

THE INFLUENCE OF MACROECONOMIC FACTORS ON THE DEVELOPMENT AND COMPETITIVENESS OF ROMANIAN COMPANIES

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Abstract:

Competitiveness is a complex concept which, at a general level, expresses the ability of individuals, businesses, economies, regions remain in the competition conducted at a national level and/or international and economic benefit in terms of a specific business environment. The competitive advantage of firms in the vanguard of technical progress is leading industries in which technological advances allow for price and not as branches standardized technology. Otherwise defined, is competitiveness: the ability of products and services to stand the test of favorable market conditions, resulting in constant increases in productivity and living standards.

Keywords: Macroeconomic Analyses of Economic Development; Cooperative Enterprises; Performance and Prospects.

JEL Classification: O11; P13; P17.

Competitiveness is a complex concept which, at a general level, expresses the ability of individuals, businesses, economies; regions remain in the competition conducted at a national level and / or international and economic benefit in terms of a specific business environment. Washington University Professor Carbaugh defines a company as competitive if it produces goods and services of superior quality or lower price than its competitors, internal or external.

From the standpoint of a nation, however, competitiveness and ability to express the country's ability to effectively use the global market opportunities. In the design classics of political economy, the emergence of demand and supply based upon free enterprise, private property caused by, neglect factors of time and place. By the very fact that the economic balance and to ensure only through market mechanism, businesses are doomed to

passivity, they are assured with absolute comparative advantage or on the relative.

The modern theory of "monopolistic competition coexist with elements, it is so multiform, for it occurs only on price, but also by how to produce, the quality of the product by the sales policy and poly / competition (competition) is imperfect, and this character, it is dynamic and effective".

This optical contemporary period specified on the competitiveness, the concept could be considered a competitive advantage. Competitive advantage lies in: multifactorial nature and procedural nature, the interference between the internal and external, productive use of available factors of production in the economy and efficiency with reference to trade between countries takes place.

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Otherwise defined, is competitiveness: the ability of products and services to stand the test of favorable market conditions, resulting in constant increases in productivity and living standards.

There are three categories of factors that influence the development:

1. Factors elementary (basic) for development include: climate and natural conditions, fertile soil, proximity of geographic location, the basic inputs in the process, health and environmental conditions, qualifications and work force structure, etc..

2. Advanced factors of development, between the comparative and competitive ones, are: knowledge and evaluation resources (know-how, information, impact studies, cost-benefit analysis, etc.), Access to investment capital (financial and banking market, market capital), professional services, specialized approaches that allow global market (ITC, logistics, communication and distribution networks).

3. Integrating factors: competitiveness and quality, conditions of supply, financial and credit sector, business services, strong business associations and close links with research institutions, industrial cooperation, the domestic competition, attracted capital and resources, business strategies and sectoral.

Performance evaluation of national competitiveness to the world economy is based on elements: quantity (disparity between the country and global level) and qualitative. The competitiveness of Romanian economy resulting from the analysis of the balance sheets and enable to highlight correlations between key indicators and factors that have contributed

directly or indirectly to changes in economic phenomena. The analysis should be as broad, taking into account economic indicators such as size and profit growth, profit volume, rate of return, degree of indebtedness.

We can say that profitability is a picture of economic activity, both at micro and macro as well as the extent to which companies are competitive and are competitive in both domestic market and on the internal.

Participation of Romania to the EU market through competitive and quality requirements has affected economic performance in the sense of decreasing the percentage of businesses that have a profit (56.2%) and the corresponding increase in the percentage of agents who have incurred losses (43, 8%).

Analysis by type of activity shows a profitability rate structure consistent with a developing economy, which gives the sustainability of growth process. Although the highest rate of profitability is found in other services (hotels, education, social activities, insurance, rental cars) respectively 18.9%, however, transport (6.7%), construction (8.6 %) and manufacturing (5.8%) remain important sectors contributing to sustainable economic growth, create jobs, increase economic competitiveness and development of the middle class.

Indebtedness is expressed by the debt turnover. Romanian firms have been performing in this area. Decrease in indebtedness is a good thing, considering that, although many were hired investment spending as a necessity of modernization, however, firms were not obliged, but have pledged their own funds (as evidenced by the mobilization of significant balance sheet proportion of tangible assets increased from the previous year). This was accompanied by reduction in the outstanding share of turnover.

The main factors of competitiveness at the national level are:

I. National economic factors:

- local resources (natural resource endowment, labor, existing infrastructure, technology and financial resources, etc..)
- size and structure of domestic demand;
- technological level and efficiency of the parts industry and subfurnizorilor;
- industrial structure and competition.

These four factors create an economic environment of national economic, national context in which firms are born, compete and gain competitive advantage using it internationally. In the local resources are taken into consideration human resources, physical resources, technological și științificeși resources, financial resources and national infrastructure.

Competitive advantage occurs if the national firms can use a combination of factors required at low cost or whether the factors used are of a qualitatively higher level. Also firms gain competitive advantage if

domestic demand creates enough pressure to influence innovation accelerated. Also high standard of domestic customers can contribute to competitive advantage sporirrea it obliges companies to use high standards in quality, facilities, services and more.

The presence of effective and sub-suppliers of industrial sub-sectors related to potentiate the activity is very important in gaining competitive advantage. The final component of national economic factors relate to the existing industrial structure. Oligopolistic competition structures facilitate the conquest of new markets for the following reasons:

- national rivalries innovation creates pressure which increases the competitive advantage;
- oligopolistic structure creates competitive advantages for all industries with competitive prices, high quality, and serious long-term relationship;
- this structure creates a competitive environment that is difficult to recreate the competition with foreign rivals.

II. Action by government authorities is crucial for creating competitive advantage outside the company. The role of government is to influence and enhance the national economic factors referred to above. This influence can be performed directly through subsidies, industrial policy and other domestic demand or indirectly by shaping the standards and regulations. A crucial role of the government market is the fact that it represents a major buyer of goods and advanced technologies such as telecommunications equipment, armamament, computers, vehicles etc..

III. Mondo economics factors are made up of three main elements:

- U.S. deregulation has had four important consequences:
 - eradication strong inflation (lowering inflation below 4%);
 - loss of state control over interest rates and exchange rate term by strengthening financial markets;
 - directing the market economy at the expense of government;
 - Consolidation globalization of economies, which lead to face increased competition.
- The collapse of communist economic management systems - a phenomenon with many economic and political implications.
- Internet explosion - so soon the whole world will be "a global network" and everyone will be able to receive and deliver messages for any purpose, including to buy or sell.

Globalization of markets has led to globalization of marketing. Global marketing refers to encourage research initiatives to find new market segments or niches across the globe, harnessing the opportunity of buying

and selling of products and services internationally. Globalization of markets has triggered a phenomenon that at first glance seems paradoxical, namely the individualization of customer needs. Gradually trade policy of the company go from a segmentation of national markets to absorb a transnational consumer segmentation with identical behavior in several countries. Product-market couple move from the national dimension to the European dimension even international. Production is also not standardized, but flexible and the company is no longer considered an isolated entity, it intereține with suppliers, distributors an ensemble of relations which gives a high degree of flexibility in operation.

IV. Other factors affecting competitiveness are:

- Structure favoring foreign investment and domestic demand helps to modernize the economy.

On very large scale foreign investment may have adverse effects located mainly at the level of industrial specialization (in many areas of indigenous firms are unable to defend their market positions in the foreign firms).

-Demands increasingly higher that imposes environmental protection.

-Development of phenomena and processes in the global economy.

According to Michael Porter, the key profitability of a firm is given by the industrial sector for economic attractiveness. In any industry, there are five forces that determine the profitability of its structure: the entry of new competitors, the existence of substitutes, bargaining power of buyers, bargaining power of producers and economic rivalry. The importance of the five forces varies from one industry to another depending on economic and technical characteristics change over time (M. Porter, 1980). Michael Porter distinguishes three types of strategies that can be applied by companies to create competitive advantages: cost leadership through, differentiation and focus. Appropriate strategy allows the company to capitalize on strengths and to protect themselves from adverse effects of the five forces. Each strategy includes a choice of three different pathways to ensure competitive advantage.

Porter defines four stages of national competitive development:

- Stage of development due to factors of production;

- Investment driven stage of development;

- Innovation driven stage of development;

- Stage of development determined by wealth.

The transition from one stage to another requires a transformation industriale infrastructure, financial system, technological standards and mentalities. Also a very important cultural values that have forces behind creating and distributing wealth. To explain the success of similar schemes

adopted by different countries is necessary to understand the deep cultural ethics and social values of those nations.

In the first three stages of economic development, national competitiveness is growing steadily, and in the fourth economy may decline. Following the four stages of developing the competitiveness of a nation defined by Porter, Romania could be between the first and second stage, and between that determined by factors that determine production and investment.

Competitive notion has uses in various ways at various levels. The term is used in national competitiveness, but also sequentially for narrow areas such as international trade, market and other consumer goods. The level at which it generates is the microeconomic competitiveness. A country becomes competitive when you manage to build that environment that allows each company to become effective added value, to be able to survive or develop in any national economic environment, especially internationally. The level at which it maintains and strengthens the competitiveness of the macro. The country maintains or improves its profitability internationally when it decides to apply the set of economic policies necessary to stimulate the achieving optimum expansion at the micro level.

A significant factor driving the foreign trade was the opening of markets through free trade agreements, ensuring that economic development increases in trade, especially with developed countries. Despite progress, the competitiveness of Romanian industry is still modest, as shown by significant differences recorded by Romania to the most developed countries in the European Union in terms of indicator Gross Value Added (GVA) per capita, whose level is close to 10 times lower, smaller differences, but still important, is recorded with the rest of the Community. It should also be noted that after 1995, GVA in the evolution of the industry was permanently placed in the industrial production, which highlights the disturbing reality of the existence of a higher resource consumption value newly created, ie an inefficient productive activities due to competitiveness low industrial products.

The contribution of manufacturing industries in this state was different, however. Analysis of the potential industrial sectors GVA generation after 1996, when it appeared that the gap in GVA over, indicate that, in manufacturing, some sectors have proven performance, recorded above average rates of GVA (Tobacco, Leather and footwear, wood processing, publishing, printing and reproduction of recorded media, other non-metallic materials, metal buildings and metal products, machinery and equipment, equipment and radios, TV and communications, medical devices and equipment, precision optics and movements), others were located, with variations about the mean, and some were below average, requiring

intensive efforts to modernize and streamline their upper (oil processing, coal coking and nuclear fuel, chemicals and synthetic yarn artificial Metallurgy).

In light of these figures and concrete situations relevant to the competitiveness of industrial activity in Romania, the total manufacturing sector and its requirements is evident that significant improvement in the level, boosted by the integration of Romania into the European Union, the confrontation default Romanian producers with competitive pressures in the European Single Market. The required increase industrial competitiveness requires appropriate measures undertaken at different levels, derived from a unitary, shaped according to the results of a detailed and comprehensive analysis of the real competitive advantages, existing and potential posed by products / services and industrial sectors, coordinates economic and social development ahead of Romania, and affirmed trends worldwide, particularly in the European Union.

Possible lines of future action to increase economic competitiveness, industry and industrial firms. Increasing industrial specialization and complementarity with the European industry.

Excessive diversification of the Romanian industry during the regime pursued a centralized economy, which led to a more pronounced economic autarhizare country was painfully punished after 1989, when lack of competitiveness of products / services and industrial firms Romanian international markets due just excessive diversification, has led, among other factors, strong contraction of demand for such products / services and thus their production.

Creating and strengthening competitive advantages - cost, technology, quality, brand image, etc.. The economy, its sectors, industrial sectors and firms, which became the strongest weapon in dealing with strategic international markets, is based precisely on the progressive specialization of economic entities listed, the essential idea that the acquisition of higher level competitiveness is conditioned by the deepening of specialization in areas that have competitive advantages in relation to actual or potential competitors.

After 1989 the lack of an industrial policy focused on creating and Romania's superior capitalization of existing or potential competitive avantejelor has shown negative effects in several major ways: i) insufficient restructuring of manufacturing as a whole and its sectors, due to both absence of clear signals about the goals of the Executive of "forging" a new industrial structure progressively better and more competitive, but also the inability of many companies to implement appropriate strategies (outsourcing of support activities, the economy range, economy of scale), ii) inadequate capitalization of the advantages of location available or you can

Romania iii) attracting foreign investors modest, low foreign direct investment compared to the levels in other countries of Central and Eastern
iv) innovation potential instability, poor connection of research & development, technological innovation and diffusion of productive work requirements, etc..

Identifying the optimal level of specialization / diversification of the Romanian manufacturing industry is about finding - the specialists in industrial development, decision-makers from government bodies and productive units, the Chambers of Commerce and Industry, the scientific community members, employers, unions, professional associations - their appropriate responses and solutions to some simple but essential questions: What happens? (Correlation between the classification of products / services offered by the companies producing the range of effective demand for products / services on domestic and international markets) and how to produce and sell? (The best routes, techniques and methods of production and marketing to ensure significant growth in value added products / services Romanian).

Reasonable answers to these questions can indicate major structural changes must occur in manufacturing so as to ensure:

- Exploiting the competitive advantages conferred by superior tradition of industrial activity in some sectors, the existence of a production and marketing know-how provided by foreign companies or acquired through the acquisition of licenses favorable endowment of production factors (raw materials from domestic production suitably qualified workforce and low costs);

- dissemination of favorable results obtained by numerous companies in terms of competitiveness and gain advantageous positions on domestic and international markets;

- increasing the contribution of manufacturing to the recovery and modernization of other sectors of national economy - primarily agriculture and transport and telecommunications infrastructures;

- Sustained development of industrial medium and high technology, high capital intensity and high skill labor with significant added value, their share is a relevant measure of the degree of modernity and competitiveness of the industry.

In relation to these requirements, structural changes envisioned in the medium term are as follows (expressed in their respective industries share in total manufacturing production)

- Possible development of industries: apparel, footwear, furniture and wood processingCrude oil, machinery and equipment, metals, glass, ceramics and building materials, tractors, agricultural machinery, vehicles, computer and electronics, food and beverage;

- Keeping a relatively constant share of industries: chemical, pulp, paper and cardboard, rubber and plastics, machinery and electrical equipment.

It is clear that those industries decisive word regarding their future will be undoubtedly the market. Efficient use of the opportunities and avoid potential threats in the market depends ultimately on the ability of firms to develop distinctive competencies and competitive advantages, to be able to face intensifying competition in the domestic market and continued international markets. Through appropriate measures of industrial policy, the state can increase this capacity in industries where there is clear competitive advantages and potential, as well as those who have a strategic interest deosebit.Principalii factors that will influence future developments in industrial sectors, along with the role determinant of the market will be:

- the pace of restructuring to achieve technological, financial, organizational and management, designed to significantly improve total factor productivity and competitiveness of products / services;

- production capacity to adapt effectively to the dynamic requirements of domestic and international markets, the rules and standards governing the operation of acetic markets;

- the endowment with factors of the availability of tangible and intangible factors (R & D capability, innovation and technological diffusion, the qualifications of the workforce);

- the ability to find sources of funding for the modernization of productive activities;

- exploiting location advantages to attract foreign direct investment more intense;

- development of industrial services, especially the training (financial consulting, marketing, IT, environmental, legal).

In light of these considerations we can conclude that the deepening of specialization and complementarity in terms of manufacturing industry sectors with the Romanian counterparts at the European Union, Romania's industrial policy and, therefore, changes in industry and industrial sectors should be included on the following main coordinates.

Forging progressive-industrial production structure by harmonizing the requirement that the deepening of specialization to ensure complementarity of EU countries, both within the industry as a whole and that of industrial sectors to increase their competitiveness and higher recovery existing and potential competitive advantages;

Intra-structures compatible with existing and future European Union countries, that deepening complementary sectors, firms and production in Romania with the corresponding EU countries;

-Stimulation of the processes of economic agents to increase their capacity to cover domestic demand and improve the structure and efficiency of goods and services exported;

-Ensure the sustainable development of the Romanian industry base by encouraging fair and effective competition between firms and develop a favorable environment for business and entrepreneurial, which means intensive development of small and medium enterprises sector as a strong economy, exposure to the rigors of big business market, significantly reducing state aid and better targeting them to the horizontal measures, improving and simplifying the regulatory system, particularly the system of taxes for businesses;

-Promotion of strategic alliances, the holding companies and groups to increase ability of traders to successfully face the pressures of international competition, in the context of globalization, their potential to exploit the benefits of economy of scale and economies of scope;

The strong growth potential, national R & D, technological innovation and dissemination, including that at the microeconomic level, capitalizing on the benefits of specialization and complementarity of production;

More fine-tuning the supply of education and vocational training to the growing demands of industry specialization and its complementarity with Community countries industries;

- Significant improvement of business environment by ensuring proper conduct of market competition, establishing a coherent and stable legal framework, capable of ensuring a clear and strict adherence to property rights, strengthen financial discipline, strict compliance with contractual obligations;

- Linking judicious policies closely linked to industrial policy - competition policy, trade policy, R & D policy and innovation policy, SMEs development, regional development policy, environmental policy, education policy; increasing cohesion objectives on economic plans, social and environmental impact and coherence of policies pursued generally on these plans are measured against targets set in the long term.

The approach and commitment to these areas should be a preponderant major horizontal neutral on the measures and actions to stimulate entrepreneurial spirit and intangible investments in order to intensify the process of structural adjustment and modernization of industrial activity.

Prevalence of horizontal approach does not exclude recourse to vertical or sectoral policies, but must appeal to them greatly restricted to specific cases where national interest or business prospects of certain industrial sectors or serious social issues play a very special role.

Ways that can ensure greater participation of Romanian researchers at the Community Framework Programmes are multiple:

- Closely matching national R & D programs with the EU and the financing of collaborative projects;
- Ensure effective functioning of the National Authority for Scientific Research, implicitly interim management body for the field of Structural Research & Development;
- Support mobility of researchers, including the access of Romanian researchers at major research facilities that exist within the Union;
- The establishment of programs for youth researchers, taking into account the requirements of the European dimension of scientific careers;
- Implementing a system of incentives for scientific & research institutes and researchers involved in technology development projects funded by the EU;
- Stimulating the formation of national research networks, particularly in areas relevant to the European Research Area, and their connection to existing networks in the EU;
- To enhance information dissemination and support activities for project participants, using the network of National Contact Points established for that purpose;
- Increased promotional activities, training and consulting on the priorities of the Framework Programmes for Research and Technological Development at the regional, institutional and national programs of R & D and Innovation.

Conclusions

Actual historical process of transition from industrial civilization to the post-industrial type, intensive in terms of information and knowledge, which is currently undergoing a major part of the world countries, mainly developed ones, highlights the role of human capital in social development, human resource quality, assessed in terms of their level of training to become decisive. Currently, the country's economic strength is measured not only in terms of the amount of virgin values (GDP), but also in the national innovation potential, the national labor quality intellectual and human terms, finally, the ability to generate new ideas and to innovate.

An important component of the national education system is the training and professional development and retraining. Structural adjustments occurring in the pattern of productive activities and units of the economy must be preceded by a period long enough for appropriate restructuring of knowledge to make them suitable new requirements arising from changes in products. Meeting this requirement is achieved through training, process modeling labor supply over demand and aspirations of the productive

members of society, as well as retraining process that seeks to maintain or reintegrate the labor force restructuring.

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