

## FOREWORD

**How to cite:** GURGU, E. (2019). "Foreword." *Annals of Spiru Haret University. Economic Series*, 19(3), 15-20, doi: <https://doi.org/10.26458/1930>

As we all know, trade tensions between China and the United States have eased in August 2019, following the announcement made by the United States that it will impose tariffs on Chinese imports. China, as well, introduced additional tariffs on the import from the United States. These developments have triggered strong movements in global stock markets, a drop in global oil prices and higher capital outflows in emerging economies. As trade disputes threaten to become even more perverse, the prospects for global growth have darkened.

Moreover, although trade disputes between China and the United States may create opportunities for several countries, the overall effects on the global economy are negative. Not only that current unresolved trade tensions will prolong the weakness of global trade and demand, but it is likely to trigger a wider spread of protectionist measures by other countries, derailing global economic activity. Importantly, prolonged trade conflict could cause long-term damage to global development prospects. The loss of income could have an impact on social spending, while for households, rising prices of goods as a result of tariffs decrease purchasing power and consumer welfare, especially if national and imported goods are not easily replaceable.

Against the backdrop of macroeconomic policy, escalating trade protectionism in the global economy presents a major risk to global growth and the 2030 Agenda.

In the first half of 2019, Japan's export volumes decreased by 5.6% compared to the same period last year. However, the volume of imports decreased, to a lesser extent, by 1 percent. Given the rapid decline in exports, Japan's trade balance remains in deficit. The recent decline in exports reflects a change in business models.

The economic and political agreements concluded by the countries of the Commonwealth of Independent States (CIS) have led to a certain fragmentation of regional business models. The direct impact of ongoing trade disputes on the region is likely to be limited, given the relatively low level of participation in global production chains. However, lower energy prices and slowing global demand, particularly from China, could significantly affect the region's energy exporters.

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Trade tensions between the United States and China have helped to slow demand in Africa's main trading partners, including China and the Euro area. This has led to lower commodity prices and lower demand for commodity exports from Africa, as well as turbulence in foreign exchange markets. In the first week of August 2019, amid rising trade conflict and increased risk aversion from investors, emerging market currencies have softened widely. In particular, South Africa's turnover fell to seven-week lows against the dollar.

However, amid increasing foreign trade barriers, the continent has tightened the largest free trade area in the world on the domestic market. In July 2019, leaders from Benin and Nigeria signed the agreement for the African Continental Free Trade Area at a special meeting of the African Union in the capital of Niger, Niamey. The agreement has now been signed by 54 of the 55 member states of the African Union.

The prolonged trade conflict between China and the United States is visibly affecting export growth in East Asia. In the second quarter of 2019, exports contracted in most economies in the region, Indonesia, the Republic of Korea and Singapore registered the largest declines. Peak indicators such as new export orders and business sentiment continued to deteriorate, indicating continued weakness in the foreign sector over the coming months. Further escalation of trade tensions represents a significant disadvantage for East Asia's growth, especially given its potential to severely disrupt global and regional production networks. As the continued expansion of tariff action continues to fuel global policy uncertainty, the region's investment prospects have also shrunk.

Global trade disputes overlap with political tensions and unresolved disputes in South Asia. The Islamic Republic of Iran remains in an economic and currency crisis, amid global political pressures that have severely affected the country's oil exports. The increased tensions between the two major economies in the region, India and Pakistan, have led to the suspension of bilateral trade.

Turkey is rare to register a considerable current account surplus over a full year. One of the factors that determined the country's rapid growth since the beginning of the 2000s was the substantial flows of foreign capital, which financed the increase of the current account deficits. However, since the sudden inflow of foreign capital inflows last year, the Turkish economy is struggling to adapt to a new set of macroeconomic constraints. While a reduction in domestic demand should have reduced imports, it is expected that the sharp devaluation of the Turkish lira will increase exports amid rising price competitiveness.

The United States-China trade conflict is weighing on the economic outlook for Latin America and the Caribbean even as some countries have seen short-term

gains from a diversion of trade flows. Among the region's main beneficiaries are Brazil's soybean producers and Mexico's machinery and automotive sectors. Although some sectors gain from ongoing trade conflict, the overall impact on the region is likely to be negative. There are several channels through which Latin American and Caribbean economic activity would continue to be affected.

Against the backdrop of these global economic upheavals in after mid-2019, our authors try to help, argue, or solve some of these issues through their scientific papers.

In the article called **The Financial Accountability of e-Government: The Information Transparency of Decision-making Processes in Public Organizations**, the authors, *Zenovic Gherasim* and *Luminița Ionescu*, are discussing about effective e-Government that can contribute to the modernization of the public sector administration, and increase the efficiency in the activity of governments and national agencies facilitating the participation of citizens in the social and political life. The use of e-Government improves the electronic transactions between government agencies, companies and citizens, in order to improve the quality of the services and to increase the transparency in the public financial sector. The authors say that recent reforms in the public financial management are accelerated by new technologies and are creating the premises for a disciplined, transpired and flexible public sector administration. After a presentation of recent views from literature on some main problems of e-Government and software services, the research is focused on the development of e-Government and public finance administration.

The authors *Fineboy Ikechi Joseph*, *Cordelia Onyinyechi Omodero* and *Obioma Manasseh Omeonu* in their article named **The Role of Tax Revenue and Foreign Direct Investment in Promoting Economic Progress in Nigeria** examined the impact of tax revenue on economic growth of Nigeria proxied as gross domestic product (GDP) from 2000-2017. The study employed exploratory and ex-post facto designs and secondary data sourced from Federal Inland Revenue Services (FIRS), UNCTAD, FDI/MNE database, World Bank Report, United Nations Development Programme (UNDP) reports, CBN statistical bulletin. Ordinary Least Squares (OLS) regression technique was adopted to test the hypotheses of the study. The result reveals that tax revenue has significant impact on GDP in Nigeria with R-squared showing that about 87% variations in GDP can be attributed to tax revenue, while the remaining 23% variations in GDP are caused by other factors not included in this model. This is further emphasized by the T-statistic p-value of 0.001 which shows that the regression result is statistically significant because it is less than 5%, level of significance adopted for this study. The result from regression analysis also revealed

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that there is positive relationship between foreign direct investment and Gross Domestic Product, with a p-value of  $+0.000$ ,  $+0.001 < 0.05\%$  significance level. The study concluded that tax revenue has a significant impact on GDP in Nigeria. Also there is a positive relationship between FDI and economic growth in Nigeria; therefore, the more FDI increases, the more economic growth. The study recommended that functional tax structures that would ensure that tax is collected from all taxable individuals, group of individuals and corporate bodies and remitted accordingly to the government without diversion should be instituted to widen the revenue base of the country. Government should liberalize the Nigerian economy more by removing all barriers to trade such as arbitrary tariffs, import and export duties and other levies to encourage foreign investors.

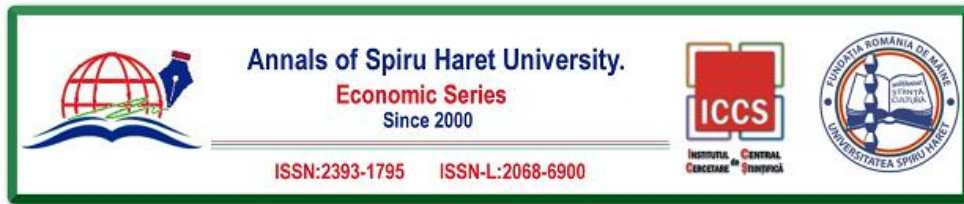
The two authors, *Mihaela Bebeșelea* and *Laura Patache* that wrote the interesting study called **Exploring the Relationship between Accounting and Statistics** say that the article highlights the connection between accounting and statistics. There is a historical connection between these quantitative methods of analysis, taking into account the fact that accounting data on property and wealth were requested in census of the great ancient civilizations. Both statistical and accounting data-setting systems provide a framework to identify, record, classify and summarize economic activities of entities. Starting from this point of view, the authors tried to understand what kind of connection exists between accounting and statistics in the current historical stage of a conform accounting: is it a univocal relationship (accounting serves statistics or statistics serves accounting) or is it a bi-univocal relationship of reciprocity? In order to find the answer to this question we considered necessary a theoretical approach to this issue, followed by an applied one.

In the fourth article called **Job Design and Employee Performance in Nigeria Bottling Company Plc, Benin City**, the authors *Moses M. Adagbabiri* and *Ugo Chuks Okolie* are telling us that job design and employee performance are two concepts that are of significance to all modern corporate entities. They also say that a robust appreciation and application of these concepts will contribute in measurable respects to the growth and sustainability of various organizations. This study is an assessment of the impact of job design on employee performance in Nigerian Bottling Company Plc, Benin City. A descriptive method was adopted and data was collected via a survey of 237 respondents. The study found that job design which comprises job rotation, job enlargement and job enrichment has a positive correlation with employee performance. Requisite conclusion and recommendations were provided in the light of empirical and theoretical findings.

In the article called **Leadership and Management and Its Role in Strategic Change**, the authors, *Svetlana Jokić, Milena Ilić, Marko Ranković, Branislav Mitić*, are talking about leadership and management, as two important processes in organizations, having a significant impact on all interactions and other processes that occur within an organization. The process of strategic change, important for the survival of organizations in turbulent times, is also conditioned by the roles of managers and leaders and their coordination of resources, vision, and the like. The aim of the paper is to demonstrate the influence of managers and leaders on strategic change (strategy implementation), through secondary and primary research.

The next article is written by a PhD student called *Ciprian Adrian Ghinea* and it is about **Rethinking Persuasion in Religious Symbolic Communication: A Marketing Point of View**. The marketing dynamics of the study and praxis of persuasion present different interweavings with the time frame chosen. Even so, the author considers that the only one offering a stable reference background is religious communication, because even if interpretations may differ, the basic principles of association towards individual apprehension and comprehension remain the same. It is the author intention to try to map out possible connections between persuasion, as a symbolic process, and religious symbolic communication, by assuming that, in a Biblical sense, communication is intrinsic to the act of being of all humanity.

The article called **Provisions Concerning the Organization of Events for the Promotion of Products on the Pharmaceutical Market in Romania** is written by a the master degree author named *Alina Natalia Iosif* who works in a pharmaceutical company and her coordinating teacher. For the purpose of writing the scientific paper, the author was motivated to choose this subject as it is a core part of the pharmaceutical companies' business strategy of promoting medicines. Regarding the importance of the research theme and the business environment, it is crucial that anyone connected to this business should realize the importance of organization, details, good deployment and impact of each event. In this respect, marketing can be seen as a true system of economic activities related to the programming of products and services that have the role of satisfying the requirements of current and potential consumers considerably, but is also linked to prices, promotion and distribution products or services. Having knowledge about how important is the marketing part of pharmaceutical market, taking in consideration the huge budgets that medical and pharmaceutical companies spend on the events organized in this domain, we consider that a company which is able to have a new approach and a new vision for the organization of events and sharing medical education to doctors and medical information to patients will have a big success.



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This issue of the journal ends with an interesting case study called **The Effects of Labour Costs Reduction on Foreign Investment in Romania** written by *Adina Trandafir*. The article addresses the issue of changes in tax legislation in Romania over the last 20 months, in view of the effect they have on the level of foreign investment. The article presents, besides the actual legislative changes and the evolution registered in this period by foreign investments, also the fiscal pressure in the field of contributions, VAT and corporate income tax. The paper presents an econometric analysis that seeks to highlight the impact of the fiscal pressure of the above mentioned taxes on the FDI level recorded in Romania between January 2017 and August 2018.

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 liked our articles please visit our website at <http://anale-economie.spiruharet.ro/>. 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 3/2019, I strongly invite you to address your comments and suggestions at [ashues@spiruharet.ro](mailto: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.  
Deputy Chief Editor*

# **ACADEMIA PAPERS**

