LESSONS OF THE CRISIS
10 OPPORTUNITIES FOR ROMANIA'S MODERNIZATION

Abstract: The haunting world today more than ever, ghosts of the disaster. We know that ghosts come from our imagination for what is worse. We cannot observe that in the last decade, but with maximum intensity since 2007, seems to invoke ritual which is worse. I would say that the world is an unreasonable expectation of evil.

In this whirlpool of destructive actions globes, Romania is hit and bears the consequences for having chosen to not prepare properly. As they say, not do lessons on time and has not committed its efforts towards national need her comfort. That does not mean that no country has provided escape from losing in the forces of globalization. Solutions are indicating that you must succeed as a nation to determine precisely who is heading the effort to target each of Romanian.

Key words: crisis, modernization, globalization, opportunities

Negative effects of the current crisis are so often put on the table that would be unfair of me to insist on them. We chose the pragmatic strategy presentation, and somewhat optimistic about the design of algorithm development.

But to us the path we must realize the purpose of upgrading a few key points from the first diagnosis of the Romanian economy. The most visible is that:

1. Romania has suffered and suffers from under capacity!

In the past 12 years, the Romanian economy has produced eight years under the capacity of normal (mean: -1.49) and just over 4 years (mean: 2.55), but in conditions of overheating the engine of growth.

The prospect is not optimistic in the coming years. The non use of inputs induces long-term consequences of category blocking in the periphery, among others as these gaps model compatible with European standards. The actual risk related to social perception of the benefits of integration, convergence, especially

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on income, for that is thwarted by ineffective strategy contradicts the legitimate expectations of our fellow welfare.

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Source: own calculations according to the Ministry of Finance, IMF estimates, 2011

We are in a position to waste the potential of convergence, a luxury unacceptable. I believe that Romania insufficient capacity to move is always postponed the problem solving, decision-making due to lack of consistency, coupled with an unfortunate propensity to cause no action to stop and take everything from the beginning, with each political generation.

Insufficient capacity keeps growing, for example, the attitude contradict the essential processes such as industrialization. All our economic resources are poorly used deindustrialisation sudden and anarchic conditions in decades. Where to expect our revenue growth needed welfare? Outside of work, undertaken in the context of advanced technical infrastructure of the economy, there are only miracles, but we know that the miracle is what does not happen!

However, the output gap is a problem of its effort, the individual and national sense, so that full employment of labour and efficient use of existing capacity and external factors that attract intelligent. When it comes to combining internal and external factors such as excessive value added goes out, catching-up capacity is weak. This means that:

2. Romania is running without advance!

Periods of expansion of the Romanian economy have brought only temporary welfare gains, immediately neutralized recession. Welfare indicators show stagnation or even decline compared to 1989. Simulating the dynamics of living
standards made by experts Quality of Life Research Institute shows something disturbing: except the last six years, the main family income standard (two plus two average salaries allowances) is placed below the poverty line.

In my opinion is somewhat demeaning to human nature than poverty. And when it is irresponsible involvement product context management of people in society affairs appears as a peak of absurdity: to living with poverty, as if it was only possible way of life!

Poverty is a problem of mentality of people for the economy is a business and not the. It is the greatest evil when other people take advantage of their disinterest. So poverty is a matter of degree of accountability work, both the ordinary man as leader. It happens so because:

3. **Romania does not expect investment in human capital!**

Breaking the vicious circle of underdevelopment is delayed by restrictive policies on public expenditure. The fact that we foster the intellectual power of people has long term consequences, including the nature of identity.

The world is winning those countries that are sources of innovation strengthen; they become even more attractive demographic centres. State performance is achieved with a healthy population mental and physical care of tomorrow, the most dangerous disease which progress springs draining.
Romania under finances sectors for investment in man would not have the means, but that is exactly what is spent by non-economic criteria. In fact:

Romania has a double problem of economic behaviour:

a) At the macro level

I assured stability. Strong economic growth was accompanied by equally strong recession. It was created during fiscal space expansion to help the economy in recession. Strongly pro-cyclical policies forced Romania to make large fiscal adjustments when the economy operate below potential, contrary to macroeconomic theory postulates that recommended consolidation processes during periods of expansion.

Legitimate question arises: why do this? I think it is a lack of corrective reaction to the excesses of the society experimental economic governance. They came to make experiments by law. Explanation is the fact that we have become desensitized to the consequences imposed social experiment, but readily accepted by general resignation. Culture democracy takes root where no resignation makes the rule. Rational decision is possible without critical thinking and ethical discernment.

Extension inconsistency reaches:

b) At the micro level

Individuals and companies suffer from money illusion. The negative effects of poor economic culture / economic common sense / prudence can see now, in times of crisis.
We do not just seem that the company builds sufficient reason fate, setting and always expected performance in future, but also individuals looking to base desires trajectories in a fictional world. Romanian market started the firm free kick into the casino's earnings overnight. It is symptomatic that were largely bypassed areas of activity involving a team effort, complex production structures, thought meet by their sources, above all in manufacturing.

So, what should be done?

I believe that Romania is facing a strong challenge. I call it lack of vision on modernization. Without strategic vision underdevelopment are candidates to remain in the periphery.

However, how can we jump? What steps can burn?

See 10 possible opportunities contained in an integrated strategy.

First chance: Designing a vision of modernization.

Romania's great suffering comes from the absence of very long-term projections, the Kondratieff cycle horizon and beyond, developments. Basically, except during the middle of the nineteenth century until the completion of a unitary national state, Romania has never been a path defined by national strategic goals, to be pursued, despite the ideological and geopolitical conjuncture option.

This is a project of modernization of Romania, the outline of its position in the context of the global world. In fact, it is defining how Romania will meet the challenges of globalization.

Therefore, it seems desirable, for example, establishment of national institutions responsible, regardless of the electoral cycle, the way resources are committed progress. This seems to be today an ultimate necessity. An institution will determine the strategic development of Romania, the economic program guidance, to draw up a sectoral development strategy based on analyzes conducted by research institutes in the field, on the competitive advantages available to the Romanian economy.

Among others is necessary and propose a methodology for prioritization of public investment (as for investments in the list will be provided and for other multi-annual funding to rely on public-private solution, selling them or provide funding only from extra budgetary sources ). The incentive levers available to government will lead to private operators to participate in this new development model. Monitoring objectives can be done quarterly to support acceleration of convergence.

Second chance: Change model. Pro-growth reforms sustainable.

Immunization is a priority of our economy against future shocks. We do this by promoting pro-growth policies sustainable - structural reforms in education,
health, infrastructure, and reducing taxes on labour, stimulate entrepreneurship and investing heavily in R & D and innovation and human capital.

The most important aspect of perspective of sustainability growth is inclusiveness. Economic growth is sustainable not only because it aims to balance respect for living systems, complex and self-regulated, but above all it allows full employment of labour and social welfare broadcasts. Economic growth is sustainable because they provide their citizens equal opportunity basis.

Key driver of sustainable growth is people's work. Export or consumption is additional engines, which provide correction speed and direction in one time or another.

Third Chance: A proper management of macroeconomic policies.

We need good politics in good times (good Policies in Good Times). Only then we can have macroeconomic stability. Moderate growth will be accompanied by moderate recession. Creating fiscal space should be made during periods of expansion and its use will help the recession. In addition, it requires completion of an effective monetary policy with macro-prudential policies, using tools of financial regulation.

I want to emphasize something that is usually overlooked. Management policy is prevalent problem of human resources. Quality of services in creating public policy is a matter which was not given an adequate institutional response. Turbulence in the selection criteria is a risk of long-term fixing the counter.

Professionalization act of decision on the level of economic policies is mandatory. Here is where improvisation not ideological or political preference. In fact, it is the understanding that cooperation between three distinct echelons of the elite mission and methods: the economic, the intellectual and political. Of course, the first condition of success is the configuration of elites.

Economic policy management is therefore the direct expression of the existence of elites.

Fourth opportunity: Macroeconomic stability through fiscal and budgetary rules.

We are convinced of the imperative of finding suitable automatic stabilizers, to restore common sense to the economy. We believe that the return to the progressivity of taxation can ensure this target, forcing us to be more sober in consumption during periods of expansion with the benefit of a smaller drop in consumption during the recession. In addition, see the need to increase fiscal and budgetary discipline, the introduction of fiscal rules in the Constitution. The fact that the recent European Council decided in this direction is only to be welcomed. Establish fiscal rule that 0.5% of GDP target to be achieved for the structural budget deficit by 2016, with self-assumed rule of capping public debt exceeding
45% of GDP, with corrective action thresholds, can we promote in our effort to overcome underdevelopment.

There are voices challenging the rationality of such measures. They come from the needs of chaos, as cheap source of income. Countries rules on use of public revenues, designed to curb the propensity for reckless political class must be accompanied by strong rules to curb speculative market boom.

Great trouble arose in this crisis is that states and markets cannot support each other in their basic intentions. And states, and prove irrational markets. Why? Because they got to mix roles and this is due to cultural insecurity of elites, no sense of proportion in decisions and motivated by short-term gain.

Fifth opportunity: investment in education, health and development research.

As I said, Romania cannot make leaps than a paradigm change. Increased self-support is through massive investment in education and research and development. Times with 1.5% of GDP in 2012 cannot be quality education. Education means more value added economy. Higher education is likely to find a job, is out of poverty.

Strategically speaking, the term does not have to accept educational expenses, health and research and development, but the term investment in these areas. It is the sense that we send through. A nation that does not invest in education and health has no future.

We are in an academic environment and I think it is worth saying something about my teacher belief. I feel like we retreated to the ivory tower of daily duties. We somehow removed from reality. However, our purpose is to set the tone in the character formation of elite able to have a specific behaviour of global elites. If today those who are abreast of globalization fail to maintain because it encourages intelligence, why not do the same? Why do we, academics, deprive the forefront of the formation of opinions favourable to the normalization of the social pyramid?

I firmly believe, as I know academics can not substantiate the lack of an action potential. It is to happen, and that means being at the forefront of training reasoned opinions and rational decision.

Academics should be a civic.

Sixth chance: infrastructure development.

There is a massive program connecting Romania to European networks. We must recognize that our European integration is the existence of access roads, communication generally. We cannot remain isolated from the signs of global civilization. Of course it's correct use of internal resources for these priorities.

Example the delay highway construction projects with particular relevance looks precarious cultural foundations of political elites, who play the national
interest in terms of petty personal visions blurry beliefs bran, which essentially antisocial effects.

**Seventh chance: full absorption of European funds.**

Within six months to achieve a complex negotiation with the EU structural and cohesion funds reallocation in Romania, the time spent. I think it is vital to reach an agreement with the EU for co amounts are not included in the budget deficit, and getting the tax law to be eligible expenditure. In one year, we can make a realistic estimate of the absorption of European funds by 2015. It is to the political will. Recovery Fund will be managed by the European Commission and will be used to finance the cohesion countries connecting European infrastructure networks. This would save the chance to use 100% European funds allocated to Romania.

Why not use? Allow me to consider as a rhetorical question, although I anticipated response by what I said before.

**Eight chances: Strengthening the industrial base. Competitiveness clusters.**

Stimulate strong domestic supply is only as real effects. You thought granting state guarantees and grants conditional industries and the strategic competitive advantage (identified as clusters of competitiveness). I made major investments in the food industry, especially in the thickening power spectrum of a global crisis. I see possible and necessary to stimulate exporting firms through various schemes of state aid. It seems vital in encouraging businesses to create more jobs as safe and well paid, by improving factors that negatively influence the initiation / development business in Romania, the burden of tax regulations and difficult access to credit, high rates of taxation and inefficient bureaucracy government.

**Ninth chance a new opportunity: Rigorous management of natural resources.**

We manage the natural riches that inefficient. We are among the few countries in the world with relief in the form of an amphitheatre. We have high production potential for all forms of energy, conventional and renewable.

Here stands a triple problem. First, it is knowledge of what we need, because, unfortunately, official concern indexing resources is fluctuating. Second, to develop a strategy related to their use to support their effort. And thirdly is to build local infrastructure for social comfort natural advantages.

There is no doubt that in this context must be given and intelligent response, which activates the theme of identity, to focus on the relationship between national forces of progress and globalization.

Evolution provided only by country of location is sensitive to the forces of globalization, growing too close to the threshold of a national tragedy, interpreted as a definitive sentence of rock underdevelopment.
And there is a question that requires responsible response: natural riches which belong generations? Exhausted all currently leaving us

Tenth chance: Creating jobs.

I left after all one of the most important pillars of development - creating as many jobs. Romania lost 640,000 employees in September 2008 to date. Romania has more than 1.4 million black workers. Romania has an unemployment rate among youth (15-24 years), according to the methodology of the International Labour 22.8%, fourth in the EU.

We need a link between the skills offered by schools and the real demands of the labour market, a higher level of transversal competences.

We are real useful partnerships between colleges and universities, companies, research institutes.

We need a high concentration on the "eight key competences" defined at EU level.

We need an inclusive national economy type.

4. Instead of conclusions

Monitoring the implementation of such a project is fundamental.

The question cannot be avoided is disturbing: who should do it?

I would supplement the content of the following question: why not get the conviction that to do anything necessary for the prosperity of the country?

I think that momentum is taken to identify the culprits who help us as a nation not to be losers. Ultimately it is impossible to detach social responsibility of every Romanian. Perhaps this general quarrel which failed conclude that some are not to be, and the others hunt them without seeing them first

Staff believes that you will find a measure of what we understand to be the national interest to modernize.

Rational argument in this regard concerns a way proved to be our turning points in history. He is, today, the revival of national capacity development agreement. In this process, academic elites are first asked to behave as coagulant forces.