indicators, “thin” conclusions, the prevalence of a humanist discourse without an economic covering”. The French Zaki Laidi, in his volume “the Great Perturbation”, stresses expressively: “the capacity of an alter-globalist movement to propose alternative solutions remains extremely scarce.” Further on, to the Indian economist Jagdish Bhagwati “the alter-globalist requests against the free exchange are connected to the fall of communism, the only ideological rival of capitalism. This episode created a void for the “idealists whose social conscience was feeding and still feeds from the convincement according to which the capitalism is a

source of injustices”.... The criticism of the alter-globalist focuses too much on the negative aspects of the globalisation, by neglecting the good results.” The alter-globalists underline some positive effects, too, of the globalisation but place under the sign of doubt other aspects that generate mostly positive reverberations. In the terms of the occupation, for instance “the destruction of the industrial jobs is not related to the creation of occupations in other sectors.” And, it is certain that this kind of referring can continue.....

7. What is interesting is that more of the arguments of the alter-globalists are not to be neglected at all. They must be taken into consideration in the efforts of the specialists from most of the countries of the world to build a new paradigm of the development, the current one, we discover ourselves confronting with huge problems such as pollution, the global warming of the earth, the vulnerability of the human being, etc., huge problems that lift a series of change to the rank of pronounced, imperative necessities. Anyway, it could be accepted – It is shown in not a few studies and articles – that the alter-globalist movement constitutes at least an important intellectual reflection on the today’s world. The reform that is to be accomplished but that requested for UNO, the open debate in what concerns the status and the functioning of the World Bank and the IMF, by the neo-keynians, among which the former vice-president of the World Bank, the American Joseph E. Stiglitz, the public opinion of the Southern states, especially of Latin America, manifested often very firmly, against globalisation, the pressure of the Southern states within the frame of the World Organization of Commerce, some series of real phenomena and processes in our world, as well as “poverty as malaria”, punctual interests that prevail and despise, loathe even general, popular interests, etc., are arguments that prove it. It is eventually not only about an intellectual reflection, possibly insufficient regarding the pressures and depressions on the earth, but also about actions meant to render it a practical consistency.

...In the ‘930s, the famous gangster Al Capone was saying: Capitalism is the legal racket organized by the leading class.” He had some experience in making such statements. But what could “poor” Capone state about a society that fought with him, that always aimed at destroying him and succeeded at last, hard but it did succeed? It was only the ‘930s, many things changed to the best ever since to date... Anyway, it is good not to have any kind of argument to believe a little the gangster. Let’s hope that it is possible taking into consideration the possible critical taking over of some “alterglobalist” theses....

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Assessment of Economic and Social Impact of Ecological Policies in Danube Delta

■

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Abstract. *Impact assessment is a component of ecological policies assessment in Danube Delta and represents a preventive measure to make sure the some criteria are met based on which the designed ecological policy is accepted or not, such as: economic efficiency, equity, stimulative feature, applicability. We will restrict our evaluation to assessing the impact of the due on fish resource capitalization. This option is also justified by the fact that in the Danube Delta the highest human pressure is exerted on fish resource. The due on fish resource is an instrument of ecological policy that influences the model of fish resource management. The five forms of impact of due on fish resource are underlined: alimentary discomfort, reduction in workers income in collecting activity, lifestyle change, fish resource protection, increase in workers income in specific fields, such as research, investments. Weighting coefficients of parameters for each of five forms of impact are calculated with Delphi method.*

Key words: resource; impact; due; frequency; weight.

■

Impact assessment is a component of ecological policies estimation in Danube Delta and represents a preventive measure to make sure the following criteria are met based on which the designed ecological policy is accepted or not:

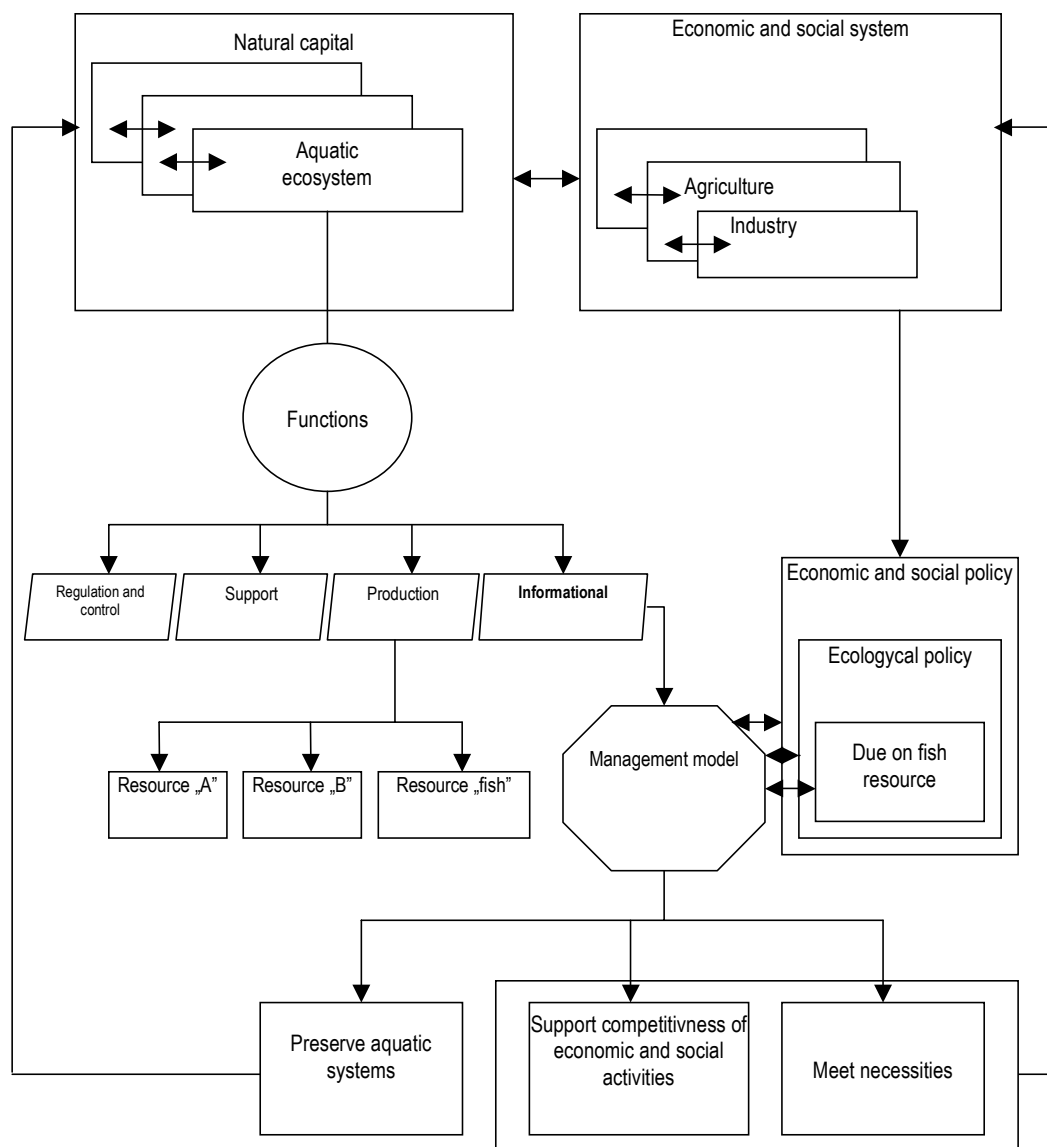
- economic efficiency,
- equity,
- stimulative feature,
- applicability.

Taking into account the approach of this issue, we will restrict our evaluation to *assessing the impact of the due on fish resource capitalization*. This option is also justified by the fact that in the Danube Delta the highest human pressure is exerted on fish resource.

The general framework to identify, foresee, normalize, proper evaluate and communicate the impact of “due on fish resource capitalization” is the one establishing the relationship between the natural capital and socio-economic system (figure 1).

The due on fish resource is an instrument of ecological policy that influences the model of fish resource management so that it meets the requirements:

- preserve aquatic ecosystems,
- support competitiveness of economic and social activities,
- meet necessities.



Source: Negrei, C., Trică, C., *Economia și gestiunea resurselor de apă*, Editura ASE, 2005

Figure 1. Determinant factors of fish resource management model

Identification of “due” impact is based on the following *argument* (figure 2): establishing the “due” determines, on the one hand, *cost rise* in accessing fish resource, and on the other hand it determines the growth of *budgetary incomes*. Based on the possibilities of the entity that exploits the fish resource to “transfer” the due cost to final consumers, it could register a *rise of delivery price* of fish, or/and a shortcoming in its profitability. According to the rules of competition market, price rise will be reflected in a lower demand for fish, so that, finally, the resource *will be protected*, but against *affecting the alimentary “comfort”*.

The reduction in profitability will determine some measures in rationalizing the expenses of accessing fish

resource which can lead to a reduction of employment in fishery (and not only) that will be reflected in income loss of workers, as well as in changing lifestyle (fishery in Danube Delta is more than an activity, is a state of mind).

The increase of revenues from the “due” represents an important premise for strengthening and increasing jobs in field research, as well as in specific investments, Reserve administration, due collection respectively for *increasing workers incomes*.

The contradictory impact of the “due” on workers income should not be analyzed just from a compensation perspective, because income lowering affects the poor categories, and it will give the ecological policy an *aggressive character*.

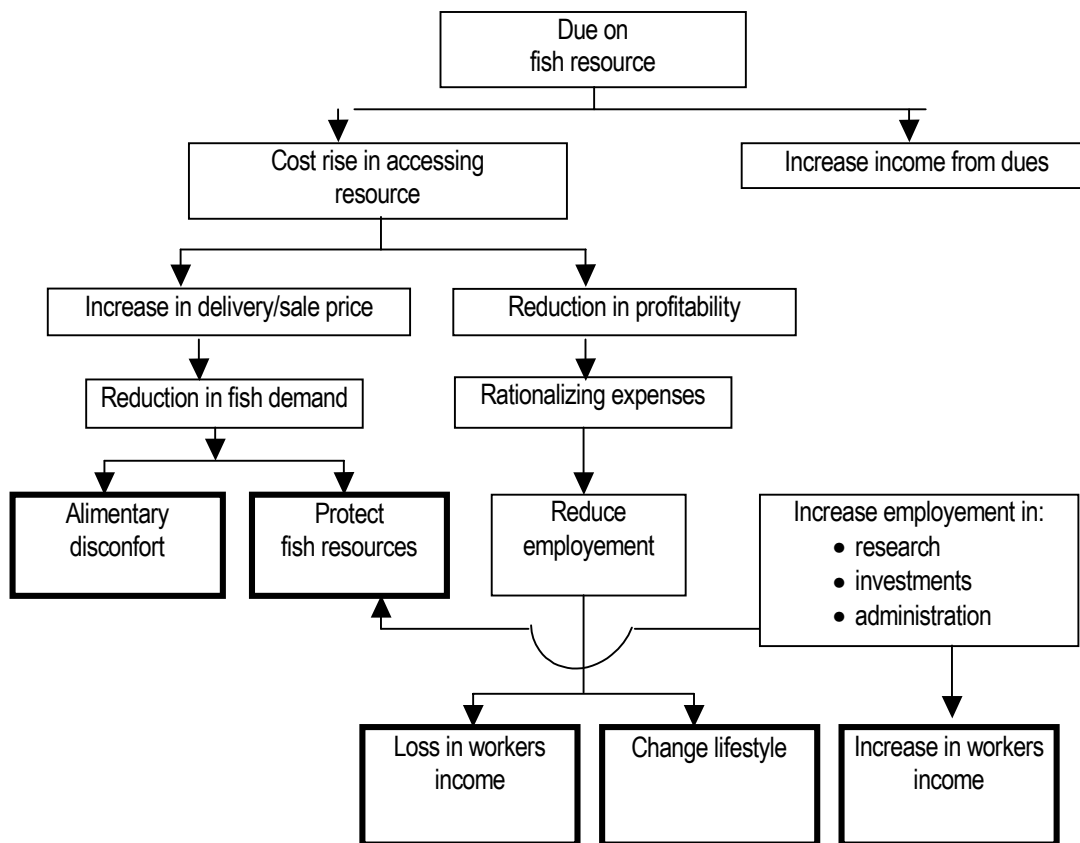


Figure 2. Identification impacts of establishing dues on fish resources in Danube Delta

Foreseeing impacts will have as starting point a series of functions (figures 3, 4) which connect the variables described above (figure 2).

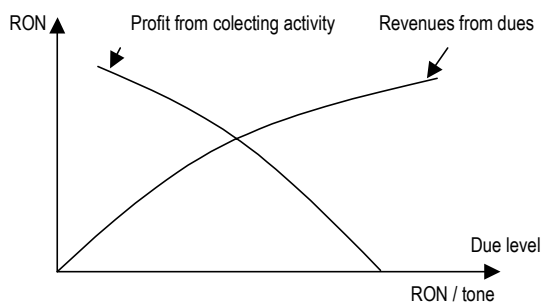


Figure 3. Evolution of profit from collection activity and of revenues from dues, based on due level

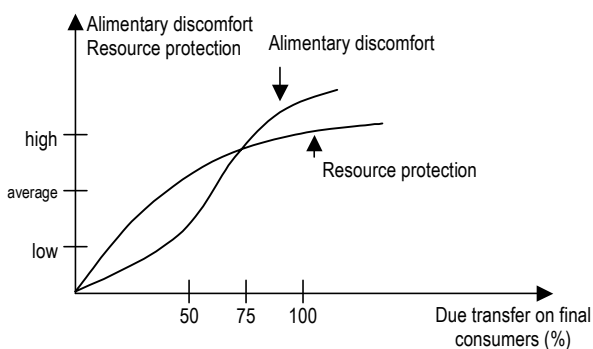


Figure 4. Evolution of fish resource protection and of alimentary discomfort based of due transfer

In Figure 4, five forms of impact of due on fish resource are underlined:

- alimentary discomfort,
- reduction in workers income in collecting activity,
- lifestyle change,
- fish resource protection,
- increase in workers income in specific fields, such as research, investments, etc.

To evaluate the impacts we will limit the study to establishing their importance, which will allow us to find the acceptability level for the dues and/or to order different possibilities of the project; we underline, in this respect, the necessity to differentiate the variants based on:

- Level of transferring the due to final consumers;
- Economic and ecological value of different species of fish;
- Population dynamics of different species of fish.

Establishing the importance of each mentioned impact will be based on the following parameters (Negrei, 1999, p. 211):

Quantitative and qualitative level of environmental impact parameters

No	parameter	Symbol	Qualitative level	Quantitative level
	Content	C	Advantage	1
			Damage	-1
	Intensity	I	Low	1
			Average	2
			High	3
	Extension (area of manifestation)	E	Punctual	1
			Semi-diffuse	2
			diffuse	3
	Producing moment	M	Immediately	3
			Mid term	2
			Long term	1
	Duration	P	Temporary	1
			Permanent	3
			Impossible	4
	Reversibility	R	Long term	3
			Mid term	2
			Short term	1
	Flexibility (adherence to corrective measure)	F	In design phase	1
			In implementation phase	2
			In operation phase	3
			Absent	4

The “Scale” used to express quantitative the impact is aleatory and does not allow its conversion in measurable units, but only setting these impacts in order, which is very important in alternative selection process (establishing impact values is a an expensive action and that’s why it will be bade only for the chosen alternative).

After establishing the weighting coefficient for each of the seven parameters, we can calculate the importance of impact using the formula:

$$Z(x,y) = C(i \times I + e \times E + m \times M + p \times P + r \times R + f \times F),$$

In which:

Z(x,y) = importance of impact of x and y co-ordinate,
 i, e, m, p, r, f = weighting coefficients of impact parameters.

Weighting coefficients of parameters for each of five forms of impact are calculated with *Delphy method* (by consulting specialists from analyzed fields), using one of the following technics:

- ordering by means of ranks,
- classification by means of a proportion scale,
- comparison in pairs.

The importance of global impact (Z) of “due on fish resource” will be calculated using the relation:

$$\sum_{i=1}^5 \alpha_i \times z_i$$

in which a = impact importance coefficient “i”, established using comparison in pairs technics.

Classification by means of a proportion scale (usually with values from 1 to 10) is based also on the criterion of weighting each parameter, but respecting the following algorithm:

- Each element is appreciated by each expert with a number of points between 1 and 10

Number of points given to each element (or expressing parameter of it)

Parameters “j”	Members of expert team “i”					
	1	2	i	m
1						
2						
.						
.						
j				a _{ij}		
.						
n						
	$\sum_{i=1}^m a_{ij}$					

a_{ij} = number of points given by the expert “i” to parameter “j”.

- The weight of points, for each parameter, in the total number of points given by an expert to the “n” parameters

$$V_{ij} = \frac{a_{ij}}{\sum_{j=1}^n a_{ij}}$$

The weight of points for each parameter in the total number given by each expert

Parameters “j”	Members of expert team “i”					
	1	2	i	m
1						
2						
.						
.						
j				V _{ij}		
.						
n						

Parameters “j” Members of expert team “i”

- Calculation of the average weight of each element, taking into account everybody appreciation.

$$\bar{V}_j = \frac{\sum_{i=1}^m V_{ij}}{\sum_{j=1}^n \sum_{i=1}^m V_{ij}}$$

Comparing by pairs implies that each member of expert team to establish the priority of one element (parameter) compared with the other elements under evaluation.

Priority given to an element compared with each of the other element:

Parameters "j"	Members of expert team "i"				
	1	...	i	...	n
1	1 2 ... j ... 1 ... n		1	n	1 2 ... j ... 1 ... n
2					
...					
j			a_{i1} or a_{ij}		
...					
n					

Data from the above table are used in the following algorithm:

- calculating the preference frequency for each element, against the comparison element.

Preference frequency for an element

Parameters "j"	Members of expert team "i"					
	1	2	...	i	...	m
1						
2						
...						
j				α_{ij}		
...						
n						

α_{ij} = the frequency with which the element "j" was preferred by expert "i" compared with the other elements under evaluation.

- Calculate the frequency weight with which each element was preferred in the total number of preferences

$$\sigma = \frac{a_{ij}}{m \times n}$$

Frequency weight of each element in the total number of preferences:

Parameters "j"	Members of expert team "i"					
	1	2	...	i	...	m
1						
2						
...						
j				σ_{ij}		
...						
n						

- Calculation the average weight of frequency for each element;

1. Impacts importance coefficients of the due on fish resource

1.1. Priority given to each impact compared with the other impacts

Impact	Experts																			
	1					2					3					4				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
1		2	3	1	5		2	1	1	5		2	3	1	5		2	1	1	5
2			3	4	5			3	2	5			3	2	5			3	4	5
3				4	5				4	3				4	3				4	5
4					5					5					5					5
5																				

1.2. Calculation of the frequency with which each impact was preferred by each expert against the impact with which it was compared

Impact	Preference			
	1	2	3	4
1	1	2	1	2
2	1	2	2	1
3	2	1	3	1
4	2	1	1	2
5	4	4	3	4

1.3. Calculation of the frequency weight with which each impact was preferred in the total number of preferences

Impact	Experts			
	1	2	3	4
1	0.05	0.1	0.05	0.1
2	0.05	0.1	0.1	0.05
3	0.1	0.05	0.15	0.05
4	0.1	0.05	0.05	0.1
5	0.2	0.2	0.15	0.2

1.4. Calculation of the average frequency weight of each impact (impact importance coefficient)

- V 1 = 0,15
- V 2 = 0,15
- V 3 = 0,18
- V 4 = 0,37
- V 5 = 0,15

2. Impact importance “alimentary discomfort”

2.1. Quantitative and qualitative level of impact parameter “alimentary discomfort”

No	Parameter name	Symbol	Qualitative level	Quantitative level
1	Content	C	Damage	-1
2	Intensity	I	Low	1
2	Extension (manifestation area)	E	Punctual	1
3	Producing moment	M	Mean term	2
4	Duration	P	Temporary	1
5	Reversibility	R	Mean term	2

2.2. Impact parameter importance “alimentary discomfort”

- Estimating each parameter by each expert with a number of points between 1 and 10.

Parameters	Experts			
	1	2	3	4
1	3	4	4	4
2	2	3	3	2
3	10	9	8	9
4	4	5	4	3
5	6	5	6	4
Total	25	26	25	22

- Calculation of the weight of points for each parameter in the total number of points given by an expert

Parameters	Experts				Total
	1	2	3	4	
1	0.12	0.15	0.16	0.19	0.62
2	0.08	0.12	0.12	0.09	0.41
3	0.4	0.34	0.32	0.41	1.47
4	0.16	0.19	0.16	0.14	0.65
5	0.24	0.19	0.24	0.19	0.86

- Calculating the average weight for each parameter taking into account the appreciation of every expert.

- P 1 = 0.15
- P 2 = 0.10
- P 3 = 0.37
- P 4 = 0.16
- P 5 = 0.21

Absolute importance of the impact “Alimentary discomfort”

$$I_1 = -1 (1 \times 0.15 + 1 \times 0.10 + 2 \times 0.37 + 1 \times 0.16 + 2 \times 0.21) = -1.57$$

Relative importance of the impact “Alimentary discomfort”

$$I_1^* = -1.57 \times 0.15 = -0.23$$

3. Importance of the impact “Loss in workers income in fishery”

- Absolute importance = -2.01
- Relative importance = -2.01 × 0.15 = -0.30

4. Importance of the impact „lifestyle change”

- Absolute importance = -1.15
- Relative importance = -1.15 × 0.18 = -0.21

5. Importance of the impact „fish resource protection”

- Absolute importance = +1.64
- Relative importance = +1.64 * 0.37 = +0.61

6. Importance of the impact „increase in workers income in specific fields, such as research, investments”

- Absolute importance = +1.05
- Relative importance = +1.05 × 0.15 = +0.16

7. Importance of global impact = -0.23 - 0.3 - 0.21 + 0.61 + 0.16 = +0.03

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Considerations Regarding the Employees Participation at Organization's Activities. Study Case: Companies Located in West Part of Romania

■

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Abstract. *The idea that more and more organizations resort to management methods that have a participative feature is not accidentally. The participative management has become a process with qualitative and quantitative extension within the organizations. More than that, the fact that each employee, no matter his hierarchical position, turns over in a participant for the problem solving of the organization, determines a growth of their competences, foundation of a membership feeling, developing of the assumed responsibilities, increasing of the satisfaction degree etc.*

Starting this fundamental idea, the present work proposed as a final goal – by theoretical and practical elements which are analysed – to plead for getting the performance within the organizations by promoting those forms of participation that fit well to the Romanian organizational environment.

Key words: participation, satisfaction, positive attitude, motivation for performance, salary non-motivation.

■

1. Metodology of the research

The essay entitled: *Study regarding the employees participation at organization's activities* proposes to present the importance of participative management, identifying and analyzing the involvement-participation degree of the most important members in a company: managers – subalterns in fulfilling the enterprise's objectives.

The present research is an applicative one based on an analytic-interpretative study. The study is concentrated on processing the information obtained through questionnaire inquest as a research method. The

goal is to realize a complex analysis concerning the forms of employees participation-implication on activities of the organizations and interpreting its content.

Some arguments that justify the choice of using questionnaire inquest as research method are: the possibility of explaining the research objectives and the manner of filling out the questionnaire; the subjects can answer the questions when the program allows it and in their own rhythm; anonymity is assured; applicability on a large geographic area; low cost.

The research instrument used to obtain the information is the questionnaire. It was distributed to a number of 173 subjects (with managing and executive functions) in 22 companies from Timis county. Out of the 173 questionnaires distributed, only 153 were filled out correctly. The range of error is $\pm 2.5\%$.

The sampling was random and it's based on criteria as: profitability rate of the last 3 years, the company's action range, the occupied hierarchic position. In this context, we specify that the investigated companies activate in profitable domains, are placed exclusively in the west region of the country and the subjects are part of the superior hierarchic structure – 36.6%, as well as the inferior hierarchic structure – 63.4%.

One single type of questionnaire was used, which was adapted to the addressed personnel category: to those with managing functions and those with executing functions. The questionnaire was tested on 15 individuals, participants of a post-graduate course organized within the West University Timisoara, with the purpose of verifying and improving its content. The test results led to the improvement of the questionnaire's content.

A short description of the questionnaire is welcome. In the first part, it contains the identification data of the investigated organization, as well as information referring to the respondent persons. The information regarding the companies contains: the company's name, activity, number of employees. The information regarding the respondent persons contains: profession, studies, the function occupied in the company, department, length of service, age and sex.

The questionnaire includes 7, respective 8 items (7 – for employees with executive functions, 8 – for those with managing functions) which point out the involvement-participation degree of the company's personnel, through three important characteristics: positive attitude towards work, satisfaction through work and the subjects motivation for performance.

The obtained data processing, analysis and interpretation was carried out through the SPSS program – Statistical Package for the Social Sciences version 13 – a well known data analysis solution, developed by SPSS Inc.

World wide leader in this domain – which offers useful statistical processing: averages, tables, graphics, correlations and uses all mentioned scales. SPSS puts at the users disposal the complex relations between data, it discovers correlations between information stocked

in data bases.

SPSS can turn information into precious ideas, in real insights through predictive analysis. The program offers the users the possibility of both quantitative and qualitative statistic data analysis, as well as the possibility of data management. At the same time it allows data collection, storage, processing and two- or three-dimensional visual display in tables and graphics.

Together with the SPSS version 13.0, was also used Microsoft's Excel, for some specific functions and data processing, as well as graphics editing. Through data processing in Excel, every question received a code of two, three or four characters, using simultaneously numbers and letters.

The codes are unique for every question and the answers were coded with one number or letter.

To simplify the data processing, there were used two codes regarding the answers: numeric code and literary code.

In the answers case, these codes repeat every time it is needed and in the processing and interpretative activity there were always correlated with the question that they belong to. So the answers superposition and also the excessive complication trough the coding system were avoided.

The graphics were built based on tables, which contained centralized data, arranged according to dimensions, questions, grades, levels of estimation and the numbers in the tables represent percentages in case nothing else is specified.

The estimation levels signification, chosen by the participants, is: for the scale from 1 to 5 the estimation levels mean: 1 – most important; 2 – very important; 3 – mainly important; 4 – of little importance; 5 – not important. For a scale from 1 to 10: 1 – most important; 2 – very important; 3 – pretty important; 4 – enough important; 5 – Important; 6 – important; 7 – of little importance; 8 – unimportant; 9 – very unimportant; 10 – most unimportant.

2. Analysis and interpretation informations of the research study

The research study used a number of 153 subjects from 22 companies situated in the west region of Romania.

The companies activate in domains like: industry, constructions, transport, commerce and others, but from the total of 22,13 activate in the industry.

The fact that the most come from the industry: 13 (8+5) gives the answers a more rigorous, formal character, because the industry is a more technical domain compared to: commerce, consultation, advertising.

Regarding the companies size, in this study the very large companies (with more than 500 employees) have a bigger percentage of the sample, fact that will affect the research results because they are less flexible, adaptable compared to the smaller companies, who are more concerned with innovation, using a diverse intellectual property that they can economize with great ability.

We can observe that the biggest percentage, regarding the occupied function in the organization, includes subjects with executive functions – 63.40%. The reason for this large number of executive personnel – 63.40% of the total subjects, is that in Romania often the employees opinions are not taken in consideration, they are ignored, so we consider opportune that the executive personnel's percentage to be bigger (63.40%) than the percentage of other hierarchic levels. Plus, knowing better this category of employees can lead to a growth of the personnel's participation rate by finding usable solutions for the companies problems.

The most part of the interviewed subjects are between 20 and 30 years old, respective 31-40 years old, fact that has a positive effect upon the work environment and communications. There also exist employees with

age in the range 41-50 years, which represent a quarter of the total interviewed individuals (25.49%), while the subjects with ages over 50 years have a small percentage: 7.85%. This fact shows that experience and mature thinking balances the scale between generations and conceptions, being a source of power for the organizations.

Interviewed employees with a length of service in the companies up to 10 years represent 64.05% of the total interviewed subjects. This means that the participant companies are relatively young.

3. The results of the study regarding the employees participation at organization activities

In the quest of determining the involvement-participation degree of the most important members of an organization: managers – subordinates, the research concentrates on three main directions: attitude towards work, satisfaction trough work and motivation for performance. The obtained results are interesting and represent a real challenge for the Romanian managers, who need to identify and then apply the most efficient participative management programs, which lead to performance growth at all three levels of human interaction: individual, group and organization.

The results are presented below.

Positive attitude towards work

Table 1

Strengths	Weaknesses
<ul style="list-style-type: none"> - the activity at work, which includes challenges, is an important stimulant! - an agreement is formed, regarding the motivations the work offers, motivations concerning tasks, responsibilities assumed by individuals at work. 	<ul style="list-style-type: none"> - for the Romanian managers, their job's security is very important, because of the offered material benefits and status; - managers have a more positive attitude towards a day of work then subalterns.

Satisfaction trough work

Table 2

Strengths	Weaknesses
<ul style="list-style-type: none"> - a correct correspondence between tasks and responsibilities; - professional development, looked in this case a source of satisfaction in work; - the existence of a certain number of employees who affirm they are satisfied by the level of responsibilities. 	<ul style="list-style-type: none"> - wrong perception regarding the fact that all needs are satisfied trough work, including the professional ones (the principal explication is given by the different needs of every employee in part); - the managers different perception from those of the subalterns, regarding the opportunity of having a career. The percentage of managers who consider that the organization offers chances for the employees to build a career is bigger than those of the subalterns (many infirm this fact); - the existence of employees, who affirm that they are not satisfied by the level of responsibilities; - the existence of a small number of subjects that confirm they are satisfied by the professional realizations.

Attractive remuneration, wage equity and preferential retribution

Table 3

Strengths	Weaknesses
<ul style="list-style-type: none"> - few managers admit that attractive remunerations are not applied in their organizations; - undifferentiated wages; - premiums are not given according to performance; - a small number of subjects consider that the performances are recognized; - a superficial knowledge of the concrete situation reflects the discrepancy between the managers and subalterns points of view regarding the correlations between the obtained performances and given remunerations. 	

Positive organizational climate

Table 4

Strengths	Weaknesses
- co-operation between departments.	- the existence of sufficient opinions that do not understand the purpose of team-work and give small importance to it, - the interviewed persons different perception regarding the receptivity of the employees opinions and suggestions.

Work attractiveness

Table 5

Strengths	Weaknesses
- the chance of using the potential in the activities; - the chance of having a special job, challenging activities; - the opportunity of learning new things.	- promotion opportunities; - the managers way of carrying out their duties; - physical working conditions.

Employees participation for achieving the objectives

Table 6

Strengths	Weaknesses
- almost half of the interviewed persons declare that they would like to be evolved; - a co-operative working climate is desired; - the idea of superiority of those who make decisions is contested; - managers open-mindedness regarding the subalterns ideas and opinions; - the liberty of employees to carry out their tasks without superiors interference.	- managers concentrate on the tasks, neglecting consultation; - the need to be informed regarding events inside the organization, which can affect the individual careers.

Management by Objective (MBO)

Table 7

Strengths	Weaknesses
- the existence of an important number of managers who know about objective management and other management methods: TQM, brainstorming; - delegation is a known and applied method in the organization.	- the most less used management method is brainstorming, although it is well known by the managers; - the meeting is the most applied management method; - reduced degree of appliance inside the organizations, because of the lack of knowledge regarding management methods; - small percentage of managers who apply objective management, TQM, brainstorming.

Job enrichment

Table 8

Strengths	Weaknesses
- the existence of a large number of subjects who are mostly satisfied with their responsibilities.	- subalterns and managers different opinions regarding the opportunities the job offers for their career. The perspective of creating a career are more reduced in the subordinates case and this leads to frustrations, negative attitudes towards work.

Promoting a participative organizational culture is characterized by attributes like: open-mindedness towards communication, trust in subordinates, group problem solving, employees independence, understanding the importance of involvement and participation in collective activities inside the organization – these represent only few arguments that stand beside participative decisions, actions and behavior.

We consider that the companies have a lot to gain from increasing the personnel's participation rate. The

results might lead to efficiency growth, employee's motivation and satisfaction.

Considering these ideas, the present study approaches problems regarding positive attitude towards work, satisfaction trough work and motivation for performance.

A. Positive attitude towards work

The study results reveal that both managers and subalterns find their work attractive, meaning that they find their activities challenging and that represents an important stimulant at work.

Another aspect that reveals the subjects attitude towards work and the included activities refers to the intern state generated by every new day at work. In this case, according to the obtained answers, the managers manifest a greater satisfaction regarding the positive perception given by their work, compared to the subalterns.

Regarding the motivation offered by the activities, tasks, responsibilities at work, both categories of subjects have given approximately the same answers. An explanation could be that the tasks and responsibilities are precisely defined.

B. Satisfaction through work

Satisfaction is given by many factors. The present study tries to analyze the most important ones that have the biggest influence over the professional development of the employees and not all of possible factors. This growth will lead to a more efficient handling and management of the whole organization.

Manager and subalterns have different perceptions concerning the fact that their work satisfies all of their needs, including the professional ones. While managers consider that their present job satisfies generally all their needs, including the professional ones, we can not say the same thing for the second category of subjects. We can correlate this aspect with the conclusion made earlier that the safety of the job plays a more important role for the managers than for their subalterns.

We can also observe different opinions concerning the career opportunities. The number of managers who consider that the organization offers the employees the chance for a career is bigger than the number of subalterns who infirm this fact.

Past these differences, we can observe a similar thinking regarding the correct equivalence between tasks and responsibilities. Both categories of subjects showed that between tasks and responsibilities exists a correct relation, this proves that, from this point of view, the subjects are satisfied with their work.

An interesting factor is professional development which, seen in this case as a source of satisfaction in work, is more appreciated by the subalterns than by managers. Over a quarter of the managers admit that the organization offers training programs only on small scale.

Subalterns have diverse opinions concerning the responsibilities level. There are some subordinates that affirm they are not satisfied at all, but also subjects who

claim the opposite: they are very satisfied with their level of responsibilities.

From the managers perspective, the phenomenon remains the same, meaning that some are satisfied by the level of their responsibility, while some are not content with the existent correlation between their satisfaction and their responsibilities.

Regarding the overall satisfaction generated by the professional accomplishments, a small number of interweaved subjects – managers as well as subalterns – confirm that they are satisfied by their professional accomplishments; this correlates with the statements made until now: professional development, level of responsibilities, work.

We observe that, in terms of satisfaction through work, there are many disparities between the answers of managers and subordinates, the second category being – in many cases – less satisfied through work than the category of managers.

C. Motivation for performance

Every performance oriented enterprise makes great efforts to form an attractive motivating package, with the purpose of increasing the employee's attachment to the organization and their professional development. Although in practice an important percentage (over 30%) of the organizations budget is spent on wages and bonuses, money doesn't always represent the most important stimulant in work. The money gets the individuals every day to work, but it doesn't motivate them to obtain excellent results.

I. Salary motivation

It includes all forms of pecuniary retributions of the employees work or obtained results: wage, commission, bonus, premium, dividend, etc.

Financial retribution is a contractual form of the material relationship between employer and employee. It determines the minimum quantity of efforts, needed from an employee, to receive a sum of money.

The financial retribution's algorithm needs to satisfy four major criteria to fulfill its objectives:

- 1) the personnel wage need to be situated between the average salary values of the industry and the job, so that the employee doesn't prefer to leave for another job.
- 2) it must contain a regular part to generate security and a variable part to generate motivation. The variable

part should help to fulfill the objectives and not to execute tasks, because so it will not lose its motivating value and become just a part of the salary.

3) the calculus algorithm should be universal and transparent, so that the employees feel that they are equitably paid according to their colleagues from the same hierarchical level and with same results.

4) the sums should be paid in time, according to the contract.

In our opinion, the financial motivation, which includes only the wage, is perceived by the employee as a right, he is more motivated by the fear of losing this right, then the wish of achieving better and better results.

■ *Attractive and preferential retribution, wage equitability*

In order we can talk about attractive salaries on the labor market, these must have a higher value than those which result from the equilibrium rate between request and offer on the labor market.

When the relation between the employees wage level and effort, skill, responsibility and experience is perceived as being inequitable, the personnel performance will decrease considerably because they are not motivated to make a bigger effort and achieve a higher performance.

This generates tensions, unbalance and leads to inequity. This is the reason why the organization must apply the equity principal.

Beside the standard level of retribution, implementing a preferential salary politic which exceeds the average can stimulate the motivation for performance. But this method has effect only on those with a precarious material situation and has no effect on those who have solved their fundamental existence problems.

A small number of managers admit that stimulating the employees with attractive salaries is a widely used method in the company. This situations existence in many companies shows that motivation is of reduced importance to the companies, especially of employees with executing functions.

Although premiums conferred according to performances represent an efficient way of stimulating the personnel involvement in complex tasks, from this point of view, a large number of subjects – managers and subalterns – confirm that these are not awarded, which denotes another serious deficiency of the company management and practiced policy regarding motivation.

Concerning the performances admission, a small number of subjects – managers and subalterns – say that it is practiced widely by the organizations. This confirms the problems already detected, regarding equity as a leaderships analyzing factor.

The fact that a large number of managers – contrarily to the subordinates opinion – consider that the employee performances are correctly appreciated proves that the knowledge of the concrete situation in the company is superficial. The reason can be the lack of managers professionalism and/or, even worst, disinterest towards employees needs.

If in the case of the performances admission there is uniformity in thinking, in a negative way, we can observe a different situation in the case of the relationship between achieved performances and given retributions.

This way emerge differences between managers and subalterns points of view. The first ones affirm that this correlation exists and it is correct, while the second ones infirm this fact. These differences expressed by both categories of subjects are certified by the answers received for the question regarding equity.

II. Non-salary motivation

The methods used for this type of motivation include those forms of retribution and stimulus which do not require direct payment of money to employees. Non-salary motivation creates loyalty towards the organization, has positive effects over team cohesion, costs less than salary motivation, all these representing only a few advantages of practicing these forms of motivation.

a. Positive organizational climate

In our opinion, positive organizational climate manifests through the existence of a good collaboration inside the team, between teams and at organizational level, receptivity towards opinions and suggestions etc. and continuity as an important premise for assuring the employees positive motivation.

All managers consider that collaboration between departments is a positive aspect of the organizational climate. This cooperation is also important to the subalterns, but unlike managers who are aware of the communications fundamental role, some employees give a small importance to cooperation between departments.

Regarding team-work, manager's opinions are divers. Some give team-work a big importance, while others

consider that it is of small importance. Although from the subalterns point of view, team-work is perceived as mostly important, there are sufficient opinions which do not understand the real role of team-work and give little importance to it (over a quarter of the subalterns).

In our opinion, some possible explanations why the managers consider team-work to be an important requirement for success could be: team-work is the most proper mode to solve complex problems which require different opinions and knowledge, it represents an excellent learning environment, there are more objective oriented than the organization and its easier to establish a vision and a proper goal, grows loyalty, it encourages delegation because it offers the guaranty of controlling the members behavior through own rules, it exploits every members resources in a better way because teams are more flexible and can be more easily formed, developed, reorganized.

Regarding open-mindedness, managers affirm that they widely manifest receptivity towards employee's opinions and suggestions, fact that is sustained also by the subalterns, although the percentage of those with great receptivity is reduced. From the subaltern's point of view, opinions are more divided in this matter; there exist some who consider that open-mindedness is present in the organization, but also employees who say the opposite: that this behavior manifests only in small percentage.

b. Work's attractiveness

We consider that in an organization, the work's attractiveness is given by elements like: tasks and duties, offered benefits, promotion possibility and satisfaction in work.

From the manager's answers, we can observe the lack of many important elements which are considered normal for the work's attractiveness, elements like: promotion opportunities, the way superiors execute their duties as managers, working conditions.

The analyzed situations show that managers give the most important appreciation level to the chance then they can use their potential in the activities.

The chance of having a special job, the opportunity of learning new things trough their work can also be included in the manager's options.

Other nominated situations, by many of the subjects with leading functions, are: the possibility to change things which do not satisfy them and the people – teams they work with.

From the subaltern's point of view, the chance of using their potential in work also represents the most important aspect of their job.

Beside the opportunity to state their opinion about the way things go in the organization, the most of the analyzed situations failed to gather 10% of the subaltern's opinions, so they didn't receive high levels of appreciation.

The small percentages obtained by the most important elements of the non-salary motivation can be explained by the lack of those forms of motivations which should be correlated with the salary motivation, each ones goal being to achieve a high rate of work attractiveness.

c. The employees participation-implication to achieve the company's objectives

Increasing the employee's participation grade is an important mode of achieving higher performances.

Regarding this idea, participative management must be applied in the company. Participative management means every process where power, knowledge, information and rewards are moved to the base of the organization. It includes a variety of activities in which the employees from inferior hierarchical levels can participate in the decision taking activities.

In the purpose of achieving the organizations objectives, employee's participation becomes more and more necessary. Participation can manifest as: consultation, perceptivity towards personnel ideas and opinions, a cooperative working climate where employees have the liberty of action.

Almost half of the interviewed subjects declare the wish to be consulted in terms of establishing the individual performance levels and finding new solutions to the company problems.

The existence of subjects who disagree shows that some managers concentrate exclusively on tasks, neglecting the role of consultations for establishing the individual performance levels and finding new solutions to the company problems.

Organizational objectives can be achieved through a good cooperative working climate. The interviewed persons consider that communication and cooperation is crucial.

The fact that we can observe a certain superiority of those who make the decisions is confirmed by only a few of the interviewed individuals and contested by the majority.

As a consequence, superiors are perceptive to employees ideas and opinions.

The majority of the subjects consider that the employees have the liberty to carry out their individual tasks, without managers interference.

Closely linked to the liberty of action, employees feel the need to be informed regarding those events which can affect them and their careers in any way. In this context, over half of the subjects claim to be informed from this point of view.

A paradoxical situation appears. Although the employees have the liberty of action to fulfill their tasks, they do not receive at the same time the information needed to take correct decisions. Though an individual has the liberty to act, he doesn't know what to do, because he is not enough informed, or sometimes uninformed.

From our perspective, participation can have more levels: the first level regards participation as a purpose for information, the second level refers to consultation, the third one purposes mutual decision taking, while the last level, the fourth, can be noted as maximal participation, because it includes all those who participate in taking decisions.

d. Management by objectives-MBO

What does mean MBO? In terms of purpose, is an orientation towards results. Strategic objectives set at the top-management level, which afterwards are transposed into more specific objectives and are negotiated with every department, employee. The presence of a large number of employees included in this kind of management could mean the difference between success and failure.

The objective management's notoriety and appliance in organizations, this study investigates this aspect alongside other methods that rely on the concept of participation: TQM, delegation, meeting, brainstorming, Philips 6.6.

With the goal of receiving relevant information concerning the management methods notoriety and their applicability degree, only the subjects with leading functions were questioned.

The results regarding the management methods notoriety and their applicability degree reveal numerous problems inside the companies.

1. The most less applied management method is the brainstorming, few managers affirm that they apply this method although it is well known;

2. The meeting is and remains the most known and practiced management method in the centralized economy.

Although it's unlikely that brainstorming has such a reduced appliance, in practice this method is involuntarily used in every meeting, meaning that all participants have ideas about the discussed problem and proposed solutions. The managers do not know and understand the management methods or at least not the presented ones, confusing them repeatedly even in practice, in our case: brainstorming with meeting.

Even the lesser known methods are more correctly implemented than brainstorming, because of their particularities and algorithms, although their notoriety is reduced (Sinetica, Philips 6.6).

It's appreciable the fact that a lot of managers know MBO (management by objectives), but it is regrettable that only a small percentage applies it. We can encounter the same situation in the case of TQM and brainstorming, which are well known but rarely applied.

Although the facts presented earlier are not encouraging, we must say that a well known and highly used method is represented by delegation.

This proves that managers delegate the tasks (but not the results responsibilities) so they can efficiently handle their time. Delegation is at the same time an efficient instrument through which the employees are motivated and developed.

e. Work enrichment

The term work enrichment is different from the concept of work extension, because it involves a vertical growth of the job by adding new, more complex responsibilities.

Work enrichment besides efficiency growth presupposes also professional and personal satisfaction because it regards more diversified accomplishment possibilities and personal admission, a more exciting work which demands greater responsibilities, more individual progress occasions and training opportunities. Based on these considerations, the study measures the responsibilities and opportunities level offered by the job, which describe the work's enrichment.

Although there are unsatisfied employees – managers, but mostly subalterns – who affirm, with significant percentage, that their job makes them rarely and in small degree feel responsible, there is a great number of subjects who express their satisfaction concerning the responsibilities their job requires.

Regarding the career opportunities, managers have diversified opinions; a big percentage considers that these chances exist widely, while less than half give small importance to this matter.

The subalterns opinions are exactly the opposite, few subjects consider that they have big career opportunities, while a greater percentage of subalterns think they have small and even very small chances of professional success.

The conclusion is that subalterns have a reduced perspective of achieving a career and this generates frustration for some employees. This is not beneficial for a company which desires to have personnel with winning attitude.

Our opinion is that performance in management is possible in an organization formed with people who desire, have the possibility to achieve high performances. This requires motivation in work, which include the opportunities of employee professional development.

4. Conclusions regarding the employees participation forms in the organization activities

The central idea that results from this study is that in the present economical and social context, in the west region of Romania, still exist employees who feel isolated, disappointed, frustrated at work.

One of the major reasons is that the rational part of the activity continuously accentuates and the moral part remains reduced, although it contains personal and emotional implication.

The investigated companies manifest different values, inefficient leadership that breaks the possibility of performance.

The need to infuse some new beliefs, values, symbols, rules which lead to a greater professional implication, motivation and higher satisfaction becomes more accentuated.

Elements as: the chance to use the existent potential, of having a special job, the opportunity to learn new things acquire important significations from

the employees point of view, besides material stimulants which still remain the principal elements that impel the Romanian employees to have a bigger participation rate.

In the firms from the western side of the country we can observe the need to create a transparent and motivating working environment based on communication, trust which offers a powerful supporting feeling and affiliation for all the company members. Employees from the base of the organization feel that the traditional, conservator elements can create them problems in the future. Because of these facts and under external and internal pressures, these employees are more open-minded towards changes than managers.

The differences in thinking between managers and subalterns can lead to open conflicts between the two parts, which will create a negative effect for all: individuals – organizations.

The results of this study confirm that in the western part of the country, organizations have serious problems concerning attitude, behavior and organizational culture.

Because of this, managers and simple employees must identify those solutions which can transform these problems in opportunities. This requires team-work and a participative management.

Today, the organizations which understand that the principal characteristics of performance are given by: assuming new, complex responsibilities, team-work, delegation, competitive spirit and the will to win, open-mindedness towards new, towards changes, promotion and innovative idea's implementation, continuous learning, respect and loyalty towards employees, trust in the personnel and client oriented thinking, place at the top pf economic development.

Achieving performance at individual level and finally at organizational level depends only on our capacity and ability to act in these terms.

We think that only those companies will survive and achieve performances at all levels which will apply in practice these principals.

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The Romanian Agriculture Cooperative Movement, from the Beginning to the Threshold of the Second World War. Briefly Historic Argument or Argument for History

■

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Abstract. *In the philosophical meaning, the cooperative is a result of the knowing experimentally development and includes the interaction between: persons of consequence – through ideas and attitudes, state – through laws and institutes, experiences – through structures and effects.*

In Romania, in the first half of the XIXth century, and to the threshold of the Second World War, are remarked numerous persons of consequence who promote and support the cooperative movement, such as P.S. Aurelian, Spiru Haret, Ion Raducanu, Virgil Madgearu, Mitita Constantinescu and Nicolae Cornateanu.

The state has accepted the cooperative as an instrument of the democratization of the capital and profit. The cooperative movement had fight continuously towards promotion of the collaboration principle between cooperative companies, principle by virtue of which the organizations can manifest independence in confrontation with the state.

The experiences had been substantiated mostly on the ideology of modern cooperative systems: Rochdale, Raiffaisen and Schultze.

The Romanian cooperative movement appeared, just like in the majority of European states, on a background of some restrictions in the agricultural field, generated by a complex of factors among which the main position in a constant way had been hold by the contest between the big and small agricultural farms.

In Romania, during the period before and after-war, cooperatives' organization worked successfully as credit cooperatives or economical cooperatives (consumption cooperatives, supply and sale cooperatives, forestry cooperatives, purchase community, leasing community, etc.).

The various shapes of the cooperative movements shows the potential which those have had in the purpose of their economical development and social situation improvement of the farmers. The potential was narrowed not only by the legislative and institutional instability, but more by the agricultural market size and intensity. The cooperatives activities efficiency was depending, before all, on the economic and social environment within which they were acting. But the economic environment was imposing as market partner, the farm as an economic-social entity with autarchic behaviour. In consequence the cooperative sector's performances were conditioned by the farms' performances.

Key words: agricultural cooperation; Rochdale pioneers; banking cooperatives; consumers' cooperatives; producing cooperatives.

■

It is well known the fact that from history we can obtain the wisdom to avoid the social failures. That is why, “history must represent the probation bank for the normative systems (Marina, 2006, p. 165)”. The statement is valid also for the present, when Romania has got the status of EU member country, because this multinational structure has at its basis the principle of “unity in diversity”. But diversity is first of all identified, through its historical component, own for each Member State. And, in addition, the European Union, inside the progress’ equation, cannot offer answers to all questions.

“Those incapable to learn from the past lessons repeat again and again the same acts of brutality” (Marina, 2006, p. 168). Failures in the social systems are due to excess or lack. Excess leads to dictatorship, under any form of manifestation even under the formula of “law’s dictatorship”, so evoked today. Dictatorship imposes fright which determines the abdication from freedom. Lack leads inevitably to social lacks of equilibrium, when all control system are falling down or tend to fall.

Fighting for the personal welfare, man is integrating himself naturally in a “collective space”, which on a certain stage of the society’s evolution can wear diverse institutional forms. A solitary person is poorer than one who lives his life in a collectivity. In addition, the activity “in common fulfils the work, which the isolated individual cannot fulfil” (The Great Agricultural Encyclopaedia, vol. II, 1938, p. 172).

The collective space is identifying, first of all, with the soul solidarity of the individuals it is made of, but also with the economic and social solidarity. In concept terms, the economic solidarity means cooperation, which is manifested through the work in common, the exchange and repartition of products, goods management etc.

In conclusion, man, in order to manifest himself as a biological being, had to socialize, to cooperate in a collective space, since early in the history.

Cooperation, as a historical phenomenon, emerged as effect of the action of a favourable factors’ complex: the social division of labour, the scientific technical and technological progress, specialization in labour and production.

Cooperation has in view not society in its whole, but society in institutional, organizational sense, and it does not want the social happiness⁽¹⁾, but an additional welfare for its members, who, why should we not recognize this, could also create a form of happiness manifestation.

Cooperation, and by extension its form of manifestation – the cooperative, is an endless source of solutions for it and also for the collectivity in which this is manifesting itself.

In philosophical sense, cooperation is the result of the experimental development of knowledge, which finally led to the formation of “an own social intelligence”. “Cooperative intelligence” as form of manifestation of “the social intelligence” includes the interaction between:

- personalities, through ideas and attitudes;
- state, through laws and institutions;
- experiences, through structures and effects.

Personalities have represented the engine of the cooperative movements, everywhere in the world. The founders of the first cooperative system, the pioneers of Rochdale, said the cooperation is a serious trial to put together the ideal and the real. So, the leader has to be also a founder and an ideologist.

The history of the cooperative movement in Romania, from its starts, the first half of the XIXth century and up to the threshold of the Second World War, recognizes numerous personalities as P. S. Aurelian, Spiru Haret, Ion Raducanu, Virgil Madgearu, Mitita Consantinescu, Nicolae Cornateanu and others, with a double representativeness:

- in scientific plan, through the works they created;
- in legislative and administrative plan, through the laws, institutions and decisions promoted as high public clerks, prime ministers and ministers.

The State, regardless its nature, has accepted cooperation as an instrument of capital and profit democratization.

At its turn, the cooperative movement has continuously fought for the promotion of the help principle among the cooperative societies, principle in the virtue of which is manifested the autonomy of these organizations towards the state.

Because of this, not for less time, legislation has treated the movement as being a *public good*.

Between state and cooperatives there has been a continuous fight: the State – for supremacy, through interference and tutorship, the cooperatives for autonomy and freedom.

In Romania, in the pre- and between – wars’ period, the state implied actively in supporting and promotion of the cooperative, through the creation of a legislative and institutional system, which, in general lines, has favoured the sector’s development but not rarely it conferred to the state the role of tutorship.

The experience were founded, in their greatest part, on the ideology of modern cooperative systems: Rochdale, Raiffaisen and Schulttze.

Very many theoreticians are trying to identify and, at the same time, to argue for the supremacy between the theoretical and practical systems. The problem, in our opinion, is not significant. Important are the historical results, as they manifested in time, as for the present, the historical experience is not only as argument, but also a challenge in the process of the development of the cooperative sector in agriculture.

As following, we shall approach the history of the “cooperative intelligence” in Romania, from the moments of its launching and until the threshold of the Second World War. The elements making “the cooperative intelligence”, respectively the personalities, state and experiences, will be concisely treated, but also explicitly (thus we are trying), in the order of their historical becoming, without a certain order within each trend of time, but in function of their importance in the ensemble of the movement during those years.

“*The Agricultural Cooperation*” was defined as being “the complex of cooperative companies (societies) which were satisfying the needs of farmers under different forms (The Great Agricultural Encyclopaedia vol. II, 1938, p. 175).

In order to be correctly understood and at the same time motivated, it is imposed that this definition of the agricultural cooperative should be analysed together with the opinions in the period we are referring to. According to the International Yearbook of cooperation in 1934, agricultural cooperation was:

- a large category of cooperatives, including different types of companies in function of the market segment they were manifesting in, as: credit (loan) cooperatives, consumption cooperatives, production cooperatives, supplying cooperatives, etc.;
- the interests of the small rural producers, mainly those in agriculture;
- technical formulae to apply the principles in the classical cooperative system – Rochdale, Raiffeisen or Schultze;
- vectors of promoting the states' interest in agriculture to support the peasant household and the growth of the well being of the rural inhabitants.

In a study of the National Bank, upon the cooperative movement – in Romania, in 1937, there is promoted the following structure of the cooperative companies in function of their profile:

- credit (loan) cooperatives;
- economic cooperatives, consumption cooperatives, supply and selling cooperatives, forestry cooperatives, purchase societies, leasing societies, dairies, mills, bakeries, cooperatives with other profiles.

On the background, between the two classifications there are no significant differences. An observation we must make: the National Bank introduces the concept of “economic cooperative”, within which it includes all the cooperative organization, less those of credit.

In the present study, we shall respect the classification of the above mentioned international body, because it is close, in a defining manner, to the realities of those times”.

The credit cooperative was representing an economic association constituted between the small agricultural producers or between the middle classes in towns, in order to procure the credits necessary for their operation, and, at the same time, to put into value their savings (...), constituting in this way a real mutuality among the small producers, with interests of debtors and creditors” (The Great Agricultural Encyclopaedia, vol. II, 1938, p. 177).

The creation of credit cooperatives was done in the declared goal of economic growth of the peasant households, idea cherished also by the governmental and intellectual circles of the époque, in order to create in the villages a wealthy social categories, independent and economically stable (Fratila, (coord.), 1994, p. 54).

The credit cooperatives have functioned under many titles. For instance, in the West European countries they were known as “popular banks”, and in the Romanian provinces, before the First World War, under the name of Village Popular Banks, in the Old Kingdom, Economic

Guides, in Transylvania and Bucovina, and Credit and Economy Companinships, in Basarabia.

In Romania, since the period between wars, the well known title was that of “Popular Banks”.

Ideologically, the activity of the credit cooperatives was based, mainly, on two German cooperative systems, in function of the social environment they activated in, as such:

- the Schultze system, characteristic for the town environment;
- the Raiffeisen system, referring to the village.

This latter system was applied also through other two variants: System Haas and System Wolhenborg.

In Romania, as result of the propaganda made by the great economist P. S. Aurelian, it is founded the first credit cooperative in the year 1870, in Bucharest, under the name of “Economia”.

Sometimes later, in 1893, in Bezdead, in Dambovita county, it is confirmed the first credit (loan) cooperative for the rural also (The Great Agricultural Encyclopaedia, vol. II, 1938, p. 179).

After this first step, the village popular banks have benefited from the advantage of two big actions, which have printed to them an accelerated development, which is:

- the initiative, in 1898 of Spiru Haret, as a minister of Cults and Public Education, for promoting the popular banks, among the villagers through the villages' intellectuals. The results of this action were materialized by the foundation and functioning of over 700 of such organization in 1903;
- the elaboration in 1903, with Mr. Emil Costinescu's contribution (he was Minister of Finances), of the law of the Villages' Popular Banks and of the Central House. Due to the State's support, through this institution, the movement developed continuously such that, in 1914, there were working 2901 Popular Banks, with 600.000 members and a capital of 186 millions lei.

Upon the situation in the Romanian territories, which were not entering in the components of the Old Kingdom, until 1918 there were formulated the following general acknowledgements:

In Ardeal:

- the first companies of popular credit are emerging rather early, in the half of the XIXth century;
- the information and functioning is done on ethnic criteria, fact for which, the population of Saxon origin, the Hungarians and Serbs are on privileged places;
- the initiatives of the Romanian ethnics are coming later (the first is the cooperative in Rasinari, since 1867) and it is copying the Saxon pattern⁽²⁾;
- the Romanian Popular Banks' development was strongly supported from financial institutions with a total Romanian Capital, as: Bank “Albina”, Astra Company and other.

In Basarabia:

- the credit cooperatives have much later emerged, in the first decade of the XXth century;

- the legislative frame was promoted: the small credit; a larger zone for subscription, social share is very small size and which were not participating to benefits; the state's interference in a very high degree, as the crediting funds were greatly constituted from the support granted by the Public Power.

After the Big Reunion, the village popular banks developed in any direction "until the years of the economic crisis" (Sandru, 1985, p. 50).

In fact they are inscribed in the general process of Romanian economy development.

The peak of the popular banks' development was reached in 1931 (table 1), after which under the crisis and "conversion" influence, their activity enters in decline, until 1938, when it is felt, for a very short period of time, a new start of relaunching (Sandru, 1985, p. 121).

The evolution of the village popular banks, the interval 1931-1933 years

Table 1

Year	Cooperatives	Members cooperators (thou. persons)	Total capitals (mill. Lei)
1931	5298	1132	8993.7
1932	5148	1079	8537.2
1933	5275	1079	7507.5

Source: The Great Agricultural Encyclopaedia, vol.II, PAS Publishing House, 1938, p.179.

All the specialty studies are stressing the fact that in the cooperation structure, in Romania, the Popular Banks have owned, through the member of units, in all precious and between wars period, the highest share.

Such, in 1907, they represented 90.8% of the cooperatives number of all categories, the percentage is decreasing to the limit of 48.1% in the period 1919-1923, then it increase, reaching to 70.7% (Lee, 1956, p. 172).

Referring to the degree of involvement of The Popular Banks is the village world and the interest they were enjoining among the villagers, the statistical data are hard or impossible to attain today.

For example, in the whole between Wars Period, one of four families of farmers was associated to a Popular Bank. In 1930, there was around 1 credit cooperative to 3441 inhabitants, and to 1000 of inhabitants, 64 members (Sandru, 1985, p. 127).

The cooperative system in Romania got a hard blow by losing the cooperatives at the lost territories, as result of the Political Treaties with some neighbouring countries.

Thus, at the end of the year 1940, only 3600 popular banks handed in balances, which means a loss of over 2000 units, opposed to the previous year (Madenatz, 1943, pp. 4-5).

Also, in the years of The IInd World War and in the period immediately after, the financial state of most of the popular banks worsened, such that, the biggest part of them was liquidated. For example, in 1942, a number of 329 popular banks were liquidated.

Under these conditions, the activity of the popular banks got complicated: the excessive prudence in the crediting of the small fames: the in-sufficiency of the capital for crediting,

the deterioration of the economic potential of the peasant households, the hard recovery of credits and others.

The consumption cooperative is a "consumers' association, in view of satisfying the different consumption needs, personal and familiar" (The Great Agricultural Encyclopaedia, vol. II, 1938, p. 179).

The first society (company) of this kind was founded by the "pioneers in Rochdale", in Great Britain, at 1844, which afterwards, was constituted into universal cooperative system, with the same name. The system was consolidated through the foundation of two wholesale shops in Manchester and Glasgow at 1864 and 1866 and of a national union, with rural character, at 1869, also in Great Britain.

In Europe, the consumption cooperation has progressed in an accelerating rhythm. For instance, in 16 European Countries, less Russia, the number of the members cooperators increases from 8 to 17 millions in the interval 1914-1937.

The growth of consumption cooperatives was based on:
a. the respect with strict character, of three cooperative principles:

- the granting of the consumption bonus to the shareholders in ratio to the value of purchases made;
- the sale of merchandise at current prices;
- the purchase of merchandise in cash only;

b. the application in a constructive manners of the principle of concentration in the activity for technical organization of the enterprise.

In addition, the consumption cooperatives have occupied, in greatest part, the intermediary market segment between small and big seller, against whom they pushed a continuous competition pressure. Constantly, the size of the consumption cooperatives grew naturally due to the action into double direction:

- on horizontal, through the adoption of the wholesale shops for the trade promotion;
- on vertical, through the foundation of units to produce the articles necessary for the consumption of the members cooperators.

As for the agricultural production, the results of the consumption cooperators were very weak.

This situation was the result of some strong disputes in the ideological plan, disputes starting from the very role the consumption cooperation must play in the society, respectively of economy.

Thus, in the movement of cooperative ideas, there was advanced the theory that "production will be subordinated to the needs of consumption, in order to be realised only by organizing on cooperative way of the consumers" (The Great Agricultural Encyclopaedia, vol. II, 1938, p. 174).

This concept was cherished by the School of Nîmes in France, created by E. de Boywe and Charles Gide, and by the Union of the German consumption cooperatives in Hamburg (Mladenatz, 1923)

But, in a period dominated by the classical economic doctrine, the theory was revolutionary. It was anticipating the Keynesianism, which should appear later, in the '30's

of the XXth century. From this reason, the theory was rejected, with arguments, which today, only partially, could be accepted:

- the farm organisations, given being the amplitude and the size of agrarian reforms in almost all the new states of Europe, after the First World War, could not be represented, practically, but under “the dominant regime of the small ownership” (Thamas, 1924);
- the farm cooperation had to represent only a “means of defense, be it against the old forms of usury, be it against the procedures of dominance of the trade and modern finance” (Thamas, 1924);
- “the realization of the formula of consumer’s reigning or of the integral cooperation should mean, on national plan, the reign of villages by towns, and in international plan the reign of agricultural countries by the industrial ones, which, of course, could not lead to a greater social peace” (The Greatest Encyclopaedia, 1938, p. 174).

In Romania, the first consumption cooperatives are emerging in town, in the last quarter of the XIXth century, as result of the efforts made by the great economist P. S. Aurelian.

This way is founded the society “Concordia” in Bucharest, in 1873, with the secretary Spiru Haret, and as result of the adoption of the Commercial Code (1887) there are emerging other such cooperatives as: the company “Mercur”, the Bakery “Viata (Life)” both in Bucharest, in 1886, Bakery Galati and others. At villages, the first consumption cooperative is founded in the Arges county, in 1902. As result of the Law of Cooperation in 1903, which ensured a proper frame for manifestation, the consumption cooperative is starting to develop, such as, in 1912, their number was of 294 units. After the First World War, as result of the state’s support through the Central of cooperatives in the villages, formatted in 1919, there is registered an increase in the number of village consumption cooperatives entered into liquidation.

The causes of this phenomenon are, in great part, exterior to the system; on short, these are some of them:

- the state’s support is beginning to diminish;
- the start of the phenomenon of national currency devaluation;
- the instability inside the legislative system and by extension in the statistical one.

For instance, starting with 1923 the statistical system does not make the distinction any more between these cooperatives and the supply and sales’ ones, which will determine the common study of them, until the half of the ‘30’s. In a study of the National Bank in 1937, it is shown that the number of the consumption cooperatives is of 1001 units, representing not more than 12.5% of the total cooperative organisation in Romania. It is an insignificant share if we consider the dimension of the rural space, of the village population, but especially the economic social problems the consumption cooperatives could solve.

Regarding the activity, as whole of the consumption cooperatives, in the whole period, before and between wars,

the appreciations are relevant: “All these companies do not have anything alike the cooperative movement in the Western Countries, they appear, without one taking care of the other’s fate, without any common soul affect them, without an unitary flow to bind them and maintain them, they live isolated, in order that soon they should disappear or transform into simple capitalist enterprises, in case they succeeded to develop a prosperous commercial activity” (The Great Agricultural Encyclopaedia, 1938, p. 176).

The supply cooperative was manifesting, many times, as a common sales cooperative. This cooperative for supply and, respectively, for sales is constituting, mainly, between the small farm producers, for the input supplies (production factors), necessary for their farms and the common selling of the products obtained in the farms.

Such cooperatives have functioned in towns also, having as shareholders the craftsmen and the small sellers.

Before the First World War, the number of these cooperatives was insignificant (The Great Agricultural Encyclopaedia, 1938, p. 177).

After 1919, the sales and supply cooperatives are developing, such that their number rises up to 2600 in 1926. On the background of the currency inflation, as in the case of the consumption cooperatives, there emerges and develops an obvious regress in this segment of the cooperative movement, fact which was concretized into the liquidation of a big number of such organization.

The evolution of supply and sales cooperatives, the period 1931-1933

Table 2

Year	Cooperatives	Members cooperators (persons)	Total capitals (mill. Lei)
1931	1191	143446	662.9
1932	1026	118748	580.0
1933	1150	134902	595.9

Source: The Great Agricultural Encyclopaedia, vol.II, PAS Publishing House, 1938, p.177

The statistics in the years previous to the Second World War (table 2) show the regress registered in this sector: in 1933, as opposed to 1926, the number of the supply and sales cooperatives was smaller by almost 66%, respectively by 1450 of units, and in 1937, there were 360 units, 4.5% of the total.

This phenomenon has deep roots and causes, and by extension, they are still present today in the agrarian relationship.

The supply and sales cooperatives had the quality of marketing cooperative, because they managed the agricultural inputs’ and outputs’ market. But the factors’ market, respectively that one of results, then and now, was weakly developed, which restricted the process of formation and manifestation of the cooperatives in the profile.

In addition, the peasant households, given being their reduced economic potential, did not offered a serious market partnership, with development chances.

The production cooperative was conceived as an “association of workers-producers, who are organizing

themselves in view of industrial farm production” (The Great Agricultural Encyclopaedia, 1938, p. 175).

The first organization of this type emerged at the initiative of Philippe Buchez (ex-student of Saint Simon) in France, in the field of wood processing industry, in the year 1832. The purpose of this cooperative, which in its initiator’s opinion was wishing to be a system, consists in the “abolition of the salary-worker in industry”, given being the originality of the equation of the benefit’s division: 80% for the associates in ratio to the wage (salary) received and 20% for capital accumulations.

The results, even from the starts’ period, were modest. The causes for many times were of: insufficient capitals, the weak discipline of the workers, the sales-unsatisfactory market, etc.

As a consequence, many of the production cooperatives in industry were turned into consumption cooperatives, or into capitalist commercial companies. In agriculture, the production cooperatives had a much-larger field of development, especially in the countries and regions where there was predominant the peasant ownership regime. This statement is based on the reality that the associates are net industrial workers anymore, but the small agricultural owners, so persons with a much better material state, which eliminates the impediments in the capital’s insufficiency.

In Romania, the production cooperatives in the rural functioned before the First World War under the form of the leasing societies, for purchase, and giving ownership; to these, after the Big Romanian, there were added also the forestry cooperatives.

The situation of the production cooperatives in the interval 1931-1935 is shown in the following table.

**The evolution of the production cooperatives,
the interval 1931-1935**

Table 3

Year	Cooperatives	Members cooperators (thou. persons)	Total capitals (mill. Lei)
1931	675	72	1287.3
1932	610	72	1087.6
1933	673	72	1123.3

Source: The Great Agricultural Encyclopaedia, vol.II, PAS Publishing House, 1938, p.181

Reported to the total number of the cooperatives from that period, it results a share not bigger than 990, share by which the production cooperatives could not be represented in the ensemble of the cooperative movement in Romania and even on the rural.

Moreover, the fact that they activate, mainly, in the field of wood processing and operation presents a reduced attractiveness degree for the researches in the agrarian economy.

It is to be retained the power of the example, that is: the production cooperative in agriculture in the whole pre and post-war period was un-representative, although there had been created all legislative and institutional conditions for a normal functioning.

It was an extraordinary example which those who led the destiny of the Romanian agriculture in the command

economy’s year avoided, opening this way the gates of the biggest ideological trap: The Communism.

Conclusions

The cooperative movement in Romania emerged as in the majority of European States, as the background of some “restrictions in agricultural sector” (Leonte 2000, p. 191), restrictions generated by a complex of factors, within which the predominant position, constantly, was held by the competition between the big and the small agricultural farm. But, cooperation was offering to the small and middle agricultural producers the favourable institutional frame for manifestation in a competition environment for the capitalist market, this one also being in formation.

As to the classical European cooperative systems (Rochdale, Raiffeisen, Suchultze), the Romanian cooperation greatly was alike, but different in intensity.

The right order of the cooperative movement expressed by law and institution has the merit of having kept the pace with the transformation in economy and society. But out of the wish to hurry the things going on – there were produced many fractures, revealed by the inconsequence from one law to the other, the legislative abundance, the over-estimation, or the minimization of the state’s role and other.

From these reasons “the ideas and measures comprised in the cooperative legislation (...) represented theoretical foundations with operational valences, rather limited in the practice plan (Fratila, (coord.), 1994, p. 58).

The presence of the state in the cooperative movement was made at relatively high quotas, but decreasing in time, under the formula of “intervention” considered today, from time perspective, the most direct one and which, for many times, manifested in the form of “tutorship”. In the Great Agricultural Encyclopaedia, it is motivated that “the solidarity spirit must be stimulated through the state’s intervention” (The Great Agricultural Encyclopaedia, 1940, p. 174).

Interesting and with more deep arguments is Mitita Constantinescu’s opinion, a big personality within the cooperative movement from the 1930’s period, who made the statement “I don’t think that there has ever been a more loved institution, by all governments, as it was the cooperation” because, he continues, a cooperative “becomes a nucleus for political irradiation, from which we can obtain good election results” (Constantinescu, 1943, p. 15).

Cooperation expanded from the Credit Houses, popular banks (units predominant at the end of the XIXth century and start of the XXth century) to almost all the domains of the economic and social life in the rural (the decades forerunning to the IInd World War). Romania’s case is not a singular one, as “the credit cooperation was developed mainly in countries with an extensive agricultural culture, with a rural economy – weakly developed, or in other words, countries where the natural economy had a significant share” (Fratila, (coord.), 1994, p. 57). For instance, in the countries with a stressed agrarian character of the economy, as Bulgaria, Romania,

Yugoslavia, the credit cooperation was representing in total of the village cooperation 80%, 70.1% and 63.1%, while in Germany, Czech Republic and Switzerland, countries with a developed industrial sector, these cooperatives held 54.2%, 53.1% and, respectively 6.4%.

The diverse forms of manifestation in the cooperative movement for credit, consumption, production, supply and sales and others are expressing the potential they had for their economic development and improvement of the social state of the peasants, potential much shortened not only by the instability in the legislative and institutional system, but, especially, by the dimension and intensity of the agricultural market. No matter how well and right would be formed and organized a cooperative, the efficiency of its activity depends, first of all, by the economic and social environment, where it is manifesting itself. But, the economic environment imposed, naturally, as a market partner, the peasant household, a socio-economic entity with a preponderant autarchical behaviour. Under these conditions, the performances of the cooperative sector were conditioned (and still depend on) by the performance of the peasant household.

Upon the role of the agricultural cooperation in its whole, but especially of the popular banks in support of the peasant households, there is no unitary concept in the specialty literature. The appreciations are operating in a very large range, from the highest prays to most virulent criticisms. But these opinions, regardless their position, in their great majority, are expressing political points of view which are not necessarily objective. For instance, in *The Great Agricultural Encyclopaedia*, work which is worshipping the merits of Carol II as being “The First Farmer of Romania”, it is mentioned that the cooperative movement has in its componse “vigorous structures” (*The Great Agricultural Encyclopaedia*, 1938, p. 175).

In opposition, Mitita Constantinescu, ex liberal minister, is formulating the following general conclusion “the cooperative network is presenting itself as a weak cord of reduced debile points, disproportionally, thin towards the environmental requirements, both as own financial power – very needed in every efficient activity – and as a human collective force polarized by the cooperative religion” (Constantinescu 1943, p. 15).

On the same side of barricade, but from other party, The National Peasant Party, Virgil Madgearu, an ex minister also, was starting that popular banks “are satisfying so incompletely the agricultural economy, mainly the peasant one” (Madgearu Virgil, 1940, pp. 340-341).

In the same critical register are also the conclusions drawn by Marius Gormsen, a Danish expert, who, in 1937, in his report made for the Ministry of Agriculture and Lands, is formulating the acknowledgement that the Romanian cooperative movement “does not merit its own name”, “it is degenerated”, and cooperatives are representing an instrument used “by those heading them, who, under the mask of their devotion, are extracting to the poor simple

peasants their small savings, hardly achieved, result of a long and wearisome work (Gormsen, 1940).

Which is the truth?

- If we shall continue to refer strictly to the cooperative sector, then the conclusions will be critical, being on the same lines with those expressed by Mitita Constantinescu, Virgil Madgearu and others.
- If our appreciations will stress mainly upon the role of the public power, namely of the state in the cooperative movement development, then the performances of this sector (which, really, were not few) will cast shadow any critical note.
- If we shall extend the analysis to the whole sphere of economic and social relationship in the rural, we shall see that one of the greatest achievements of the reforms, started in Cuza’s period and finalized in the years before the IInd World War, for Romania’s modernization, was the personalization of the middle class in agriculture. But this was an important and constant objective of the cooperative movement, fact which gives sense that its making was possible also due to the efforts of the cooperative movement in its ensemble.

A strong point in support of the results of the Romanian cooperative movement, especially in the rural and agriculture, was the foundation at central level of some representative state structures as: The Central House of the Popular Banks (1903), The Central of the popular banks, The Central of the village cooperatives for production and consumption (1919), The National Office of Cooperation (1929), The Central Cooperative Bank (1935), The National Institute of Cooperation (1938).

Also with a representative role were the federations, unions and central houses, cooperative structures, of II, III and IV degrees, which were doubling the support of state in the direction of promoting the cooperative movement in its ensemble.

The present is offering but a different image. At the level of the Ministry of Agriculture, Forestry and Rural Development there is no directory or specialised body of the state which should coordinate the activity of the cooperative movement in society and economy.

The implication of the agricultural cooperation in making the agrarian reform in 1921 was a failure experiment. In synthesis, the equation was simple and it was consisting in the giving into ownership of peasants, through some cooperative organisations, especially constituted, which were the ownership societies.

The phenomenon repeated itself also in 1991, when the farm associations, founded in conformity with the Law no. 36/1991, had the role of overtaking the lands for farming from the ex-agricultural and production cooperatives, land upon which there was acknowledged the ownership rights to the peasants. Also these structures, after a relatively appreciated start, in time, gave signs of weariness. The causes of this situation are deeper and reside from the contrary effects which the agrarian reform,

respectively cooperation have in the consolidation and concentration processes of the agricultural farms. For instance, the five agrarian reforms which gave gain cause to the peasant ownership (in 1804, 1921, 1945, 1991 and 2000) had as effects the dismantling of the big agricultural farms, regardless the nature of the land ownership, fundamenting them. In contrast, cooperation, as economic action, and important for the land market, has as effects the growth of the size of agricultural farms, through consolidation and concentration.

The overposing of agrarian reforms with the association and cooperation is not successful.

For their success, they should act separately: cooperation, respectively association following the reform, after a while, more or less, in function of the consolidation degree of the land ownership ratios in the peasant households.

In the profile structure, the production cooperatives were insignificant. For example, in 1937, their share was not higher than 5%. At present, the phenomenon is similar in the majority of the EU countries. The explanation results from the natural orientation of cooperatives towards market and not towards the production as such. In the totalitarian period, communists inversed the natural order of things: in agriculture, they imposed the production cooperation, with absolute title, and in the rural they maintained, under a different formula, the consumption cooperation and the credit cooperation; the other traditional types of cooperatives were eliminated. But the communists' orientation did not stop in December 1989, together with the fall of the totalitarian system. It was maintained, it is true, in a decreasing intensity note, in the whole period 1990-2005 (the interval between Law no. 36/1991 and Law no. 1/2005).

The legislation, policies and macroeconomic and microeconomic strategies, as well as the opinions (not few) of some false specialists, with a scientific authority fabricated in the cabinets of the ideological education of the dead communist party, were militating for the relaunching of

cooperation in agriculture, mainly in the production sector, that is a coming back to what communists said and worshipped "farming of the land through the work in common". Obviously all were bringing the same arguments, justified through: the higher performances in production in the farms of bigger size. Aware or not, they did not take into account the new juridical orientations in matter of land ownership, the social aspects and food safety problems, which the peasant farm was ensuring for the family of farmers, and other.

Cooperation, as any human action, generated and still generates critical phenomena, many times anti-economic and anti-social. In this direction, the specialty literature, before and between the wars, is consigning and is criticizing at the same time: the usuary, speculation, frauds of any type, especially of the persons leading the cooperatives.

Such phenomena, it's true, with another contents, but with similar effects, in moral and legislative plan, are repeated after 1989, too in the farms' association, too. Now, in opposition with the past, the usury and speculation disappeared, but there appeared and multiplied the thefts and embezzlements of any kind from the common wealth, the fund re-allocations, but especially the lies and over-evaluation on behalf of the village oligarchy, with roots in the agricultural cooperatives in the communist period and which through intimidations and force, was installed to the management of the associations founded in basis of Law no. 36/1991.

That is why, at present, it is to be imposed a re-dimensioning, especially legislative and moral, of the democracy of cooperative type in the Romanian agriculture.

To the end of the between – wars' period, also, together with the maturing of the relationships of capitalist type in economy and mainly in industry, the dimension and profundity of the cooperative sector in the rural, respectively agriculture, were unquestionable and hard to attain today. Communism imposed out of ideological considerations, a new order of things, which proved non-viable.

Notes

⁽¹⁾ Only the French Constitution, from 1789, created in the illuminist philosophy spirit was stating that "the goal of one society is the common happiness".

⁽²⁾ Around the beginning of the First World War, in Transylvania there were 361 Hungarian credit cooperatives and only 108 Romanian, in Pienescu, M.V., (1946), *Cooperation*, Bucharest, p. 332.

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The Environmental Accounting: an Instrument for Promoting the Environmental Management

■

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Abstract. *Companies and managers usually believe that environmental costs are not significant to the operation of their businesses. However, often it does not occur to them that some production costs have an environmental component. By identifying and controlling environmental costs, environmental accounting systems can help environmental managers to justify these cleaner production projects, and to identify new ways of saving money and improving environmental performance at the same time.*

Key words: ecological efficiency; environmental accounting; environmental costs; performance.

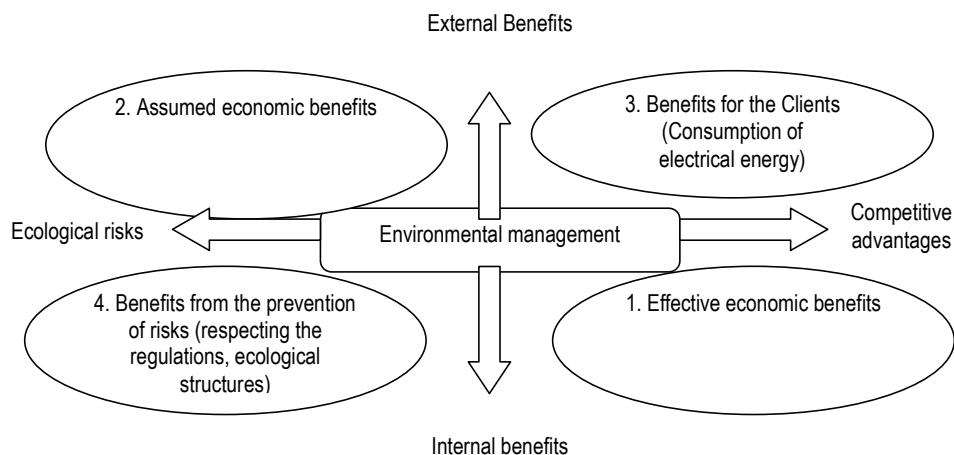
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1. Introduction

A progressive environmental policy can contribute to achieve the objective of the European Council of Lisbon of turning the European Union into the most competitive knowledge-based economy. If the development of a green market can be sustained and encouraged, the businesses and the citizens will respond with technological inventions and with an administration that will determine the growth, the competitiveness, the profitability and the creativity of work. The leaders of the organizations and of the companies have already integrated the principles of the sustainable development into their business strategies. Solving the present environment problems requires a strategic approach, too (besides a legislative approach), with the purpose of introducing the necessary changes in production and consuming. It is absolutely necessary to optimally use a whole series of instruments and measures through which is influenced the decision making process of companies, consumers, citizens and of the ones that adopt the policies from other fields.

The environmental accounting represents a method of measuring the performance of any type of organization (governmental departments, industrial producers, etc.) in relation to the environment and in economic terms. The environmental management accounting is a subsystem of the environmental accounting, used in general to offer informational support for the decision-making process of a company, even if the obtained information can be used for other purposes, too.

At the level of an organization, the environmental accounting is used in order to identify measures that promote the sustainable environmental management. The implementation of measures that ensure a balance between the decrease of the costs and the decrease of the impact on the environment is a crucial aspect for the sustainable environmental management. The diagram presents the general scheme of the environmental accounting (figure 1).



Source: Toshiba Group (1999)

Figure 1. Environmental accounting – instrument for the management

2. Internal instruments of the environmental accounting

As internal instruments of the environmental accounting can be used, interdependently, the following: the segments environmental accounting, the system of environmental accounting EcoBalance, the corporate environmental accounting.

The segment environmental accounting is an instrument of the environmental accounting that allows selecting an investment object, or a project connected to the environmental protection from a series of projects or operations carried out by the enterprise and the evaluation of the effects on the environment for a certain period. The effect of the investment in the environmental protection will be calculated on the basis of the concept “return on investment”. The calculation result is used internally for the decision-making process in the sustainable environmental management.

The system of environmental accounting EcoBalance: it is an internal instrument of the environmental accounting that offers support for the activities of sustainable environmental management. All the processes and operations are represented from the perspective of the environmental accounting, on the basis of the data concerning the impact upon the environment valid for each activity.

The corporate environmental accounting is an instrument that allows presentation to the public of the processed and compiled information. The data of the EcoBalance system are turned to good account and there are calculated (as quantities and values) the cost and the effect of the activities of preserving the environment, by using indicators and formulas.

The process of processing the environment-related information in an organization will logically follow the next major steps: identifying the processes that are expensive

and have a major effect on the environment on the basis of the accounting system EcoBalance for each operation; examining the alternatives for the improvement plans that have as purpose reducing the impact on the environment through rational, economic approaches; establishing the efficiency of each possible approach by using the segment environmental accounting, so that it is chosen the method that leads to the best results; measuring the economic efficiency of the activities of environmental protection and the ecological efficiency of the activity of the company as entity, by using the corporate environmental accounting.

The first step in developing an environmental accounting system is connecting the environmental management to the financial accounting. This is realized by establishing the environment-related aspects of the organization and by selecting the ones considered being significant and about which the managers wish information. These represent cost objects of the environment.

The expression “environmental aspects” is defined as:

- (a) Initiatives to prevent, reduce or remedy the harms done to the environment or to preserve the recyclable and non-recyclable resources (such initiatives can be required by the environmental laws or norms in force, or by contract, or they can be carried out voluntarily);
- (b) Consequences of breaking the environment laws and norms;
- (c) Consequences of the damage made to the environment, to others or to the natural resources; and
- (d) Consequences of the indirect obligations required by law (for instance, obligations for the damage made by the previous owners).

On the other hand, at the level of the financial accounting, the environmental aspects affect the financial situations under the following forms:

- Introducing environmental laws and norms can lead to asset depreciation and therefore, to the need to reduce their accounting value;

- Failing to respect the legal requirements concerning the environment aspects, such as exhaust fumes or deversarile de waste or changes in legislation with retroactive effect, can incur remedy costs, compensation costs or legal costs;
- Some entities such as the ones from the extractive industry (gas, oil or mining exploitations), chemical enterprises or recycling companies can create obligations related to the environment as a direct consequence of the carried out activities;
- The implicit obligations incurred by a voluntary initiative; for instance an entity could have identified the contamination of the soil and, without any legal obligation, could have taken the decision to remedy this problem, because it is preoccupied with its long-term reputation and its relation to the community;
- An entity may need to present the existence of some contingent/probable debts if the expenses concerning the environment aspects cannot be estimated reasonably; and
- In extreme situations, non-observance of certain environment laws and norms can affect the continuity of an entity according to the continuity

principle and, as a consequence, it can affect the information presentation and the basis for drawing out the financial statements.

The identification of the significant environment-related aspects for the environmental accounting will depend to a great extent on the purposes of the old system of evaluation of the environment aspects. A lot of organizations have or are implementing environmental management systems that point out the environment-related aspects of the company's activity and identify the resources and the results obtained from those activities. Still, the purpose of a management system that facilitates the environmental accounting can anyhow differ from the model indicated by the international environmental management standards, such as ISO 14001.

3. Environmental management indicators

The environmental management uses indicators to accurately evaluate the level of the sustainable management and to facilitate its subsequent improvement. With this purpose, the indicators must be based on the following three reference elements as are shown in table 1, as the Toshiba Group (1999) used.

Environmental management indicators

Table 1

Element	Explanation	Quantification Ratios	Meaning
a) Economic benefits of the activities of preserving the environment	Shows how rational from an economic point of view are the activities of environmental protection.	$\left(\frac{\text{Economic benefits}}{\text{Costs of protecting the environment}} \right)$	If this coefficient is higher than 1 (the economic benefits are equal or higher than the environmental costs), then the sustainable management is considered being efficient.
		$\left(\frac{\text{Economic benefits} + \text{Decrease of social costs}}{\text{Costs of protecting the environment}} \right)$	If the presented indicator is higher than 1 (the economic benefits and the decrease of the social costs equal or exceed the environmental costs), then the sustainable management is considered viable.
		$\left(\frac{\text{Decrease of the ecological impact}}{\text{Costs of protecting the environment}} \right)$	This indicator is used to evaluate the positive evolutions in the efficiency of the investments and of other projects.
b) The ecological efficiency of the economic activities	Shows if the ecological impact of the economic activities is acceptable and if these activities answer the social requirements.	$\left(\frac{\text{Sales}}{\text{Total ecological impact (in quantitative or value units)}} \right)$	This equation is used to evaluate if the ecological impact corresponds to the dimensions of the business.
		$\left(\frac{\text{Added value from economic activities}}{\text{Total ecological impact (in quantitative or value units)}} \right)$	The equation is used to establish if the profit corresponds to the impact on the environment.
c) Environmental management	It is used to establish if the process of environmental management is appropriate.	The internal audit, the local reports, the development processes of the ecological technology, ecological levels, „green“ acquisitions and other aspect are analyzed.	

The environmental accounting must function as an instrument for the measurement of the economic efficiency of the activities of environmental protection and of the ecological efficiency of the activities. In this context, the objective of any Romanian organization should consists in setting the ground for an environmental accounting system that evaluates the sustainable environmental management and that offers support for assisting the

managerial decision. The development and the permanent improvement of the environmental accounting system represents an essential condition of the organization's sustainability, so that this one becomes, on one hand, an instrument that supports the decision-making process, and on the other hand, an indicator for the sustainable environmental management that accurately evaluates the activities of environmental protection.

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Considerations Regarding the Notion of “Enterprise” in the Market Economy

■

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***Abstract.** The participants of internal and international economic exchanges, the partners that compete in a market economy are always the “enterprises”, no matter their name and form. In Romania after 1989, the economic legislation and practice took from other countries experience different terms to identify these participants: company, firm, economic agent, etc. The meaning of these terms has, as a rule, a different content than that devoted by Romanian commercial law to the term “enterprise”. According to this, there are presented some considerations based on the Romanian and European Community’s legislation that justify the necessity that the term “enterprise” regain a new content according to the dynamic of economic life and the European rules in force.*

Key words: enterprise; company; firm; economic agent; European competition law.

■

The participants of internal and international economic exchanges, the partners that compete in a market economy are always the “enterprises”, no matter their name or form.

However, in the case of Romania, after December 1989, the term “enterprise” and the economic and legal concept attached to it have lost their usefulness and use. In other words, we notice that, in the common speech of the past 15 years, the term “enterprise” was replaced either with neologisms such as: “firm” (firmă)⁽¹⁾, or “company” (companie)⁽²⁾, or with other Romanian synonyms such as “trading companies” or “economic agents”. These terms, considered to be “fashionable” and totally different from the old and “communist” noun “enterprise”, were also included in the normative acts issued after December 1989. There are a lot of examples of laws, government decisions or emergency ordinances that refer to trading companies, economic agents, firms etc.

Due to that situation, the present paper points out that the term “enterprise” has within the international legislation and jurisprudence an economic and juridical content that does not depend on a certain form of government or on certain political ideals.

The criteria used by the international legislation and jurisprudence to qualify the notion of “enterprise” should be taken also into consideration by the Romanian legislation and *a fortiori* by the common understanding of those that are actually involved in internal and/or international economic exchanges and activities.

A first aspect taken into consideration in our argumentation is the provision of the Romanian Commercial Code that considers in art. 3 the enterprises enumerated⁽³⁾ at points 5, 7, 8, 9, 10, 13, 17, 20 as being objective commercial facts.

By default of a legal definition of the notion of enterprise included in the commercial code, the juridical

doctrine tried over the time to bring necessary and especially useful specifications to any analysis. Obviously, the doctrinal opinions are diverse.

Thus, the classical perspective (Fintescu, 1929, pp. 44-45; Balescu, 1949, p. 107) of the commercial law considered the enterprise as an *economic body, leaded by a person so-called entrepreneur, that combines the natural elements with capital and work, in order to produce goods and services*. This economic approach of the notion of enterprise was criticized as being, on one side, vague and too general, on the other side.

Another traditional opinion considered the enterprise as a *complex activity that consists in a repeated, organized and systematical exercise of the operations explicitly stipulated by the commercial code*. This approach based on professional criteria was also criticized for the vagueness and generality of its terms.

The contemporary doctrine tried to emphasize the subjective and social elements that define the enterprise rather than the material characteristics of it (meaning a group of goods allocated by the entrepreneur for a commercial activity). From this perspective, the enterprise (Capatana, 1990, pp. 18-20) is no longer just an economic organism. It becomes a human group, organized and coordinated by the entrepreneur, that combines, on his own risk, the necessary factors of production (natural factors, capital and work) with the goal to produce goods, to carry out works, and to deliver services in order to obtain profit.

Moreover, the recent Romanian doctrine (Carpenaru, 2007, p. 44) reveals the fact that the notion of enterprise settled by the commercial law is different from the legal concept regulated before 1989. While the previous regulations considered the enterprise as *an economic unit with legal personality (it means a subject of law)*, the commercial law perceives it *as an activity organized in certain conditions and having certain finality, but the respective economic and social body is not recognized as a subject of law*. Moreover, it is considered that the production of goods, the execution of works or the performing of services can be organized either by a single person or by several persons, within a trading company, and thus the law subject can be: the natural person – individual tradesman, or the trading company. From this reasoning it is concluded that, at present, the notion of enterprise has obtained a new acknowledged and legislative content through Law no. 346/2004⁽⁴⁾ regarding the stimulation of the setting up and development of small and medium size enterprises. According to art. 2 of this law, the enterprise is *“any form of organization of an economic activity, patrimonial autonomous and authorized according to the laws in force to perform trade acts and facts in order to obtain profit, in normal competition”*.

Another interesting understanding (Mihai, 2004) of the term enterprise can be found in the competition law, more precisely in the normative acts that govern this new branch of the Romanian law. Thus, Law no. 21/1996⁽⁵⁾ refers to the *“economic agents or groups of economic agents – physical or legal entities”*, Romanian or foreign persons that are performing acts or facts having as effect the restriction, the hindering or the distortion of competition. However, without defining the term of economic agent, the above-mentioned law took the terminology used by the Government Ordinance (GO) no. 21/1992⁽⁶⁾ concerning the consumer protection. According to this GO, the economic agent is *“any natural or legal person that produces, imports, transports, deposits or trades products or parts of products or performs services.”*

We notice that, although the last modification of GO no. 21/1992 replaces (finally in 2006) the syntagm “economic agent” with that of “economic operator”, there still are a lot of important legal texts that use the common understanding of specific words without taking into account that it does not correspond with the content which is already legally, doctrinally and jurisprudentially recognized, and this represents a serious legislative error. Thus, the legal texts that still use the syntagm “economic agent” omit the fact that the term “agent” characterizes one of the fundamental institutions of the civil and/or commercial law, namely the institution of “mediation”. Within this juridical institution, a person – a representative⁽⁷⁾ to whom the mandate is given mediates in the name and on behalf of the person he represents or only on behalf of that person the fulfilling of material or legal acts. In other words, legally speaking, the “agent” is always a representative of somebody else. As a consequence, we consider that the use of the term “agent” to designate the “enterprise” is at least inappropriate, because it is possible that the activity of the enterprise is a simple activity of production, execution of works or delivery of services and not necessarily a mediation activity.

In order to better understand the limits of the notion “economic agent” acknowledged today by the Romanian legislation and the need of a new conceptual definition of the term “enterprise”, we will briefly examine the European Union legislation regarding the competition field, meaning there where the “form” is determined by the essence of the phenomenon.

The European Community’s fundamental rules for the competition field are stipulated by art. 81 and 82 from TEC⁽⁸⁾. These rules apply to enterprises and associations of enterprises that can hinder through their activity the free and normal competition game on the internal community market and can distort or affect the free trade among the member states.

Since the treaty does not define the term "enterprise", the European Commission and the community jurisdiction (Court of Justice of the European Communities – CJEC and the Tribunal of First Instance – TFI) have the role to develop through their practice a concrete and complete definition. Well, apparently even these community institutions charged with the application and interpretation of competition rules have not adopted a common real definition, but they limited themselves to issuing (Nourissat, 2004, pp. 203-206) certain criteria that can characterize a certain activity as an enterprise.

Thus, TFI proposed⁽⁹⁾ that "*every economic entity that has a unitary organization of the personal, tangible and intangible elements and that follows in a sustainable way a determined economic purpose*" should be considered an enterprise in order to apply the community competition rules. By difference, taking less into consideration the tangible or intangible elements and underlying more the purpose of the economic activity, the CJEC has adopted⁽¹⁰⁾ a wider definition of the notion of enterprise. Thus, "*the notion of enterprise includes any entity that carries out an economic activity, irrespective of its legal status or the way it is financed.*" From this definition it results, and the community jurisprudence has repeatedly demonstrated it, that, in assessing an enterprise, the following elements are important:

a) The activity – it has to be an economic activity and not necessarily a commercial or an industrial one. Therefore, the liberal professions⁽¹¹⁾ or the professional sport activities can be qualified as enterprise.

b) The purpose of the economic activity does not necessary has to be lucrative (meaning to obtain a profit), it can refer also to the administration of a pension fund⁽¹²⁾.

c) The legal form in which the economic activity is carried out is irrelevant. From this point of view, a natural person, a public body with administrative character⁽¹³⁾, a foundation or an association can be considered enterprises if they carry out economic activities.

d) The public or private character⁽¹⁴⁾ of the economic operator does not have any relevance as long as its activity is an economic one.

e) The economic activity must be carried out in the own name of the economic operator and has to allow it

to independently determine its behavior on the market. In this way, differences can be made in case of the groups of companies⁽¹⁵⁾ that, based on the legal nature of their relationship (meaning the connection between the mother company and its branches or subsidiaries), can influence the evaluation of the way they operate on the market.

If we apply these specifications to the Romanian legislation's rules, it results that, at least, the following categories can be qualified as "enterprises" and not as "economic agents":

a) Natural persons – individual merchants that "*systematically, repeatedly carry out trade facts, having the trade as a regular profession*";

b) family's associations;

c) members of the liberal professions that have an autonomous activity with an economic character⁽¹⁶⁾;

d) independent agents;

e) permanent trading agents⁽¹⁷⁾;

f) trading companies, including their branches and subsidiaries or the joint partnerships set up according to the commercial code provisions;

g) self-managed public companies regulated by Law no. 15/1990 with the subsequent modifications;

h) craftsman's or consumers' cooperatives according to the organic laws that regulate them;

i) associations and foundations, including clubs and sport associations;

j) trade-unions and the organs of the central or local public administrations when they interfere on the market without using their public power prerogatives⁽¹⁸⁾.

In conclusion, we assert that the term "enterprise" should regain a new approach and a new content in the Romanian legislation, according to the dynamic of the economic life and to the EC regulations in force. We emphasize that these EC rules ought to be included in the Romanian legislation within the harmonization process with the European *acquis* before 1st of January 2007.

Moreover, this requirement is legitimate because, *de jura*, a certain form (such as the "enterprise") explains a certain content and, today, we operate with a notion that through its lacunary and inadequate content falsifies deeply the reality.

Notes

- (1) The Romanian noun “firmă” is the translation of the English term “firm”.
- (2) The Romanian noun “companie” is the translation of the English term “company”.
- (3) Art.3 point 5 (supply enterprises), point 7 (commission enterprises, agencies and business offices), point 8 (construction enterprise), point 9 (factories, manufacture and printing enterprises), point 10 (publishing enterprises, bookshops and art objects), point 13 (transport enterprises for persons or things, on water or land), point 17 (insurance enterprises), point 20 (storehouses in docks and warehouses)
- (4) Published in the Official Journal no. 681/29.07.2004 and modified by GO no.27/2006
- (5) The Competition Law no. 21/1996, published in the Official Journal (OJ) no. 88/30.04.1996, modified and republished in the OJ no. 742/16.08.2005
- (6) Published in the OJ no. 212/ 28.08.1992 and approved with modifications through Law no. 11/1994, published in the OJ no.75/23.03.1994 and modified for the last time through Law no. 476/2006 and republished in the OJ no. 208/2007
- (7) The representative to whom the mandate is given may have different denominations depending of the operations he performs, for instance he can be a mandatory, or a commission – agent or an agent – author’s note
- (8) TEC – The Treaty of the European Community - consolidated form adopted at Nice in 2001
- (9) See TPI, the case Domsjo AB, no. T-352/1994, published on 14.05.1998
- (10) CJEC, the case European Commission c./Italy, C-35/90, published on 18.06.1998 and CJEC, 23.04.1991, Hofner case, C-41/90
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- (13) Decision of the European Commission no.78/823 in the case INRA from 21.09.1978, published in the Oficial Journal of the European Communities (OJEC) no. L 286/12.10.1978
- (14) Decision of the European Commission no.98/513 in the case Alpha Flight Services, 11.06.1998
- (15) CJEC, 31 October 1974, Centrafarm BV, case no. 15/74
- (16) For support and argumentations, see Emilia Mihai, quoted, p. 32
- (17) Regulated by Law no.509/2002, published in the Official Journal no. 581/6.08.2002
- (18) For details see Emilia Mihai, quoted, p.34

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Modernity after Modernity*



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***Abstract.** A strategy for the second modernization raises, beyond objectives, a series of epistemic responsibilities. It is known that modernization stemming from the Enlightenment had, among other things, the pretense that it is a project which is self-legitimizing. Its profound rationales are the only justification. Referential self-centering proved to be the one that made possible a practice of the new. Modernization having the function of renouncing myth – meaning an eliminatory formula for the past – and the fixation in the opportunity and potentiality of the present, seemed to close an insoluble but extremely engrossing problem: that of a propensity towards utopia, of the risky escape towards the future. The traditionalization of the new constitutes a support for the daring to break out of the captivity of the moment.*

Modernization becomes the experience of combining the new which, thus, creates a succession of present times. The future is no longer the result of fantasy, but a system's direct expression to combine the new. Therefore the future is an option for one or another model of the present, often tested previously somewhere else. In a non-metaphysical way, the future can be seen, touched, tried, lived by simple geographical movement. The sense of evolution has de-temporalized taking the form of the concomitant, parallel, enclosed, neighboring space. We just have to be in the trend, to evolve in the context.

Globalization defines the context and its conception – as a project of the second modernity – shows us the trends. The problem is how to understand the context in order to find the sense of the trend. Are we the load the sense with the values of the first modernity or will we have to turn to the values of another modernity? Why do we have to move away from the significance of the processes which made up the first modernity? How do we relate to the content of the new context in which the structural trends of today's world are taking place? What is the key to understand both the context and the trends?

Key words: changing the paradigm; vague values: explicative model; ordinate principle; global age.



REL: 10 J, 19 H, 20 B, 20 F

The subject I chose is part of those destined to help us understand the things that happen around us.

I must say that in the last decades something seems to have occurred which did not leave us too much time to understand that which it is most important: what is happening with us, with each of us and with all of us, together.

Change – as a form of existence at the change of the millennium – became so precise that it usually treated us, human beings, as objects.

We cannot, for instance, ignore the feeling that we are caught in a project we do not control. It is a project which we disquietly perceive on the personal side, but most

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uneasily in what we have been used to consider our identifying destiny.

Why this? It is simple to say: we are in a project we do not know, of which we have vague ideas, diffuse or confuse (or none at all) and which, therefore, we do not understand.

I would like to make it clear from the start that I am not trying to exaggerate. I am the sort of person opting for prudence, choosing the middle-ground, avoiding excesses. But I can not ignore the fact that vague projects have influenced us, Romanians, at least since 1937.

If we haven't succeeded in doing something on the personal side – either against or in favor of these projects – it's hard not to notice that these vague projects have created dependencies, have carved paths and tunnels out of which we found our way out with difficulty.

Each time the public reaction meant something: recovering the past. The bickering over the past is what denied consistency to every project, either invented by us, or exported here from other parts of the world. This is how our passing through history was interpreted rather as being stranded in the project: in the projects looking back towards the past. The many changes of direction show that we could not decide what the direction could be, the often radical regime changes were the consequence of the lack of clarity in the direction. In fact, since 1937 we managed the counter-performance of completely missing the direction, and from 1988-1989 to approximate it with difficulty. I am not referring to the phenomenology of politics, but to what students call being “trendy”, making a public show of the option for the battle for the trend.

What do we see today? 1) we have recovered a bit in the project of modernity derived both from the values of Enlightenment and as well from the effects of the industrial revolutions and the consequences of national revolutions in 17th century Europe and 2) we have already been hesitating for two decades about making our own projections according to the new wave of modernity prevailing now in the world.

Practically, we are in a new intermediary state, defined by the specific non-fulfillments of the configuration of society in the last two or three centuries and by the confusion about the elements of the recent process of world-reconfiguration.

If we were to define a project of modernity compatible with what is happening in the world we could say on a strategic note (Dinu, 2007) that: our current status is that of the periphery, that the sense of a definable project would be that of coming out of the periphery, the means to be used being the battle for the trend.

But how can we tackle the internal architecture of the project? There are two ways: 1) to perceive the essential alignments of knowledge; 2) to put together the explicative model of what is happening with us and the world we live in.

Concerning the configuration of the frame of reference

The referential context which lends significance to our learning efforts is cumulatively defined by the theoretical visions of Enlightenment, by the material breakthroughs of the industrial revolutions and by the institutional consequences of the national revolutions.

What has the Enlightenment taught us?

a) To better the human condition – the ensemble of conventions within which we harbor our representation about the fulfillment of needs and aspirations.

This means the conquer of nature, transforming it in the consumables storage room of mankind. The ultimate phase: the draining of nature and substituting it with virtual nature. The artificial, including with regard to man, is the ultimate cause, not just absurd, but apocalyptic.

b) To secularize thought and as a consequence to rationalize values and motivations, to set the evolution of life on the principle of efficiency, a triumph of materialism, to be interested in the utility of gestures and sentiments, to dehumanize rules, to “economicize” society, the market economy becoming market-society, being becoming a consequence of material structure and a function of the mechanism.

Thus the illusion of overcoming the constraints of life is generated by the supremacy of technical progress and the accumulation of material wealth; science is power, and power is tested by the destruction of natural life and the ambition of creating alternative life, including by cloning.

The Enlightenment hypnotized us in seeing the Universe as an horologe: us, humans, being un-performing cog if we do not renounce our sentiments. It lead us to conceive life as a struggle, as a Hobbesian test of irreconcilable adversity among parts, as a competition which is invariably won by 1-2% of us.

Dependency became the hierarchical rule, the world is ordered centripetally, the periphery grows and the center is condensed – blurring the sense of evolution. Enlightened hegemony builds for itself a citadel of political correctness.

c) There is no doubt that the project of Enlightenment was a progressist one, it brought us out from the long night of the inquisitorial control of thought.

The break produced by the Enlightenment on the path of emancipation of man was radical, it pushed the trends to the extreme; man saw in it the possibility of taking the place of the Creator, even by killing God. Enlightenment freed us from the condition of being moral out of fear of Divinity and gave us the freedom to choose being either immoral, or moral towards our kin.

d) The Enlightenment had, on the other hand, provided through generalized progress the solution without an end, of the uninterrupted run, without pause, in which the will for power needed to consume the will for life, mankind exhibiting its propensity towards self-destruction.

Enlightenment gave us science and we used it to rationalize sentiments. Moral and social relativisms have invented the science of dialectical and historical materialism, they have legitimized the idea of the pre-established progress of society and have always persisted in creating a new man (Habermas, 2000).

What did the industrial revolutions bring us?

- The multiplication of power by machine, first of all of the power in fighting nature, including human nature.
- The possibility of constructing the artificial universe, creating new degrees of freedom for human nature, leading to contractions, even extinctions of the natural.
- In accordance with the Hölderlian belief which expects the possibilities of escape to increase as the danger increases, a new path of evolution opened, represented by the revolution of the vision on progress through a use of resources that is specific to the knowledge society.
- The coherent founding of the idea of knowledge society closes the vicious circle of the materialism of the industrial revolutions, announcing a path of rebuilding the vital relations between human nature and the mother-nature, man finding within himself the resources for fulfillment without destroying the environment.

What did the national revolutions bring us?

- The instrumentalization of the management of power in the form of the nation-state for the distribution of rights and responsibilities.
- The logistic support for confrontations for external domination, with mechanized warfare its violent form and for internal domination, by resorting to civil war and class war.
- Inventing the culture of dependence through the formula of the need for national sovereignty, fixing the sense of citizenship in the framework of the

geographic symbols of the nation-state, manipulating fundamental rights after the preeminent significance of such values as national interest, defending from an external enemy, solidarity to the leader etc.

- An international regime in which the institutions of governments are marked by adversity motivated through formulas such as “state policy”, “the balance of power”, “the world concert” (Nye, 2005).
- The consequence of the adversity in configuring the international regime is the hierarchical system, of the unipolar world, the dead-end of an evolution accompanied by feelings of concern.

Here is a framework on whose guidelines we understand the world and understand what is happening with us.

What does it mean to break-loose from the constraints of this framework?

It practically means to force the exit from the values of a modernity emerging on the alignments of the Enlightenment, industrial revolutions and national revolutions. How? This is the challenge to which the present analysis responds.

The fact that we are still not clarified on the evolutions of modernity, but sensing the change, we opted for vague solutions. Today we talk of post-modernism. We try to explain to ourselves many things as being of a regressive consistency to the model. We are talking of post-communism, even of post-capitalism, of post-national.

On the configuration of the world

Things are not different with the concept of globalization. We can distinguish different areas of confusion:

- Of a functionalist nature – between the hierarchical vision, of an imperial/hegemonic type and the vision of the democratization of the international regime (Brzezinsky, 2005).
- Of a political realism nature – between the vision of the status-quo of unipolarity and a polycentric type of vision, as the effect of regional integration (Fukuyama, 2006).
- Of an ideological nature – between mondialization/mondialism and globalization/globalism (Todd, 2003).
- Of a determinist nature – globalization being an expression of technical progress, of the increasing of inter-dependencies etc. (Friedman, 2007).

The source of confusion lies also in the exclusivist option for a perspective, all others being eliminated. The fragmentary condition of the vision creates confusion.

As it was outlined in literature, globalization covers alternative meanings:

a) As a consequence of the growing interdependencies between countries in a context of liberalization of international trade and of internationalization of the markets centered on the ideas of, among others, Krugman (1996) regarding the functioning of the international economy;

b) As an expression of the absolute triumph of liberalism, imagined around the idea of Fukuyama (1994) regarding the “end of history” – the TINA concept (There Is no Alternative);

c) As an institutional management solution to the distribution of power, from the point of view of the access to resources, which supposes the reformation of the UN and Bretton Woods institutions, ideas promoted vigorously by J. Stiglitz (2005);

d) As a synthesizing formula which includes the emergent post-communist and post-capitalist processes, structured around the idea of Wallerstein (2005) regarding the global system (TIA – There Is Alternative).

The option of the alternative configuration of the sense of globalization resides in two movements, both of ideas and of militants:

1) the one aggregated around the ideas promoted by the World Economic Forum, also called “the coalition of capital”;

2) the one that intertwined in the context of the reactions culminating with the organizing of the World Social Forum, called “the coalition of citizens” (Monbiot, 2005).

Especially these last perspectives are visibly, on the open scene, conflictual. One perceives the other as aggressive.

The diffuse, in some ways maybe even confused character, of the concept of globalization is justified through the phenomenology of conflict; the explanation, though, must be found. It is, in fact, what I am proposing next.

I must specify that the state of confusion is correspondent to a situation suggested previously, that of the captivity in the sphere of rational significances and guidelines of a system of values specific to the modernism of the Enlightenment and to the industrial civilization.

Today we find ourselves in the tail of the comet appeared from the decaying of Enlightenment values, meaning in the interval of the intermediary values of post-modernism (Lyotard, 2003), values of a decadent nature, in the way suggested by the metaphors of the

twilight and the crepuscular universe, so well analyzed by Nietzsche (see the available analyses on www.dinumarin.ro).

The collision of significances between modern values and post-modern values means, on one hand, the inertial preeminence of the significance of Enlightenment values, of paradigms that created conditional cultural reflexes – to call it this way – through school and, on the other hand, the progressive attachment of significances to another tutelar paradigm, situated beyond the transitive interval of post-modernism.

The best sort of an epistemological cut in this respect was achieved by Ulrich Bech (2003), who spoke of the conflict of values of the first modernity – the Enlightenment one – and of the second modernity – that of globalization, whose manifestation takes place after the exhaustion of the comet-tail of modernism, which is the post-modernism.

The state we are in: we are in the passage – with many swirling currents in knowledge – between the first modernity and the second modernity.

Practically we are very close to a fault line in history – in experience of knowledge – the one that divides history in the Pre-Global Age and the Global Age (Dinu, 2006).

What lends coherence and plausibility to this vision? The ordinate principle, meaning the expression – of a metaphorical or narrative type – which seems to legitimize the phenomenology of world evolution. Obviously the principle is rational, but sufficiently relevant to explain the irrational, too.

The obsession for an ordinate principle has forever existed, from the divine principle (of the demiurge), to the evolutionist principle (of natural selection) and the principle of progress (the preeminence of technology, of the forces of production) and up to the principle of the physical forces (of universal attraction etc.), of determinism (the chain of cause-effect), of self-creation (the living systems) a.s.o.

In social sciences the obsession is not different. The Economy has gathered as a science around the principle of competition, sociology around the conflict of interests (with class struggle as its culmination), anthropology around the idea of structure, politology around the idea of hierarchical representation.

What insures unity, at the level of significances, to the Pre-Global Age? The ordinate principle of adversity. The world taken as a whole is imagined as being made up of parts which are in a state of adversity. Adversity explains the inclination towards war, conquest, domination etc., but as well competition, exclusivism,

polarization, hierarchy, castes. One side (state, domain) has the tendency to control another side and so on, empires being a significant result of adversity. The internationals where expressions of the reconfiguration of parts on non-territorial criteria in order to generate adversity.

The principle of adversity is polarizing both at the level of the world as a whole (North-South, West-East or among races, cultures etc.), but also at the level of parts, within states (polarization of classes, rich-poor, power-opposition, state-citizen, elite-masses).

To come out of this situation of conflictual polarizations, be it even in a sublime state (the equilibrium of opposing powers, welfare state, consensual power etc.), there is only one possibility: to change the ordinate principle.

Evidently we find ourselves in the plane of desires, with powerful propensities towards the utopian options. It means we are forcing reality, in the sense that we are forcing the knowledge and the power of man of making use of it. There is no surprise in saying that changing the ordinate principle is a natural impossibility; it is as if we would create another nature – including another mother-nature – different of the one we had until now.

In reality it is about forgetting. What are we forgetting? We are forgetting that the situation we are in is part of a state of fact created by the rebellious evolution of human nature, as a second nature, opposed to nature in general. Human nature is in most part the habit of understanding what goes on, on the basis of hypotheses, concepts, knowledge taken as plausible or even accredited as truth.

Fixing human nature within those guidelines gives us the Archimedic support for the understanding of the world and of nature. Now the guidelines of thought are fixed by the Enlightenment, while the guidelines of action are fixed by industrialism. The patterns of knowledge are in accordance with our minds. They make visible those significances inculcated in memory. We are forced to see through the lens of the Enlightenment paradigm. The world becomes visible only through the principle of adversity. The world has been organized to offer the specific frame of manifestation of adversity. The final consequence of this situation is that the changing of the forms of organizing the world without the changing of the ordinate principle generated epistemic confusion: it is in fact an operation lacking logical consistency, it is a reformist prestidigitation.

What situation are we in? A part controls the whole. It is the absolute expression of the manifestation of the principle of adversity.

What does it mean, for instance, in our situation, to reform the international financial institutions and those in the UN system, as a structure of global governance? To confirm the situation in which one part controls all the other parts? And the last question: Can this situation be called globalization?

Any affirmative answer has now epistemic underpinning, it is not plausible because it does not reflect a profound reality, with a specific essence. A new language hides an old truth. Which means, the ordinate principle has not changed in order to legitimize the new language and the new reality. We do not hold the lenses of the new paradigm.

What can we see? Today we talk of globalization as a new formula for organizing the world. In reality we apply the sense of a new concept to the unmodified state of the world. The correct way is to say that we are assimilating an exceptional modification in the manifestation of the ordinate principle of adversity – meaning the evolution of its ultimate consequences – with globalization. We can call this state – simply and significantly – Americanization (with the variations around hegemony) (Dinu, 2006). Logically, mankind has not come out of the Pre-Global Age – as a space for the manifestation of the ordinate principle of adversity.

We find ourselves in the intermediary zone of the diffuse concepts defined by post-modernism – the comet tail of post-modernism – and far from the second modernity.

The new modernity has outposts of significances which approximate the sense of globalization, the most advanced being the integrative project of the European Union (Rifkin, 2006)

The distortions of the significances of the condition of the world is due to culturally consolidated partisanships – even ideologically – for the Enlightenment paradigm and for the performances of the Pre-Global Age.

The successful insinuation of the distortions at the level of common knowledge is explained by the fact that the universe of knowledge is build around the paradigm of the Pre-Global Age. The cultural pattern also creates specific habits out of which it is hard to come out, and the exit we perceive as an apocalypse.

What sort of suggestion is proposed to us by the breakthroughs and formal approximations of the Pre-Global Age?

1. Solving the problems accumulated in the Pre-Global Age, like poverty, underdevelopment, pollution, polarization etc. cannot be done without the changing of the ordinate principle.

2. The evolution of the world is a process of learning, of knowledge, and the change aims at the understanding of the human nature as a structured universe of values.

World evolution is in fact marked by the changing of the defining context of human nature and by the cultural pattern which holds an explicative model internalized through education.

3. The significances of the idea if change must not contradict the essence of the human nature and must not oppose it to nature in general.

4. The harmonic principle of competition/cooperation could be the new ordinate principle of the Global Age. In essence, this signifies: the inclination of human nature towards assumed and confirmed performance and its reinsertion in the global framework of nature where self-organizing is in a network forever opened towards equilibrium.

Collective games give us a suggestion of the model: the restarted dispute of performance, minimal rules, impartial arbitration, participation.

The conclusion? Globalization does not really exist but is diffuse, either through connotative expressions like globality (for common and grave problems of the planet) or like globalism (as a formula for the management of power in an imperial/hegemonic guise) or through approximations of globalization (like the European integration).

Globalization will become reality only as an expression of the management of global powers on the basis of the harmonic principle of competition/cooperation. Globalization refers to and has only sense in the idea of world order and implies the institutional solution of global government. Any crediting of a real or theoretical entity with the attributes of globalization/global must be in logical accordance with the significances and phenomenology of the harmonic principle of competition/cooperation.

On the configuration of the project

1. The operational difficulty of any referential model of a paradigmatic nature is evident. To make the transition from horizon of conceptual significances to the structuring of evolution according to its pattern any model needs to spend some time in the curve of learning. To become reality the theoretical model has only one alternative: to inculcate its values in the minds of the people. When it arrives at generating representations congruent with its logic, at motivating gestures and behaviors of acceptance and in the end at entering the conditioned reflexes of the deciding elite, we can talk of it gaining in substance.

It looks like a project of social engineering, but in essence it follows the scenario tailored by the Enlightenment

project, responsible for the first modernity, in which we are now evolving. If this manner of provoking development and modernization looks like social engineering then mankind has no other possibility available. The reservations are not, evidently, about the method, but about the fact that the new project discards to the history's garbage bin the habitudes with the old project and with the architectural arrangements of power, particularly with those of access to the powers liberated from the rationality of the first modernity.

The new project of modernity represented by globalization is defined through critical comparison to the preceding project. In a subtle way it does not present itself as an anti-Enlightenment project, but one for the escape from the exhausting consequences of the Enlightenment, born out of the fundamentalism of the rational thinking, out of the intolerance towards non-rational explanations. The cultural, epistemic and economic print of Enlightenment meant a breakthrough on the path of rationality, of relativism and materialism, of the limits of human nature. Unfortunately the feverishness of the advancement counted more than the consolidation of the infrastructure that would provide safety and would minimize the risks. Through the industrial and national revolutions the cornerstone was laid for an efficient system for the management of powers – natural, economic, scientific, political, military etc. – but with insufficient inverse connections, of self-control and self-adjustment for the advancement.

2. The methodological consequences of the Enlightenment are also affecting the understanding of globalization and the operating positioning of the actors in its project of modernity. Dramatically, globalization is forced to jump into the Procrustean bed of the Enlightenment paradigm, falsifying its senses.

The significances of globalization are bordered at the extremes – as we have seen – by Fukuyama's vision of the absolute triumph of liberalism which marks the "end of history" (Fukuyama, 1994) and by Wallerstein's vision expressing the assumption that liberalism has entered its dissolution (Wallerstein, 2005). Which means that the centrifuge of history spreads, in the first case, an unique model, with the apodictic "there is no alternative" (TINA) and, in the second case, announces a radical reconfiguration of the order, of a restrictive nature, after the formula "neither this/neither that", a sort of resuscitation in a state of emergency of the older inspiration represented by the theory of the convergence of systems in the manner of Duverger. The "conquering liberalism", however, was quickly covered by the absolute extension of the global radiations of the unipolar system

of the management of the powers of the world, while the expected death of liberalism cleared the space for ruinous retro-projections, reloaded utopias or fantasist overestimations of national sovereignties. Between these limiting block-stones are huddled, in fact, constructions adhering to the rule of proportional combining of the two theories. The results are hybrids kept alive with ideological energizers, from those obsessed with the theology centered on the consequences of the scientific and technical revolution in communications (a sort of new Utopias which put together the preeminence of the material cause with the rationalization of knowledge), through to those build on the principle of rising interdependence (an utopian mix between diamat determinism and scientist progress), to those motivated by conjunctural judgments of geostrategic sort or polished by sufficiency through ceremonies of formal conversion to the ritual of the correct language (random arrangements of transcendent concepts and life experiences). The mosaic seems dense, although social innovation is being voided by the coming into effect of the authoritarian formula of the superpower which is the US; Americanization, as a designator of specific values, simply replacing globalization for form and content (Dinu, 2004).

By the power of things only one model proves to be real, the one developing practices, the other models being postfactum attempts of a response, usually under the guise of heresies which extinguish themselves out of lack of internal force.

The expressiveness and infallibility of the American model of managing the global powers, consolidated by the American dream, comes into collision not with the ordering models counterfeited with the tools of utopias – in fact their mission is akin to those of the butterflies flying around the lamp – but with another model, built on pragmatic underpinnings, in which globalization proves to be an exercise of testing the conjectures pertaining an European world escaped from the control of the angels (Rifkin, 2006).

3. The conceptual state of globalization is not only incipient (even innocent!) but, as we have discovered, also confuse. From the almost religious invocation of the term to the ambitious projects of theoretical synthesis, the epistemic consistence of globalization remains a failed objective. It cannot, in effect, be attained within the paradigmatic guidelines of Enlightenment.

The epistemic relevance of the concept of globalization is build upon:

a) The theorization of making operational the hegemonic position in an unipolar international system, with

neoconservative ideological alignments of a radical type, centered on the discretionary control of global powers – economic, political, military, cultural etc. It is the compatible formula with the hierarchical visions of the first modernity and it fits with the rigors exerted in the Pre-Global Age;

b) The tendency to restructure international regime and relations, after overcoming the bipolar model of global confrontation, through instituting the values of democracy in the global administration of powers. This is the path that announces the entering into the Global Age.

In fact, globalization experiences in the first situation the re-loaded state of imperialism, which sends it in a class of processes in which the structure of the world has evolved on the principle of adversity (fixed in the Enlightenment pattern), and in the second situation globalization must actually be defined as a novatory process set in motion by another principle, that of cooperative competition.

Even if in the language of analyses the leveling of sense appears as truth, deep down numerous and consistent reactions of delimitation take place, especially for the recovery of the real sense of the process of globalization. The mediatic pressure exerted through the logistics of the hegemonic vision discounts the majority of public perceptions to its profit. It couldn't even be any different so long as the exercise of adversity is reproduced as a legitimate expectation of the part for which the winning agenda sits in the unipolar order.

The control of today's world powers inevitably also means the control over the dictionary of globalization.

The ingredient represented by political correctness seems natural for an order in which the rules are imperial without demonstration. The baptism of reality becomes the consequence of an inflexible rule which orders everything in the set of significances adjacent to self-sufficient power.

The problem of functionality can also be put in terms of time. The period cannot defy the limit of logic. The unipolar formula is an extension whose success is applied only through complicating the alternative in the threads of prudence. When it is said that the current formula of world order is the ultimate consequence of the principle of adversity (Brezinski, 2000) it's not only a critical formula, in fact observant of an implacable evolution, but also an expression of the inevitability of the end of "history in overtime". The end of the Enlightenment paradigm comes naturally, even if it disturbs the rites of the birth of another paradigm.

In conclusion, together with my thanks for your attention, I must say what idea I represent: globalization is not what we all know it to be. It will be only after our common understanding will be realized.

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