

FOREWORD

How to cite: GURGU, E. (2019). "Foreword." *Annals of Spiru Haret University. Economic Series*, 19(1), 15-20, doi: <https://doi.org/10.26458/1911>

2019 begins with worrying prospects regarding certain realities of the world economy.

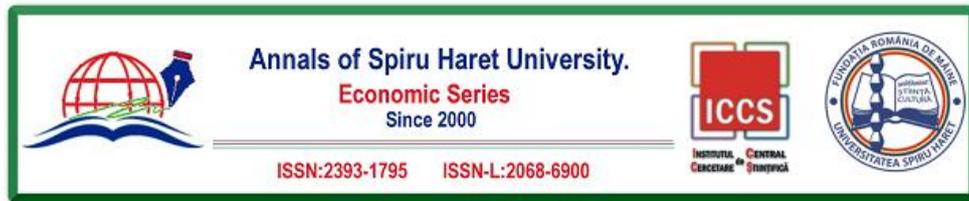
The International Monetary Fund (IMF) announced at the end of January 2019 that it revised downwards the forecasts for world economic developments over the period 2019-2020, given the persistence of trade tensions and rising political risks, AFP reported.

As for the second downgrade of estimates announced by the IMF in the last three months of 2018, the international financial institution warns that a slowdown over the expectations of the Chinese economy and a possible Brexit without a deal are the main risks to its estimates, adding that they could aggravate turmoil on financial markets.

If in October 2018, in the World Economic Outlook, the IMF forecasted that in 2019 the world economy will grow by 3.7%, in the update published in January 2019 at the World Economic Forum in Davos, the IMF announced that it is counting on a 3.5% advance in 2019. The International Monetary Fund (IMF) has also revised downwards estimates of world economic developments in 2020 to 3.6%, 0.1 percentage points below the estimates in October 2018.

Even if it has maintained the estimates for the first two economic powers of the world, the US and China, and moreover has revised its estimates for Japan, the IMF is more pessimistic when it comes to the eurozone, where it relies on an increase of 1.6% in 2019, compared with 1.9% expected in October 2018.

In Europe, the forecasts for growth of the German economy have been revised downwards, for which the IMF is now currently projected to advance by 1.3%, 0.6 percentage points less than in October 2018, and the forecasts for Italy, revised 0.4 percentage points down to an advance of 0.6%, and France, 0.1 percentage points up to 1.5%. As far as Europe's first economic power is concerned, the IMF expects weaker industrial production in the automotive sector, while for Italy the revision comes amid a weaker domestic demand combined with an increase in borrowing costs, and in the case of France, due to the negative impact of the yellow jacket protests lasting for several months.



Issue 1/2019

The concentration of wealth has been further accentuated in 2018, so that 25 billionaires of the world now have as much money as the poorest half of mankind, *France 24* writes.

Oxfam NGO also concludes that the global economy's trend is negatively influenced by the wealth growth of multi-billionaires in the world, and this NGO calls on the United States to raise taxes for the rich. "The gap that rises between the rich and the poor affects the fight against poverty, hurts the economy and fuels the anger in the world," said Winnie Byanyima, executive director of Oxfam International, cited in the press release. Governments "must ensure that businesses and the richest pay their share of tax," she added, when Oxfam's annual report on global inequalities was published before the World Economic Forum in Davos. According to Oxfam, who estimates that the richest people hide \$ 7,600 billion in some countries such as Brazil or the United Kingdom, "10% of the poorest are now paying higher taxes in proportion to their income than the richest ones."

The BBC also brings to the public's attention International Monetary Fund (IMF)'s warning regarding decrease of China's economic growth, which, coupled with the lack of a Brexit agreement, could affect even worse the financial markets and, therefore, the global economic growth. According to *La Libre Belgique*, China's economic growth has the lowest rhythm in the past 28 years, on the year-end, marked by efforts to pay debt, trade conflicts, and downward domestic demand. China's Gross Domestic Product (GDP) growth was +6.6% in 2018, the National Bureau of Statistics (NBS) said. This is above the 6.5% target set by the government and confirms the average forecasts of analysts interviewed by AFP. Although still under review, the growth figure is being carefully pursued, given China's share of the world economy. According to analysts, the economic downturn is strongly related to Beijing's measures, in particular to reduce colossal indebtedness that hampers credit and infrastructure spending. "The main engines of the current slowdown in China are internal. This should remain the situation in the short term, as consumer co-financing has weakened and companies have reduced their capital expenditures," Capital Economics analysts said.

Analysts from Nomura say that, in their opinion, growth will worsen in the first quarter of 2019, despite Beijing's increasingly aggressive stimulus and aggressive measures, and will fall below 6.0 percent in the first half of 2019, on the whole of 2019, anticipating a 6.0%. And this will happen all the more so as an essential component of the Chinese wealth – trade – suffers because of a decreasing external demand and the Chinese-American conflict. "Chinese exports are expected to

decline in the coming quarters, with world demand continuing to moderate, even if the risk of a slowdown generated by a new escalation of the trade war is decreasing,” Capital Economics said. This war broke the confidence of the financial markets, even if it did not seem to have penalized the Chinese economy until the end of 2018. In December 2018, Chinese exports, denominated in dollars, fell by 4.4%.

Many economists, however, anticipate a continuation of world economic slowdown, at least in the first half of 2019. “Growth will remain under pressure in the coming months. The goal of the decision makers will be to stop the slowdown rather than try to create a significant recovery,” economists at Oxford Economics commented, according to which growth would reach the lowest level in the second quarter. “Officials have strengthened their political support in response to the slowdown in global dynamics. But with the lowest credit growth rate in the last 10 years, the economy will not stabilize before mid-year,” analysts at Capital Economics said in a note.

Very close to these trends, and helping to better understand the economic factors that influence the world economy, there is also the topic of our journal articles. Their topics are quite varied, starting with forms of tertiary education and ending up with problems related to the development of marketing in tourism industry.

In the first article of this issue, called **Tertiary Education – One of the Major Europe 2020 Objectives**, the authors *Daliana Ecaterina Tașcovici* and *Carolina Platon* speak about the changes that the Romanian system of learning suffers. Under these circumstances of social, political, economic and cultural changes and challenges, the pre-university and university systems of learning have to cover several forms and situations, namely those high school graduates without the baccalaureate diploma. The case study under analysis revealed some unexpected pieces of information referring to the young undergraduates’ vulnerabilities and degree of information and implication in their own future.

The study entitled **Improving Tax Administration through Technology Innovation in Nigeria. A Study of Federal Inland Revenue Service** by *Gbadegesin Babatunde Adeyeye* investigates the impact of technology innovation on tax administration in Nigeria. Primary Data were collected through the use of structured questionnaire administered on 219 staffers of Federal Inland Revenue Service (FIRS) to elicit their responses. Descriptive statistics, Analysis of Variance (ANOVA) and Regression Model were used for the data analysis. The R value depicts that the use of information technology accounted for (76.3%) improvement in

Issue 1/2019

tax administration in Nigeria. The results strongly support the TPB in predicting the intention of users to adopt electronic tax-filing systems. The results also demonstrate the significant effect that computer self-efficacy has on behavioural intention through perceived ease of use, perceived usefulness, and perceived risk of use. Based on the findings of this study, implications for electronic tax filing are discussed. Finally, conclusion and recommendations were made based on the findings of the study.

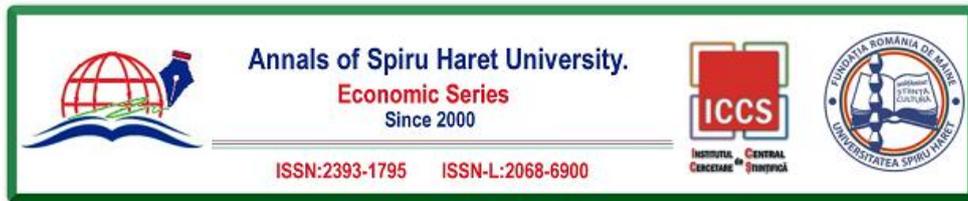
Cordelia Onyinyechi Omodero, in her article called **Revenue Distribution from Federation Account and Money Supply: Evidence from Nigeria**, said that money supply in every economy is very vital for economic growth and stability. However, the role of revenue distribution in ensuring the success of monetary policies revolving around money supply in Nigeria cannot be over-estimated. The study examines the impact of revenue distribution to the three tiers of government on money supply (MSS) in Nigeria. Time series data used for the study estimation span from 1981-2016 and were obtained from CBN statistical bulletin, 2016 edition and World Bank website. The specific purpose of the study is to establish the extent to which revenue allocation to federal, state, local governments and derivation allowance to the mineral producing states affect money circulating in the Nigerian economy. Ordinary least square method (OLS) was employed with the aid of SPSS version 20 to test the impact of revenue distribution on money supply. The findings reveal that revenue allocation to federal government has a significant positive impact on money supply. Allocation to local government councils has insignificant positive impact on money supply. On the contrary, allocation to states and the derivation allowance to Niger Delta States exert significant negative influence on MSS in Nigeria. The study concludes that revenue allocation to states and derivation allowance contribute to inflation in the country and recommends stringent monetary policies that will determine the percentage of allocated revenue usage by all tiers of government in a particular period to avoid too much money in circulation.

Inside the fourth paper of the journal entitled **Approaches to Staff Behaviour from the Perspective of Operations Management**, the author *Raluca Crețoiu* is talking about the operational management or operations management, as an area of activity that is particularly important for the successful implementation of business activities and not only. From the point of view of the connections that can be established between this concept and the one regarding the staff management, the author note the direct influence that the degree of motivation in the work, the commitment and the connection to the specific values of a certain organizational culture have on the performance of the subsidiary activities of the operations

management. Effective operations management implies not only the optimal use of the organization's resources, but also the engagement of staff through a behaviour whose specific features emphasize responsibility, teamwork, transparency, and commitment to assigned tasks. This article highlights the need for the staff to be connected as well as possible to the organization's values and objectives. The efficient management of operations within it is closely connected to the level of harmonization between the values and objectives, on the one hand, and the interests and motivation of the employees, on the other hand.

In their article called **The Opinions and Preferences of the European Buyers on the Furniture and Furniture Accessories Market**, the authors *B. G. Petrache (Lang)*, *C. M. Ismană-Ilișan*, *R. Crețoiu* aim to analyse the preferences and opinions of European furniture buyers in the context of Germany, Italy, Poland, France and Austria being among the top 10 world furniture manufacturers, accounting for over 19% of the world production and 60% of the European one. The authors have developed this research given that the furniture industry is an important sector in the economy, employing about one million people at the level of the European Union, in 130,000 companies in the field. The furniture segment is also well represented in the field of innovation also, accounting for 12% of the applications for design registration in the European Union Intellectual Property Office (EUIPO). This also reflects on the production of furniture, currently 2/3 of the world's leading peak production coming from Europe. The research is of a quantitative nature, the technique adopted is the interview, and the research tool is the questionnaire. The purpose of the research is to identify the way and the level at which European consumers' value furniture accessories in the general context of furniture quality assessment in conjunction with the need for accessory information.

The last article of this issue is talking about **The Development of Marketing in Tourism Industry**, the author *Bogdan Sofronov*, is telling us that the purpose of his paper is to show how marketing is developing and changing the tourism industry in the world. Tourism marketing is the business discipline of attracting visitors to a specific location. Hotels, cities, states, consumer attractions, convention centres and other sites and locations associated with consumer and business travel, all apply basic marketing strategies to specific techniques designed to increase visits. In the tourism industry, marketing includes determining the unique selling benefit or benefits one area has over its competition. A destination might offer people looking to combine business and pleasure ease of travel to and from the area, ample convention halls and hotels, interesting nightlife, and activities for adult partners



Issue 1/2019

and children. The tourism marketing uses a wide variety of communications strategies and techniques to promote areas and destinations. A convention centre might purchase advertisements in trade magazines for meeting planners and send direct mail materials to corporations that hold events. They might place ads in tennis or golf magazines to attract those consumers. The tourism destinations build websites and place ads in consumer publications read by their target customers. The chambers of commerce are involved in promoting their areas generally and the businesses within their areas specifically. This often includes offering potential visitors packets filled with brochures, discount coupons and other materials.

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.

If you liked our articles please visit our website. If you want to write an article in our journal, we are waiting you to expose your ideas in new studies published by us.

Finally, hoping that you found interesting Issue 1/2019, I strongly invite you to address your comments and suggestions at ashues@spiruharet.ro and, of course, to submit your own paper via our 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.
Deputy Chief Editor**

ACADEMIA PAPERS

