

FOREWORD

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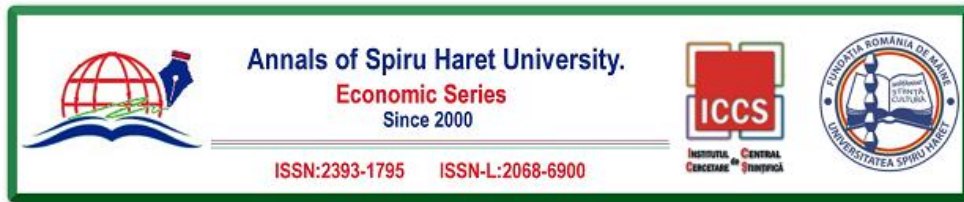
A globally warning issued in September 2018 by the former president of the European Central Bank, Frenchman Jean-Claude Trichet says the world economy is exactly the way ahead of the economic crisis of 2008. He said that too many debts have done the global financial system as vulnerable as it was ten years ago in September 2008, when the American bank Lehman Brothers collapsed. *Excessive indebtedness in advanced economies was a key factor in triggering the global financial crisis of 2007 and 2008*, Jean-Claude Trichet said in an interview with AFP.

Currently, debt growth in advanced countries, particularly in the private sector, has slowed, but this slowdown has been offset by an acceleration in emerging-nation debt growth. This makes the entire world financial system at least the same vulnerable as it was in 2008.

The Frenchman who led the ECB between 2003 and 2011 revealed that the signals about the imminence of a crisis were detected in advance. "The real beginning of the financial crisis that was going to hit the world we felt on the morning of August 9th, 2007, when we faced a complete disruption of the functioning of the euro area monetary market," Trichet said.

Several signals highlighted the fragility of the US mortgage market, but in the summer of 2007 the events precipitated and the first bankruptcies occurred in the US. At the end of July, the world stock exchanges were red, and contagion arrived in Europe, Germany being forced to intervene urgently in support of IKB's bank with a three-billion-Euro plan. On August 9th, 2007, French banking group BNP Paribas froze three of its US investment funds, which lost 400 million Euros in a few days. Panic spread, and the money market has suddenly dried up.

"The situation was unprecedented after the Second World War: there was no normal business, no transaction between the banks. Then, together with my colleagues, I made the decision to offer all the liquidity demanded by the financial institutions without limits," said Trichet. Thus, on August 9th, 2007, some 50 eurozone banks have requested and have obtained € 95 billion in liquidity from the ECB to meet their obligations. But instead of calming, the market continued to



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deteriorate and as of September 15th, 2008, the American bank Lehman Brothers declared bankruptcy, which constituted the global detonator.

More and more economists claim that we are heading for a new economic crisis after the global debt level reached a new record in the third quarter of 2017, rising to \$ 233 trillion, according to a report by the Institute of International Finance (IIF).

Given this global escalation of excessive indebtedness, the academic papers appearing in this issue of the journal try to respond to some of the dilemmas of the present moment.

In the first article of this issue, entitled *Land Use, Internal Mobility and External Immigration in Italy*, the authors, **Giuseppe Celi** and **Domenico Viti**, say that after the Second World War, the economic development of Italy has profoundly changed the use of land. The paper investigates economic and regulatory implications of land withdrawal in Italy and the nexus with internal and external migration. The dualistic character of Italian economic development induced, especially in the 1950s and 1960s, huge migration flows from southern regions to the North, with strong repercussions in terms of abandonment of farmland and urban congestion. In recent times, in the light of increasing pressures from globalization, a revival of internal migration flows from the South to the North has occurred in Italy, but with different characteristics and implications with respect to the past. The interaction between internal mobility and external immigration (a new phenomenon for Italy, traditionally an emigration country) entails possible economic contra-indications but also new opportunities for rural development.

The paper called *Households' Perception of Climate Change Effects in Rural Romania* is focused on the analysis of the impact of climate change on the households from rural Romania. The authors, **Camelia Surugiu**, **Marius Surugiu**, **Raluca Mazilescu**, **Anca Cristea** and **Ileana Marginean**, say that climate change may have an impact on different sectors of the economy, such as agriculture, food industry, energy sector, tourism, etc. Also, the impact is felt by households. In rural regions of Romania, the households are already facing various risks, related to lack of income, and also related to ageing population. This study aimed to underline how rural people relate to the climatic conditions with emphasis on the trend of major change in the various aspects of the weather, sources used to find information on climate change, reliability level of the climate change information provided by various sources, the possibility to adopt measures to tackle the effects of climate change, and so on. The article highlights the fact that poor households are vulnerable to climate change because low income cannot provide a satisfactory degree of access

to services needed in the protection against threats. Various adaptation strategies may be used by households confronted with negative effects of climate change.

In the third paper entitled *Workforce Regional Disparities from the Rural Area in Romania*, the authors, **Mădălina Teodora Andrei**, **Iuliana Pop** and **Grația Ghic**, say that the beginning of the third millennium has brought up in Romania significant changes as far as the demographic and economic phenomena in general, and the workforce from the rural areas in particular. The authors believe that demographic evolution in Romania is influenced by multiple factors, including economic, social and political ones.

This article aims at performing a quantitative analysis on the employment level and development trends of Romania's rural area population at the regional level with a view of becoming competitive at the European level.

The paper called *Aspects Concerning the Competition of Business Operators in the Contemporary Business Environment* is focused on the author's opinion, based on deep research, that the competitive, ethical and legal attitude is a powerful element in increasing business development rhythm, but if it is guided towards the level of sublegal and the hits applied to competitors, then it turns into an anti-business, anti-development, anti-cohabitation, anti-productive environment.

The author **Roxana Ștefănescu** believes that competitive, ethical and legal environment is beneficial for economic activity and social development. Regardless of the form in which it takes place, business competition is complex in nature, including the development environment, resources, methods, contestants and competitors, directions, market shares, factors and locations. Competitive complexity includes cultural factors, behaviours, promotional policies, regularities and morality, conjectures and recessions, personnel recruitment and picking up, distribution opportunities and facilities, complex and indispensable utilities, sharing human resources, energy, financial and material resources, policies of selection, cooperation, counteraction, annihilation or removal, procurement policies, dominance in areas or market shares, ingenuity, new products and services, investments and financial availability, capabilities of organization, of presentation, demonstration, of keeping the relations with the consumers.

The academic paper called *The Impact of Deflation on Fiscal Aggregates* addresses the phenomenon of deflation from a historical perspective, a phenomenon rarely encountered in our day. The authors, **Adina Trandafir**, **Octav Neguriță** and **Claudia Guni**, say that deflation is generally defined as the fall in the aggregate level

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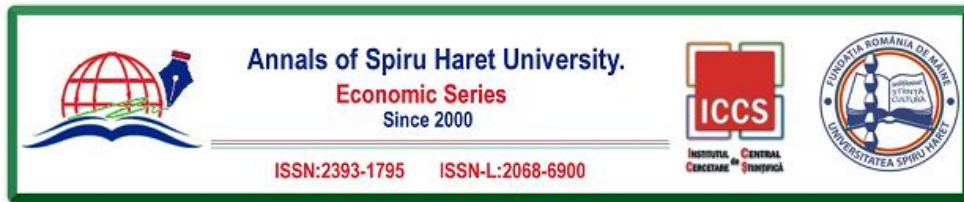
of the consumer price index, respectively, the reverse inflationary phenomenon. The article also presents, in addition to experiences in different countries in times when deflation has been more pronounced and longer, the effects it may have on public finance aggregates. The paper analyses the literature of all times that deals with the subject, as well as a presentation of the empirical data recorded, and an econometric analysis wishing to highlight the impact that the aggregate index of prices may have on public debt, using data recorded in Romania during 2000-2017.

In the paper entitled *Study on the Involvement of the University in Training and Lifelong Learning of the High School's Graduates*, the authors, **Iuliana Pârvu, Iulia Grecu, Paula-Cornelia Mitran** and **Gheorghe Grecu**, say that nowadays continuously expansion of the market for higher education services puts a high pressure on the management of such institutions. Universities are trying to keep their position on the market by applying theories and practices that have traditionally been used by the business environment. This paper proposes to adapt such a practice in higher education institutions. This is the strategy of backward vertical integration. The authors understand this by highlighting the possibilities for higher education institutions to have to take over some of the activities carried out in high schools. Starting from the experience of a project to whose implementation the authors participated, the paper describes how the counselling and vocational guidance activities addressed to high school students can be carried out by the higher education institutions.

The purpose of this paper entitled *Millennials: A New Trend for the Tourism Industry* is how millennials change and influence the tourism industry and their importance for travel in the world. Having grown up with near-ubiquitous internet access and beginning their professional careers in the wake of a financial crisis, millennials are using technology to make savvy travel-buying decisions, largely based on the perceived authenticity of the experience they are offered.

The author, **Bogdan Sofronov**, says that millennials travel more than any other demographic. On average, they take 35 days of vacation each year, and they're also bucking the trend by increasing their annual travel spend as other generations intend to be more conservative with their cash. Millennial travellers are interested in authenticity, fulfilment and sustainability. That's a message that tour operators, travel agents and the entire travel industry needs to understand. The millennials represent 27 percent of the global population or about 2 billion people.

As we have seen, all the articles are interesting and deserve to be appropriated by those who are interested in understanding the specific issues of the economy.



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Finally, hoping that you found interesting Issue 3/2018, 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.

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

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

ACADEMIA PAPERS

