

FOREWORD

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War in Ukraine was leading to higher inflation and tighter financial conditions in all world economy. Stagflation risk rises amid sharp slowdown in growth. According to The World Bank’s latest Global Economic Prospects Report, appeared in a Press Release from Washington on the 7th of June 2022, compounding the damage from the COVID-19 pandemic, the Russian invasion of Ukraine has magnified the slowdown in the global economy, which is entering what could become a protracted period of feeble growth and elevated inflation. This raises the risk of stagflation, with potentially harmful consequences for middle- and low-income economies alike.

Global growth is expected to slump from 5.7 percent in 2021 to 2.9 percent in 2022, significantly lower than 4.1 percent that was anticipated in January 2022. It is expected to hover around that pace over 2023-24, as the war in Ukraine disrupts activity, investment, and trade in the near term, pent-up demand fades, and fiscal and monetary policy accommodation is withdrawn. As a result of the damage from the pandemic and the war, the level of per capita income in developing economies this year will be nearly 5 percent below its pre-pandemic trend.

“The war in Ukraine, lockdowns in China, supply-chain disruptions, and the risk of stagflation are hammering growth. For many countries, recession will be hard to avoid,” said World Bank President, David Malpass. “Markets look forward, so it is urgent to encourage production and avoid trade restrictions. Changes in fiscal, monetary, climate and debt policy are needed to counter capital misallocation and inequality.”

The June 2022 Global Economic Prospects Report of The World Bank offers the first systematic assessment of how current global economic conditions compare with the stagflation of the 1970s—with a particular emphasis on how stagflation could affect emerging market and developing economies. The recovery from the stagflation of the 1970s required steep increases in interest rates in major advanced economies, which played a prominent role in triggering a string of financial crises in emerging market and developing economies.

Issue 2/2022

“Developing economies will have to balance the need to ensure fiscal sustainability with the need to mitigate the effects of today’s overlapping crises on their poorest citizens,” said Ayhan Kose, Director of the World Bank’s Prospects Group. “Communicating monetary policy decisions clearly, leveraging credible monetary policy frameworks, and protecting central bank independence can effectively anchor inflation expectations and reduce the amount of policy tightening required to achieve the desired effects on inflation and activity.”

The current juncture resembles the 1970s in three key aspects: persistent supply-side disturbances fuelling inflation, preceded by a protracted period of highly accommodative monetary policy in major advanced economies, prospects for weakening growth, and vulnerabilities that emerging market and developing economies face with respect to the monetary policy tightening that will be needed to rein in inflation.

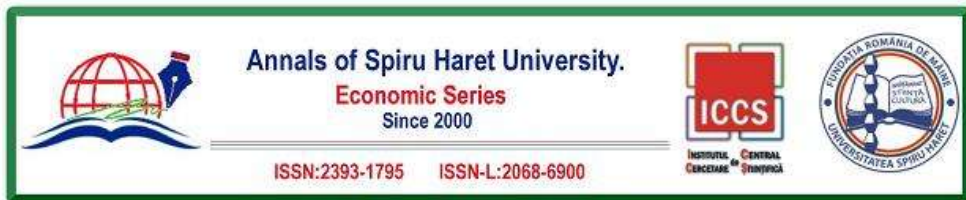
However, the ongoing episode also differs from the 1970s in multiple dimensions: the dollar is strong, a sharp contrast with its severe weakness in the 1970s; the percentage increases in commodity prices are smaller; and the balance sheets of major financial institutions are generally strong. More importantly, unlike the 1970s, central banks in advanced economies and many developing economies now have clear mandates for price stability, and, over the past three decades, they have established a credible track record of achieving their inflation targets.

Global inflation is expected to moderate next year, but it will likely remain above inflation targets in many economies. The report notes that if inflation remains elevated, a repeat of the resolution of the earlier stagflation episode could translate into a sharp global downturn along with financial crises in some emerging market and developing economies.

The report also offers fresh insights on how the war’s effects on energy markets are clouding the global growth outlook. The war in Ukraine has led to a surge in prices across a wide range of energy-related commodities. Higher energy prices will lower real incomes, raise production costs, tighten financial conditions, and constrain macroeconomic policy, especially in energy-importing countries.

Growth in advanced economies is projected to sharply decelerate from 5.1 percent in 2021 to 2.6 percent in 2022—1.2 percentage point below projections in January 2022. Growth is expected to further moderate to 2.2 percent in 2023, largely reflecting the further unwinding of the fiscal and monetary policy support provided during the pandemic.

Among emerging market and developing economies, growth is also projected to fall from 6.6 percent in 2021 to 3.4 percent in 2022—well below the annual



Issue 2/2022

average of 4.8 percent over 2011-2019. The negative spillovers from the war will more than offset any near-term boost to some commodity exporters from higher energy prices. Forecasts for 2022 growth have been revised down in nearly 70 percent of EMDEs, including most commodity importing countries as well as four-fifths of low-income countries.

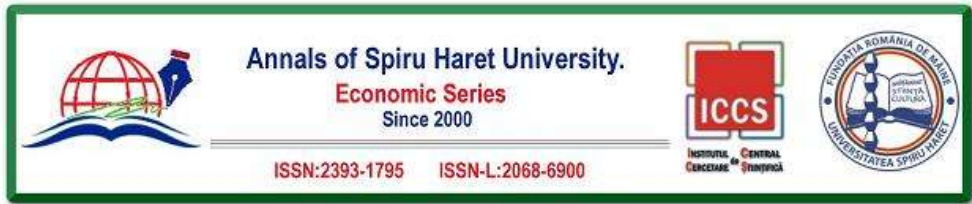
The report highlights the need for decisive global and national policy action to avert the worst consequences of the war in Ukraine for the global economy. This will involve global efforts to limit the harm to those affected by the war, to cushion the blow from surging oil and food prices, to speed up debt relief, and to expand vaccinations in low-income countries. It will also involve vigorous supply responses at the national level while keeping global commodity markets functioning well.

Policymakers, moreover, should refrain from distortionary policies such as price controls, subsidies, and export bans, which could worsen the recent increase in commodity prices. Against the challenging backdrop of higher inflation, weaker growth, tighter financial conditions, and limited fiscal policy space, governments will need to reprioritize spending toward targeted relief for vulnerable populations.

In the current context, the authors found forums for discussions and debates and have written articles for the current issue trying, as far as possible, to look at some solutions for the problems facing the new world state of economy. Whether or not they succeeded in responding to the challenges, we leave it to you to determine.

The first scientific paper published in our present issue named **Modern Learning Improvements Supported by It Solutions – Slido Case Study for Better Engagement** written by **Dušan STOJAKOVIĆ**, explains that according to a study published by UNESCO at the beginning of the coronavirus pandemic, about 84% of the world's population studying some of the educational programs (including formal education through primary, secondary and higher education, and university undergraduate and postgraduate studies) is affected by prevention and social distances. Experts estimate that such disability and absenteeism will cause a significant and noticeable lack of theoretical knowledge and practical skills at the global level for several generations, the study of which was lacking in the process of switching from physical to online teaching and digital study of the material. for studying in the physical environment of a classroom, amphitheatre, laboratory, or similar educational facilities.

One of the ways to partially alleviate this process of not studying the entire prescribed material and accredited curricula on time relies on more intensive



Issue 2/2022

application of IT technologies, innovations, and solutions, with a special focus on increasing the degree of student involvement in active learning. One of such IT solutions is SLIDO, an online software, primarily aimed at use for business purposes but certainly and unstoppably finding its way to improve education. This paper aims to explore potentials of increasing students' engagement through IT solutions like SLIDO.

Roxana PĂUN wrote the second article entitled **The Role of Blockchain Technology in the Universal Metaverse from the Perspective of Competitive Relations in Business. Challenges and Uncertainties** and is telling us that Blockchain technology is becoming one of the most prominent trends in finance and digital innovation since the creation of the Internet. Blockchain technology makes data private, permanent, and verifiable. Data and transaction logging is public, but encryption protects them from prying eyes and tampering. The architecture of the blockchain database and the associated protocols provide a solid foundation for creating new classes of applications. This is just the theory. In practice, however, blockchain technology has proven to be somewhat less miraculous. It is powerful and effective in a wide range of areas, but in addition to the well-publicized benefits of blockchain, experts have discovered a set of disadvantages of blockchain technology. That is why the Bitcoin blockchain is often referred to as the "open register" of Bitcoin. Experts around the world, except for a few sceptics, see blockchain as a high-impact technology that has the potential to revolutionize the world of finance, gaming, entertainment and more.

Starting from the analysis carried out by specialists in the field on their website, and from information on this technology, the present study brings some arguments to draw the attention of the informed reader to the risks and dangers to which they are exposed and to whom this technology is applied in sensitive areas regarding the life, health, freedom and privacy of the citizens of this planet.

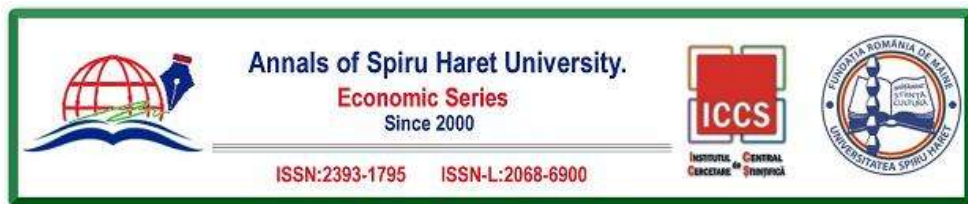
Even if the role of this technology in some fields is undeniable, it must still be treated with great care from the perspective of respecting the fundamental rights and freedoms of human beings, the universal values that mankind has gained in centuries of human effort and sacrifice for current and future generations to evolve without repeating the mistakes of history.

Authors **Mariana IATAGAN**, **Raluca ZORZOLIU** and **Elena GURGU** wrote in their article entitled **Using Big Data in Business Management**, about digitalization who is fundamentally changing companies and other organizations. Changes also take place on the financial and accounting side of a company. Future

digital advancements are a necessity because providers use this type of systems. The use of new technologies in business management is expected especially in terms of document recognition, data exchange, receipt and payment transactions, communication, excel replacement, text recognition. Big Data is becoming an indispensable resource for many organizations. Digitalization is fundamentally changing companies and other organizations, just as the business world has never seen before. The term Big Data has evolved in a flash to take into account the rapidly expanding quantities of digital information systems that are generated, the hard work of creating that information that can be analysed, and the actual use of that data as capital to increase efficiency, create and enable innovation, and improve decision-making.

Dragoș Mihai UNGUREANU, in his paper entitled **Digital Euro as Next Evolution of the European Currency**, will explain the fact that digitalisation has spread to every corner of our lives and transformed how we pay. In this new era, a digital euro would guarantee that citizens in the euro area can maintain costless access to a simple, universally accepted, safe and trusted means of payment. A digital euro would not replace cash, but rather complement it. The Euro system will continue to ensure the access to cash across the euro area. A digital euro would give an additional choice about how to pay and make it easier to do so, contributing to accessibility and inclusion. It would support the digitalisation of the European economy and actively encourage innovation in retail payments.

Umid VALIZADA, in his paper named **The Effect of Digital Leadership Practice and Learning Organization Relationship on Individual Performance** will discuss about the fact that human life is like swimming against the current. If a person is not trying to move forward, the current will undoubtedly drag him further back at any moment. This is true for every area touched by human hands. In business life, institutions must swim against the current, just like people. Today, digital transformation and its effects emerge as a topic that is discussed extensively in academia and practice and constitutes the business agenda of companies. The digital age changes not only the way of doing business, but also customer relations, service models, product styles and most of all, the perception of "talent". This rapid transformation in business strategies has led to the emergence of digital leaders with new and different skills in the short term. These leaders focus on different points than traditional leaders. The aim of this study is to examine the effects of the digital age on leadership theory, how the new leadership model is defined, and the studies carried out in the relevant period in order to reveal its dimensions.



Issue 2/2022

The authors **Raheem Akanni Adewale OKEWALE** and **Abolaji Jamiu ATOBATELE**, in their paper entitled **Smart Cities and Socio-Economic Development in Nigeria: Evidence from Some Selected Countries**, are talking about the fact that the rate at which cities are growing over decades with unprecedented increase in the use of utilities such as water, energy, education, housing, sanitation etc. calls for concern. The unprecedented population growth has led to the agitation for smart cities where little efforts will be utilized to achieve maximum output. However, the government of Nigeria has put in place some measures to achieving smart city concept that will assist the citizens to live better life that will lead to a robust socio-economic, despite this feat the country has not explored the concept maximally to increase better living that will engender a robust socio-economic development. Sequel to this background that this study examines the role plays by smart cities in ensuring socio-economic development in Nigeria. The secondary data used in this study was gathered from existing publications. Being a qualitative research, content analysis was employed in the interpretation of the data. It was revealed that smart city arrangement in Nigeria is poor, hence this affects socio-economic activities most especially in the areas of trade and commerce, education, security, health to mention but a few. The study therefore recommends that government should encourage private sector through public private partnership to achieve this feat.

Bianca RUSU, Lăcrămioara HURLOIU, Iulian HURLOIU and **Marinela GEAMĂNU**, in their paper entitled **Big Data: A Source of Competitive Advantage** are talking about the fact that in a business environment that constantly and rapidly changes, future prediction becomes more important than the simple visualization of historical or current perspectives. For effective future prediction, data analysis using statistical and predictive modelling techniques may be applied to enhance and support the organization's business strategy. Therefore, the effective use of data is becoming the basis of competition. Big data fundamentally change the way businesses compete and operate. Companies that invest in and successfully derive value from their data have a distinct advantage over their competitors. This performance gap will continue to grow as more relevant data is generated and the technologies that enable faster, easier data analysis continue to develop.

The study named **International Financial Reporting Standards (IFRS) and Financial Performance of Selected Money Deposit Banks in Nigeria** and written by **Dorcas Adebola BABATUNDE**, the author of the study examined International Financial Reporting Standards (IFRS) and financial performance of selected money

deposit banks in Nigeria. Specifically, the study analysed the effect of adoption of IFRS on profit after tax (PAT), return on asset (ROA) and return on equity (ROE) of 10 randomly deposit money banks over the period of 14 years covering Pre-IFRS and IFRS era. Data used for the study were collected from the financial statements of the selected banks. Panel estimation techniques including pooled OLS, fixed effect and random effect estimation were employed, after which the most consistent and efficient estimation result was evaluated using restricted F-test and Hausman test. Result showed that adoption of international financial reporting standards has positive effect on all the measures of performance, starting from profit after tax, return on asset and return on equity with reported coefficient estimate of 24.8241 ($p < 0.05$) for PAT model; 3.566556 ($p > 0.05$) for ROA model and 232.5723 ($p > 0.05$) for ROE model respectively. This study established that adoption of international financial reporting standard explains a notable percentage of systematic variation in the performance of deposit money banks especially when measured in terms of profit after tax and concluded that adoption of international best practices of reporting (IFRS) promoted improved performance of firms in Nigeria banking industry view from the perspectives of profitability as well as return on investment of asset and equity. Hence, regulatory authorities in Nigeria banking industries should devise a mechanism for evaluation consistency of deposit money banks as torching adherence to international standards of reporting. Management and auditors of accounting report need to work together at tightening compliance to ensure better performance impact of IFRS adoption. Also, Financial Reporting Council of Nigeria should further harmonize their operation in the bit to sustain proper check and balances needed to ensure coherence in the regulatory framework necessary for proper adoption of IFRS in the country.

Rafiyat Bosede OLANIYI, Kayode Peter ABILORO and Niyi Oladipo OLANIYAN, in their paper entitled **Capital Structure and Firm Performance of Listed Manufacturing Firms in Nigeria Stock Exchange** studied the link between capital structure and financial performance of Nigerian manufacturers. It evaluated the nexus between total debt and financial performance of listed manufacturing companies in Nigeria, the nexus between equity and financial performance of listed manufacturing firms in Nigeria Stock Exchange.

The study used ex-post-facto data to investigate variable relationships. Nigerian manufacturing firms were studied. The data was taken from the company's (2005-2020). Both descriptive and inferential statistics, such as Pearson correlation and panel regression, were used to examine the data.

Issue 2/2022

Return on equity, equity capital has a substantial influence on the performance of Nigerian manufacturing companies. 6.34 and 0.26 Total debt assessed by asset debt-to-equity ratio has no influence on stock market performance ($p > 0.6580$). Sand return on equity has a positive significant influence on financial performance of Nigerian manufacturing firms by 6.331 ($p = 0.0000.05$) and 0.117 ($p = 0.0070.05$); long-term debt also has a positive significant effect.

The study found that equity capital, total debt, and long-term debt have the potential to influence the financial performance of manufacturing firms positively and significantly in Nigeria, whereas short term debt has the potential to influence financial performance positively and insignificantly. Total asset has the potential to influence financial performance positively and significantly.

Godwin Emmanuel OYEDOKUN, Richard O. AKINGUNOLA and Russell O.C. SOMOYE, in their paper entitled **Effect of Pension Investment on Financial Depth in Nigeria: Empirical Investigation** are telling us that their study examined the effect of pension investment on financial dept in Nigeria. The study adopted an *ex-post facto* research design. The population of the study is 14 years of Nigeria economy from the year 2007-2020. Time-series data were sourced for this study which are entirely secondary data from the Pension Commission and the Central Bank of Nigeria (CBN) statistical bulletin, and the World development indicator (WDI) of the World Bank Database. Autoregressive Distributed Delay Limitation (ARDL) bounds testing approach was adopted to examine the long- and short-term relationships between the series, using Eview 12 version. The result of the hypothesis shows that there is evidence that pension investment in equities has positive relationship with financial deepening. This implies that increases in pension investment in equities will lead to increase in financial depth in Nigeria. In sharp contrast, pension investments in FGN securities, local money market securities and mutual funds have a negative relation with financial depth. This implies that increases in pension investments in FGN securities, local money market securities and mutual funds will lead to decrease in financial depth in Nigeria. The result also shows that in the short run that pension investments in equities and mutual funds have positive but insignificant relationship with financial depth, while FGN securities and local money market securities have negative and insignificant relationship with financial depth. The study then recommended that, to accelerate financial sector depth, it is necessary for the financial sector regulators and policymakers to strengthen the depth of banks asset, other financial institutions and financial markets through policies and reforms to attract more

pension investment that will contribute to the development of Nigeria's financial stance.

Samuel C. UGOH, Kahinde Abiodun ISINKAYE and Wilfred I. UKPERE, in their paper named **Strategies to Enhance Local Government Finance in Nigeria** are telling us that their study adopted historical approach to political research and used secondary sources of information. This paper focuses on assessing financial challenges facing local governments in Nigeria. The study observed that insufficient allocation from the federation account, lack of effective revenue generation drive, mismanagement of funds, intrusion of the state government into local governments use of funds, amongst others are the major challenges confronting local governments. Nevertheless, if right strategies such as effective planning, accountability, transparency, curbing of financial mismanagement, sound business undertaking, increased fund allocation from federation account are adopted, local Government may be in better position to accelerate the pace of infrastructural development in Nigeria.

Nevenka POPOVIC SEVIC, Milica SLJEPCEVIC and Ivana RADOJEVIC, in their paper entitled **Practical Implementation of Neuromarketing in Different Business Industries: Challenges and Trends** are telling us that over the last decade, new technological progress has enabled the researchers to use neuroscience not only for scientific but also for marketing studies, so they can explore, at the same time, conscious and unconscious drivers of consumer behaviour in real daily situations. Applying brain science to consumer behaviour, neuromarketing—a new innovative marketing research discipline—examines consumers' response (sensory, motor, and cognitive) to advertising stimuli. This article focuses on three key areas: literature review, challenges and limitations of neuromarketing, and neuromarketing trends, with several concrete real-life examples in different business industries. Practical challenges and limitations within the neuromarketing research, such as ethics, accessibility, costs and timing, but also side effects, are discussed. At the end, this article emphasizes many practical implementations of neuromarketing in different business branches, with the adoption of academic and scientific neuroscience research to commercial purposes.

Elena GURGU, Raluca ZORZOLIU, Ioana-Andreea GURGU and Maria Gabriela ILISIE, in their scientific paper named **Creativity and Innovation in Public Relations, as an Important Tool in Assisting Managerial Decisions** they write with regard to creativity and innovation in public relations, of which it is evident that we need as a necessary means in supporting managerial judgments. For

Issue 2/2022

us, creativity in public relations can be a new way to achieve a goal easier, more efficient, and faster. It is evident that every client acknowledges creativity, but in frequent situations, it does not convert into evident cases or messages for a mass audience and then is not visible. We also discuss in our study the profile of an ingenious public relations professional, who must be: engaged, instructed, ambitious for performance, having logical knowledge, having malleable and decisive judgment, being an idealist. In this analysis we will investigate to show that ingenuity can appear in one of the subsequent positions at the corporate administration zone: either in planning (positioning, outlining) or implementation (technique, presentation information, knowledge).

Aderemi Daniel ADEKANMI, Babatunde Moses OLOLADE, Ebunoluwa Tokunbo ADEOYE, and Mustapha BOJUWON, in their paper entitled **The Relationship Between Corporate Social Responsibility and Market Share: Evidence from Nigeria in West Africa** are telling us that the study examined the effect of corporate social responsibility on market share of listed manufacturing firm in Nigeria. It specifically examined the effect of internal environmental cost on market share of listed manufacturing firms in Nigeria, it also examined the effect of external environmental cost on market share of listed manufacturing firms in Nigeria. The study predicated of stakeholder's theory.

The study adopted Ex post facto research design and secondary data was gathered to analyse the relationship between the variables. The population of the study consisted of forty-two manufacturing listed in the Nigeria Stock Exchange, while ten samples were collected from the population. The data collected were analysed through descriptive statistic, Error Correction MODEL (Long and short run relationship), and correlation matrix regression analysis.

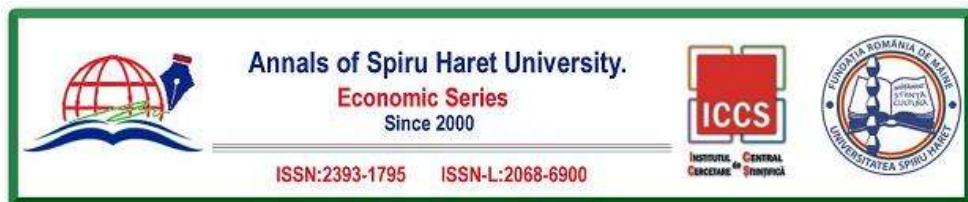
The result of the findings revealed that internal environmental cost has positive and significant effect on market share of listed manufacturing firms in Nigeria ($p=0.1454 > 0.05$) and external environmental cost has positive and significant effect on market share of listed manufacturing firms in Nigeria ($p=0.6757 > 0.05$)

The study concluded that CSR activities such as internal environmental cost and external environmental cost through donations to the society where they operate their business and other social and infrastructural facilities reflect in their annual financial statement as external cost incurred during the year.

The study recommended that Nigerian manufacturing firms take advantage of external environmental costs by investing more on the business's environment, notably via corporate social responsibility

The authors **Foluso Philip ADEKANMBI**, **Steve Olusegun ADEGOKE** and **Wilfred Isioma UKPERE**, in their paper entitled **Work Stress, Risk-Taking Propensity, and Resilience as Determinants of Psychological Wellbeing in the Police Force** evaluated the impacts of work stress, risk-taking propensity, and resilience on psychological wellbeing in Nigeria's Police Force. Its sample was extracted from four (4) police stations in Ibadan, Oyo State of Nigeria. They are the Iyaganku, Eleyele, Orita Challenge, and Iwo Road testing ground police stations. This study has adopted a cross-sectional survey method, where the current scholar randomly distributed the study's questionnaires. Nonetheless, from the 350 questionnaires floated, 319 were suitable for study and analysed using Statistical Packages for Social Sciences (SPSS version 27). The present study conducted standard and hierarchical multiple regression analysis in testing the stated hypotheses and concludes that work stress and risk-taking propensity significantly reduce psychological wellbeing. In contrast, resilience increases it in Nigeria's Police Force. It further settles that work stress, risk-taking propensity, and resilience significantly and jointly determine psychological wellbeing. Work stress, however, determines more significantly the psychological wellbeing of police officers than risk-taking propensity, resilience, and their combination matrix. Consequently, this paper advocates the need to reinforce stress management training among police officers to promote healthy lifestyles and improve psychological wellbeing. Also, Nigeria's Police college should incorporate risk-taking concepts on the job to help them exhibit better risk-taking behaviours and maintain improved psychological wellbeing. Moreover, Nigeria's Police Force should adopt strategies for promoting resilience levels, raising police officers' positive emotions to recover from their adverse experiences. Besides, there is a severe need for psychological interventions to prepare police officers for the hurdles ahead. So, it is required that government make provisions for a salary increase, incentives, organizational support programs, and initiatives that can strengthen the coping styles of police officers for better psychological health and wellbeing.

Tural AKBARZADA, in the paper entitled **Cultural Differences in Business Values Perspective and Manager-Employee Harmonization** is talking about the manager-employee harmony, who is examined in the perspective of business values. Since manager-employee compatibility is the subject of study in the perspective of work values, the values that emerge because of the work values of the managers and employees and the work values of the employees regarding their managers are also determined as a prerequisite, since the fit can be determined and guides the research.



Issue 2/2022

We hope that our journal issue caught your attention and made you read it. Also, we strongly believe that all the articles are interesting and deserve to be appropriated by those who are interested in understanding the specific issues of the global economy.

If you've liked our articles, please visit our website at <http://anale-economie.spiruharet.ro/>. If you want to write an article in our journal, we invite you to expose your ideas in new studies published by us.

Finally, hoping that you found interesting Issue no. 2/2022, I strongly invite you to address your comments and suggestions at ashues@spiruharet.ro and, of course, to submit your own paper via online submission system, using the following link: <http://anale.spiruharet.ro/index.php/economics/login>.

Research is the breath of the future. Let's shape the world together!

*Associate Professor Elena GURGU, Ph.D. in Economics
ASHUES Deputy Chief Editor*

ACADEMIA PAPERS

