

PROBLEMS OF ROMANIAN ECONOMY EVOLUTION UNDER THE CONDITIONS OF ACTUAL WORLD CRISIS

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Abstract. *This paper tries to forecast several aspects of Romanian economy future, starting from world financial crisis initiated by those who run international bank and financial system. The author considers that future of our economy should be thought in a systemic vision, taking into account the economy as a complex and dynamic cybernetic system, with self regulation, for which objectives should be set up regarding both its structure and functionality as well as its behavior.*

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1. World financial crisis and Romanian economy crisis

Future of Romania, under actual conditions, should be regarded through the world financial crisis. Several voices state that this crisis was initiated at order by world „Elite”. The proof that guilty are those who run the bank and monetary system is that at the beginning of 2009, Americans had a lot of debts, USA national debt exceeding 10.000 billion USD, this being reflected by electronic outline of New York, which warn the Americans over the debt degree of their country.

Those who run the world try continuously to persuade mankind that the only solution to set up and keep the „world peace” is to create the world new order, unifying all the world superpowers. Indeed, the world new order means several plans of population massive reduction, democracy elimination and destruction of the nations sovereignty. These plans are kept secret and are gradually implemented, while population is greatly misinformed, in the *media*, because if it is openly announced, it would generate certainly violence and protests at international level.

At present, number of countries asking for helping funds is higher and higher, starting with those from Eastern Europe, to those from Latin America, Africa and Asia. Financial need of these countries reached over 600 billion USD, which would exceed the IMF possibilities and would impose to rise taxes of deposits for those 185 member states. Therefore, the solution to establish the world new order, to solve actual economic crisis, is in fact, to settle a financial dictatorship. Thus it is outlined the solution to create an

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unique bank financial authority, this being also used in 1815, 1907, 1929, 1944 and 1971, under the same pretext: economic growth insurance. Each time, a new crisis followed being more ample and more severe, which increased more and more the shadow financial power.

At Bilderberg meeting from Washington, during June 5 - 8, 2008, here also taking part the president of Federal Resources, secretary of USA Treasury, president of European Central Bank, president of World Bank – a real shadow world government – president of Federal Bank from New York asked the implementation of an unique body of banks control on the whole planet, called Global Monetary Authority, because mankind faces a global crisis which asks for global solutions. This authority should supervise „strictly“ activities of national financial authorities, more severely than IMF, and will control the implementation of some global regulations and big global financial companies should submit to this monitorisation.

Moreover, Nicolas Sarkozy suggests at the meeting of October 15, 2008, in Brussels, among EU member states, the creation of a world financial government, to refund the financial system, and whose regulations and supervision no financial institution should escape.

Everything mentioned above is nothing but the reiteration of an old strategy, which was used several times along history, having always the same disastrous consequences for mankind: a crisis situation was created, a solution was provided (only to keep the stability) and then measures were implemented creating a higher control on behalf of the world elite.

These shadow bankers, through their organizations Federal Reserve, World Bank, IMF and central national banks of the highest world powers, applying meticulously the well known script, created panic necessary to accept a new unique financial authority, at world level, being run by the same small group, which wants to dominate the whole planet.

As conclusion, I believe we are wrong if we state that plans of world globalization were planned by the most important representatives of the „world elite“, which belong to an international secret conspiracy, carefully organized, on the principle that the most certain and rapid way to establish the world new order is financial crisis.

2. Systemic vision of Romanian economy future

A very important problem concerning scientists in Romania, is Romanian economy future under the conditions of actual world crisis. Romanian economy, as any national economy, is a complex, dynamic and self regulated system, namely it is a **cybernetic system**. Any cybernetic system is characterized by three fundamental attributes: structure, functionality and

behavior. Perfection of such a system naturally supposes to set up some objectives regarding the three essential aspects:

- perfection of economy structure, namely economy restructuring;
- perfection of economy functionality, namely efficiency of all the activity sectors;
- perfect of economy behavior, namely perfection of its functioning mechanisms;

Academy of Romanian Scientists (A.S.R.) – which is a national forum of devotion and scientific development, independent, non-party, non-governmental, nonprofit, unifying personalities representative of Romanian science – considers to be its duty to contribute to the improvement of development Strategy of Romania in the next period.

Romanian economy future should be prefigured starting from the project of **post accession Strategy**, elaborated by the Government during 2007-2013. On this base we allow to have some findings and proposals for Romanian economy future under the conditions of world economic crisis.

It is necessary the clear formulation not only action directions, but also of objectives to be achieved, of means and resources needed by periods and of final levels, regarding economic and social development.

3. Problems of Romanian economy future

First of all, it is necessary a clear presentation of situation on the main macroeconomic indicators at the moment of accession – January 1, 2007 – as compared to the stipulations of pre-accession program 2005-2006 sent by Romanian Government to European Union and measures to recover the left behind noticed, for each sector of activity.

Problems about **development of industry** should be treated distinctly. Chapter regarding industry, negotiated during pre-accession, includes several important elements, which should be object of the strategy. Thus, this chapter clarifies activities which develop and those which are kept at constant level, as follows:

- „there are real chances to develop industrial activity for the fabrication of tractors and agricultural machinery, chemical fertilizers, telecommunication equipment, information technology, food industry.“
- „in some sectors, activity should be kept at constant level, being possible their slight development, as follows: ship building and repairs, crude petroleum processing, medicines, wearing apparel-textiles, footwear, iron

and steel industry, bearings and pumps, chemistry, wood industry, furniture, pulp and paper, some transport means.“

It is necessary to forecast how industrial sectors will evolve and their stage up to 2013, how and with what means.

We agree that Romania should get closer to the conditions existent in the European Union, but we **should not copy its structure by branches and absorb everything of European Union**. Certainly that development of services, tourism and some traditional branches will be one of the basic solutions to absorb the population released from agricultural activities.

Reindustrialization of the country should be done in the interest of Romania, carefully taking over the advice of international financial bodies and propelling the competitive sectors.

We **should reconsider the convenience of privatization in the field of public utilities**, especially of strategic enterprises in the sectors energy, gas, post, telecommunications, railways. At the same time with foreign capital attraction, it is necessary to assure in the economy an **significant prevalence of native capital** and further of state control in these strategic fields. Privatization of national strategic importance companies should be done in the future based on public debates.

We noticed that in Romania some economic sectors have been privatized which EU countries did not privatized. It is not necessary **to transfer state monopoly to other states or to private monopolies**.

Regarding **Agriculture and rural development we should be also taken into account** the stipulations in the negotiated field for this field in the post accession period.

- To **remove the low technical endowment** with machinery and equipment to set up the endowment rate by year, resource and effect (assure to cultivate the whole arable area);
- Romanian economy cannot be developed without agriculture development and agriculture cannot be developed without industry development for agriculture and village, where only 5% of agricultural experts work anymore in agriculture. Romanian authorities, taking into account the experience of EU countries in application of Common Agricultural Policy, which determined millions of peasants to leave their villages and lands, should elaborate and develop an **own green agenda**, to be strong candidates for Rural Development Funds, the main financing source of rural zones. It is necessary that Government **should stop termor system** (100 euro per 1 ha, losing ownership right), leading the rural devastation.

- We propose to stipulate **measures to rethink the credit system in agriculture**, to stimulate farmers in the development and diversification of agricultural and industrial activities.
- Because agriculture of Romania can feed a population of 2.5 times higher than today, it would be better to stipulate the way of **redoing the areas planned for irrigations**, as soon as possible, taking into account the conditions in which drought periods are more often.
- It is necessary that advance pay for tractors and agricultural machinery which peasants procure when they gather to create efficient and bigger holdings, should be financed with credits for 10-15 years, with grace periods and advantageous interests.

Regarding development of physical infrastructure (transport, energy) it should clarify what place would have energy based on regenerated resources, what funds are needed and how they would evolve during 2007-2013 and in perspective.

Concerning regional development of Romania, it should be stipulated as objective **improvement of regionalization**, respectively remodeling those eight regions, so that it should contribute better to the development of regions left behind, including mountain areas (regions should be centered on mountain massifs to avoid division of a mountain massif among 2-3 regions, causing problems to achieve an economic objective to satisfy at the same time the interests of several regions).

Development of human capital with its components should include the problem of stopping the emigration of labour force, which upset the whole Romanian society (lack of skilled labour force, lack of children education for those left to work in other countries, disjoint of many families).

It is better to start from human natural and accumulated resources we hold. Pillars of Romanian society are education, R&D and innovation, potential of creation branches development which constitute the engines of economic progress. That is why it is necessary first of all, **urgent liquidation of illiteracy**, in maximum 5-6 years, as well as **assimilation of street children**, for this using for instance material base of disaffected military stations.

It should be treated aspects, evolutions and measures to be taken for the **consolidation of Capital Market** (enlargement of companies participation in stock exchange, launching shares to assure capital needs, higher population information regarding capital market benefits etc.)

It is necessary that fiscal, budgetary and monetary policy should be underlain with representative indicators in evolution: fiscal level, income, expenditure, monetary supply, nongovernmental credit, of which separately for economy and for the population, respectively, for consumption and real estate,

deflation, budgetary deficit, quasi fiscal deficit etc. Forecast should be especially done regarding evolution of exchange rate of national currency as against euro and USD, in the perspective of passing to the euro. The same should be done for interest level and effects over economic efficiency.

In the field of fiscal policies, it is time to **stop the reduction and exemption from pay of obligations to the public budget** and take measures to **reduce the fiscal evasion** through fiscal body involvement in vulnerable sectors gotten away from taxation (alcohol fabrication, construction, sale of products, illegal import of goods).

When elaborate the public budget, it should apply and **respect the principle of financial exercise independence**, according to which income from current activity should cover expenditure of respective financial exercise. This principle imposes separation of income of current activity from income of other sources. The same separation is imposed to expenditure side.

Cooperation in Romania represents an important component of economic and social development, as it is in most of the countries in the world. That is why for this sector, evolution and stimulation measures should be stipulated.

It is necessary a legislation taking into account the regulations of the European Union, to provide and respect the cooperation principles, state financial support, without mixture in cooperation activity etc.

It should be expressed the **interest of Romania to successfully fulfill the common external policy and security**, in perspective, of common defense of European Union and availability to take part in EU actions in these fields.

Having in view the importance and specific of Lisbon Agenda, we propose that objectives for this agenda should be separately presented in actual strategy, for the next period, because special efforts and concerns are needed.

We also propose that the Strategy of post accession 2007-2013 should become a part of the strategy during **2007-2050**, or even up to **2100**.

At the same time, it would be timely to elaborate the **Agenda 21 of Romania**, to provide a sustainable development. It is necessary a wide and long activity of urban regeneration and organized systematization of Romanian village, starting with commune centers and with more developed villages, to get closer to the towns level. It supposes to separate the rural habitat from agricultural production, packing the localities in perimeters allowing efficient introduction of public units.

Because **Romanian forest** suffered, in the last 17 years, a degradation and huge loot, it is necessary a precise objective to protect it and exploit it under strict control, irrespective of ownership type, to **stop disequilibria of biosystems and ecosystems**. The same is valid for protection and changeover of urban vegetation.

The main objective of future development of Romania, irrespective of period, should be **increase in life quality**. That is why it is better to set up precise objectives regarding **reorganization of health system**, to increase efficiency, and **reorganization of education system**, taking into account the tradition of gradual competence organization after compulsory education, to assure the chances of employment, first of all in strategic branches (energy, iron and steel, food, tourism, services, information technology), as well as in other industrial branches.

There are also necessary precise objectives to solve severe problems of pensioners, gypsies and young persons, who leave more and more Romania.

We cannot set up precise objectives related to **tax quota, lower weight of underground economy, corruption and organized crime**.

Romania should elaborate an own position regarding **Constitutional Treaty of European Union** and Romanian authorities active participation in respective debates and negotiations.

Representatives of civil society organizations should also take part in the definition of directions for Romania future development, who formulate, within public debates, suggestions and proposals to improve these directions. It is necessary a strategy to be accepted by all the population of the country and by all political forces.

After finalizing the strategy of Romania integration into the European Union, at least up to 2050, it would be better to organize **knowledge of national wealth and economic potential of the country**, by means of censuses, studies and researches in the field, to set up the best the reality, because of big losses in the national wealth registered during the transition to the market economy, to avoid any losses in the wealth by estrangement of national patrimony.

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