

FOREWORD

At the end of 2017, according to World Economic Forum Agenda, it seems that economic competitiveness matters, but not as an end in itself. It matters because nations that are more competitive are more productive, and are therefore more able to provide for the social needs of their people. The world has changed dramatically over the last decade, and measuring the factors that determine competitiveness continues to be a highly complex process. It is certainly true that the Fourth Industrial Revolution (4IR) – new, rapidly changing technologies in many different fields – has changed the way we need to measure some aspects of competitiveness, particularly in relation to innovation and ideas. We need to stress, for example, the value of ideas and collaboration within companies; the values of open-mindedness, of connectivity, and the value of an entrepreneurial spirit. And we have had to emphasize a new kind of education: one that is more conducive to students' creativity, their ability to observe and generate ideas. The new industrial revolution, also known as the 4IR, has forced us to put more emphasis on all these aspects of a nation's innovation ecosystem. The appearance of very disruptive technologies has been incredibly rapid. If we go back 10 years, the iPhone didn't even exist. We have seen huge developments in artificial intelligence, new materials, synthetic biology, big data and on-demand technologies, and all these are changing the business landscape at a planetary level. Significantly, many of these innovations did not occur in those countries where technology used to be produced almost monopolistically. It is no longer the case that only the US and Europe innovate; the new industrial revolution has created opportunities for nations across the globe. This is a hugely important trend.

*According to **Focus Economics**, economic momentum is largely holding up in the world's largest economies, the effects of which are reverberating across the globe. The global economy is benefiting from a combination of loose financial conditions, more supportive fiscal policies in some key countries following years of harsh fiscal consolidation, low inflation and strong global trade. According to revised estimates by Focus Economics, the global economy expanded 3.3% annually in Q3, overshooting the 3.2% growth in Q2. The third-quarter print marked the strongest growth in nearly four years.*

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Despite a catastrophic hurricane season that hit the southeast of the country in late August and September, the U.S. expanded robustly in Q3 on the back of an improving labour market and relatively low inflation. Against this backdrop, the chances that the Federal Reserve will deliver an interest rate hike in December have increased considerably. Going forward, the economy will continue to benefit from solid domestic conditions, which will be further bolstered by the post-hurricane reconstruction efforts as well as U.S. President Donald Trump's tax reform, which could be passed in early 2018. While it is not clear for how long the current expansion cycle will last, the potential U.S. withdrawal from NAFTA represents a key downside risk for the U.S. economy as well as for the other two participating countries.

*The Euro area economy continues sailing smoothly on the back of accommodative monetary policy, solid job gains and resilient global demand. In annual terms, the euro bloc economy expanded at the fastest pace in over six years in Q3, and leading indicators for Q4 suggest that the economy still has considerable positive momentum. Europe's recent streak of growth could, however, be derailed by increased political instability. German parties failed to form a coalition government due to differences over immigration policies. Although the German President urged party leaders to resume talks to seal a coalition government, Chancellor Angela Merkel has expressed scepticism over a minority government, and fresh elections are now a possibility. In Japan, the external sector continues to lead economic growth and the economy recorded the longest period of economic expansion in over a decade in Q3. While **Abenomics** succeeded in shoring up economic growth, inflation remains stubbornly high and further economic reforms will be needed.*

The global economy will continue to benefit from loose financial conditions and supportive fiscal policies in 2018. The strengthening is expected to be broad-based and extend to both developed and emerging economies. That said, while the economic recovery will gather steam in Brazil and Russia, and India should continue its positive growth trend, China's economy will continue its managed slowdown. Analysts expect the global economy to grow 3.2% in 2018. In 2019, the global economy is seen decelerating slightly, to 3.1% growth, as tailwinds start to wane.

The stable 2018 outlook for the global economy reflects unchanged growth projections for Japan, the United Kingdom and the United States. Conversely, the panel upgraded their view of the Canada and Euro area economies.

Among developing nations, an improved economic outlook for India and resilient growth projections for China continue to shore up panellists' view on the Asia (ex-Japan) region. Eastern Europe is in a sweet spot as Russia's economy

recovers, while the Euro area is firing on all cylinders. Although higher commodities prices are supporting the outlook for the Middle East and North Africa economies, ongoing political unrest is putting a dent in any sharp economic improvement. Sub-Saharan Africa's economic outlook remains jeopardized by security threats and domestic imbalances. In Latin America, political uncertainties are plaguing the outlook as elections are set to take place in Brazil, Colombia, Mexico and Paraguay.

Having said this about the state of the world economy and about the new trends, we will go further to what our authors propose about the news in their field of interest, news they consider appropriate to bring to our attention.

In his article, called **The Importance of Financial Management Principles in the State Budget Execution**, Yuriy Holynskyy draws attention that in the structure of the financial system of each state, one of the most important places is given to the budget, which characterizes the degree of development of budget relations that arise between government bodies and economic entities in the process of distributing gross domestic product. He says that the budget as an instrument of macroeconomic regulation has an impact on the development of social sectors, the functioning and modernization of national defence and law enforcement activities, the development of national economic sectors and the welfare of the society. At the same time, it is shown that the implementation of budgeted activities of supporting the sectors of the national economy and other activities depends not only on their consideration in drawing up the budget, but also on the quality of its execution. In this paper, the author determines the possibilities of using the financial management principles in the public sector during all stages of state budget execution.

Luminița Ionescu, in her article called **Errors and Fraud in Accounting. The Role of External Audit in Fighting Corruption**, says that accounting errors and fraud are common in most businesses, but there is a difference between fraud and misinterpretation of communication or accounting regulations. The author puts the accent on the role of management in preventing fraud and she tells us that it became important in the last decades and the importance of auditing in curbing corruption is increasingly revealed. There is a strong connection between fraud and corruption, accelerated by electronic systems and modern platforms. The most recent developments tend to confirm that external auditing is curbing corruption, due to international accounting and auditing standards at national and regional levels. Thus, a better implementation of accounting standards and high quality of external control could prevent errors and fraud in accounting, and reduce corruption, as well. The aim of this paper is to present some particular aspects of errors and fraud in

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accounting, and how external audit could ensure accuracy and accountability in financial reporting.

*Natalia Manea and Mihaela Purcaru, in their paper entitled **Evolution of Educational Marketing**, show us how the association of the term 'educational' to the term 'marketing' generates a specialized domain, by applying methods, policies and marketing strategies in the area of education. Due to the cultural, social and complex role of education, the educational marketing represents a part of the services marketing, the social marketing and the non-profit organizations. By offering compulsory education services financed from the state budget, the school units, through their activity, respect the principles of social marketing, regardless of the financial benefits that result from the provision of these services.*

This article aims to place educational marketing below the conceptual level in the field of service marketing; the reference works in the field of educational marketing are not many, a consequence of the fact that this is a new field.

*Through her article entitled **The Human Potential and its Role in Business Development**, Raluca-Ana-Maria Dumitru surprises that, through its object of activity, an economic organization has the role to efficiently use the means of production that it possesses in terms of the full utilization of the production capacities, of a high quality of the products and of obtaining profit.*

Companies need in their activities human, material, financial, informational resources etc., resources that they have at a certain moment in order to accomplish the mission and strategic objectives around which their entire activity revolves.

*Haradhan Kumar Mohajan, in his paper called **Two Criteria for Good Measurements in Research: Validity and Reliability**, draws attention that reliability and validity are the two most important and fundamental features in the evaluation of any measurement instrument or tool for a good research. The purpose of this research is to discuss the validity and reliability of measurement instruments that are used in research. Validity concerns what an instrument measures, and how well it does so. Reliability concerns the faith that one can have in the data obtained from use of an instrument that is the degree to which any measuring tool is checked for random errors. An attempt has been taken here to review the reliability and validity, and treat them in some details.*

*Bogdan Sofronov, in his paper called **Impact of Sustainable Tourism in the Travel Industry**, says that sustainable tourism is the concept of visiting a place as a tourist and trying to make only a positive impact on the environment, society and economy. A key aspect is the respect for the people who call the location home, the culture and customs of the area, and the socio-economic system. While sustainable*

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tourism is sometimes confused with ecotourism, ecotourism is actually only one aspect of sustainable tourism.

Sustainable tourism is attempting to have a low impact on the environment and local culture, while also helping to generate future employment for local people. The aim of sustainable tourism is to ensure that development brings a positive experience for local people, tourism companies and the tourists themselves.

From the above mentioned studies, there is a contribution to ideas and solutions brought by teachers, researchers or Ph.D. students to improve the economic situation in certain areas, on certain levels and in certain directions.

Finally, hoping that you found interesting Issue 4/2017, I strongly invite you to address your comments and suggestions at office_analeserieconomie@spiruharet.ro and, of course, to submit your own paper via the online submission system.

Let's join in attitude and feelings to build together an economy to resist current attempts!

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ACADEMIC PAPERS

