

REBIRTH OF NATIVE PRODUCTION – MAIN PROBLEM OF ROMANIA SINCE 2009

Dionysius FOTA¹, Angelica BĂCESCU-CĂRBUNARU²

Rezumat: Pornind de la atribuțiile statului într-o economie de piață, se prezintă legătura dintre cerere, producție, venituri și șomaj. După ce se argumentează necesitatea interzicerii importurilor plătite din buget și favorizarea reluării producției autohtone pentru crearea de noi locuri de muncă și oprirea importurilor pe datorie, se arată măsurile ce trebuie luate pentru restituirea de către firme a datoriilor către străinătate. În final sunt recomandate atât politicile fiscale care să faciliteze refacerea industriei autohtone, cât și politicile de creștere a producției autohtone.

Abstract: The article presents the market and state tasks in a market economy; link between demand, production income and unemployment; some aspects on forbidding imports paid from the budget (encourage to retake the native production to create new jobs) and stopping imports on debt; assuring to recover from private firms the debts abroad; fiscal policies which should facilitate to redress native industry and policy to stimulate the increase in native production.

Keywords: Imports on debt, tax system, state orders, external financing, private monopolies

Clasificare JEL: E23, E24, E62, F13, J23

1. Introduction.

Market and state attributions in a market economy

In economically less developed and transition countries from planned economy to market economy (such as Romania at end of 1989, when production capacities existent that date, represented less than 10% necessary to achieve a GDP of average GDP in EU member states that period), **rehabilitation of national economy and retaking its development** was especially determined by lower production potential of national economy, through: deindustrialization and change of agrarian sector into a subsistence agriculture, as a result of implementing the Law no. 18/1991.

Under these conditions, neither state nor market could fulfil their tasks within a market economy (see scheme no. 1).

¹Principal Researcher, Ph.D. Economist, Germany.

²Professor Ph.D., Academy of Economic Studies – Bucharest, Member of the Academy of Romanian Scientists, e-mail: mihaelacba@yahoo.com