

THE ANALYSIS OF THE REFORM PROCESS SPECIFIC TO ROMANIAN ECONOMY FROM THE PERSPECTIVE OF LASTING DEVELOPEMENT

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The analysis of the main steps specific to reform strategy in economy is a very important stage among the processes of economic nature.

It is considered that the only alternative to be followed is the economic reform engaged on short, medium and long term in our country.

"The concept of lasting development refers to a form of economic development which satisfies society needs in terms of welfare on a short, medium, and especially, long time interval. This increase is based on the fact that development must meet the current needs without endangering the future generations, in practical terms, this entails creating the conditions of economic development on long term, in the same time with the protection of the surrounding environment."⁵⁴

Given the complexity of this discourse we must take into consideration the thorough analysis of several extremely important matters, such as:

- the analysis of the main steps specific to reform strategy in economy;
- the economic reform from necessity to possibility;
- the fundamentals and the coordinates which characterize the reform strategy in the economic field;
- the finalization of the economic reform process.

The analysis of the main steps specific to reform strategy in economy is a very important stage within the economic processes. It is considered that the only alternative to be followed is the economic reform engaged on short, medium and long-term in our country.

The necessity for the adoption process of reforms in Romania imposes the definition of its main coordinates on short, medium and long-term.

It is also extremely necessary to define the phenomenon of reform finality, this implying the specification of the timeframe, the main objectives to be reached, the means used to reach them, the specification of direct effects, of indirect effects, of positive or negative effects deriving from this process, the ways in which the negative effects can be counterweighted, etc.

It is also imperative, that within the reform process, to establish the priorities deriving from its accomplishment for each time interval, as well as for the attainment of the proposed objective.

Due to the fact that this process is very difficult and complex, this situation cannot be avoided, it is obvious that a multitude of social costs will appear, these may be lower, or on the contrary, more significant. In order to prevent the appearance of such costs, it is necessary to use the most appropriate means to stop them. Thus, the protection of the individuals most likely to be affected by the social, economical and technological progress must be attempted.

Reforms of economic nature do not represent a scope in itself, but they represent a necessary means to attaining a final scope, and namely, the attainment of a certain degree of welfare for each separate individual. One must take into consideration, also, the scientific undertaking which is based both on the interdependencies assigned to the process of international division, as well as on the transfers occurring at an international level.

So, economic reform is not a simple process, but it is a lasting process, which must have as guiding mark the fulfilment of individual needs. Also, it is absolutely necessary to set the specific demands of the phenomenon of lasting development, demands imposed by the transition process towards market society, and which count on the existence of the compatibility between man, on one side, and the surrounding environment, on the other.

Assuring a competent specialized juridical foundation is absolutely necessary, so that the process of economic reform is as realistic as possible, both as far as its structure is concerned, and as far as ensuring manufacturers' and customers' protection against any violation of their rights.

The reform process is a difficult and complex one, similar to the state world economy is in, this process obviously being a relatively long and extremely controversial one.

⁵⁴ Popescu D., Trăuşan B., "Economia dezvoltării durabile", Continent Publishing House, Sibiu, 2004, p.12

Keeping in mind the present-day conditions at international level, reform in Romania manifests a multitude of causes of internal origin, also existing, though, a series of crises begun before the year 1989, all these culminating with the credibility crisis present in the mind and the behaviour of the individuals. All these crises appeared before and after the year of grace 1989, contain the crisis of economic development, Romanian transition crisis towards market economy, the existing managerial crisis at governmental level. The crises mentioned previously have created, developed and aggravated the credibility crisis specific to the new society as a whole.

If we keep in mind the whole mentioned previously, then Romanian economic reforms represent the only possible solution for the accomplishment of progress. Furthermore, the process of bringing to life economic reforms in Romania, calls for an agreement between social forces both with the changes expected to take place, as well as with the necessary conditions for the successful attainment of the set objectives. Carrying out Romanian reform implies a few standpoints, such as:

- human potential of national economy;
- their technical and scientific potential
- economic research potential;
- existing productive potential;
- hope of the individuals for a better life;
- Romanian managerial experience both at micro-structural level, as well as at macro-structural level;
- concerns present at international level for this problematic European area, etc.;

Therefore, it is considered that, always, the changes that are about to take place within the socio-economic life specific to human community, are influenced by a whole set of complex factors of internal and external origin, having a positive or negative influence. In time, it can be proved that positive factors are predominant to the detriment of the negative influence factors. The factors which involve as low social costs as possible are preferred; these could be more easily dealt with by the individuals.

As far as the success of the reform process is concerned, the strategies to be used have a crucial role. This type of strategy is based on the following questions:

- “Which is the time interval to be taken into consideration when the strategy of economic reform is elaborated?”;
- “Which are the final objectives considered for short-term, in a certain time interval?”;
- “Which are the main objectives to be considered for short, medium, long term in economy?”;
- “What resources must be assigned in order to attain the final objectives, given the specific time interval for each of them?”;
- “Which is the value of social costs to be encountered by the individuals of a society?”;
- “Which are the mechanisms for fulfilling the main economic objectives are based upon?”;
- “Which are the main control and self-adjustment elements to be applied in case of unforeseen situations?”;
- “Which is the degree of integration for Romanian economy in the general pattern of world economy?”.

All these extremely difficult questions have various answers, answers which imply defining the fundamental coordinates necessary for applying Romanian reform strategy in the economic field. This group of coordinates are in fact requirements, rules and principles which form the general framework for the implementation of reforms in economy. These mentioned fundamental coordinates have the following characteristics:

- universality specific to an economical reform, this must contain the majority of economic activities;
- complexity of economic reform, including a multitude of factors having economic, social, juridical, technical, productive, ecological nature, etc.;
- realistic nature which characterizes economic reform, in the sense that the reform process deals with all aspects of economic life;
- humanistic nature specific to economic reform, that is ensuring a certain finality to concord with the interests and the needs of the individuals living in society;
- reform bearableness, which allegedly involves minimum social costs for the population in the reform process;
- credibility which characterizes the reform process, in the sense that all set objectives, as well as the necessary resources for their achievement, must be carried out with conviction by the individuals;
- reform specific risk is linked to any economic activity, so it exists to a smaller or greater extent in any field;

- the degree of consistency in economic reform; namely the discovery of the fundamental, essential and consistent elements involved in the reform process, which have a powerful positive impact on economic life;
- the degree of clarity and simplicity specific to economic reform, which makes the message to be correctly received by the participants to economic life.
- profoundness of the reform existing in the economic field, this meaning that its effects will generate important transformations within the structure of the economic processes;
- the degree of integrity specific to economic reform, that is the interdependency existing between the set objectives and the compatibility of the means used for attaining them.

All the characteristics mentioned above must lay at the foundation of any economic process which is set to attain its objectives, within a reasonable amount of time and with lowest social costs possible.

Therefore, reform in the economic field must have as final general objective the creation of a modern, viable, and competitive economy which is cable of using with maximum responsibility all available production factors in order to carry out the set tasks. The final general objective is made of a series of partial general objectives, among which are mentioned:

- the process of restructuring and creating a modern and competitive Romanian economy, in which the main sectors of the economic field achieve labour productivity over the European average;
- the process of agricultural re-shaping, based on the model of efficient farms controlled and supervised carefully by public authorities;
- the process of creating a modern infrastructure, which would ensure efficient circulation of production factors, the fulfilment of personal needs of the individuals belonging to a certain society, as well as the sensible use of spare time;
- the process of ensuring an increased degree of technical and productive quantitative and qualitative labour endowment, with the purpose of developing the secondary sectors of activity, as well as obtaining finish goods with minimal intermediary expenses;
- the process of ensuring an increased labour productivity, especially, in the sectors that produce material economic goods, such as the service sectors;
- the process of making national economy efficient implies a certain degree of economic compatibility with the criteria of social and ecological efficiency.

“On the background of final direct, general or partial objectives to be attained within a certain time span, the success of the economic reform also depends on the manner in which the priorities of each stage are perceived, formulated and implemented. They are nothing, but the elements whose correction or change is urgently necessary, so that, the transition process may be slowed down or even stopped by the increase of the social costs.

For our national economy, these priorities can be placed into a short time frame; this means that they are pressing, but also likely to be overcome.”⁵⁵

In the industrial sector, a complex analysis must be done focusing precisely on those economic sectors, whose operations cost significantly more in comparison with the advantages that can be obtained. If encouraging results cannot be obtained through privatization, then they must be shut down, as marginal benefits of social nature on short term being smaller than those of medium and long term.

In the agricultural field, the main objectives are: finding several specific modalities in order to cultivate the land, creating an infrastructure of technical and material nature in agriculture.

With reference to the existing infrastructure in Romania, the authorities must elaborate a clear, precise and complex program to implement in a time interval of 10 to 15 years, a program that will constitute the solid foundation of permanent development and modernization of this sector.

The service sector in our country has faced a great problem in time, namely the rapid privatization of services. Accelerated privatization generates, through efficient use, the possibility to create a modern trade, as well as the possibility to ensure quality services in tourism.

As far as environment economy is concerned, the attention falls on eliminating all economic activities which pollute the environment by surpassing the highest permissible limits. That is why it is necessary to set, with utmost urgency and at national level, a Map of Irreparable Incompatibilities (M.I.I.) to mirror the negative effects generated both on the surrounding environment, as well as, implicitly, on the population.

“Reform on national economy must also take into consideration the integration requirements within world economy. Life proves ever so often that the interdependencies between national economies, within the

⁵⁵ Popescu C., Ciucur D, Morega D. I., ”Microeconomia concurențială”, Economical Publishing House, Bucharest, 1997, p.28

world economic circle, are becoming more complex and more powerful, acquiring an almost relatively stable characteristic of dependency.”⁵⁶

It is obvious that, the reform process in economy entails restructuring, rebuilding and relinquishing certain activities in the economic field, activities that take place under the name of efficiency and profitability.

Such a process is a long and complex one, determining the use of new resources which must be introduced in the economic field, and at the same time, the reduction of incomes taking place for a smaller or greater group of individuals, some paying more than others for the benefits of progress.

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⁵⁶ Popescu C., Ciucur D, Morega D. I., Op. cit., p.29