DOCTORAL THESIS

ABSTRACT

Dynamics of business systems in crisis conditions

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CRISIS; BUSINESS SYSTEM; COMMERCIAL POLITICS; ECONOMIC BLOCKS; MARKET OF PETROLEUM; DYNAMICS; STRUCTURE

III. ABSTRACT OF DOCTORAL THESIS

Commercial politics has known profound transformations, as a result of development of global financial crisis, with manifests at the level of micro-economy and macro-economy. The economic crisis has induced a fluctuation of raw material prices, of final economic goods with decisive impact upon the stability of economy and, implicitly of people buying power.

The main studies concerning the current crisis refer to complex phenomena and triggering factors for crisis – symbiosis of factors of institutional, social, economic nature – which emphasize the empiric pragmatism which is specific to neoclassicism and statist activism. The scientific intercession has aimed the outlining of crisis referring ton specialty literature. Therefore it is considered that the current crisis represents an effect of the failure of financial markets in fulfilment of their functions for society and brings a change of paradigm which influences the prices behaviour, the intensity of crisis being able to be determined by reference to financial markets.

The paper also develops the concept of globalization into analysis of business systems, as the main factor which supports and influences from structural point of view the commercial politics. The Monetary International Fund (FMI), from exclusive quantitative perspective, approaches globalization as a process of “growth of economic interdependencies of countries from all over the world”, of diversification of “transactions of goods and services”, “liberalization of international capital’s flows”, wider access to technologic products, with effect of entrainment at the level of commercial politics. Complementarily, the World Bank emphasizes the qualitative character of economic growth, defining the globalization as a process by which is facilitate the capacity of initiation by residents from different countries of voluntarily economic transactions, relations which are based on freedoms, capacities and capabilities.
The paper approaches gradually the concept of commerce and commercial politics. Initially it refers to specialty as determinant of international commercial exchanges development.

According to modern theories of international commerce, the international exchanges are viewed as a “request of diversities”, the accent being on eclecticism and adaptability to needs and specific of consumer, and differences between countries concerning the costs of production, the pace of technical innovations, the nature of marketed products, modality of storage of capital have the role to diversify the offer of economic goods.

The scientific intercession has aimed the development of fundamental research into field of business politics. The scientific objectives are: analyse of the impact of economic-financial crisis upon the economic systems, identification of crisis effects, coverage area, and also of the main costs of the crisis, especially of the repercussions on the plan of business politics. Another specific objective has represented the analysis of commercial politics into the context of the current commercial system, identifying of the new trends of business system and adjustment of current commercial politics.

The originality of analysis by coefficients of elasticity concerning the macro-aggregates of Romania’s economy (PIB-Gross National Product, CF, FBCF- Gross Formation of Permanent Capital, etc.) starting from the export and import of fuels generates relatively professional models, but also with problems of validations for periods of economic developments more calm. The specific of this research which is centered on the principle caeteris paribus which is applied also for the factors, but also to records from databases relativizes the credibility on medium term of the econometric models, as they seem to be seen as being lapsable and even questionable. The adopted scientific research can be viewed as a quantitative-deductive strategy. Even if the theories which stand to critic process to which they are subject to as a result of deductive research, are temporary accepted and become the subject of a perpetual critic assessment (Blaikie, 2000). The deductive approach was attached to a quantitative research, which, according to Punch (2005) aims rather the deductive testing of hypothesis and theories towards the qualitative research which wants the exploring of a theme for research and generates hypotheses of inductive manner. The used and presented data within the paper are the most recent and came from official statistic reports, thereby allow the performance of comparative analysis, but the impediment is that they do not facilitate the performance of an analysis for a significant period of time, which is wider for the issue subject to research.
IV. SYNTHESIS

The first chapter, “Business system into crisis conditions” performs the anatomy of commercial crisis and presents the importance of process of globalization in development of exchanges at globally level, as a reaction of request of economic goods, effect of competitiveness of economic goods, on the one hand, and on the other hand of promotion. Thereby, as a result of intensification of globalization processes and regional integration, liberalization of commercial and investment regimes, it is observed a growth of international commercial flows, with positive repercussions upon grown of GNP, employment, evolution of scientific research and top technologies, social politics, adjustments of structural nature at the level of economic politics, which are specific for stage of growth of economic cycle.

The second subchapter, “Stimulation of commercial exchanges, as a measure or solution for exit from crisis” presents the main advantages of specialization for intensification of commercial exchanges and the main theories with positive repercussions upon dynamics of commercial exchanges. An emphasized element in this subchapter is the role which the commercial politics of a state exercises upon the size and modality of distribution of earnings from international commerce. Thus, in time, the world’s countries had to choose between applying the protectionist commercial politics and promotion of free exchange, depending on interests of moment and politic, economic and social background. As the interdependencies between countries had become more and more accentuated, the external commerce makes that element of competitiveness, of efficency of economic politics to become primary, either as a result of growing the weighting of external commerce in GNP, either as a result of globalization of economic goods among consumers. Thus, the participation of world’s states to international commerce is in direct ratio with economic potential, the level of economic development, international competitiveness of products which are performed by independent companies, and their strategies of business. Into current background, the reformation of commercial politics, as a measure of supporting for resume of economic growth, will emphasize the creative, innovative character of economic products, which is doubled by sustainable, durable and economic character. The third subchapter, “Politics for development of competitiveness into crisis conditions. Measures and regulations for stimulation of exports” insists on stimulation of competitiveness on economy in its assembly, by adoption of stimulation measures concerning the entrepreneurship, the growing of services role in commerce structure, concentration of human capital, on creativity and innovation. Thus, there are identified a series of measures and regulations for stimulation of exports: grants for
exports, the system for industrial areas of export, financing of export, elimination of commercial barriers, organizations for promotion of commerce, improvement of investment climate, politics for bringing the direct foreign investments, etc.

The second chapter, “Effects of economic-financial crisis and its impact upon the commercial systems” is made up from three sub-chapters and presents the main confrontations of ideas regarding the current crisis. Thus, it is emphasized that current crisis is caused by the existence of some economic dysfunctional forms – is the case of financial international institutions which did not use the alert systems for risks of systemic nature which are associated to financial engineerings – with ample manifestations, both into plan of real economy, with boomerang effect at the level of markets, and on the plan of nominal economy, with effect upon governmental politics. The effects of economic and financial crisis upon the commerce and commercial politics are viewed under the aspect of changes which intervened in the volume and structure of commerce by call to indicators such as, balance of current account, balance of financial account, exports, and imports. For reduction of crisis’ effects and as a result of the costs, it is necessary the growth of coherence and congruence of governmental politics, institutional reformation, from perspective of economic politics and theoretic fundaments.

The third chapter, “Commercial Politics in current economic configuration” analyses the modality in which measures of commercial politics are being experienced into field of commercial and cooperation relations, both on microeconomic level, by development of a certain climate for development of economic activity, and on macroeconomic level, by assuring of a frame for expansion of commercial exchanges. For supporters of “theory of bicycle” concerning the deregulation of commerce, the crisis has induced a depression of the progress associated with commerce liberalization.

The chains of supplying had remodelled the international commerce; dispersion of production networks has conducted to significant investments in transports and infrastructure in order to deal with transit of goods destined to processing. The off-shore and outsourcing had affected the social panorama bot at positive level, as a result of benefices brought to welfare – development of workplaces in emergent countries, but also at negative level – most of salary deviations between developed countries and the developing ones. Thus, the global chains of supplying introduce new microeconomic dimensions which come to supplement the
macroeconomic mechanisms of shocks transmission explaining the major effect of crisis upon international commerce.

The global commercial process is subject to reassessment in order to project a viable system which responds to the main current challenges which consist in promotion of an equitable system between countries, the avoidance of protectionist practices, in other words easing the development of external commerce and apparition of new outlets for economic goods manufactured in conditions of competitiveness and on principles of economic sustainability.

On chapter IV, “The commercial reports in economic blocks”, it is emphasized the fact that practiced commercial politics by the EU is a politics which is based on strict and uniform rules, liberalization of commerce on global scale, assurance of welfare development in EU. Also, in this chapter it is presented on theoretic level the features of regionalism and multilateralism and the lack of a consensus concerning the desirability of a certain regime.

Concerning the EU into background of international commerce, although its detains the highest market share (participation at the level of international production increasing during the period of 1995-2005), its position has deteriorated once with crisis in a higher ratio than USA, but also the advantage in comparison with at the level of goods based on intensive use of knowledge.

Developments imposed on market and the ones from international level from the last period had modified the structure of international business system in period of post-crisis. From institutional perspective, the reduced progress of multilateral commercial negotiations of Commerce Global Organizations (OMC) and difficulties to reach a consensus concerning the Doha Development Agenda had promoted the proliferation of regional and bilateral commercial negotiations. EU had negotiated agreements of free exchanges with USA (Transpacific commerce and partnership of investments), Canada and Japan.

The developments induced on markets have been caused by emergent economies, even if their dynamic of growing did not come back anymore at the level of pre-crisis of 7-8%, they had registered a high increment of GNP towards the increment registered by advanced economies. During the period of 2000-2012, the ratio of these economies into global commerce had majored from 33% to 48% (WTO, 2014). At the level of emergent economies the eclecticism is high, China being in top 3 of commercial powers from world, and other
markets of frontier had made their presence felt at the level of international commerce: economies from Asia, Mexico and Turkey.

Chapter V, “Changes and trends in commercial system” starts with a deep analysis of commercial protectionism in current form and emphasizes the visible dropping of rating and para-rating protectionism, and presents the modern forms of protectionism which attach to technology, research and innovation, education and human capital, etc. Despite the economic arguments in favour of free exchange and intensification of commercial exchanges, the protectionism is still widely practiced by developed countries, which are emergent or developing, for factors such as: employment, respectively, human capital.

In essence, the current form of protectionism is identified mainly with activity of politic lobby, of subtle use of a gearing of manipulation or negotiation, effusion of markets in the favour of some groupings or groups of interests. The reasons of protectionism result from desire to protect the infantile industries, to prevent the unemployment, keep of payment balance and of objectives of fiscal policy.

The applicative part had consisted in analysis of data concerning the evolution of Romanian external commerce during the period of 1995-2014, being identified the interdependencies between indicators which are subject to study, that in the end to be suggested ways of improvement of tools of commercial politics.

Chapter VI “Configurations and reconfigurations of commercial politics on petroleum market” has a strong applicative character, as result of structural analysis and in dynamics of petroleum market. The empiric research upon this kind of market is based on many econometric models which focus on paces and elasticity in order to estimate the GNP in report with export and import of fuels at the level of Romania.

The predecessor sub-chapters of empiric analysis examine the importance of petroleum at the level of energy market, the petroleum being considerate the most controversial non-renewable source of energy, both as result of price variation, and for its intrinsic value.

The continuous fluctuation of petroleum price is the effect of new dimensions of petroleum market and not of a crisis of petroleum, but rather of a connection between market of petroleum and financial market, between politics and economic, between strategic and geopolitics.
The market for commercialization of petroleum is strongly developed, transparent and presents a high degree of sophistication. Certain types of petroleum are commercialized on seeing markets and are used as pattern, other types of petroleum being assessed having as basis the pattern prices (the differences which take in consideration the delivery place and quality of petroleum). The refineries can influence the price differences between different types of petroleum as a result of purchase behaviour.

Seen on global level and in its dynamic, the evolution of petroleum price is determined exclusively by the needs of development of economy by possibilities of earning of players on stock exchange market on term, respectively by evolution of shares’ price which is generated by the degree of trust of players, on the one hand, and by capacity of manufacturing, the value of exports and imports on global level, on the other hand. For that purpose, in subchapter “Controversies concerning the prices of petroleum as defining element of current commercial politics” is examined the connection between market on term and seeing prices for barrels of petroleum, taking into consideration the institutional background in which the price is established.

The subchapter, “The main economic agents/defining actors of Romanian market” makes in incursion on petroleum market from Romania, analysing the main competitors, their evolution on this market and of energetic products and possibilities of development in consensus with current challenges concerning the future of energetic politics. Another examined element is the price of fuels on Romanian market, being considerate one of the smallest from entire Europe. In reality, expressed by power of buying, the price of fuels from Romania is much bigger, varying depending on exchange value of dollar, by fiscal politics of state (taxes and duties), but also by different politics of prices of companies which activate on this market. But, in Romania, is often happen that prices from fuel pump to be majored only as result of growing the international share of petroleum, which represents an agreement between producers, within oligopoly market or an abuse of collective dominant position. Thus, described situation is an a settlement of cartel type, but rather is classified in category of “abuse of collective dominant position”.
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