

5th International Conference on Emerging Trends and Approaches: Creative Thinking and Innovation in Knowledge based Economy

University of Pitesti
Faculty of Economics and Law

Romania
15-16 November, 2019

Conference Schedule

The 5th ETAEC Conference is organized by The Faculty of Economics and Law, University of Pitesti - Romania in collaboration with The Jan Wyżykowski University, Polkowice - Poland, Doctoral School in Economic Sciences, University of Craiova - Romania, Faculty of Economic Sciences, Valahia University of Targoviste - Romania, Faculty of Management, Czestochowa University of Technology, Poland, Wroclaw University of Economics and Business, Poland, Business and Information Technologies Institute, Odessa State Academy of Civil Engineering and Architecture - Ukraine



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International Conference on Emerging Trends and Approaches: “Creative Thinking and Innovation in Knowledge based Economy”

University of Pitesti, Romania

15-16 November, 2019

SCHEDULE FOR EVENTS

FRIDAY, November 15, 2019

10H00- 10H30

Registration

University of Pitesti

Targu din Vale street, no. 1 Pitești,

Rectorat- ground floor

**Welcome to the 5th Edition of International Conference on
Emerging Trends and Approaches!**

Welcome to the University of Pitesti!

FRIDAY, November 15, 2019

10H30- 12H30 Plenary session

ROOM: Rectorat

**Introduction & Welcoming to the EtaEc2019
Conference**

Invited Key note speakers presentations

PhD Mihaela DIACONU, University of Pitești
INSTITUTIONAL DEVELOPMENT OF MODERN
UNIVERSITY AND THE BUSINESS MODEL CANVAS

PhD Cristi SPULBĂR, University of Craiova
ISLAMIC BANKING: A NEW CHALLENGE FOR THE
EUROPEAN UNION

**PhD Nildag Basak CEYLAN, Ankara Yildirim Beyazit
University**
THE CAUSALITY AMONG TOURISM RELATED FACTORS
AND GDP FOR EU MEMBERS?

13H00 - 14H00

**** LUNCH BUFFET ****

Panel 1: Finance and Accounting in Knowledge Based Economy

Session Chairs: PhD Gheorghe MATEI, PhD Daniela PÎRVU

FRIDAY, November 15, 2019

14H00 - 18H00: Presentations in panels

Room: C101

1. PUBLIC INVESTMENT CHALLENGES AND REFORMS IN ROMANIA, PhD Daniela PÎRVU, PhD Claudia STANCIU-TOLEA, University of Pitesti
2. PERFORMANCE AUDIT ROLE IN THE QUALITY OF PUBLIC SERVICES AND SOCIAL WELFARE: TIRANA MUNICIPALITY CASE STUDY, PhD Student/ Assistent Lecturer Blerina BANUSHI, University of Tirana/LOGOS University College Albania
3. FISCAL INSPECTION – AN INSTRUMENT OF TAX ADMINISTRATION, PhD Student Genifera Claudia BĂNICĂ, University of Craiova, PhD Student Paul Cosmin Alin ENĂCHESCU, University of Craiova
4. THE RELATIONSHIP BETWEEN FINANCIAL DEVELOPMENT AND ECONOMIC GROWTH IN NIGER, PhD Student Seydou OUMAROU, PhD Nildag BASAK CEYLAN, PhD Ayhan KAPUSUZOGLU, Ankara Yildirim Beyazit University
5. THE FISCAL GAP, PhD Student Mariana Luminița COMAN (LINȚĂ), PhD Student Cristina Maria OBRETIN, University of Craiova
6. PUBLIC FINANCES AND THEIR FISCAL COMPONENT, PhD Luigi POPESCU, University of Pitesti
7. IMPLEMENTING THE EU REGIONAL POLICY THROUGH FINANCIAL INSTRUMENTS, PhD Student Cristina Maria OBRETIN, PhD Student Mariana Luminița COMAN (LINȚĂ) University of Craiova

8. TYPES OF FINANCIAL RISK INSURANCE AND THEIR ROLE IN THE ECONOMY, PhD Student Ștefania-Sonia ZAMFIR, University of Craiova
9. EVOLUTION OF THE MAIN INDICATORS OF PUBLIC DEBT SUSTAINABILITY IN THE PERIOD 2014-2018, PhD Luiza Mădălina APOSTOL, University of Pitesti
10. A COMPARATIVE ANALYSIS BETWEEN DEVELOPED AND EMERGING STOCK MARKETS IN EUROPEAN UNION, PhD Student Elena Loredana MINEA, University of Craiova
11. METHODS AND TECHNIQUES OF TAXATION, MONITORING AND RECEIPT OF TAXES AND TAXES, PhD Student Delia IANCU, University of Craiova
12. FINANCIAL AND FISCAL MECHANISMS - USING FISCAL LEVERS, PhD Luigi POPESCU, University of Pitesti
13. THE FINANCIAL RIGHTS OF THE LOCAL AUTONOMY, PhD Student Florin GHIOCEL, University of Craiova
14. THE IMPACT OF CENTRAL COUNTERPARTY FORMATION ON THE ROMANIAN CAPITAL MARKET, PhD Student Florin GHEORGHE, University of Craiova
15. ETHICS IN FINANCIAL REPORTING AND ORGANIZATIONAL COMMUNICATION, PhD Maria Daniela BONDOC, PhD Marian ȚAICU, University of Pitesti
16. INVESTIGATING THE IMPACT OF POLITICAL INSTABILITY ON TAX REVENUES, PhD Student Daniel Iulius DOAGĂ, University of Craiova

Panel 2: Banking System in Knowledge Based Economy

Session Chairs: PhD Cristi SPULBAR, PhD Marinela BĂRBULESCU

FRIDAY, November 15, 2019

14H00 - 18H00: Presentations in panels

Room: C102

1. ISLAMIC BANKING: A NEW CHALLENGE FOR THE EUROPEAN UNION, PhD Cristi SPULBAR, PhD Ramona BIRAU, University of Craiova
2. THE IMPACT OF USING ELECTRONIC SIGNATURE IN THE BANKING SYSTEM, PhD Student Cristian REBEGEA, University of Craiova, PhD Student Toni CALUGARU, University of Craiova
3. TYPOLOGY OF CREDIT RISK IN ECONOMY, PhD Marinela BĂRBULESCU, PhD Alina HAGIU, University of Pitesti
4. THE EFFECTS OF CYBER ATTACKS ON INTERNET BANKING, PhD Student Cristian REBEGEA, University of Craiova, PhD Student Toni CALUGARU, University of Craiova
5. OVERVIEW OF CREDIT ACTIVITY IN ALBANIA, PhD Student Klejda GABESHI, University of Craiova
6. DO THE CENTRAL BANKS HAVE ENOUGH AMMUNITION IN CASE OF A RECESSION?, PhD Student Patricia Amalia MERCEA (HANDRO), University of Craiova
7. CHALLENGES OF CORPORATE GOVERNANCE AT THE BANKING SYSTEM, IN DEVELOPING ECONOMIES. THE ALBANIA'S CASE, MSc. Iva SULAJ, College University "Logos", Tirana
8. USING THE (KIDA) MODEL TO PREDICT FINANCIAL FAILURE, PhD Student Alnujaimi Aws Saeed MIRDAN, University of Craiova

Panel 3: New Approaches in Management, Marketing and Tourism in Knowledge Based Economy

Session Chairs: PhD. Amalia DUȚU, PhD Daniela MIHAI

FRIDAY, November 15, 2019

14H00 - 18H00: Presentations in panels

Room: C105

1. FROM BUSINESS IDEAS TO SUCCESSFUL ENTREPRENEURSHIP, PhD Mihaela DIACONU, Student Nicoleta BĂRĂITARU, University of Pitești

2. THE CAUSALITY AMONG TOURISM RELATED FACTORS AND GDP FOR EU MEMBERS, PhD Biagio SIMONETTI, Università Degli Studi del Sannio, PhD Ayhan KAPUSUZOGLU, Ankara Yildirim Beyazit University, PhD Nildag BASAK CEYLAN, Ankara Yildirim Beyazit University

3. THE TRIGGERS OF CONSUMERS BEHAVIOUR: AN INTEGRATED MARKETING COMMUNICATIONS APPROACH, PhD Olimpia OANCEA, PhD Amalia DUȚU, PhD Mihaela DIACONU, University of Pitești

4. MASS-MEDIA COMMUNICATION IN MODERN LANGUAGES, MEANS TO FOSTER EUROPEAN VALUES, PhD Irina Antoaneta TĂNĂSESCU, Valahia University of Targoviste

5. ON THE COMPETITIVENESS OF THE ROMANIAN TOURISM, PhD Student Smaranda TOMA, The Bucharest University of Economic Studies, PhD Daniela MIHAI, University of Pitești

6. STUDY ON THE DYSFUNCTIONS OF THE HUMAN COMPONENT IN THE SOCIO-TECHNICAL SYSTEMS, PhD Puiu GRĂDINARU, PhD Doruleț GRĂDINARU, University of Pitești

7. DESIGNING A REWARD MANAGEMENT SYSTEM TO INCREASE EMPLOYEES' SATISFACTION, PhD Mădălina BRUTU, University of Pitești

8. THE PROFILE OF LUXURY PRODUCTS CONSUMER: THE ROMANIAN CASE, Student Otilia OLTEANU, PhD Amalia DUTU, University of Pitești

Panel 4: Sustainable Development in Knowledge Based Economy

Session Chairs: PhD Mihaela DIACONU, PhD Alina HAGIU

FRIDAY, November 15, 2019

14H00 - 18H00: Presentations in panels

Room: C201

1. BLUE ECONOMY AS A POTENTIAL ON ATTRACTING FDI IN COASTAL COUNTRIES: ALBANIA CASE, PhD Student Daniel GUÇE, PhD Student Marius STANESCU, University of Craiova

2. THE ROLE OF WTO AND INTERNATIONAL COOPERATION ON SERVICES TRADE POLICY, PhD Alina HAGIU, PhD Marinela BĂRBULESCU, University of Pitesti

3. TRENDS IN THE EVOLUTION OF FOREIGN DIRECT INVESTMENT – ROMANIAN CASE, PhD Student Marius STANESCU, PhD Student Daniel GUÇE University of Craiova

4. ANALYSIS OF THE REAL ESTATE MARKET IN ROMANIA IN THE PERIOD 2009-2019, PhD Student Paul Cosmin Alin ENĂCHESCU, University of Craiova, PhD Student Genifera Claudia BĂNICĂ, University of Craiova

5. THE RECENT DEVELOPMENTS IN THE TRADE WAR BETWEEN THE TWO SUPERPOWERS USA VS CHINA IN THE DIRECTION OF THE GLOBAL ECONOMY, MSc. Elvis XHORI, College University "Logos", Tirana

6. FROM WEB 1.0 TO WEB 5.0 IN BUSINESS, PhD Malgorzata NYCZ-LUKASZEWSKA, Wroclaw University of Economics and Business, Zdzislaw POLKOWSKI, Jan Wyżykowski University, Wojciech GRZELAK, Wroclaw University of Economics and Business

7. HOUSE SALES TO FOREIGNERS AND RESIDENTIAL PRICES FOR ANTALYA, PhD Ayhan KAPUSUZOGLU, PhD Nildag BASAK CEYLAN, Ankara Yildirim Beyazit University

8. STUDY ON THE QUALITY OF LIFE IN ROMANIA DURING THE PERIOD 2015-2019, PhD Consuela DICU, PhD Carmen SECARĂ, University of Pitesti

9. ENCOURAGING NEURODIVERSITY IN THE EVOLVING WORKFORCE – THE NEXT FRONTIER TO A DIVERSE WORKPLACE, PhD Victoria-Mihaela BRÎNZEĂ, University of Pitesti

Panel 1: Finance and Accounting in Knowledge Based Economy

PUBLIC INVESTMENT CHALLENGES AND REFORMS IN ROMANIA

PhD Daniela PÎRVU, PhD Claudia STANCIU-TOLEA
University of Pitesti

Abstract: Public investments play an important role in stimulating economic growth and reducing the gaps between urban and rural areas or between various regions of a country. The share of public investments in GDP in Romania has decreased significantly in recent years, due to the decrease of the public revenues and the actions of the Government to adjust the public expenditures to avoid entering the excessive deficit procedure.. In this paper the problematic of public investments in Romania was analyzed in correlation with the decrease of taxes and social contributions rates and with the increase of the public pensions and salaries expenditures.

Key words: public investments, public expenditures, fiscal reform

FISCAL INSPECTION – AN INSTRUMENT OF TAX ADMINISTRATION

PhD Student Genifera Claudia BĂNICĂ,
PhD Student Paul Cosmin Alin ENĂCHESCU
University of Craiova

Abstract: The ultimate goal of all the activities carried out by the fiscal bodies is to increase the collection of budget revenues. One of the activities is the fiscal inspection, which is carried out after the completion of the accounting operations, following a risk analysis, with the prior approval of the taxpayer. Its main objective is to verify the legality and conformity of the tax declarations, the correctness and the accuracy of the fulfillment of the fiscal obligations by the taxpayers/payers, and where appropriate the establishment of main fiscal obligations. In the last three years, the National Agency for Fiscal Administration has adapted its strategy of collecting the incomes to the current economic reality by increasing the efficiency of the activity carried out. The effort to collect the budget revenues has materialized in annual receipts, with an increasing tendency, against the background of reducing the number of fiscal inspections carried out.

Key words: fiscal inspection, additional tax obligations, budget revenues, fiscal damage, budget debt

PERFORMANCE AUDIT ROLE IN THE QUALITY OF PUBLIC SERVICES AND SOCIAL WELFARE: TIRANA MUNICIPALITY CASE STUDY

PhD Student/ Assistent Lecturer Blerina BANUSHI
University of Tirana/LOGOS University College Albania

Abstract: Good governance commences at the local level. This happens, because the same principles of good governance are applied in both local and central levels of governance. Local government authorities, elected independently from the community of a certain territorial communion, are entities where direct democracy and citizen representation is exercised, public services are provided and socio-economic development takes place.

The Administrative-Territorial Reform, as a forerunner of a series of local government reforms, created a new and favorable framework in the context of local government authorities' empowerment and public services efficiency. It also reshaped the challenges of advancing local democracy and engaging citizens in public affairs.

The local governance performance and the way it interacts with citizens influence the behavior of the latter, as well as the intercommunity relations, cohesion and trust within and between communities relations; this legitimizes local government efforts and promotes sustainable development. Institutional performance in public sector, also called governmental performance, is often measured by indicators (IPI) related to resources and outcomes, but there is an increasing consensus of the fact that monetary resources are not enough. Obviously, the results of local governance are difficult to measure objectively.

This study aims to provide an overview of local governance in Albania, focusing on public opinion and satisfaction with Tirana Municipality activity. Thus, what is the public perception towards Tirana Municipality activity and what would the citizens of Tirana like to change or improve on local government service delivery?

This is followed by the well-known assumption that citizens rely on personal experiences when they create their own views, which are closely related to their knowledge and understanding of local government performance as a starting point for good governance, and in some cases they can make local authorities liable for issues that are not under their direct control.

For this reason, the key purpose of this research is to evaluate main stakeholders' perception such as: the employees and high level officials

of Tirana Municipality, as service providers, and citizens or entrepreneurs of Tirana Municipality, as beneficiaries of these services. In this context, it is also interesting to find a correlation between their perceptions on performance of public services delivered, in order to increase performance and social welfare.

Although the results of the study do not constitute scientific measurements, they highlight the most prominent problems of Tirana Municipality as well as the perception that citizens or entrepreneurs of Tirana Municipality have for their opportunities, role and influence on important issues such as transparency, accountability, rule of law and citizen participation. Consequently, the understanding of public's views on local governance, whether true or perceived, is an important part of improving effectiveness and efficiency, providing services and improving accountability of local administration.

What we seek to achieve at the end of all the analysis is the assessment of Performance Audit role in the Albanian public sector, a measurement that will be realized mainly through the perception of citizens or entrepreneurs, as well as the perception of employees and head officials of Tirana Municipality, studying a representative sample for each category.

The basic prerequisite is that the positive impact of performance audit or the growth of its role in helping good governance shall increase the perception of improving the quality of local governance as well as the public satisfaction; these indicators of satisfaction can be therefore used as indicators of good governance.

“Good local governance is the backbone of democracy” (Ch. Graf, 2016), as it affects the everyday life of citizens through the way it interacts with them and serves them. From this point of view, effective local governance requires a mutual communication with the citizens.

Keywords: performance, Tirana Municipality, good governance, public service

SUSTAINABILITY IN THE PERIOD 2014-2018

PhD Luiza Mădălina APOSTOL
University of Pitesti

Abstract: Romania's public debt is below the value registered by most of the EU member states, but its accelerated evolution and the pro-cyclical nature of the fiscal policy require a careful evaluation. The sustainability of the public finances must be a major challenge for the public policies. In order to maintain a sustainable level of the public debt, it is necessary to achieve the medium-term budgetary objective, to ensure a downward trend of the public debt share in the gross domestic product, by strictly observing the rules of budgetary policy. This paper shows an analysis of the public debt sustainability in Romania, for the period 2014 - 2018.

Keywords: public debt, public debt sustainability, budget deficit, primary balance

IMPLEMENTING THE EU REGIONAL POLICY THROUGH FINANCIAL INSTRUMENTS

PhD Student Cristina Maria OBRETIN, PhD Student Mariana Luminița
COMAN (LINȚĂ)
University of Craiova

Abstract: This article highlights an analysis of the main financial instruments in order to implement the regional development policy in all the member countries of the European Union. Through these tools the European Union allocates significant amounts to each operational program and implicitly helps the smooth running of the beneficiary projects and the regional development of the Member States and the disadvantaged areas.

The financial instruments, as well as the operational programs within which the non-reimbursable financial aid from the European Union is allocated, were highlighted. The regional development policy plays an important role in the development of all the states that are having difficulties in the economic, social and territorial area, the policy coming to their support.

Keywords: financial instruments, operational program, regional development, projects

THE RELATIONSHIP BETWEEN FINANCIAL DEVELOPMENT AND ECONOMIC GROWTH IN NIGER

PhD Student Seydou OUMAROU, PhD Nildag BASAK CEYLAN,
PhD Ayhan KAPUSUZOGLU
Ankara Yildirim Beyazit University

Abstract: The nexus between financial development and economic growth is a controversial issue and an ongoing debate. In developing countries, empirical studies have provided mixed results. Many studies have been carried out in the African context in recent years, both in a panel data and time-series framework. However, to the best of our knowledge, there is any report on this topic that singles out Niger specifically. This study intends to examine the long and short-run relationship between financial development and economic growth using time series data of Niger over the period 1962 to 2016. The investigation will be carried by using the commonly financial development variables, namely (Domestic Credit to the private sector to GDP (DCPS); Domestic Credit provided by banks to GDP (DCB), Liquid liabilities as a share of GDP (M3). Economic growth is proxied by the real GDP growth rate indicated by (GDPGR). Besides, two control variables are used, Government expenditure to GDP (GS) and Trade openness to GDP (TO). To check the presence of Unit roots, Augmented Dickey-Fuller (ADF) and Phillip Perron (PP) tests were applied. The stationarity tests revealed that GDPGR is stationary at level. However, the series such as DCPS, DCB, M3P, GS, TO were found to be stationary after taking their first difference. Since we found that the variables are mixed stationary (I (0) and I (1)), the Auto Regressive Distributive Lag (ARDL) technique of estimation was applied. Through the Bounds test, the cointegration was established confirming the presence of long-run equilibrium relationship among the variables. It is found that financial development measured by domestic credit to the private sector (DCPS) and liquid liabilities (M3) affect economic growth in the long-run. However, Domestic Credit to the private sector by Banks was found to be deleterious to growth in Niger. The financial system reform undertaken by the Niger government has to be pursued and intensified to boost the development of the financial sector, which will consequently have an increasing impact on economic growth.

Key words: Financial development, Economic growth, Niger, ARDL

Introduction

Historically, financial development and economic growth are closely related because a well-developed financial system effectuates several functions to enhance the efficiency of intermediation by reducing asymmetric information, transaction, and monitoring costs. More precisely, the financial system promotes investment by identifying and funding profitable investment opportunities, mobilizes savings, monitoring the performance of managers, enabling the trading, hedging, and diversification of risks and facilitates the exchange of goods and services (Levine 2004).

These functions stated by Levine(2004) will increase not only an efficient allocation of funds but also a more sudden accumulation of physical and human capital, which consequently allow faster technological progress, all of which are expected to induce economic growth positively. Schumpeter (1912) was the first author who showed that financial development promotes growth. However, Lucas (1988) argues that the importance of the financial system in vitalizing economic growth is over-stressed in economic literature – hence finance does not promote growth.

Apart from Schumpeter and Lucas, the third most prominent study on the subject is by Robinson (1952). Robinson (1952) asserts that where enterprise leads, finance follows.

Because of the importance of finance in growth for researchers and policymakers, the finance-growth nexus has been examined extensively. However, there are no studies that single out Niger as a case study. Therefore, our primary objective of the present study is to fill this gap in the literature by providing evidence on the relationship between financial development and economic growth.

This paper investigates empirically the long-run relationship and short-run dynamic linkages between financial development and economic growth in Niger during the period 1962- 2016. Four mains hypothesis are advanced which issues is whether finance and growth are related.

- supply-leading (finance-led growth) (Bagehot (1873), Schumpeter (1912), McKinnon (1973), Shaw (1973), Greenwood and Jovanovic (1990), and king and Levine (1993) among others),
- demand-following (growth-led finance) (Robinson (1952), Gurley and Shaw (1967), Goldsmith (1969), Jung (1986),
- feedback (bidirectional causality) (Patrick (1966), Demetriades and Hussein (1996), Luintel and Khan (1999),

Greenwood and Smith (1997), Al-Yousif (2002) and Calderón and Liu (2003),

- independent hypotheses (Robert Lucas (1988), Ram (1999)).

Niger is a member of the West African Economic and Monetary Union and shares the same Central Bank of the member states of this union.

The financial system is shallow; it comprises Commercial banks, postal banks, insurance companies, non-banking financial institutions, and they are under the supervision of the central bank called BCEAO (common to other states).

The financial system in Niger is still in its infancy and operates with a very limited amount of financial instruments and is made up mainly of banks as the main driver. The financial sector of Niger has suffered severe difficulties in the late 80s and 90s:

- political and economic instability and sluggish economic growth
- Institutional factors also affected the sector such as:
 - inefficiency of the judicial system
 - bad financial sector policies including lax banking
 - rigidity of the structure of interest rates
 - sectoral allocation of credit, mismanagement, and political affiliation based loans

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Research Methodology and Findings

The data used in this current study are extracted from the Federal Reserve Database of Saint-Louis (FRED). The study covers the period from 1962 to 2016.

Table 1. Variables – Denotation -Data Source

Variables	Denotation	Data Source
GDP growth (annual %)	GDPGR	FRED
Domestic credit to private sector (% of GDP)	DCPS	FRED
Domestic credit to private sector by Banks (% of GDP)	DCB	FRED
Liquid Liabilities(%GDP)	M3	FRED
Government Expenditures (%GDP)	GS	FRED
Trade(%GDP)	TO	FRED

The given model is estimated as follow:

$$GDPGR = \beta_0 + \beta_1 [(DCPS)]_t + \beta_2 [(M3)]_t + \beta_3 [(GS)]_t + \beta_4 [(DCB)]_t + \beta_5 [(TO)]_t + \varepsilon_t \quad (1)$$

In the presence of cointegration, the long-term and error correction estimates of the ARDL model are obtained.

$$\Delta GDPGR = \beta_0 + \sum_{i=1}^p \gamma_{1i} GDPGR_{t-i} + \sum_{i=1}^q \gamma_{2i} DCPS_{t-i} + \sum_{i=1}^r \gamma_{3i} DCB_{t-i} + \sum_{i=1}^q \gamma_{3i} M3_{t-i} + \sum_{i=1}^q \gamma_{4i} GS + \sum_{i=1}^q \gamma_{5i} \ln TO_{t-i} + \varepsilon_t, \dots \dots (2)$$

The short-term dynamics are captured by the error correction model as follows:

$$\Delta GDPGR = \beta_0 + \sum_{i=1}^p \gamma_{1i} \Delta GDPGR_{t-i} + \sum_{i=1}^q \gamma_{2i} \Delta DCPS_{t-i} + \sum_{i=1}^q \gamma_{3i} DCB_{t-i} + \sum_{i=1}^q \gamma_{4i} \Delta M3_{t-i} + \sum_{i=1}^q \gamma_{4i} \Delta GS_{t-i} + \sum_{i=1}^q \gamma_{6i} \Delta TO_{t-i} + \lambda ECT_{t-i} + \varepsilon_t \dots \dots \dots (3)$$

The Augmented Dickey Fuller and Phillips Perron tests are used to examine the stationarity of the variables used in the study and the results are given in the Table 2 and 3.

Table 2: ADF (Augmented Dickey Fuller) Unit Root Test Results

Variable	Constant	Constant and Trend	Decision
Level			
GDPGR	-5.081***	-5.757	I(0)
DCB	-1.749	-1.736	Non-stationary
DCPS	-1.552	-1.550	Non-stationary
M3	-0.933	-1.590	Non-stationary
GS	-1.639	-3.217	Non-stationary
TO	-2.189	-2.066	Non-stationary
First difference			
DCB	- 3.998 ***	-3.956 ***	Stationary
DCPS	-4.255 ***	-4.208 ***	Stationary
M3	-4.156 ***	-4.182 ***	Stationary
GS	-5.189 ***	-5.139 ***	Stationary
TO	-4.873 ***	-4.899 ***	Stationary

Table 3. Phillips Perron (PP) Unit Root Test Results

Variable	Constant	Constant and Trend	Decision
Level			
GDPGR	-6.765***	-7.155	I(0)
DCB	-1.350	-1.356	Non-stationary
DCPS	-1.298	-1.290	Non-stationary
M3	-0.260	-0.979	Non-stationary
GS	-1.674	-3.604	Non-stationary
TO	-2.007	-1.948	Non-stationary
First difference			

DCB	-5.583***	-5.528***	Stationary
DCPS	-4.566***	-4.522***	Stationary
M3	-4.796***	-4.814***	Stationary
GS	-8.526***	-8.436***	Stationary
TO	-6.984***	-7.006***	Stationary

Bounds Testing for Cointegration

The autoregressive distributed lag (ARDL) approach developed by Pesaran et al. (1998) to co-integration is used. In order to determine the long-run relationship among the variables, we used the ARDL Bounds test procedure. In Equation (2), the null hypothesis of no-cointegration or no long-run relationship is defined by (H0:

$$\gamma_1 = \gamma_2 = \gamma_3 = \gamma_4 = \gamma_5 = \gamma_6 = 0 \quad \text{against the alternative hypothesis H1:}$$

$$\gamma_1 = \gamma_2 = \gamma_3 = \gamma_4 = \gamma_5 = \gamma_6 \neq 0$$

Pesaran et al. (2001) provided two sets of critical values:

1. The first set takes all variables as stationary at the level I(0)
2. the second category assumes that all variables are integrated after the first difference I(1).

If the computed F-statistics is higher than the upper bound critical value, then we reject the null hypothesis of no co-integration and conclude that there exists a long-run equilibrium relationship among the variables. If the computed F-statistics is less than the lower bound critical value, then the null hypothesis of no co-integration cannot be rejected. If the F-statistic falls in between the two bounds, then the result is inconclusive.

Table 4. ARDL Bounds Test Results for Cointegration Relationship

F-Statistics	Level of Sig.	Lower Bound	Upper Bond	Conclusion
11.605	1%	3.41	4.68	Evidence of Cointegration
	5%	2.62	3.79	
	10%	2.26	3.35	

In Table 4, the results indicated that the F-statistic is 11.065, and it appears to be obviously higher than the upper bound critical values of 3.35, 3.79 and 4.68 at 10%, 5% and 1%. Suggesting that the null hypothesis of no co-integration between financial development indicators and economic growth is rejected. Thus, there is an evidence

of Cointegration between finance and growth, showing a long-run relationship between financial development and economic growth in Niger.

Table 5. Estimated ARDL Short-Run and Long-Run Coefficients

Dependent Variable: GDPGR				
Variable	Coefficient	Std. Error	t-Statistics	Prob.
DCPS	1.429	0.55829	2.56	0.014**
DCB	-2.075	0.6144	-3.38	0.001***
M3	0.482	0.269	1.79	0.079*
GS	-0.559	0.377	-1.48	0.145
TO	0.011	0.081	0.894	0.091
ECT(-1)	-1.125	0.140	-8.02	0.000***
C	11.065	5.402	2.05	0.046**

***, ** indicate significant level at 1% and 5% respectively.

The variables lag length (1 0 0 0 0) based on AIC.

Domestic credit to private has a statistically significant Positive influence on the growth rate of the economy in the long run. One unit increase in the amount of credit granted to private enterprises will result in a 1.429 increase in economic growth of Niger ceteris paribus. However, domestic credit to private sector by banks is found to deleterious to growth in Niger. This finding implies that credit given by banks has not benefited the economy, due to high non-performing loans coupled with the sectoral allocation of credit political affiliation based loans. Liquid Liabilities as a share of GDP is found to relate positively to economic growth, and it is statistically significant at 10%. That is, a one unit increase in financial development measured by M3 to GDP is accompanied by a .482 rise in the long-term growth of the economy. Concerning the short-run relationships, the study found that financial development variables and control variables do not have any impact in influencing economic growth in Niger. The result of the error correction term (ECT), which shows an adjustment to the equilibrium level after a shock, is negative and statistically significant. It shows the existence of a long-run relationship between financial development and economic growth. The lagged value of our error term coefficient is negative (-1.125), and is strongly significant at 1% level. It affirms the presence of long-run causality between financial development and economic growth in Niger, running from financial development variables to growth. It suggests that about 112.48% of a disequilibrium created by shocks in the previous period (year) can be corrected in the current year (Table 5).

Conclusion

This paper empirically investigates the relationship between financial development and economic growth in Niger. Time series data from 1962-2016 and employed the autoregressive distributed lag (ARDL) approach to co-integration. The results show a positive and statistically significant long-run relationship between financial development, as measured by M3, and DCPS, and economic growth. However, financial development measured by DCB is impacting growth negatively in Niger due to non-performing loans. None of the variables have short-run effect on economic. The speed of adjustment, error correction term is statistically significant at 1%. That is there is long-run run causality, from finance to growth.

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THE FISCAL GAP

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Abstract: The evasion phenomenon has negative implications on various levels and it must be constantly monitored in order to be able to combat it as effectively as possible. One of the most efficient estimation tools for combating tax evasion is the fiscal gap. The fiscal gap is defined as the difference between the amount of taxes and fees, which would have to be paid by the taxpayers and the amount that is reported and actually paid. This fiscal gap distorts the entire economic system, disrupting all major macroeconomic indicators. The paper presents the concept of the fiscal gap, discusses how it is estimated and outlines some limitations regarding its calculation.

Keywords: fiscal gap, fiscal obligations, tax evasion

ETHICS IN FINANCIAL REPORTING AND ORGANIZATIONAL COMMUNICATION

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Abstract: The subject of ethics have been intensely debated in the economic literature because of its impact on information users' decisions.

In the process of preparing financial reports, it is necessary to respect ethical principles for the defense of the public interest. An unethical organizational reporting can cause problems throughout the economy by affecting the confidence of the stakeholders.

Respecting ethics in organizational communication, including financial reporting, is often questioned by stakeholders. If investors are confident that the principles of ethics in financial reporting and organizational communication have been respected, they can invest more, thus contributing to the development of the entire economy.

The main objective of our paper is to highlight the imperative character of observing ethical principles in financial reporting and organizational communication

Key words: ethics; financial reporting; organizational communication

PUBLIC FINANCES AND THEIR FISCAL COMPONENT

PhD Luigi POPESCU

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Abstract: The objective nature of public finances, implicitly of the fiscal system, attests to the fact that they exist to serve the achievement of precisely defined objectives, the fulfillment of tasks that could not be performed in other ways or by other means. This means that the public finances have a certain purpose, a certain economic - social mission that they fulfill through the functions they exercise.

Keywords: public finances, fiscal system

TYPES OF FINANCIAL RISK INSURANCE AND THEIR ROLE IN THE ECONOMY

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Abstract: This paper aims to analyze the types of financial risk insurance that currently exists on the market and outlines their common elements, but also the differences. In order to emphasize the diversity of these types of insurance and their causes I will try to present their role and importance in the economy. These aspects will be useful for research to place financial risk insurance in an attractive area that will have an influence and positively affect the economic dimensions.

Keywords: banking system, insurance; risk assessment

FINANCIAL AND FISCAL MECHANISMS - USING FISCAL LEVERS PhD

PhD Luigi POPESCU

University of Pitesti

Abstract: The impact of public finances on the economy, however, is not limited to this, but is also manifested in the form of the redistribution of incomes and wealth of individuals and economic agents. The public authorities use the specific instruments of finance, including those of a fiscal nature and to guide the economic processes, to correct the economic cycle and to eliminate the economic imbalances.

Key words: public finances, economic cycle

EVOLUTION OF THE MAIN INDICATORS OF PUBLIC DEBT. A COMPARATIVE ANALYSIS BETWEEN DEVELOPED AND EMERGING STOCK MARKETS IN EUROPEAN UNION

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Abstract: The main aim of this article is to provide a comparative analysis between developed and emerging stock markets in the European Union. A range of criteria were used to classify stock markets in certain internationally recognized categories. For instance, FTSE Russell provides the following classification of stock markets, ie: developed, advanced emerging, secondary emerging and frontier. Stockmarket behavior exhibits certain stylized facts which influence the investment approach. A stock market is a barometer that indicates the health of a country's economy.

Key words: developed stock market, emerging stock market, investment behavior, stylized facts

INVESTIGATING THE IMPACT OF POLITICAL INSTABILITY ON TAX REVENUES

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Abstract: The main aim of this research paper is to investigate the impact of political instability on tax revenues. An unstable political environment generates a negative effect on budgetary resources. Various empirical studies confirm that political instability is one of the main causes for low tax revenues. It is very important to maintain an efficient allocation of public resources in order to achieve sustainable governance. Political instability affects certain macroeconomic indicators such as budget deficits, unemployment rate, economic growth, interest rates and inflation.

Keywords: fiscal policy, tax revenue, political instability, budgetary resource, wealth inequality

METHODS AND TECHNIQUES OF TAXATION, MONITORING AND RECEIPT OF TAXES AND TAXES

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Abstract: There has always been an interest in analyzing the effects of fiscal policy on the main macroeconomic variables, such as GDP, inflation, interest rate, employment, otherwise in parallel with the empirical literature on the results of monetary policy over economic activity, fiscal policy has acquired less interest. With the current economic crisis, fiscal policy has been looked at more carefully, because it was expected to be useful in economic normalization.

Empirical studies have not reached agreement on the results of fiscal policy (or their volume) for macroeconomic variables. Regarding the effects of fiscal policy shocks, there are two main points of view in the economic literature: John Maynard Keynes theory and neoclassical theory. In the new Keynesian model, a positive fiscal policy shock causes an increase in aggregate demand and labor demand, so that both consumption and wages will increase. In the neoclassical model a positive shock of fiscal policy is considered to be a negative shock on wealth, because either now or in the future, the increase of government spending will have to be financed by higher taxes. Both theories predict an increase in production, but through different channels. The different studies do not have common results and there is still no concretization regarding the effects of the fiscal policy and of the fiscal multipliers.

Key words: taxation, taxes, indirect taxes, direct taxes, local budget, tax rate

THE FINANCIAL RIGHTS OF THE LOCAL AUTONOMY

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Abstract: A main defining dimension of a democratic state is to ensure the conditions of citizens to participate in the administration or management of public interests. The economic-social activity of a state takes place to a significant extent under the administrative, financial and legal auspices of the local authorities. According to the appreciation of a reputed politician and state in our time, this is M. Thatcher, "an adequate policy crucially depends on the correct identification of the answer to the problem of activities that fall to the state and the activities that fall to the task of citizens". The allocation, to the local communities, of the right and responsibility of the decision on some essential issues that affect their life is a key element of the implementation of the democratic society in Romania, but the local autonomy has a real content provided that the local authorities have the necessary resources, the legal competences and the political capacity for effectively assuming the tasks associated with the respective autonomy. In fact, the European Charter itself / The autonomous exercise of local powers, ratified by Romania, stipulates that local autonomy means "the right and the effective capacity of local authorities to decide and lead, within the limits set by law, on an essential part of public affairs , on their own responsibility and in the interest of the population "of the area, that the local authorities must be equipped, within the national economic policy, with adequate own financial resources that they can freely have within the limits of the competences granted and that" the financial resources of the local authorities it must be proportionate to the competences "provided by the Constitution or the law. It is appreciated that local authorities are better able to capitalize efficiently on fiscal and non-fiscal public revenues, given that they have the necessary legal competence and perceive better the local needs of goods and services, the consequence being the beneficial use of available resources (this is all the more so. local authorities respond politically to voters who can sanction them by vote).

Key words: local public finances, financial decentralization, local public administration, administrative autonomy

THE IMPACT OF CENTRAL COUNTERPARTY FORMATION ON THE ROMANIAN CAPITAL MARKET

PhD Student Florin GHEORGHE

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Abstract: This Central Counterparty formation has the role to develop the capital market in Romania, as well as to adapt to the legacy requirements of the European Union regarding the existence of such an institution in Romania. The Central Counterparty is a company with legal personality, which will act in order to improve the liquidity of the capital market, as a result of risks reduction related to trading with Romanian counterparties. With the establishment of the Central Counterparty, the capital market infrastructure will be developed by relaunching the derivatives market, which will lead to new types of investments, resulting in a more attractive market for investors.

Starting with September 2016, Romania was on the watch list regarding the reclassification from the status of Frontier Market to Emerging Market. The FTSE Russell Agency, the world leader in the classification of stock indexes, has improved since September 2020 the Romanian rating on the status of Secondary Emerging Market, as a result of the legislative improvements made by the authorities.

Improving the status of the Romanian capital market will have a positive impact on liquidity, will become more attractive to investors, our responsibility being to capitalize on this opportunity by attracting new initial public offerings (IPOs) launched within the Bucharest Stock Exchange, and the Central Counterparty formation will increase the capital inflows, absence of a Central Counterparty is associated with more risks in terms of transactions with counterparties from Romania.

Key words: Romanian capital market, Central Counterparty, Bucharest Stock Exchange

Panel 2: Banking System in Knowledge Based Economy

ISLAMIC BANKING: A NEW CHALLENGE FOR THE EUROPEAN UNION

PhD Cristi SPULBAR, PhD Ramona BIRAU
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Abstract: The main objective of this research article is to investigate the impact of Islamic banking on the financial market in the European Union. Islamic banking incorporates the guiding principles of Shari'ah law which has as principal source the religious precepts of Quran, the holy book of Islam. Islamic banking has experienced a very fast growth in the last decades. Islamic banking represents a more risk averse alternative to conventional interest-based banking. There are major difference between Islamic banking and conventional banking. Conventional banks are non-Shari'ah compliant, and this is an aspect that influences the behavior of consumers in the purchasing of banking services and products. Ethics and moral standards are very important for Islamic banking system, while profitability it is not a priority as in the case of traditional banks.

Key words: Islamic banking, European Union, conventional banking, Shari'ah compliant, interest-based banking

TYOLOGY OF CREDIT RISK IN ECONOMY

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Abstract: Today, many techniques are known regarding credit risk management, starting from traditional techniques of risk exposure assessment, aimed at limiting excessive concentration at the level of the debtor, sector of activity, industrial branch, etc., until the new management techniques, modern, such as swap transactions and options, adapted to this type of risk.

Thus, the instability led to an unprecedented development of counterparty risk, in general and credit risk in particular, determined the concerns regarding the management of this type of risk by expanding and even applying more and more generalized performant techniques of credit risk assessment.

Key words: credit risk, creditor, debtor, analyse, bank

CHALLENGES OF CORPORATE GOVERNANCE AT THE BANKING SYSTEM, IN DEVELOPING ECONOMIES. THE ALBANIA'S CASE

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Abstract: The particular nature of banking institutions needs a large review of corporate governance, where regulation of banking activities is required to protect depositors. In developed economies, depositors protection is ensured by a prudent regulation system, but in developing economies this protection is stumbled by a lack of well-trained surveillance, inadequate requirements, information disclosure, cost of capital raising and the presence of cartel groups.

While the corporate governance framework has evolved in developed economies, growing such a framework in transition or emerging economies is a challenge.

As bank capital plays an important role in prudential regulatory systems, it may be necessary to improve investor protection laws, increase financial disclosure, and impose duties in good faith on bank executives, in order for banks, to raise capital required for regulatory purposes.

A further reason why this policy should be implemented is the growing appreciation that corporate governance in banks has an important role to play in assisting supervisory institutions to fulfill their duties, allowing supervisors to have a work relationship, instead of a rival relationship.

Corporate governance in Albania presents shortcomings in the legislation regarding the treatment and the level of information that shareholders and other stakeholders (employees, creditors, suppliers, the public) have about the government practices of banks. Thus, emphasizing the need to increase the degree of involvement of these actors in governance.

There is a need to improve the banking governance in Albania, in expanding information and knowledge in this sector, which has gone through a long transition period, but the banks have not yet gained the status of being listed corporations and this is not necessarily their fault.

Keywords: banking sector, corporate governance, developing economies, regulatory systems

DO THE CENTRAL BANKS HAVE ENOUGH AMMUNITION IN CASE OF A RECESSION?

PhD Student Patricia Amalia MERCEA (HANDRO)
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Abstract: International Monetary Fund cut twice its forecast for global growth in 2019. Federal Reserve liquidity daily operations upped to \$120 billion. The governor talks about permanent and living balance sheet extension, but a rate cut now would take place when the equities are at the historical the highest level. In the event of a highly anticipated recession and a traditional credit crisis, will Fed avoid the “Moral hazard” issue?

On the other hand, US savers are more and more absorbing US deficits, and the ownership of foreign investors in US debts declined after 2016 (the trend continues in our days). This liquidity squeeze seems to be a traditional issue in the US economy. Warnings also come from the credit market. Furthermore, a strong Us dollar (nominal vs. CPI-adjusted) weakens the US competitiveness in international Trade. Furthermore, the currency war and trade war with the Chinese economy generates unprecedented uncertainty levels in the global economy. However, China owes the highest level of international foreign exchange reserve (the highest level in the world that a nation owns; the next country on the list has one-third of Chinese reserve). About two-thirds of the Chinese reserves are denominated in the US dollar, including assets and Treasury securities. Many analysts raise concerns about the extensive holdings of the Chinese economy on United States government debts. Who will gain this war or most probably will be only losers?

Keywords: liquidity, competitiveness, reserves

USING THE (KIDA) MODEL TO PREDICT FINANCIAL FAILURE

PhD Student Alnujaimi Aws Saeed MIRDAN

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Abstract: Today's business environment is fraught with risk, due to the changes imposed by economic globalization, particularly in the area of openness and financial liberalization policies. Predicting the failure of financial institutions at the present time is necessary to avoid the risks that may come out of the business market, as efforts have increased to find quantitative methods that help to expose them to the subject of financial failure, so many specialists have begun to look for ways Predicting financial failure before it happens, due to its negative effects on financial institutions and their dealers as well as the economy itself, so there have been many studies that have used financial ratios as tools for the application of mathematical models that have proliferated over time. One of these models (KIDA) was used on a sample of private commercial banks and to determine the extent of their success or failure, and then continue and stay at work and the extent of default and its negative effects.

Keywords: financial statement, kida model, financial failure

THE EFFECTS OF CYBER ATTACKS ON INTERNET BANKING

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Abstract: This research article aims to examine the effects of cyber attacks on internet banking. The impact of globalization on conventional banking sector has significantly reshaped traditional banking services. E-banking represents innovative banking technology which has improved and implicitly diversified the quality of customer service. Internet banking, also known as online banking involves many advantages, but also a number of major risks, especially as regards organized cyber crimes. The convenience of internet banking services is affected by cyber attacks. The risks associated with internet banking include financial malware, electronic fraud, spyware and malware-based phishing. The cybersecurity systems in banking plays an essential role in preventing cyber attacks. Moreover, law enforcement agencies also have a responsibility in protecting bank consumers from cybercrime threats.

Key words: cyber attack, internet banking, financial malware, electronic fraud, cybersecurity system

THE IMPACT OF USING ELECTRONIC SIGNATURE IN THE BANKING SYSTEM

PhD Student Cristian REBEGEA, PhD Student Toni CALUGARU
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Abstract: This research article aims to explain the impact and necessity of using electronic signature in the banking system. The electronic signature is a legally valid method for signing documents in the digital environment. Using a digital certificate that demonstrates the identity of the signer and the authenticity of the signature, allows the validation of any document in the same way as the notarial authentication. The mechanism behind the digital signature is based on encryption methods that create a unique signature for each user. In this way, the electronic signature ensures the security of the documents in the virtual environment, guaranteeing their authenticity, integrity and non-repudiation. Offers, contracts, powers, invoices and many other documents can be signed anytime and from anywhere, as long as there is access to the internet and to an electronic device such as a computer, phone or tablet. In general, the digital certificate represents the identity of the person or entity in the digital environment and is purchased from a company approved to offer such certificates.

Key words: electronic signature, certificates, authentication, authenticity

OVERVIEW OF CREDIT ACTIVITY IN ALBANIA

PhD Student Klejda GABESHI
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Abstract: The dominant component of the Albanian financial system is the banking sector, whose activity is transparent and leads to an efficient market economy. The mission of a performing banking system is to allocate the capital exclusively in profitable projects, to facilitate the best functioning of the lending activity, helping to improve the rational distribution of resources between different entities.

The purpose of this paper is to provide a comprehensive statement of the most recent credit developments in Albania, in order to determine if banks, with their role as financial intermediaries, can help stimulate economic growth. Loans compose the majority of the Albanian banking system assets. In the last years, loan portfolio quality has been significantly deteriorated, which can be easily understood from the increase in non-performing loans.

The methodology used in this article is a quantitative and qualitative analysis of credit data provided by the Albanian banking system, the identification of factors that can boost credit growth in conditions of its significant slowdown and the study on lending performance and progress, in comparison with different countries in the region.

Keywords: banking system, credit activity, lending performance

Panel 3: New Approaches in Management, Marketing and Tourism in Knowledge Based Economy

FROM BUSINESS IDEAS TO SUCCESSFUL ENTREPRENEURSHIP

PhD Mihaela DIACONU, Student Nicoleta BĂRĂITARU
University of Pitești

Abstract: Under the current market conditions, business success is the vector that ensures sustainability and obtaining value for business stakeholders. In the field of entrepreneurship, the road to success, the experiences, knowledge and skills acquired by the entrepreneur are stimulating factors of the entrepreneurial spirit.

The paper highlights the importance of benchmarking in the analysis of business success in order to identify business models in the online space that can be transformed into successful businesses. Starting from the comparative analysis of two giants in the field of online business, namely Amazon and Ebay, the authors concentrated the success factors identified for the two companies in a new business model for the online sales market.

Keywords: business models, entrepreneurship, online business, sustainable development

ON THE COMPETITIVENESS OF THE ROMANIAN TOURISM

PhD Student Smaranda TOMA, The Bucharest University of Economic Studies, PhD Daniela MIHAI
University of Pitești

Abstract: The value of Romania's competitiveness index of 3.8 in 2017, placed our country in 68th place out of a total of 136 countries analyzed on the competitiveness of the tourism and travel industry. According to the Report on Travel and Tourism Competitiveness Index, the destination Romania was visited by 2,234,520 international tourists, collecting USD 1,712 million (respectively an average revenue of USD 766.1/ tourist). The GDP of the tourism industry represents 1.3% of the value of the national GDP. The number of employees in tourism was 189,769, which represents 2.2% of the total jobs in Romania.

Keywords: competitiveness, tourism and travel industry

THE CAUSALITY AMONG TOURISM RELATED FACTORS AND GDP FOR EU MEMBERS

PhD Biagio SIMONETTI, Università Degli Studi del Sannio
PhD Ayhan KAPUSUZOGLU, Ankara Yildirim Beyazıt University
PhD Nildag BASAK CEYLAN, Ankara Yildirim Beyazıt University

Abstract: Tourism is an important concept for the EU countries which is economically the second market in the world. The countries try to increase their tourism revenues as they contribute to the economy. International tourism is considered as a major source of exporting revenues for the EU member countries. Having too much importance in the economy, this study aims to analyze the long run and short run relationships among international tourism revenues and tourism related factors such as tourism expenditure, tourist arrivals and GDP of the EU member countries. As a methodology Granger causality and Johansen cointegration methods are used. The panel data analysis are performed for 22 years using annual data of the EU member countries. The results of the analysis show that there is long run relationship between tourism revenue and GDP, tourism arrivals and GDP and tourism expenditure and GDP.

Keywords: tourism revenue, tourism expenditure, tourism arrivals, cointegration, causality

DESIGNING A REWARD MANAGEMENT SYSTEM TO INCREASE EMPLOYEES' SATISFACTION

PhD Mădălina BRUTU
University of Pitești

Abstract: This paper starts from the idea that the efficiency of the employees' work depends on the company's reward system and especially on their perception of the rewards granted. Therefore, the paper presents a quantitative research, using the questionnaire as a tool, in order to identify the degree of employee satisfaction, on the one hand and those elements the company should include in the reward system, on the other hand. This paper may be developed in future research, aimed at improving the efficiency and restructuring the rewards management system.

Keywords: reward system, quantitative research, efficiency of the employees' work

STUDY ON THE DYSFUNCTIONS OF THE HUMAN COMPONENT IN THE SOCIO-TECHNICAL SYSTEMS

PhD Puiu GRĂDINARU, PhD Doruleț GRĂDINARU
University of Pitești

Abstract: Socio-technical systems are systems that ensure self-regulation and self-organization in relation to the objectives set and its connections with the environment. The dysfunctions in the socio-technical systems may be of a technical or socio-human nature with various consequences. The reliability of these systems depends not only on the reliability of the technical subsystem but also on the reliability of the human subsystem. Human reliability has as an indicator the error, as failure is the main indicator of technical reliability. The study considers only the human factor both in terms of its activity and the obtained results. In this regard, the study uses stochastic simulation to predict operator errors, as well as Markov chains, as a predictive tool for the stability of the company personnel.

Keywords: socio-technical system, human reliability, Monte Carlo method, MARKOV chains

THE TRIGGERS OF CONSUMERS BEHAVIOUR: AN INTEGRATED MARKETING COMMUNICATIONS APPROACH

PhD Olimpia OANCEA, PhD Amalia DUȚU, PhD Mihaela DIACONU
University of Pitești

Abstract: In today's competitive environment, the organizations must constantly communicate with the current and potential stakeholders, provide products and/or quality services, establish attractive prices and facilitate the access of the customers at these. Integrated marketing communication (IMC) is the focus of all these activities, given the fact that the perceptions and the attitudes of the consumer towards products and/or services may be influenced by the communicational messages sent by an organization. If initially, the concept of integrated marketing communication took into account the needs and the interests of consumers, based on the premise that the integration of its components represents a value both for the consumers and for the companies, today it is a certainty that the market is headed and influenced by the consumer. Therefore, the purpose of this paper is to identify the correlations existing between the different components included in the integrated marketing communication models, developed

by researchers from different perspectives and thus, to underline the factors with high impact on the consumer's purchasing behavior..

Keywords: integrated marketing communication, consumer behaviour, purchase decision, communication impact, organizations

MASS-MEDIA COMMUNICATION IN MODERN LANGUAGES, MEANS TO FOSTER EUROPEAN VALUES

PhD Irina Antoaneta TĂNĂSESCU
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Abstract: At present Romania does not benefit from the changes occurring in the European mass-media. There are still linguistic and cultural barriers, there is no international television union. The main role is played by the cultural and political elites and the opinion of the various social groups is neglected. The political issues and the status of the European funds absorption abound in media news and there are very few references to lifestyles.

The Romanian public space is still dominated by the elites of which political interests and cultural and civilisation options are focused on what happens abroad.

The Romanian state will resist providing they promote European values. Mass-media should honestly and convincingly reflect Romania's force to innovate and build economically and culturally in the EU space and, at the same time, to encourage debate of the decisions which are important to the public opinion in the entire region.

Mass-media should make a better contribution to the modernisation of the Romanians by debates focused on taking over the European good practices with regards to professionalism, discipline, emotional balance, creativity in the work process.

Achieving unity in diversity requires a good management of the languages which should ensure understanding among European citizens and guarantee each person the respect for their linguistic and cultural characteristics. Pluralism does not mean that an individual masters several languages at the same level; it means having knowledge of minimum two languages besides one's native language in order to build social contacts.

Keywords: journalism, process, psycho-linguistic, media discourse, multilingualism

THE PROFILE OF LUXURY PRODUCTS CONSUMER: THE ROMANIAN CASE

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Abstract: The future of the market is connected to the fast changing trends in customers profile and behaviours. Thus, luxury companies have started to be focused on a new consumer class that is rising nowadays and will be relevant within the close future. That is way; companies are strategically focused on understanding and attracting the younger segments of the population as Gen Z: the customers of the future. Any way the concept of luxury is debatable and depends on countries, social values and life style, culture factors etc. Even if the Romanian luxury market is still under development in the context of the low income of Romanian consumers in comparison to the West European citizens, there is a lot of growth potential. Thus, the aim of this research paper is to measure the Romanian consumers' perception of luxury brands correlated to independent variables as: gender, education, monthly revenue and age and, thus, to identify a consumer typology in this respect. In order to achieve the purpose of the research study a consumer survey was conducted in Arges County. The results of the study relived the fact that luxury perception vary on a great extent due to age, education, level of income and cultural context.

Keywords: luxury products, luxury perception, luxury consumers' profile, Romanian case

Panel 4: Sustainable Development in Knowledge

BLUE ECONOMY AS A POTENTIAL ON ATTRACTING FDI IN COASTAL COUNTRIES: ALBANIA CASE

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Abstract: This study investigates the potential impact of Blue Economy on attracting FDI. The analysis of the concept in terms of foreign investment is an additional contribution to previous studies in this field. What we suggest is the development of crosscutting strategies in the development of the coastal economy, especially for developing countries such as Albania, is a good opportunity to use the concept of the blue economy and its mechanisms to attract foreign investment. Developing such a strategy supports investment and development of existing sectors as well as promoting investment and innovation in the development of new sectors. Therefore there is a need to examine the mechanisms necessary to encourage foreign investment in this sector. The methodology of this paper is based on a research in the theoretical framework on Blue Economy.

Keywords: Albania, blue economy, FDI

TRENDS IN THE EVOLUTION OF FOREIGN DIRECT INVESTMENT – ROMANIAN CASE

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Abstract: Foreign direct investment (FDI) represents one of the ways to finance any economy. In the study we approached the theme from the point of view of the evolution of foreign direct investments in Romania. Using analytical methods, interpretations and correlations, we drew conclusions on the categories of foreign direct investment, net foreign investment flow and the balance of foreign direct investment. Last but not least, we analyzed the relationship between FDI and GDP as one of the main macroeconomic indicators of the result, highlighting the percentage and trends of foreign direct investment in GDP in Romania between 2000 and 2018. We also highlighted the directions where foreign direct investment is needed in Romania to support a sustainable development of our country.

Key words: foreign direct investments, sustainable development, economic growth

THE ROLE OF WTO AND INTERNATIONAL COOPERATION ON SERVICES TRADE POLICY

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Abstract: In the last decades most of the countries of the world have been adopting reforms regarding the increase of competition in their service markets motivated by the benefits regarding both the standard of living and overall economic competitiveness. Meanwhile, services have started to have an increasing share of GDP, demand for international services has increased and new demand is emerging. Governments cooperate regarding services trade policy because the landscape of services trade has evolved and transformed, present demand for internationally supplied services has increased, services economy has evolved from a model in which governments were solely and uniquely responsible for the supply of many infrastructural and social services to one where these services are provided also, or predominantly, by private actors in competition with each other, and because “going it alone” doesn’t allow all potential benefits to be reaped.

The aim of this paper is to clarify why governments cooperate on services trade policy and why regulatory cooperation matters for business, to present how countries collaborate in the services sphere, to present the potential of trade in services for developing countries and to identify prospects for future cooperation.

Keywords: trade policy, cooperation, services, competitiveness, performance.

STUDY ON THE QUALITY OF LIFE IN ROMANIA DURING THE PERIOD 2015-2019

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Abstract: For any country, the well-being of its inhabitants is very important. The quality of life is a decisive concept in terms of education and health. The society will be able to perform economically, improving the quality of life of the population.

Within this paper, an analysis of the quality of life of the population in Romania is performed through econometric models of unifactorial and multifactorial regression. We considered Gross Domestic Product (GDP), Final Consumption / inhabitant (CF) and Gross Available Income (VDB) as the main macroeconomic indicators that determine the quality of life.

Key words: quality of life, macroeconomic indicators, econometric models

ANALYSIS OF THE REAL ESTATE MARKET IN ROMANIA IN THE PERIOD 2009-2019

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PhD Student Genifera Claudia BĂNICĂ
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Abstract: During the years 2009-2019, at the same time with the minimums recorded at interest rates and the decrease of returns to other asset classes, real estate investments became the safest, and taxes and taxes collected as a result of real estate transactions represented an important source of income for the state budget. In the absence of an integrated database that promotes the transparency of the real estate market, the main indicators are statistics on the dynamics of transactions and demographic indicators.

This study involves a comprehensive analysis and connection of statistical data to determine the quantitative evolution of the real estate market in Romania between 2009-2019. Without going through the extensive list of causes that have contributed to the dynamics of the market, a number of factors such as legislative, technological, demographic, micro and macroeconomic, attest that the level of real estate transactions can represent a good indicator of the economic situation. Once the Romanian economy has shown signs of recovering from the last international economic crisis, and the purchasing power has increased, home prices have also started to rise. During the analyzed period, despite the fluctuation of the number of transactions, annually, the obtainable price of the properties increased fluctuating. However, the volume of transactions and prices did not reach the values before the economic crisis..

Key words: Romanian real estate market, statistical data, real estate indicators, demand analysis, supply analysis

THE RECENT DEVELOPMENTS IN THE TRADE WAR BETWEEN THE TWO SUPERPOWERS USA VS CHINA IN THE DIRECTION OF THE GLOBAL ECONOMY

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Abstract: In this work we will mainly focus on the new developments in the clash between the two world superpowers of the USA and China. Mainly concerning in the trade war between the two most developing economies for the domination of the world economy.

By widening the link between economic interest and national security, Trump is encouraging the decoupling of the two largest economies in the world and the emergence of a bipolar world order led by rival hegemons. In addition to fragmenting the commercial and financial system that has sustained the global economy for decades, the stage would be ready for a devastating conflict.

Traditionally, strong rising power has challenged a weakened historical operator, making the result pre-established. But the result of the current struggle between China and the United States is far from inevitable, because the powers of both the aspirant and the incumbent are being eroded, albeit in different ways.

Among the zero-sum disputes of US President Donald Trump with China and Iran, the discontinuity of British Prime Minister Boris Johnson with Parliament and the European Union, and Argentina's likely return to Peronist populism, the destiny of the global economy is balancing itself on the razor's edge. Each of these scenarios could lead to a crisis with rapid relapse effects.

Key words: trade war, customs tariff, war in the foreign exchange market, economic domination role

FROM WEB 1.0 TO WEB 5.0 IN BUSINESS

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Abstract: The World Wide Web as the largest information construct has had much progress since its inception. This paper provides a background of the evolution of the web from web 1.0 to web 4.0 and beyond. Web 1.0 as a web of information connections, Web 2.0 as a web of people connections, Web 3.0 as a web of knowledge connections and web 4.0 as a web of intelligence connections are described as four generations of the web in the paper. Following, the overview of the various web technologies in a timeline have been presented. Key characteristics of each web version are also described. Furthermore, a framework has also been constructed with regards to enterprise 4.0 based on Cloud Computing in a PaaS model. Following, a conclusion is presented where it is stated that it is possible to implement technologies such as block chain and machine learning utilizing existing technologies, however the business in which it is aimed at might not necessarily be ready to implement such technologies just yet. Lastly, some limitations and scope of future work is presented, looking into concepts such as 5.0 and the importance it has for the future of business.

Key words: Web 1.0, Web 2.0, Web 3.0, Web 4.0, Web 5.0

HOUSE SALES TO FOREIGNERS AND RESIDENTIAL PRICES FOR ANTALYA

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Ankara Yildirim Beyazit University

Abstract

Antalya is a touristic city in the South region of Turkey. Every year, lots of foreign tourists have their holidays in this beautiful city. Of these tourists, some of them spend their holiday in the hotels, whereas the others prefer to buy their own houses. The number of houses owned by the foreigners are increasing day by day. The purpose of this paper is to examine the relationship between house sales to foreigners and the price of the houses in Antalya for the 2013:01-2019:08 period. As a model, Johansen cointegration and Granger causality tests are applied to the monthly data. The results of the study show that the house sales to foreigners no Granger causes the price of the houses in the short term and vice versa. There is a long run relationship reported between the variables.

Keywords: Residential prices, House sales to foreigners, Cointegration, Causality, Antalya

1. Introduction

Foreigners have an important share in Turkish markets. With globalization, they are going out of the country's borders and prefer to invest in the markets where the return is high and the risk is low. Turkish markets are also affected from the globalization in attracting foreign investors, especially in Borsa İstanbul and DİBS markets. In addition, Turkey, in terms of tourism is attracting the interest of foreign investors and tourists. Therefore, there is an increase in the number of foreigners who invest and buy houses. Thus, the research subject of this study is to examine the effect of foreigners' buying house on the house prices.

In literature, there are many studies showing how house prices are affected by many different factors. For example, Cingöz (2010) examine which of the variables has affected the housing prices and has found a positive relationship between house price and neighborhood, children's area, park, pool, artificial pond, number of rooms and housing size. Kaya (2012) investigate which of the variables are affected from the house prices by using hedonic price method. The findings of the study show similarities with the the study of Cingoz (2010). Kördiş, Işık and Mert (2014) apply a similar study for Antalya. It is reported that the housing

prices in Antalya are affected by the width of the house, the socioeconomic status of the region, the sea view, the closed car park heating system, the elevator and the proximity to the sea. In his study, Akkaya (2018) investigate the relationship between Hedonic Housing Price Index and macroeconomic variables by using ARDL method.

One of the studies demonstrating how housing sales are affected by foreign tourists is Türkcan’s (2017) study, where the study is carried out for the 2008-2015 period for the 81 provinces of Turkey. He examine the relationship between tourism movements and sales using panel causality analysis and simultaneous equation system modeling and report a negative relationship between home sales and the number of foreign tourists.

As the other Mediterranean countries, Turkey is attracting foreigners in terms of making investment, tourism, etc. In the last decade, the number of foreigners that are willing to buy houses from different parts of Turkey can be seen obviously. When Table 1 is analyzed, it is observed that in 2013 and 2014, Antalya is in the first place in terms of foreign nationals that acquired houses, and in 2015 and 2016, after Istanbul, it is in the second place.

Table 1: The Distribution of Houses Sold to Foreigners by Provinces

Province	2013	2014	2015	2016
İstanbul	2447	5580	7493	5811
Antalya	5548	6542	6072	4352
Bursa	375	954	1501	1318
Aydın	1112	1191	1107	871
Yalova	284	765	1425	822
Trabzon	-	225	778	810
Sakarya	103	512	833	657
Muğla	1053	1051	830	632
Ankara	175	369	599	623
Mersin	545	783	717	580
Others	345	987	1475	1713
Total	12181	18959	22830	18189

Source: Candan and Oktay (2017), Turkish Statistical Institute.

There are various studies showing that the acquisition of housing by foreigners has positive or negative effects on national economies. Despite the general view that housing acquisition by foreigners has positive economic effects, some researchers have also found that it has various negative effects.

For example, in a study conducted by Çavuş and Çolakoğlu (2008) in Kuşadası and Didim, the local people claim that owing to the purchase of houses by foreigners, house and workplace prices in addition to rental prices will rise, so that local people with lower economic power compared to foreigners will have difficulties in buying and renting houses and workplaces. In general, it is suggested that it will increase the cost of living. In a similar study, Huete et al. (2008) perform their research in Spain. They state that living standards in the region have increased due to the purchase of houses by foreigners. In addition, the cost of living has increased and as a result, low-income local people are in a difficult situation. Master et al. (2009) conclude that travel agencies and the businesses involved in accommodation have had a positive expectation from foreigners' house acquisitions but that these enterprises later have suffered from losses. Öztürk et al. (2007) signifies that, a significant majority of local people argue that the acquisition of house by foreigners have adversely affected tourism and local people's life.

2. Research Methodology and Empirical Findings

The data of house sales to foreigners and the price of the houses in Antalya are obtained from the Electronic Data Delivery System (EVDS) of the Central Bank of the Republic of Turkey.

The period that is covered in the study is between 2013:01-2019:08 and the frequency of the data is monthly. In the study both short term and long term relationships between the variables are concerned. Firstly, the stationarity of the variables used in the study are tested using Augmented Dickey-Fuller (Dickey and Fuller, 1979) unit root test. As shown in Table 2, they are found to be integrated at order 1, I (1).

Table 2. Augmented Dickey Fuller and Phillips-Perron Unit Root Test Results

Variables	ADF		ADF(I)	
	Intercept	Trend and Intercept	Intercept	Trend and Intercept
Foreigner Sales	-1.831 (0.363)	-3.325* (0.07)	- 11.401*** (0.0001)	-11.329*** (0.0001)
Residential Price	-1.971 (0.299)	-0.301 (0.989)	-2.634* (0.091)	-3.302* (0.074)

Variables	PP		PP(I)	
	Intercept	Trend and Intercept	Intercept	Trend and Intercept
Foreigner Sales	-1.485 (0.536)	-3.295* (0.075)	- 12.869*** (0.0001)	-12.777*** (0.0001)
Residential Price	-3.610*** (0.008)	0.255 (0.998)	-4.350*** (0.001)	-5.225*** (0.0003)

Notes: Mac Kinnon (1996) one-sided p-values. *** and * denotess significance at 1% and 10% significance levels respectively.

Table 3. Johansen Cointegration Test with Foreigner Sales and Residential Price

Hypothesis	Eigenvalue	Trace Statistic	CV(5%)	Prob.
None	0.389	44.625***	15.494	0.000
At most 1	0.104	8.153***	3.841	0.004
Hypothesis	Eigenvalue	Max-Eigen Statistic	CV(5%)	Prob.
None	0.388	36.471***	14.264	0.000
At most 1	0.104	8.153***	3.841	0.004

Notes: Mac Kinnon-Haug-Michelis (1999) p-values. *** denotes significance at 1% significance level.

Table 4. Granger Causality Test with Foreigner Sales and Residential Price

Variable	Consumer Confidence (Dependent)		
	Chi-Sq	df	Prob.
Foreigner Sales	6.372	4	0.173
Variable	Total House Sales (Dependent)		
	Chi-Sq	df	Prob.
Residential Price	4.744	4	0.315

As a methodology, firstly to test the long run relationships among the pairs (foreigner sales - residential prices) Johansen (1988) cointegration test is used. The results that are reported in Table 3 shows that there is long term relationship between the variables. The short term relationship (causality) between foreigner sales - residential prices are tested using Granger (1969) causality test. The results of the study show that there is no causality relationship between house sales

to foreigners and the price of the houses in the short term and vice versa (Table 4).

3. Conclusion

Among the sectors that affect the economic development of countries, the construction sector is of great importance. It has an impact on the country's economies through the expenditures on resources caused by the construction sector and other sectors in the economic structure which creates employment, demand, etc. Due to its impact on these dimensions, construction sector is to be taken into consideration especially in implementing economic growth policies.

In this study, the effect of the house sales to foreigners and the price of the houses, specific to Antalya, are examined. Analyzes have been carried out on the expectation that the demand for housing will rise as a result of the tourists coming from abroad and thus, the increase in the demands of the foreigners will increase the housing prices. In the study, Antalya province, which is of great importance for the tourism sector and where the demand for housing for foreigners is at a significant level, has been chosen. In the study, short and long term relationships are analyzed, and in this direction, cointegration and causality analyzes are used. When the results of the analysis are evaluated, the existence of the short and long term relationships show that house prices increase as foreigners buy on the long term. But, at the short term no relationship is reported. In other words, as expected, the demands of the foreigners for housing are considered to be meaningful due to the long-term process of projecting the housing sector and pricing in line with costs. Thus, as a result of this fact, the housing prices increase in the long term but do not have a meaningful effect in the short term. In the economic growth process, by giving importance to the tourism sector firstly, our country can be introduced to foreigners, and then efforts can be provided to create demand to housing, and thus, the performance of the construction sector and other sectors connected to this sector and the economic growth in general can be increased.

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ENCOURAGING NEURODIVERSITY IN THE EVOLVING WORKFORCE – THE NEXT FRONTIER TO A DIVERSE WORKPLACE

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Abstract: Nowadays, organizations tend to focus on diversity in the workplace, aiming for true inclusion, and in this context, they cannot overlook a significant demographic as neurodiverse people tends to become. The human brain has no less than 86 billion neurons, this number unequivocally demonstrating that we are all different, and the genetic structure and environmental conditions predispose us to unique behaviors compared to our peers. Neurodiversity is a relatively recent term that covers multiple conditions, such as Autism, ADHD and dyslexia, which tend to affect the cognitive function of the brain. The purpose of this paper is to analyse the literature in the field of neurodiversity generally and the inclusion of neurodiversity in the workplace, particularly, and to identify a series of best practices of the various companies in this field. In order to achieve this goal, the secondary study started from defining the neurodiversity and presenting its various forms, continuing with pointing out the many benefits that the inclusion of neurodiverse people in certain positions can bring and the adjustments that should be made to allow these people to prosper in their work. The premise behind the study is that, once neurodiversity is understood as a reality of the natural variation of human neurocognition, organizations need to identify the ways to attract, to adapt themselves and to harness this potential, since neurodiversity inclusion is an area where "doing well" can also prove to be a good business, given that, although neurodiverse people may face specific challenges in the workplace or in performing certain tasks, with the right adaptations, they can become valuable and unique strengths for the company.

Key words: neurodiversity, diverse workplace, inclusion, adaptations