ROMANIAN ECONOMIC AND BUSINESS REVIEW

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The *Romanian Economic and Business Review* (ISSN 1842-2497) intends to provide a forum for academic analysis of the economic phenomena and institutions affecting the world economy in general, and Romania, in particular. *REBE* examines a wide variety of phenomena related to economic growth and business development and attempts to publish high quality research focusing on the role of institutions and public policy, within both a national and international context. *REBE* encourages cross-disciplinary research work of Romanian and foreign scholars.

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ROMANIAN ECONOMIC AND BUSINESS REVIEW

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DIVIDEND ACCOUNTING - LEGAL AND TAX ISSUES

Lucian Constantin Gabriel Budacia[*]

Abstract

In the situation in which a company registered a profit in the financial year ended, a form of use of the profit is the distribution of dividends. Dividends represent a distribution in cash or in kind, made by a legal entity to a participant (shareholder / associate), as a result of holding shares in that entity. The award of dividends can be seen as a process, the steps of this process are described in this article.

In order to approach the payment of dividends in foreign currency (by a company with capital in lei, which carries out activities with payment in lei), the accounting regulations in force are taken into account. If some of the associates, Romanian or non-resident individuals, want the payment of the amounts from the dividends to be made in foreign currency, the operation is possible, only that in the decision of the general meeting of dividend distribution to be specified as the amount distributed in lei, to be paid in foreign currency, the conversion being carried out according to the exchange rate of the NBR.

Keywords: *Dividend, dividend tax, distribution of profit*

JEL Classification: M41, K34.

Conceptual aspects regarding dividends

In the situation in which a company registered a profit in the financial year ended, a form of use of the profit is the distribution of dividends. Dividends represent a distribution in cash or in kind, made by a legal entity to a participant (shareholder / associate), as a result of holding shares in that entity. Approaching the issue as a process, with distinct stages, these are:

a) **Consultation of the Constitutive Act -** to identify the associates and their participation percentages in profits and losses;

b) **Retained earnings -** identifies in the accounting records the retained earnings from previous years that can be distributed in the form of dividends (for annual dividends) or taking into account the net income for the current year (for quarterly dividends).

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c) **GMS Decision -** the GMS takes place, following which the GMS Decision for the distribution of the result is drawn up and approved;

d) **Distribution of dividends** - dividends are distributed, the tax due is calculated;

e) **Payment of dividends -** the net dividends of the associates are paid by the chosen method. Dividends can be distributed in cash, in foreign currency and in kind.

f) **Declaration 100** - is drawn up and submitted by the 25th of the month following the month in which the dividends were distributed;

g) **Payment of 5% tax** - the tax on dividends withheld until the 25th of the month following the month in which the dividends were distributed is paid;

h) **Declaration 205** - declaration 205 is drawn up for the tax withheld for resident individuals receiving dividends (until February 28 of the following year).

A special mention must be made: if the income earned (excluding income from salaries) exceeds the level of 12 minimum wages per year, the natural person is required to submit a single declaration by March 15 of the following year, on the basis of which he will pay contribution to health. The CASS (social health insurance contribution) applies to the 12 minimum wages, and the deadline is March 15 of the following year.

Stages of the dividend award process:	Consultation of the Constitutive Act
	Retained earnings
	GMS Decision
	Distribution of dividends
	Payment of dividends
	Declaration 100
	Payment of 5% tax
	Declaration 205

Fig. no. 1: Stages of the dividend award process

Payment of dividends in foreign currency

In order to approach the payment of foreign currency dividends (by a company with capital in lei, which carries out activities with payment in lei), the accounting regulations in force, approved by the Accounting Law no. 82/1991, republished, with the subsequent modifications and those of OMFP no. 1802/2014 on individual annual financial statements and consolidated annual financial statements, as subsequently amended.

If some of the associates, Romanian or non-resident individuals, want the payment of the amounts from the dividends to be made in foreign currency, the operation is possible, only that in the decision of the general meeting of dividend distribution to be specified as the amount distributed in lei, to be paid in foreign currency, the conversion being made according to the exchange rate of the NBR valid on the date of payment. In case the company has money in foreign currency accounts, things are simpler, if it has the amounts in lei, obtaining the currency necessary to pay foreign currency dividends to the associates can be done by foreign exchange auction, the bank where the company has open current accounts can perform the operation of buying currency by selling lei, which represents the value of dividends due to associates. The resulting exchange rate differences are not recorded in the company's accounting records, they are borne by the associates who receive the dividends in foreign currency. In this situation, the associates will see the value of their dividends in lei eroded as a result of the foreign exchange exchanged on the date established by the decision of the general meeting.

Due to the fact that the obligation to pay the company to the associates is determined in lei, according to the accounting regulations in force, the change of the exchange rate must not affect the company's patrimony the meaning of its decrease as a result of applying the exchange rate. This currency risk and the related expenses (commissions) must be borne by the associates who have decided so. Otherwise, it will record a non-deductible and even illegal expense from the perspective of the Companies Law no. 31/1990. The accounting records do not record the valuation of the debt to the respective associates according to the exchange rate of the foreign exchange market and there are no exchange rate differences because it is recorded in lei.

For example, I will consider the fact that a company has to pay dividends amounting to 30,000 lei. In the accounting records, the distribution of dividends in national currency and their payment in foreign currency is made as follows:

1. *Distribution of dividends on the date of approval by the general meeting*		
1171 "Deferred income representing distributed profit or uncovered loss"	**457** "Silver dividend"	30.000 lei
2. *Dividend tax registration*		
457 "Silver dividend"	**446** "Other taxes, fees and similar payments"	1.500 lei
3. *Dividend payment - the exchange rate communicated by the NBR is 4.82 lei / euro.*		
3.1 *Payment of dividend tax*		
446 "Other taxes, fees and similar payments"	**5121** "Bank accounts in lei"	1.500 lei
3.2 *Plata efectivă a dividendelor (30.000 lei – 1.500 lei) : 4,82 lei / euro = 5.912,86 euro*		
457 "Silver dividend"	**5124** "Bank accounts in foreign currency"	5.912,86 euro

If the payment is made following the foreign exchange auction, there are no exchange rate differences because this operation is recorded in the accounting at the exchange rate used by the respective commercial bank. In this case, too, the regulations of Law no. 70/2015 for strengthening the financial discipline regarding the operations of cash receipts and payments, namely, that the inclusion in the daily ceiling of 10,000 lei to a person must be respected, with the mention that fragmented cash payments are prohibited.

Conclusions

Dividends are distributed to shareholders in proportion to the share of paid-in share capital, optionally quarterly based on interim and annual financial statements, after regularization through the annual financial statements, unless otherwise provided in the articles of association. They may be paid optionally on a quarterly basis within the time limit set by the general meeting of shareholders or, as the case may be, by special laws, the differences resulting from the distribution of dividends during the year being settled through the annual financial statements. Payment of differences resulting from regularization shall be made within 60 days of the date of approval of the annual financial statements for the financial year ended. Otherwise, the company owes, after this term, a penalty interest calculated according to art. 3 of the Government Ordinance no. 13/2011 regarding the legal remunerative and penalizing interest for monetary obligations, as well as for the regulation of some financial-fiscal measures in the banking field, approved by Law no. 43/2012, with the subsequent completions, if by the constitutive act or by the decision of the general meeting of shareholders that approved the financial statements related to the closed financial year, a higher interest rate has not been established.

In the event of a partial distribution of dividends between shareholders or shareholders during the financial year, the annual financial statements will highlight the partially allocated dividends and will settle the resulting differences. If the shareholders or shareholders owe dividend refunds, as a result of the adjustment made in the annual financial statements, they are paid to the company within 60 days from the date of approval of the annual financial statements.

Otherwise, the associates or shareholders owe, after this term, a penalty interest calculated according to art. 3 of the Government Ordinance no. 13/2011, approved by Law no. 43/2012, with the subsequent completions, if by the constitutive act or by the decision of the general meeting of shareholders that approved the financial statements related to the closed financial year, a higher interest rate has not been established.

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1. Popa, Adriana Florina, Păunescu, Mirela, Ciobanu, Radu (2019), *Fiscalitate*, ediția a II-a, Editura CECCAR, București.
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4. Legea contabilității nr. 82/1991, republicată în Monitorul Oficial nr. 454/18.06.2008, cu modificările și completările ulterioare.
5. ** Cartea verde a contabilității, (2020) Rentrop & Straton.

ROMANIAN MIGRATION BEFORE AND AFTER THE COVID-19 PANDEMIC

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Alexandra Irina Dănciulescu[2]
Anda Veronica Dan[3]

Abstract

The migration phenomenon is a very complex one, with multiple causes, positive as well as negative effects for the countries and migrants involved in this process.

Migration must be approached from a political, social, cultural, religious and economic perspective, with the effects of migration having a strong impact on the national and world labour market for all states involved in this process. Metaphorically, the political and social classes of the countries that received a significant influx of immigrants perceived them as a "lifeboat" in a new stage of rebuilding the economies of the world's states. Literature shows that there is a direct, positive and strong correlation in terms of emigrant education everywhere and long- and medium-term economic growth in the migrant's country of origin. That said, there is a cause-and-effect relationship between the immigrant's motivation and the economic and social effects felt for the country of origin of the person in question.

All economies of the world feel the effects of the Covid 19 pandemic of the last two, the effects being the result of a health crisis with strong reverberations on all sectors of the economy, especially causing distortions in the labour market and labour mobility.

Keywords: *internal migration, labour force, Romanian migrants, COVID 19 pandemic*

JEL Classification: F22, F66, J11, J60.

Introduction

Charles Tiebout considers that as some countries develop an immigrant prefers some places with higher taxes that offer superior quality public services, thus compensating marginal costs with secondary benefits (a better-paid job, opportunities for promotions, a relative job safety)[4].

Hence, Tiebout's model is still contemporary and has two behaviour patterns that apply for immigrants:[5]

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[4] Tiebout,Charles (1956), *A pure Theory of Local Expenditures*, "Journal of Political Economy" 64, pp. 418-424.
[5] *Idem.*

- the demand for building new houses may increase in time, for the immigrant communities;
- the demand for building houses may decrease for those who do not want to improve their lives, thus being forced to leave the region.
- In his paper: "Migration and the wage and unemployment gaps between urban and non-urban sectors: A dynamic general equilibrium reinterpretation of the Harris–Todaro equilibrium", Chul-In Lee states that the classical Theory of Labour migration is based on five hypotheses:
- international migration of workers is caused by differences in the rates of economic growth of different countries;
- eliminating disparities between countries will put an end to changes in the labour market and, implicitly, of migration;
- The labour market is the main mechanism responsible for changes in population movements;
- the role of governments is to control the phenomenon of migration, namely inflows and outflows;
- the international flow of human capital responds differently to the growing number of immigrants.[6]

1. Peculiarities of the Romanians' migration before the Covid-19 pandemic

The trans-nationalization of "migrants' lives" has led to the identification of patterns of migrant assimilation. Immigrants have to simultaneous move and engage between two or more societies (communities) in which they live and of which they are a part. Therefor it is more difficult to make a clear distinction between the two terms already established in the literature "origin" and "destination" or between other extremely widely used terms "temporary", "permanent", and 'return'.[7]

We have to mention the changes in the countries of destination for immigrants, when talking of contemporary migration. Part of the countries of southern Europe (Italy, Spain, Portugal), which until a few decades ago were countries of emigration, have relatively recently become the preferred destinations of a considerable number of immigrants. Moreover, the important countries of origin of migrants from the migration system from Eastern to Western Europe (Poland, Romania), whose populations have become massively connected in recent decades to migratory flows, tend to become countries of emigration.[8]

For Romania, the evolution of the migration phenomenon splits into two stages: the predominantly "illegal" migration of Romanians before 1989, which continued for

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[6] Chul-In, Lee (2008), *Migration and the wage and unemployment gaps between urban and non – urban sectors: A dynamic general equilibrium reinterpretation of the Harrsis – Todaro equilibrium*, Labour Economics 15, Science Direct, pp. 1423-1434.

[7] Hein de Haas (2010), *Migration and Development: A theoretical perspective,* International Migration Institute, University of Oxford, Vol 44 (I), p. 21.

[8] Anghel, Remus, Gabriel.; Horvath, Istvan, (2009), *Teorii ale migrației și migrația românească,* articol publicat în cartea: Sociologia migrației. Teorii și studii de caz românești, Iași, 2009.

a long time until 2000, and the second stage, visibly more balanced from a legal and institutional point of view, after Romania's accession to the EU(figures 1 and 2).

Migration, seen as a phenomenon, entails a multitude of negative effects for the families left at home by immigrants (divorces, trafficking in human beings and minor children, delinquency, crime, prostitution) as well as for the countries involved, respectively negative effects are also felt for the countries destination receiving the foreign labour force. All these effects in turn lead to a series of social, political, religious consequences with strong reverberations on immigrant groups, affected by discrimination in the country of origin (racism, social violence, xenophobia).[9]

From the perspective of the complex phenomenon of migration (permanent or temporary migration for work), we identify three distinct stages in the recent social history of Romania [10]:

- first stage: 1990-1995, with an emigration rate of 3 ‰ - The first wave of Romanian migration;
- second stage: 1996-2001, with an emigration rate of 7 ‰ - The second wave of Romanian migration;
- third stage: 2002-2006, with an emigration rate of 28 ‰ - The third wave of Romanian migration.

The fourth wave of Romanian migration, starting with 2007, refers to a social migration phenomenon that has special characteristics, significant both in terms of analysis and macrosocial effects, compared to the first three waves of Romanian migration.[11]

Labour migration to European countries accelerated by the accession of former communist countries to the European Union and the liberalization of access to the labour market in 2014. This migration has a circular nature: citizens practice a type of cross-border mobility between the country of origin and one or several countries of destination, in a dialectic of "here" and "there" and in multiple regimes of "remote action". Secondly, this type of intra-EU migration takes place in a specific transnational situation, which defines, among other things, through the "Community framework" in terms of policies (including migration policies), citizenship and social practices.[12]

It is well known that, according to data provided by the National Institute of Statistics (INSR and Eurostat), Romanians' preferences for European immigration countries are: Italy, Spain, Germany, France, Great Britain and Austria.

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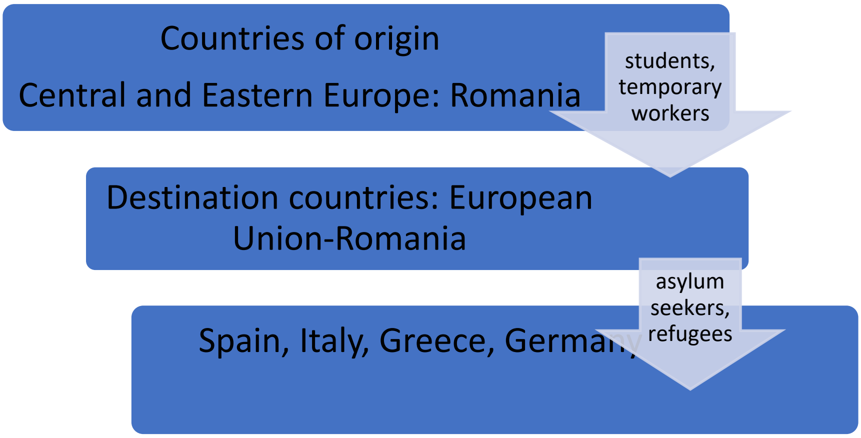
[9] Feraru, Petronela, Daniela (2010), *Migration and Economic Development Comparativ Study: Romania – Italy,*Revistă Românească pentru Educaţie Multidimensională, Anul 2, Nr. 5, p. 65.

[10] Dumitru, Sandu Sandu, D. (coord.) (2006), *Locuirea temporară în străinătate. Migraţia economică a românilor: 1990-2006*, Fundaţia pentru o Societate Deschisă, București, p. 52.

[11] *Idem.*

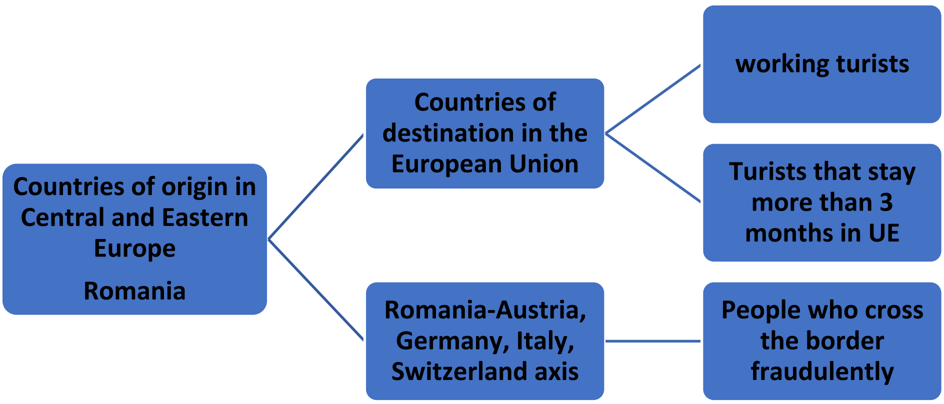
[12] Beciu, Camelia., Lazăr, Mirela, (2014), *Migrația forței de muncă în contextual crizei economice. Redefinirea mediatică a unei probleme publice,* Revista română de sociologie, Serie Nouă, Anul XXV, Nr. 3-4, p. 234.

Figure 1. Temporary legal migration in Europe before Romania's accession to the European Union



Source: *Taken from The Romanian Journal of European Studies, No.4/2005*[13]

Figure 2. Migration from Romania to the European Union after 2007



Source: *Taken from The Romanian Journal of European Studies, No.4/2005*[14]

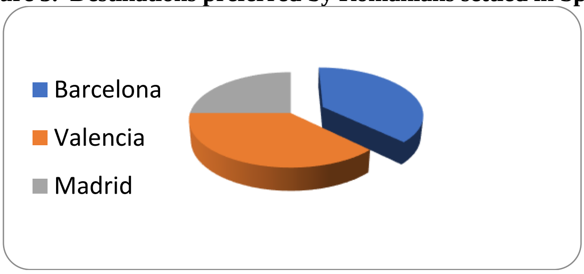
Romanian migration in Europe has a history that began long before its expansion, with a consistent presence in various European countries, especially those located in the Mediterranean basin. In fact, during the pre-accession to the European Union, Romania experienced the largest mass migration of its citizens. Romania, like other Eastern countries, entered the migration overview after the fall of the communist bloc. Due to the collapse of the industrial system, the decrease of wages for most of the population and the galloping increase of the inflation during 1990-1992, consistent flows of Romanian citizens left Romania.[15]

[13] Taken from The Romanian Journal of European Studies, No. 4/2005.
[14] Taken from The Romanian Journal of European Studies, No. 4/2005.
[15] Belea, Simion, (2012), *Imigranții români din Italia: între înrădăcinare și întoarcere,* Journal: Buletin Științific, Seria A, Issue 1, p. 22.

The most important destination cities for Romanians in Spain, where the most important Romanian communities or diaspora are located are: Barcelona, Madrid and Valencia.

A possible explanation for the choice of these cities would be the fact that the three are the most important industrial, commercial, cultural centres of Spain, cities with a tourist and industrial potential where finding a job is relatively easy. In general, foreign emigrants prefer to settle in large cities or in the metropolises of the destination countries where there are really financial / professional opportunities, where finding a job is relatively easy.

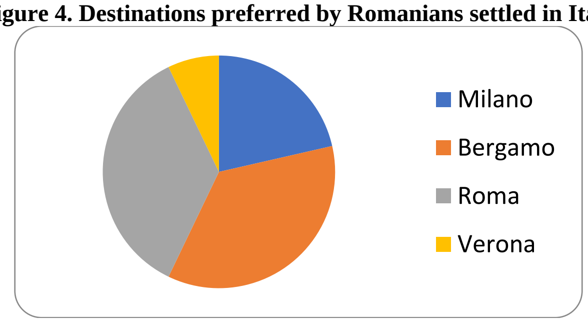
Figure 3. Destinations preferred by Romanians settled in Spain



Source: *Authors' own contribution according to INSR statistic*

Regarding the situation of Romanians in Italy, the cities preferred by Romanians are: Rome, Bergamo, Milan and Verona; the explanation is quite similar to that found in the case of Spain. Italy has experienced industrial and commercial growth and development in the north over the last 50 years, and the main cities that fall here are: Milan - Turin - Bergamo (Lombardy region) and the main cultural and economic city in the center, Rome. , to the detriment of the southern part of Italy with the cities of Naples, Sicily or the region of Calabria, where agriculture, respectively viticulture and fish farming remain the main important sectors of the economy.

Figure 4. Destinations preferred by Romanians settled in Italy



Source: *Authors' own contribution to INSR statistics*

In order to have an overview of the Romanians' preferences for the destination countries, we can specify that in general, the Romanians from the Muntenia area prefer to emigrate to Great Britain, Germany, France and Austria. Those from Banat and Transylvania have a preference for countries such as Germany, Switzerland, Austria and Hungary and Romanians from Dobrogea generally prefer to emigrate to countries such as Turkey (thanks to the Turkish community), Germany and Austria.

As regards the place of origin of Romanian emigrants settled in Italy and Spain, the situation is relatively homogeneous, due to the fact that they come largely from the same area or locality of Romania, especially from the counties of North-East and South-East, Moldova region.

From Vrancea County there are many Romanian emigrants settled in Italy, who come from all the important communes of the county (Câmpuri, Soveja, Vizantea, Răcoasa, Suraia, Urecheşti, Garoafa).

On the other hand, for those who chose Spain (as the destination country), Galati County is the one that predominates with the cities of Tecuci and the municipality of the same name; as well as the cities of Bacău and Iaşi.

As already mentioned, the region of Moldova is known for the fact that many Romanians have chosen Italy and Spain as their main countries of emigration. In general, the Romanians from the northern counties of the region of Moldova (Suceava, Botoşani, Neamţ, Vaslui and Iaşi) choose mainly Spain, Italy being chosen especially by the Romanians from the counties: Vrancea, Bacău, Galaţi, Iaşi and Vaslui.

In 2019, the balance of Romania's international migration by changing the usual residence (for at least 12 months) was -30.6 thousand people, with 28.5 thousand people less than in 2018 when the balance of international migration was -59, one thousand people, respectively with 31.3 thousand people less than in 2015 (with a balance of international migration of 61.9 thousand people).[16]

2. Romanian migration during the Covid-19 Pandemic

Until 2020, as we have shown, the tendency of Romanians was to immigrate mainly to European Union countries in search of a decent living, a secure income; with the Covid-19 pandemic, the problem data has changed.

According to official data provided by INSR, migration shows a change on the map of Romania in two directions: the first consists of a demographic movement from the urban area - in the rural area and the second from abroad (outside Romania's borders to the emigrant's place of origin (urban or rural area).

For the year 2020, according to the data provided by INSR, 116,000 Romanians have moved from urban to rural areas, in this situation we can speak of an internal migration between counties or within the same county, on the urban-rural chain.

The Covid-19 pandemic accentuated the migration trend between urban and rural areas, significantly reducing the reverse flow from rural to urban areas. In 2020, according to official INSR statistics, there were only less than 78,000 Romanians who moved from villages to cities, their number being 14% lower in 2019. The net difference between the two flows is close to 38,000 people.

Regarding the migratory flow from Romania to Abroad (European Union), a number of 193,000 Romanians emigrated in 2020, with 37,000 fewer people than in 2019.

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[16] Raport INSR (2020), *Proiectarea populației României pe regiuni de dezvoltare și județe la orizontul anului 2070,* Institutul Național de Statistică, p. 19.

According to INSR, 60% of 112,000 people are between the ages of 20-45, the age range considered on the labour market, as that of available people fit for work and active, in different fields of activity.

Sociology professor Dumitru Sandu considers that "for 2020 and 2019, Romania has to deal with a decrease in the number of emigrants by about 40,000 people. The bulk of external migration is given by long-term temporary migration" (interview given in The Financial-September issue, 2021)[17].

Professor Dumitru Sandu also said (in an interview with MediaFax, July issue, 2021)[18] that "the migration from urban to rural areas in our country increased in the context of the pandemic. That shows that those who have a predominantly good financial condition migrated to rural areas, because of Covid, and due to severe restrictions imposed on people during the state of emergency and alert".

Internal migration from Romania began to intensify in 1997, this being considered the record year after the revolution (1990), where the largest number of Romanians (500,000 people) were registered who moved from the urban to the rural area.

Romanians in the midst of a pandemic, like most Eastern European emigrants, have returned home in relatively large numbers. In March-April 2020, Eurostat statistics showed that approximately 1,300,000 Romanians returned home to the country. The returned Romanians did not return to the country because the economic situation and the standard of living in Romania have improved visibly in the last five years, but because they lost their jobs in the host country, because they were illegal workers.

On the other hand, qualified Romanian emigrants with higher education and postgraduate studies (doctors, medical staff, architects, software engineers) preferred to stay in the destination or emigration countries, because they, unlike the unskilled ones, had a legal job and secure income. In literature, for qualified emigrants with higher education/postgraduate studies, we use the phrase "*brain drain - brain migration*", now in the current pandemic context, with the return to the country of a large number of Romanian emigrants (1.3 million people) we can use the phrase "*brain gain*".

Regarding the annual flow of emigrants (those who leave their permanent residence in Romania for another state), INSR registered for 2020 a number of 21,000 people, this being the largest number recorded since 2015. Of the 21,000 people who emigrated in 2020, the year the Covid-19 Pandemic broke out, most went to Spain (4,300 people), Germany (4,200 people) and Italy (3,000 people).

According to MediaFax (August 2021), the resident population of Romania on January 1st, 2021 was 19.186.000 people, which is a decrease of 1.426.000 people compared to January 1, 2020[19].

The main cause of this decrease is the negative natural growth (the number of deceased persons exceeding the number of live births by 120.273 persons).[20]

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[17] https://www.zf.ro/profesii/marea-drama-a-romaniei-pleaca-din-tara-tinerii-care-ar-trebui-sa-isi-20249460

[18] https://www.mediafax.ro/social/efectele-pandemiei-in-2020-s-a-dublat-fluxul-celor-ce-se-muta-in-mediul-rural-din-mediul-urban-20206493

[19] https://www.mediafax.ro/social/populatia-rezidenta-este-in-scadere-fata-de-anul-trecut-20248684

In 2020, regarding the migration within EU Member States, a number of measures were adopted to help combat the spread of COVID-19. This had profound effects, mainly on freedom of movement, the labour market and on the economy as a whole. In March 2020, a number of European governments, including those of Romania, Bulgaria, Austria, Denmark, Germany, France, Italy, Spain, Hungary and Slovenia, decided to unilaterally close borders with neighbouring EU countries, cancelling international flights, imposing restrictions on mobility deemed non-essential and imposing border controls in a desperate and urgent attempt to stop the spread of coronavirus. [21]

These measures together with those adopted at EU level, such as the temporary closure of the Union's external borders for most non-residents. Specifically, from a mobility perspective, efforts to combat COVID-19 have led to the reinstatement of border controls in the Schengen region and the suspension of any travel deemed unnecessary within the EU.[22]

3. Conclusions:

The great waves of migration in the history specific to the twentieth century and the beginning of the twenty-first century, offered the possibility for the states of the world to re-place on the geographical and economic map the international migratory flow.

The migration of Romanians at this moment depends on the economic evolution of Romania in relation to the economic evolution of the main destination countries of Romanians: Italy, Germany, Great Britain, Austria and France.

The Covid-19 pandemic has equally affected all sectors of the economy, especially the financial, medical and labour markets, with a particular focus on labour mobility.

The main sectors of the economy affected by the Covid-19 crisis are: production, trade, construction, HORECA sector (tourism, restaurants), food sector, medical and educational system.

Between 2000 and 2020, nearly all regions, with the exception of Northern America and Oceania, saw the size of their transnational population increase by 12 million or more. Central and Southern Asia witnessed the largest absolute increase, followed by Latin America and the Caribbean and Northern Africa and Western Asia. Most of the recent growth of migrants originating from Central and Southern Asia and Europe was attributable to labour or family-related migration[23].

“The number of persons living outside their country of birth or citizenship reached 281 million in 2020, up from 173 million in 2000 and 221 million in 2010. Because the number of international migrants grew faster than the global population, the share of international migrants in the total population rose from 2.8 per cent in

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[20] https://www.mediafax.ro/social/populatia-rezidenta-este-in-scadere-fata-de-anul-trecut-20248684.

[21] Buda, Daniel (2020), *Impactul pandemiei de Covid-19 asupra mobilității forței de muncă,*Revista Transilvană de Științe Administrative 1 (46), p. 17.

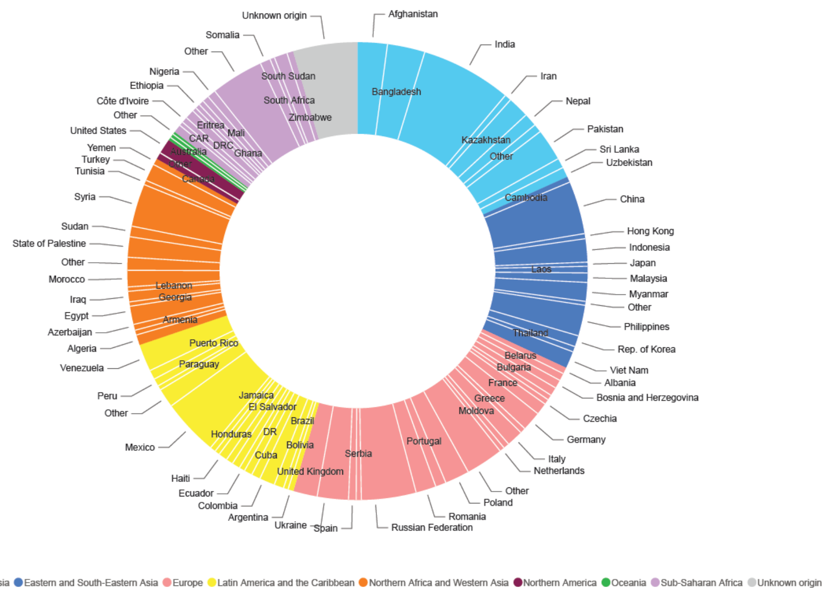
[22] *Idem*, p.18

[23] United Nations Department of Economic and Social Affairs, Population Division (2020). *International Migration 2020 Highlights* (ST/ESA/SER.A/452)

2000 to 3.2 per cent in 2010 and further to 3.6 per cent in 2020. In 2020, the COVID-19 pandemic severely disrupted all forms of human mobility, including international migration. Preliminary estimates suggest that by mid-2020 the pandemic may have reduced the growth in the stock of international migrants by around two million”.[24]

Figure 5.

Proportionate distribution of international migrants, by region and country or area of origin, 2020



Source: United Nations Department of Economic and Social Affairs, Population Division (2020b). *International Migrant Stock 2020.*
Note: The names of some countries and areas have been abbreviated.

Due to the restrictions adopted by the European Union in the current COVID-19 pandemic context, we can mention that the most affected on the labour mobility market are the Romanian emigrants who are part of the most vulnerable category.

The vulnerable category of Romanian emigrants being those with secondary or high school education, many of them being unskilled in the fields in which they work (construction, agriculture, industry, hotel) in EU destination countries (Italy, Spain, France, Netherlands, Great Britain).

The future of the evolution of labour migration in the European Union remains uncertain, especially because of a number of political, social, religious and health factors regarding the continuance of pandemic restrictions, such as the imposition of the Green Certificate at work in many countries such as Italy, France, Germany and Austria.

Daniel Buda, in his article "The Impact of the Covid-19 Pandemic on Labour Mobility", considers that the European Union should in future implement an effective system of industrial, trade and investment policies. He states that these policies will

[24] https://www.un.org/development/desa/pd/sites/www.un.org.development.desa.pd/files/international_migration_2020_highlights_ten_key_messages.pdf

address primarily the needs of citizens part of the European Community and at the same time provide them with new professional opportunities to integrate them into the labour market and, above all, be characterized by the correct implementation of living and working conditions for foreign immigrants from all over the world.

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SUSTAINABILITY AND ITS IMPORTANCE IN ENVIRONMENT PROTECTION

Andreea Cozea
*Gheorghe-Cosmin Manea**

Abstract

With the evolution of the human society, the need for intense industrial exploitation has also emerged, leading to the continuous degradation of the environment. Therefore, there was a need to protect these resources without depleting them, even if environmental protection and industrial development are antagonistic processes. Thus came the term "sustainability" of the environment to optimize the interaction between society and nature. This paper highlights the importance of sustainability and of the concept of carrying out activities without depleting available resources and without destroying the environment, so without compromising the possibilities of meeting the needs of future generations. The concept involves establishing a balance between economic growth and environmental protection and finding alternative resources.

Thus, sustainability aimed at introducing some phrases: ecological balance, economic security and social equity. Therefore, sustainability does not only refer to the change of societal behavior regarding the environment, but also to the change of the conception regarding the economy, society and politics. A strategy at the level of the European Union has been developed and implemented in this sense, disseminated at the level of the member states that have taken over and adopted starting from the political level to the economic societies and citizens. This strategy with key objectives has materialized through the implementation of laws, clear procedures for implementation, monitoring and compliance, with the obligation to report from the European Commission and the member states on the commitments made. It was concluded that an adequate number of collaboration networks between the various institutions, agencies, should be created as tools to promote good practices to provide all stakeholders with important resources and support in addressing sustainability.

Keywords: Sustainability, Economy, Concept, Strategy, Human Society, Available Resources.

JEL Classification: Q01, Q50.

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Introduction

Introduction contains all the necessary ideas to introduce the reader in the topic of the paper and the research performed by the author. It shows the importance of the subject and the approach used by the author in dealing with it. It is necessary for the author to formulate clearly the research question and the main hypotheses considered in this research.

Intensive industrial exploitation of resources and excessive urbanization have led to the continuous degradation of the environment generating a large ecological crisis. The need to solve this problem of humanity has resulted in ***sustainable development*** that designates ways to use resources to meet the societal need for development while protecting the environment, so that these needs can be met not only now but also in the future (Goodland, 1995).

At the same time, the Brundtland Report acknowledged that economic development could not be stopped, but that strategies must be changed to suit the ecological limits offered by the environment and the planet's resources. At the end of the report, the commission stressed the need for an international conference on sustainable development (Gilpin, 2000).

Currently, in OECD Report, Built to Last: Designing a Flexible and Durable Climate Change Agreement, 2015, the concept has expanded on the quality of life in its complexity and in economic and social terms, thus, it intends to find a stable theoretical framework for decision-making in any situation where there is a human-environment relationship, whether it is the environment, the economic environment or the social environment.

Thus, environmental issues, economic development and social development must be treated as a single theme (Munasinghe et al, 2005). A sound ecosystem and resource management are vital in the context of promoting sustainable economic growth, are closely linked to low-carbon development, and also contribute significantly to strengthening the capacity to withstand the effects of climate change. In other words, for development to become sustainable, economic development must be decoupled from the negative impact on the environment and should rely on sustainable production and consumption patterns (Zafar, 2005).

Literature review

Sustainable development and interconnection of domains

From a conceptual point of view, sustainable development takes into account the confluence of three areas: environment, economic and social. Figure 1. Sustainable development is not just about environmental issues (Amory, 2001).

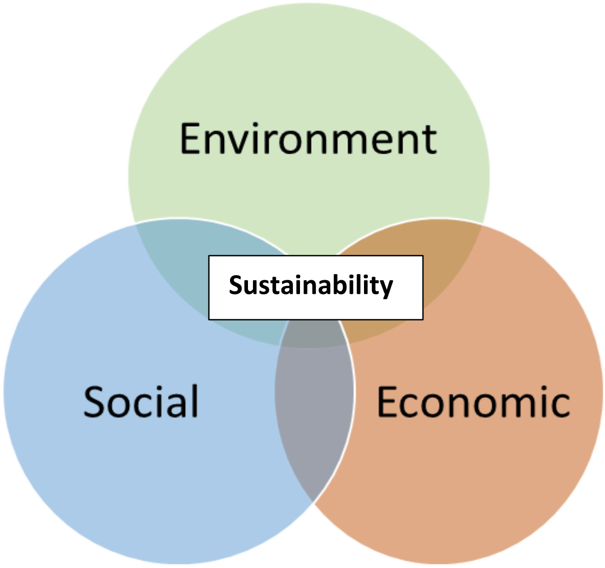

Figure 1. Sustainability as intersection of three major areas: environment, economic and social
Source: www.mdpi.com/2071-1050/4/2/154/htm.

The most important problem of sustainable development is the combination of two human aspirations, which, through their content support the need for economic and social development but also for the protection of the environment, as a method of increasing the quality of life and economic progress (Cleveland et al, 2001). National and international authorities and institutions through specialists and scientists from the, mentioned fields have reported problems that the humanity is currently facing by degrading the environment and aggravating the natural imbalances by uncontrolled expansion of urbanization and industrial intensification (Birner et al 2003).

The negative effects of the current type of economic growth have been on the world economic level, and studies on the theory and practice of sustainable development have been addressed worldwide. At national level, concerns in the field of sustainability appeared much later, at first limited to some ecological, educational and then economic aspects but which were not addressed in terms of interdependencies between them (Dahl, 2015).

The major principles of sustainable development aim at:

- concern for equity and fairness between countries and between generations;
- long-term vision of the development process;
- systematic thinking, interconnection between economy, society and environment

Differentiating the points of view through which sustainability is addressed:

- ***economical***, based on the principle of generating a maximum income under the conditions of maintaining the capital (natural, human). In economic terms, development consists in accumulations that must exceed consumption, i.e. in terms of economic efficiency;

- ***ecological,*** based on the support of natural biological and anthropogenic systems, sustainable development is approached in the form of a constantly growing population and a consumption of resources that reduces stocks and recovery potential, with undesirable consequences on the overall ecological balance. In the tendency to offer as many opportunities as possible to future generations, there is also the conservation of global biodiversity and the protection of ecosystems.
- ***social,*** based on maintaining the stability of social, educational and cultural systems to determine equity between generations, by preserving cultural diversity and encouraging pluralism of ideas, effect of a permanent education aimed at enhancing human potential, improving it with new Values, ensuring more efficient use of production factors;

Other secondary points of view are also involved:

- ***moral and spiritual,*** based on the relationship of ethical values of human behaviour, as a factor in increasing the efficiency of social work;
- ***temporal,*** is approached in the sense of improving the measurement of sustainability through a system of indicators to highlight the size of the processes of replacement and renewal in relation to those of depreciation, premiums to exceed or at most be equal, in the short term, compared to the other part of equation.

Thus, sustainability is not limited to ecological aspects of sustainable development, on the contrary, having a global character, all natural, economic and social factors being important will be treated equally and it refers to resource optimization, environmental management, but not at the expense of social development (Anderson, 2004).

The transition to sustainability involved the introduction of some terms: ***environmental balance, economic prosperity and social equality*** (Peet, 1992).

The environmental balance represents the set of conditions and interrelationships between the components of an ecological system, which ensures the maintenance of the structure, its functioning and ideal dynamics.

In the ecological sense, ecological balance (dynamic, biological) means the state in which a biological system (individual, population, biocenosis) or mixed (ecosystem) is maintained within approximately the same limits, showing weak fluctuations in time and space due to the interdependence of the individuals or of the parts that make it up.

The economic prosperity is achieved in the strategic ecological vision, involves "measures to reduce poverty, to accelerate rural development and business, to improve education and labour development, by promoting the creation of green businesses. Thus, a priority of the UN is to "continuously improve the well-being of people", achieving over time, an extension of the concepts of welfare and development, in the sense of a development with the protection of the environment, with respecting and preserving it and passing it on as a healthy and clean environment, rich in resources, to future generations.

The social equality **-** the issue of social equity is not only about the distribution of benefits among abstract entities or among different sectors of users, but it is also about the final well-being obtained from the environment to the people in a society.

Methodology

Sustainable Development Strategy

The author should make references to some previous research similar to the present one, if that is the case. Also, the author should mention the software programs used for processing statistical data, if it is the case.

At international level, the European Union must consider environmental issues in its external relations, including the areas of trade, development, security and, above all, to press for the implementation of the most important global environmental conventions, in particular those relating to climate change, biodiversity conservation, discussed on OECD Expert Workshop. Paris. Organisation for Economic Cooperation and Development. (2000) Frameworks to Measure Sustainable Development.

To this end, a strategy has been adopted with the general objective of carrying out actions to enable the European Union to carry out activities for the perpetuation if the quality of life for future and present generations by creating sustainable communities that use and manage resources efficiently and to capitalize on the potential of ecological and social innovation of the economy in order to ensure prosperity, environmental protection and social cohesion.

The European Union and the Member States, respectively all the institutional components at Community and national level are directly responsible for the implementation of this Strategy, but it is also necessary to collaborate with civil society, social partners, local communities and citizens.

There are four key objectives for implementing the Strategy (Munasinghe, 2003):

- environmental protection through measures to ensure the delimitation of economic growth from its negative consequences on the environment;
- equality and social cohesion, by respecting fundamental rights, cultural diversity, equal opportunities and combating discrimination of any kind;
- economic prosperity, for the achievement of which it is necessary to promote knowledge, innovation, competitiveness in order to ensure high living standards, numerous and well-paid jobs;
- fulfilling the European Union's international responsibilities by promoting democratic institutions for peace, security, freedom and global "environmentally friendly" principles and practices.

The elaboration of the Strategy in Romania is the result of the obligation assumed by Romania as a member state of the European Union according to the objectives agreed at community level, especially those mentioned in the Accession Treaty, in the Strategy elaborated in Lisbon and the renewed Strategy of the European Union for Sustainable Development 2006 (Rojanschi et al, 1997).

The economic evaluation of the resources can be done according to the appreciation of the following indicators (Morse, 2000):

- absolute value – it is made in accordance with the size of the expenses made for the research, capitalization and exploitation of the given resources. Thus, some ecological-economic models are taken into account.

Ecological-economic models (Schaper, 2005)

Ecological-economic models in which the balance of raw materials (balance of materials) are taken into account, can be quantitative or qualitative, static or dynamic, descriptive, prospective, depending on the objective pursued.

In the model with the involvement of material balance, energy is a form of expression of the interaction between the environment and the economic process, of continuous transformation of matter and energy, which results in the degradation of part of energy in the form of unusable heat which leads to increased system entropy, according to the 2nd law of thermodynamics.

Economic activities (according to the Karl-Goran-Maler model) Figure 2, exert a pressure on the environment by undervaluing basic resources and transferring residues (result - overexploitation of natural resources and increase of residues that spread in the environment).

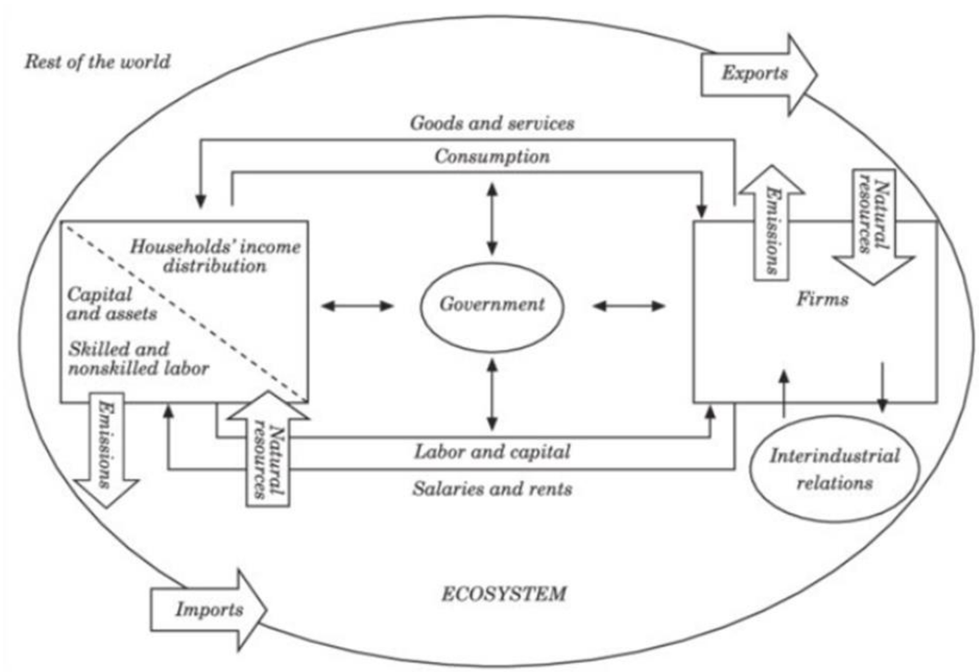

Figure 2. Karl-Goran-Maler Model

Source: Handbook of Environmental Economics, Volume 2, 1st Edition, Karl-Goran-Maler

By reference to the first law of thermodynamics (transformation and conservation of energy) and to that of the constant of living substance (at the geological time scale and planetary level, the amount of biomass in the biosphere remains constant) results that the temporal accumulation of energy in the form of funds and stocks, the amount of residues transferred to the environment through the economic system can be equivalent to the extracted natural resources. (Biller, 2003)

In the action of recovery / recycling of residues, not only the economic criteria must be taken into account, but also the limited stock of natural resources, the capacity to assimilate the residues and to deposit from external sources of low entropy (Abraham, 2006).

Collaboration networks between various institutions, agencies, environmental organizations.

In general, the Romanian authorities are involved in EU initiatives on environmental protection and climate change. The European Union is committed to strengthening environmental legislation and its implementation globally. The EU therefore continues to support the process leading to a Global Agreement for the Environment, launched by the United Nations General Assembly in May 2018. EIR is one of the tools by which Member States set a good example of compliance with the European Union environmental policies and legislation, as well as international agreements. Regarding cooperation (Article 12 of the EUTR), Romania reports the existence of collaboration between various government institutions.

Thus, at the governmental level, there are three environmental protection institutions, the Ministry of Environment, the Environmental Protection Agency and the Environmental Guard, and several state institutes that carry out environmental analyses and environmental NGOs that report irregularities in the system.

Results and discussions

Environmental economics is a challenge for the theory of sustainable development insofar as it seeks, among other things, the attempt to humanize and green the economy. Moreover, if it sets such goals, then it faces a problem - that of integrating the environment and its problems into the structure and philosophy of neoclassical economic theory. We say this because, despite all the criticism, in the field of economics, the neoclassical approach has been and remains dominant.

Moreover, its adaptation to the requirements of sustainable development and, in particular, to specific environmental issues, is not an easy matter. They make difficult the task, both the strong inertias of a theoretical, learned, academic, super-formalized system and, through this, amazing but detached from reality, as well as the limits imposed on the theory by the concreteness of environmental phenomenology as such.

Conclusion

Speaking of development as "meeting the needs of present generations without compromising the ability of future generations to meet their needs", the report of the Brundtlant Commission, Our Common Future, highlighted the need to simultaneously address development and environmental imperatives. Since then, substantial work has been done to operationalize the concept of development, and efforts will be made to the extent that the integration of three points of view will succeed:

- Of economists, whose methods seek to maximize welfare in the conditions of constraints imposed by the existing capital stock and available technologies;
- Of environmentalists, who emphasize the preservation of the integrity of ecological subsystems considered vital for the stability of the global ecosystem. Some advocate the preservation of all ecosystems, while others speak of maintaining the resilience and dynamic adaptability of life-supporting natural systems. The units of calculation that respond to this last desideratum are not

monetary, but physical, and the predominant disciplines that study them are biology, geology, chemistry and natural sciences in general;
- Of sociologists, who emphasize that the key actors are human beings, whose models of social organization are crucial for identifying viable solutions to achieve sustainable development. Indeed, the evidence is that underestimation of social factors in the development process seriously jeopardizes the efficiency of various development programs and projects.

In conclusion, in the current approach all three dimensions of the concept of sustainable development, respectively, ecological, economic and social must be related.

In this type of approach, the listed dimensions will be connected to the specific development needs of Romania. Ensuring the compatibility of economic, social and environmental policies with the main strand of development within the EU requires the active and responsible involvement of central and local public institutions, the private sector, professional associations, social partners and civil society in maintaining a business environment favourable for domestic and foreign capital investments aimed at modernization and sustainable development of the country

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THE GEOGRAPHY OF OLD AGE, GUILT AND SECLUSION IN HENNING MANKELL'S *ITALIAN SHOES*

Alexandra Mărginean[*]

Abstract

We set out to analyze the interferences of the setting of the story and geography with the main character's feelings at the dusk of his life, as he is haunted in his old age by a sense of futility and depression. By geography we mean, on the one hand, the actual relief, atmospheric phenomena and surrounding natural environment and elements, as well as, on the other hand, the inhabited space, familiar objects and even beings (as in his pets, a cat and dog), which tend to mirror his inner life, thoughts and feelings in perfect conjunction. The main character-narrator uses these to convey messages related to how he is and his situation. When he is lost for words, he still seems to have a way of expressing himself with landscape imagery (in the broad sense of the concept of a "landscape", as pointed out above), and in this specific manner of expression he is never lost for either words or metaphors – on the contrary, he masters transmission particularly well.

Keywords: *old age, geography, trauma, mental and physical landscapes*

JEL Classification: Z10

1. Introduction

Fredrik Welin is an old-age, retired surgeon who lives by himself on a small Swedish island. One day, he sees through his binoculars his youth sweetheart, Harriet (whom he abandoned) appearing on the ice, helping herself with a metal frame, obviously making for his house. She convinces him to take her to a place in the forest, a pond that he promised her that they would visit (but never got to fulfil the promise). As they go there, he realizes that what the old lady really wants is to introduce him to their daughter, Louise, who lives in a trailer in the woods. After spending a few days with them, Fredrik leaves and then gets the urge to visit a patient of his, whom he maimed for life by amputating her healthy arm in an operation. Her name is Agnes Klarström, and her home is a shelter for troubled adolescents. Fredrik spends some time with her too, apologizing for his deed and relieving a guilt that has in fact haunted him for a very long time, also realizing, surprisingly for him, that she does not hate him. Upon returning to the island, he receives an unannounced visit from Sima, one of the teenagers from Agnes' shelter, who commits suicide under his very roof, dying

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despite the doctor's efforts to save her. Later, Harriet, who is terminally ill, comes with Louise to spend her final days with Welin, having as a last request the organization of a party the day of the summer solstice. After her death, Welin, who in the meantime finds out he has a heart condition that gives him the prospect of just a few more years of life, is visited by Agnes, and then by Louise, and contemplates the possibility of leaving the house to his daughter, but also accommodating there Agnes' shelter (as the latter has run out of funds to keep it up at her place).

The paper investigates the way the landscape and surroundings, understood as both the natural environment and elements and inhabited space and objects, reflect the protagonist's thoughts, feelings and attitude to life. These mark his estrangement, self-imposed, embraced strandedness, guilt for his medical mistake and sadness. The study dedicates its sections to obvious, great symbols that are part of the geography of the space, such as the ice and island, or the forest and pond, as well as to the interior space of the house and workplace, and then some relevant symbolical objects that constitute spatial metaphors, like the anthill, Rembrandt's 1642 painting *The Night Watch*, or Caravaggio's paintings and person, shoes, the boat or the sea. We try to explain their meanings and connotations in the context of the story and of Welin's life narrative, showing that they help us understand the protagonist better, carrying and putting forth information on him in an indirect way.

2. The natural landscape and ice

First of all, the main character, a reputed, retired surgeon, lives on a *self-imposed exile, on his own on an island* in the Swedish north archipelago, and, what is more, under extremely harsh conditions. The few inhabitants of the region are old as he is, but at least they are not sole inhabitants of one given island, but tend to stick together, even though density of the population is obviously low – seven people in total, with only one of them below sixty. Just as if to make matters more difficult for himself, he has gone quite to the far end of the place, closer to the open sea. If he climbs the hill behind his house, he can see the smaller islands, which are less hospitable, around and in front, whereas behind him there are the bigger and more welcoming ones inland; the land is barren, covered with ice and water, with cliffs appearing above the surface from place to place, and there is no other house in the area. Also, he has limited his interactions with other people to the one with his postman, and has forbidden him to bring him publicity mail, which has made *their* encounters rarer as well. Just to complete the dim picture, the winter described is harder than the regular ones. Isolation is obviously hinted at from the very beginning through the absurd point of his living by himself on the whole island, and the harsh weather conditions. However, isolation is not explainable merely by the trend statistically noticed as naturally accompanying old age, which signals a decrease in social engagement once people advance into their senior years even in healthy individuals with no mobility impairments (Agahi, Lennartsson, Kareholt, Shaw, 2013). It is a conscious choice made out of some kind of masochistic, self-punishment drive, an idea for which we are thrown various hints in the text.

It is the island where his grandfather was born. This means that the character's homecoming in the senior, final years of his life resembles a kind of return to the roots as a desperate attempt to find there and retrieve some of the meaning that may have guided him in his childhood and adult life, previous to the traumatic event that changed his perspective on living. In this sense, his move is like a foraging for a lost trove of a treasure – except that it means foraging into ice and wilderness, in a lonely place, in which sense it also points to the futility of his existence and attempt, pushing him and us farther from positive outlooks. As a movement backwards, it also constitutes *a kind of regression in the psychological and philosophical sense*, of going back to the origins, to innocence and to a point where one can be soothed and start over.

When we say that he refers to what he is and experiences through landscape, we really mean it *at the level of the five senses*. There is imagery connected with the tactile – the sensation of cold on the outside which pairs the cold within, the two colds making him feel as if he is being under siege from two sides, and managing to resist nonetheless (Mankell, 2013: 11). Then, there is the idea of a human being spying on what he does, described, visually, as a black silhouette against the white environment (*ibidem*). It is interesting that the presence of life is depicted with the black color, whereas white is attributed to the absence of it, which could be an early, extremely subtle sign of the way in which humans, i.e. the social, i.e. company, i.e. a soothing element would nevertheless be perceived by Welin as negative – since black as a color has this connotation. In other words, the character is aware that human presence is, on principle, desirable and healthy, but he nonetheless refuses it for himself, which explains the ambiguity of assigning it the black color (a shade usually bearing negative overtones). What this means is that he is perhaps punishing himself for something and is in reality burdened by some kind of guilt. Which, as we shall soon find out, he is. The singing of the ice, along with the strange noises in his house – which are initially put down to mice scurrying, making their way under the wood planks or in the walls, as well as to the house timbers squeaking and creaking as a general state of affairs because of the weather conditions – only fill in the auditory bits of the picture. This singing of the ice is also a reminder of his childhood and of a manner of describing the movement of the ice layer on water resorted to by his grandfather – so a painful memory of loss after all, which unconsciously adds to his depression.

There is the very strong image of his habit of plunging in the freezing water naked every day which, besides providing another powerful element related to the sense of touch, shows once more that he may be prone to chastising himself for an error yet unknown to us. Every morning, he goes out on the ice, without any clothes on, cuts a hole in it and plunges into the deep freeze, so that, when he gets out, the frozen air outside seems scalding. At the age of 66, this ritual seems rather unusual, not to mention risky and painful. There is a reunion of hints that send us to a desire to atone for some mistake, which makes this tradition of his acquire the spiritual overtones of both self-chastisement and self-disciplining of the body and senses. It is also a survival technique, as the character confesses himself: he jumps into the black hole as a reconfirmation that he is still alive, as well as to shake out loneliness (*ibidem*: 14). Shock fights the numbness of depression, getting the adrenaline pumping and changing the hormone chemical balance. It is a self-induced shock and pain, as in shock therapy, a leap into darkness trying to jolt the mind out of its dark place of its own. The tactic is both healthy – in a rather radical way – and sad, a manifestation of both trauma and the desire to be cured from it. Taking into account the risk, which is obviously present, given that he is no longer young by far – the gesture is, besides all the above, a death wish as well. Hence, the harshness of the environment is starting to make sense by being in harmony with the harshness of the character's state of mind and strategies of both exposure and survival.

The *ice is a powerful symbol at more levels*. The first cue for it is that it gives the title of the first of the four parts of the novel. We have seen it as a means to test and achieve survival. Also, from what we have said so far, before that, we may infer that it is a mirror of the loneliness and cold inside. Moreover, there are also the significations that can be derived from the character's regression to it, which makes it, on the one hand, a safe place of his most innocent years of life in his childhood, so a kind of magic realm of potentialities where the lost meaning of life can still be found and retrieved. On the other hand, ice and its whiteness may suggest a sort of *tabula rasa* or unchartered land from where he can write a new story that may perhaps lead him to a different ending than the disaster he has lived. In this ice land, he is looking to make a different imprint that would hopefully lead him to a better place, detouring from the same life path, choosing another course, in the hope of avoiding tragedy. An argument in favor of this perhaps unconscious drive of his, and interpretation of ours, is the way in which he remembers not only scenes from his early life, but also, specifically, the moment when he chose his future job and career – that of a surgeon, which also put him on the track of his fatal mistake, i.e. the wrongly amputated hand. Taken by his father to a restaurant for the first time on his 15th anniversary, and seeing the glimmer of hopelessness in his eyes while he was trying to find out what his son liked to do and what could be a potential future livelihood for him, young Fredrik decides then and there that he will be a surgeon, with absolutely no prior thoughts or preferences for this. This memory is haunting him now because he realizes that it was the exact moment when he made the choice that has led him to where he is now and to his fatal error. Of course, it did not actually predict the error, but the character's trauma makes him assess all possibilities and look for pushed connections and forced causalities.

We need to notice that the ice has the power to create signals at the level of all senses. It creates an obvious visual element, as it is the main material forming the physical environment. Unavoidably, it represents an ambivalently welcoming and adverse home. It is what everyone sees, together with water – its liquid form, for miles on end. Then, it is responsible for the sensation of freezing cold – both on the outside, literally, but on the inside as well, symbolically. As the character plunges into the hole dug in it every day, it even creates an oxymoron-like sensation, of both extreme cold and extreme heat – so it is able to activate the senses with opposite but radically intense thrills. Ice can "sing", making noises that wake Fredrik up at night, loud enough to determine him to leave his bed and check what he has heard, walking, all the more, for almost a mile to ascertain the phenomenon. It is not a pleasant sound, but described as a sinister choir of strange voices (*ibidem*). The ice "singing" is part of the childhood lore around the region, as the character's grandfather was the one that first mentioned to him about this. Last but not least, ice provides the feeling of movement, as it literally creates a dynamic by floating on the more or less calm or restless sea. An explanation is supplied in this area, as where it is thicker than thirty centimeters the movement, and, hence, the "singing"/creaking should not be felt or, respectively, heard. To mention one additional suggestive detail, the ice moves up and down, suggesting the ups and downs of life itself.

Linguistically, from the start, the text tends to isolate one sentence every now and then, a fragment that pinpoints a relevant idea or image. The first one in the novel is at the very beginning and refers to the metaphorical cold inside being intensified by the one outside, and greater when the actual physical cold is stronger. The second comes a few paragraphs later, still in Chapter I, and is about the ice being there to stay. So, ice is a constant in the landscape of the "today" of the narrative, which is comparable to old age itself, as well as to the protagonist's depression, but it is also an ambiguous symbol, carrying all the significations that we have mentioned above.

3. Houses – the inhabited spaces

Fredrik Welin's current abode is *described in terms of what it was supposed to be initially, and what it has come to be*. Fredrik imagined it, at the beginning, as his summer retreat or cottage, a holiday house. However, what it has actually ended up being is his "final redoubt" and arranged as a "fortress" that is impenetrable (*ibidem*: 15).

We have seen above that all sorts of sounds accompany Fredrik's existence in the house, especially squeaky and creaky ones, made by materials reacting to the extreme weather. The *house seems to become an old organism itself*, the contracting of its wood due to differences in temperature making us liken it to the bone cracking and non-functioning joints of an old person – especially since the protagonist mentions his grandparents reaching a time in their old days when they could no longer move and just sat all day, awaiting their deaths.

The pets that function as accessories of his current home and as sole companions to him are also old, just like him. The cat is old and can no longer move that graciously, being a bit stiff. His dog is completely deaf in his right ear as well as half deaf in his left one – which is why he cannot hear the sounds of the house and the singing of the ice.

The *description of the space of his childhood home and how his family inhabited it shows the emotional separation of its members and the division existing between them*. His mother, who used to cry all day because of their poverty and inability to make ends meet out of his father's waiter's wages, locked herself in the bedroom, keeping her husband away from her both physically and emotionally. Her strong imprint on the space of the bedroom could be sensed in the way in which it acquired a special smell, of tears mixed with lavender which was her signature, like a core of her personality that ended up defining her. Fredrik's father used to explain to him that he could not have a brother or sister because his mother refused to let her husband get close to her, being upset about their financial situation. Hence, the man slept on the kitchen floor, while the child slept on a couch in the same room. This *setup of frontiers* that could not be breached secluded the two males in the kitchen, which was also normally the father's workplace space, so the punishment was filled with ironical meaning: the man's inability to produce more money in the culinary domain was made a constant reminder by locking him to those particular familiar surroundings. Nevertheless, there existed a space of escape for him, represented by his collection of tin soldiers and the reenactment, with the help of the figurines, of the contexts of some famous historical military clashes. These fantasy spaces showed an attempt to regain some of the lost innocence of playfulness as well as exercise the control that the man lacked in his daily existence. The father used to lose some jobs in the gastronomical domain because of an attempt to set up another kind of boundaries and delimitations, this time metaphorical, healthy ones, of taking only day shifts and refusing the nighttime ones in order to have a family life and to preserve his dignity. However, on various occasions, this type of borders finally caught up with him and backfired.

Also, his gift to his son on the adolescent's fifteenth birthday introduces the two of them as clients in *the space of a restaurant*. Throughout this scene, the father places them on the other side of the relationship customer-employee or served-serving person, breaching the limit and crossing or upgrading to the higher power position. He goes towards an empowered state, even though only temporarily, taking his son along with him, as a reward, treat and compensation for a grim reality.

The *boat shed in his old age retirement home is improvised into a doctor's surgery* or office, as it is filled with specific medical instruments, such as a stethoscope and a blood pressure meter; even the bench on the pontoon functions as an examination bed for Jansson. This makeshift space is a reminder of Fredrik's previous life, but also professional guilt, being a thread to both his existence before the exile and his mistake. Also, the very idea of a surrogate space symbolically points to a surrogate life, to not truly living, but rather accepting life as a burden, which Fredrik does because of his guilt.

4. Spatial metaphors

There are images functioning as spatial metaphors for the way in which the character feels about his life – the dark area that enwraps him and that is not caused by either old age or his status – since he is careful to tell us that he enjoys good health and a good financial standing after retirement – but by a certain event that was negative enough to have determined him to think of suicide, and bring about feelings of anger and despair. One of these images is that of *every human being's life being as if (s)he were hanging from a tree branch*, bearing the certainty of the only possible outcome – that eventually they are going to fall – but nevertheless hanging on for as long as they can (*ibidem*: 12). This image is linguistically supported by various phrases that refer to someone metaphorically clinging on to life, such as not losing one's grip (the one in the English translation of the text), but also others: holding on, holding up, not letting go, hanging on, hanging in or hanging in there etc. (Ammer, 2013).

Another image, symbolical of a self-made man, resorts to spatial elements as well. The protagonist likens the way he managed to raise from poverty to *clambering or crawling out of a pit* (Mankell, 2013: 13).

Fredrik has the habit of noticing and writing down specific data, mentioning *exact figures* related to various aspects of his life. For instance, he tells us that he is sixty-six, his blood pressure is 15/9, his pulse is "64 beats per minute" (*ibidem*: 13). Also, the ice is thirty centimeters in the golf area (*ibidem*: 12), the thermometer outside indicates minus nineteen degrees Celsius (*ibidem*: 14). The postman's father is ninety-seven years old, the father and son have had a fight in 1970 and have not talked to each other ever since (*ibidem*: 23), Jansson's mother's father died in 1920. The protagonist has been keeping a diary for twelve years, with daily entries of just a few lines about mundane things like the type of birds that can be seen one particular day through the window, and his health; even though he knows it is futile to do that, that nobody will ever be interested in reading it and that it is the diary of a life that has lost its meaning, he does it nevertheless (*ibidem*: 24). This accuracy in his expression is proof of an attempt to map and chart his life, to make sense of, and order his existence. The unnecessary exactness in data shows a need to compensate for the lack of control and meaning that he actually feels he has become prey of. A suitable metaphor for his situation may be that his life is as if floating without knowing the destination, and bringing figures into the picture is like using a compass, finding the coordinates for his position and destination.

Apparently, Fredrik works on *a puzzle of Rembrandt's 1642 The Night Watch*, to which he manages to add only one or a few pieces a day, as it is complex and a bit dark. A work of art, the respective canvass, is a space in itself, and the puzzle of it is a representation of a representation of the world, a fragmented space that requires (re)composition, in a manner as true-to-life as possible. This puzzle is another metaphor for the effort of recomposing the meaning of his shattered existence. When we look into details related to the painting as such, we realize that there are other aspects that make it symbolical with respect to the protagonist's life.

Rembrandt has portrayed the guardsmen of the city of Amsterdam, a militia force of musketeers led by Captain Banning Cocq, who were supposed to be highly esteemed and reputable characters, but who are nonetheless depicted in a less noble, dignified manner, given their postures, the surrounding hurly-burly, and the woman carrying a dead chicken at her waist – a pun on the Captain's name and at the same time an image that could be interpreted as a mix of banter and a hidden threat. To highlight this subversiveness of the painting and the potential revolt that it may have triggered from the part of the authorities, Güner refers to the imagined reaction upon it being shown to the public and the officials, as presented in Alexander Korda's 1936 film *Rembrandt*, where the viewers ask, in "pompous indignation", whether that was "serious art" and how come that gentlemen "of rank and position" are painted in such an unserious manner (Güner, 2019). The commotion that happens in the very presence of the civil officers – another absurdity and an ironical tinge – is made apparent in the bigger, original painting, which was cut on all sides in 1715, "2ft from the top, 2ft from the left, and inches from the right and bottom": "Here a frisky dog barks; a drummer beats his big drum, readying to keep time with the marching guards; a boy is seen at the furthest edge to the left, looking back as he runs off carrying a gunpowder horn; a guard tinkers with the muzzle of his musket; behind the richly attired captain, another guard accidently fires his musket, its smoke mixing with the white plume on the lieutenant's tall hat (a comical near miss, and an actionable offence). Further to the right, a guard examines the barrel of his musket." (*ibidem*) Another element of irony is the girl's chicken, a *figura* for the emblem of the division's coat of arms; as Güner points out, "why a chicken and not an eagle", the choice of fowl already constituting an offence; moreover, the chicken is dead (*ibidem*). A relatively recent study, using the technique called a "calcium map" of the painting, discovered Rembrandt's initial sketch, visible underneath the current version, in which there were more spears, a sword between the Captain and his aid, and feathers to one of the militiamen's helmet (Boffey, 2021). These elements, being specific to battlefield, could have made the image and the characters more imposing, adding to their gravity and seriousness. Their removal could point to the same alleged intention of providing a satirical rather than accurate impression of them, making the soldiers more cumbersome and clumsy. All these elements that represent irony and subversiveness may mirror the character

Fredrik's mute revolt and subversive attitude towards life itself, the way in which it can turn into a masquerade, something less serious and dignified.

The fact that the painting has been cut, probably to fit on a wall on display, which was a rather common practice in those times, but nowadays may look as appalling hooliganism, given that it is art, may be a metaphor for the act of cutting involved by the character's occupation of a surgeon, on the one hand, but also, on the other, for the concept of maiming. Maiming, or absurd destruction, just as the one undergone by Rembrandt's masterpiece, is what has happened to the patient that had had the wrong arm amputated, having as outcome the additional figurative maiming of the surgeon's life. Also, the quality of the painting being affected by time and layers upon layers of dust that have darkened and smudged it can be equated, symbolically, with Fredrik's life having become, because of his tragedy and trauma, both darker, i.e. sadder, and unclear, i.e. losing its meaning.

The way the space of a painting is revelatory for how a character feels in real life becomes a leitmotif, as, later on in the novel, Louise, Fredrik's long-lost daughter, will confess to him how she feels about the painter *Caravaggio and his works*. The genius' topics are almost always filled with a striking dramatism, and he has a special relationship with movement, being able to render it very vividly, along with the characters' turmoil. Also, according to Fredrik, his dark colors and strokes show, in his masterpieces, the painter's fury and fear, the way he was a misfit. Hence, the artist's life struggles are transposed on the canvas. Moreover, Louise feels her own unrest and sense of being different represented in the paintings' subjects, thus she resonates with their atmosphere. That is why she says that she feels there is always room for her to get immersed in one scene or the other, as if she belonged in them and could feel in synchronicity with what happens in them.

The *anthill* in one of Fredrik's rooms is an exotic and unusual element to be hosted in a home, let alone one in an arctic-cold environment. Tall as the table placed in the center of the room, it has engulfed a part of the tablecloth in it. There are various ways in which we could interpret its presence. Given its dimensions, it is obviously something that cannot be ignored, much according to the phrase referring to the "elephant in a room", i.e. something that is big and strange enough to be impossible to overlook or disregard – perhaps a representation of the life-changing event in the character's case. The anthill keeps growing as well – in other words, it is an accumulation, a build-up, paralleling that of both tension and other feelings, such as guilt, the impossibility to overcome trauma or make sense of reality, or find purpose. The anthill, in this respect, is the blockage that Fredrik is suffering from, but with which he has learnt to live. In this perspective, his attitude to it, and to the environment he leads his life in, and with which he has made peace and found a harmonious coexistence reflects being in synchronicity with nature, not feeling the need to dominate it, but rather achieving balance with its elements, an attitude named outer-directedness in intercultural theory (Trompenaars and Hampden-Turner, 1997: 141). Given the color of the anthill, and the fact that it is ultimately earth, it is also a symbolical tomb, figuratively pointing to all the characters' proximity to death, to the moment when they will be engulfed and embraced by earth. In support of this interpretation, there is Fredrik's dream about Harriet being covered up by earth, as well as the protagonist's obsessive, recurrent thought about the envelopment of a person, especially an old woman (who possesses, in his opinion, an uncanny beauty), by the earth as in an embrace – an idea that occurs to him for the first time as he finds an elderly lady, Sara Larson, dead in her cottage, where he and Harriet are led by the lady's lost spaniel. At the end of the novel, he moves the anthill outside, which is the relief of the symbolical burden of all his blockages at the emotional level, which he has managed to resolve, mostly. The gesture means that he can finally separate and detach himself from these.

Fredrik's *compulsive need to pry in other people's private spaces* or belongings is a tell of his need to gain leverage by getting access to secrets, which is psychologically, ultimately, a need for control. He searches Harriet's bag (both in their youth and now, as she visits him), read his dying mother's letters to an intimate friend instead of burning them as required, reads his girlfriends' diaries and intrudes into his doctor colleagues' offices, even checking their wallets. This disregard for boundaries is indeed exposing their vulnerabilities and weaknesses, making him feel more powerful, but also, perhaps, less lonely in his own vulnerability.

Shoes seem to be quite a relevant complex symbol. Shoes are spaces in themselves, where one's feet need to enter, and where shapes need to fit together. They are mentioned a few times, in different contexts of his life, until Harriet is the one pinpointing the idea, when her long-lost friend remembers something she told him some time before – that shoes are like life itself, they sometimes do not fit exactly, so one needs to either break them in or adjust to them (Mankell, 2013: 92). Fredrik Welin's father said that a waiter needed a good pair of shoes in order to be able to do his job properly. Remembering this, he checks the hotel waitress' shoes by force of habit, as a result of the emphasis put on them by his father.

Harriet used to work in a shop mending shoes as a regular occupation in her youth. While apprenticing in Rome, later on in her life, for an elderly artistic manufacturer, she likens his effort to match the character of the wearer to the care with which Stradivarius made his violins (*ibidem*: 76). Also, her manager believed that feet have their own personality, reflecting that of the user, and shoes in their turn suggest it according to the way in which they have been worn, which is an indication of the character traits of their owner. As examples, a ballerina had "arrogant" feet that did not take their shoes seriously, and a Hungarian businessman had feet that treated the shoes "tenderly" (*ibidem*). The fact that Harriet knew her shoes and how to make, handle and repair them, transforms her, symbolically, into a potential life-forging force or agent, which she could have been for Fredrik, shaping his life, or their life together, if only he had let her and not run away. His leaving her suggests missing out on a – better? – life variant or course.

In the novel, objects are used to stand for various realities as symbols. For instance, there is a *boat* in Fredrik's shed, which needs fixing, but which he has left there unattended for years, covered with a tarpaulin. After he makes the acquaintance of his daughter, then his patient, Agnes, and subsequent to Sima's visit, he will finally start repairing the boat. He compares the object with his own person, saying that, just like him, it is unused and never mended, and the reason why he does not know what to do with it is that he does not know what to do with himself (*ibidem*: 237). Finally, the boat becomes a funeral pyre, as Harriet's remains are incinerated in it. This very end is symbolical itself. The now-mended boat, which can be understood to stand for Fredrik metonymically – i.e. is a "concept" metonymy, in which there is "a shift from Concept A to Concept B" (Feng, 2017: 443) – is sacrificed and finds its own end next to Harriet, just as Fredrik as a human being has finally managed to heal emotionally, as least in part as a result of his contact with his youth sweetheart, and at the same time a part of him dies and vanishes together with her.

Some time after his dog dies, he *digs up the animal's grave*, wondering if this means that he is ready to open up a metaphorical grave from inside him (Mankell, 2013: 275). *The Baltic Sea* is a symbol as well, for Fredrik himself, for the situation he is living, and ultimately for death itself, as it is an endangered space that is getting annulled progressively, day by day, by being filled up with material waste. As Fredrik puts it, it is getting choked towards its extinction by algae and mud, which is what he gets in the fishnet, along with dead fish, instead of something alive. Sima dies while trying to get closer to Russia by crossing the sea, and Harriet comes here to die listening to the sea rather than to cars honking in the city (*ibidem*: 278).

5. The forest and the pond

The forest pond is the destination of Fredrik and Harriet's journey, made in order to fulfil an old promise that he had made to her before running away, and which she asks him to keep as a last wish before dying. It is also the place where his father took him when he was only a 10-year-old child, as a father-son bonding activity. For the first time, he then saw his father's manly body completely naked, swimming in the cold water, which both brought them closer and was intimidating, raising a barrier between the boy who watched from the bank the grown man enjoying the swim, something that made him understand right then and there how different they were by the way in which they related to and perceived this activity. Young Fredrik felt debilitated and somehow threatened by the father's manliness and carefree attitude. Going back there, then, is about coming to terms with the trauma of inferiority and inadequacy that he felt in relationship with his father, as well as that of an unfulfilled promise and abandonment performed on his girlfriend from later. Moreover, the gesture of making up for a mistake is given high importance and significance by Harriet as well. She tells him that if he could never give her a ring, he could at least take her to see the pond, as if the two gestures somehow had an equal standing (*ibidem*: 93). The roundness of the two objects also makes them similar, as well as sends to the idea that they resemble closed spaces or alternative worlds. Which they do, as both the ring and the pond provide an exit into another reality – of marriage and, respectively, freedom and coming-of-age through which a boy is similar to a man, equally naked and free, annulling thus the boundaries between age and status (where the father has the upper hand). For Harriet now, the pond is also an escape from the cruel reality of old age and terminal illness, a return to a state of youth, hopefulness, companionship and happiness.

The *special or magical quality of the place* is suggested from the very beginning by some details provided in the text. First, through the words of a homely forester, who wonders why they would go to such lengths to see such an insignificant lake, as there are many others just like it, and it would not save a dying person from death anyway, our attention is driven towards, on the one hand, the absurdity of the elderly couple's endeavor, and, on the other, whether it may actually be special enough to make a change in anything. Additionally, as the characters literally advance towards it after having actually found it, it is likened to a holy place – Fredrik compares it to a church altar. Moreover, as they finally reach the place, some events, which appear to be bizarre coincidences, or filled with hidden connotations as to how the universe may work meaningfully, take place right away, in rapid succession, in an uncanny manner.

Fredrik walks on the frozen water and, noticing a darker space, gets closer, realizing only too late that it is a spot where the ice layer is thinner, which makes him fall through the cracked surface. With the whole weight of his wet clothes on, he almost drowns, but is miraculously saved by Harriet, who extends her metal walking frame and manages, against all odds, to pull him out. Then, they stay naked under a blanket on the back seat of the car, as Fredrik remembered young people used to do in his youth, a lot of illegitimate babies resulting hence. Ironically, with respect to secretly born babies, the reason why he was slyly dragged by Harriet in the woods was not primarily to visit the pond, but to introduce him to their daughter, Louise, who lives in a trailer in the heart of the woods, where they spend a few days as a surrogate family, bickering and acting as if they had known one another all their lives.

What we may say about the forest with its pond is that this space is an almost magical one, as it provides, in a condensed manner, a means to live compensatory experiences that tend to seemingly karmically restore a kind of balance for the characters involved. The way the protagonist almost dies seems an atonement for his sins; the time spent naked under the blanket with his young-age sweetheart is the belated fulfilment of an old fantasy, but also an omen for the newly-found daughter, as in this way a lot of babies were conceived; the hours spent together with the two women constitute an unexpected, perhaps undeserved gift, a second chance, but also give him a taste of what he has been missing out on. The three of them sleep in the same small bed, moreover, with Louise initially wanting to stay naked under the covers, which symbolically points to a kind of forced, sudden and advanced intimacy, into which the protagonist is forced – a both humorous and tormenting situation given his issues with intimacy and desire for distance and isolation. His daughter takes after him and is just as eccentric as he is: she wears expensive shoes in the snow in the middle of nowhere on a regular basis, while living in a tin box, has peculiar friends, who organize boxing matches for fun, writes letters urging country leaders and prominent figures to take responsibility for the poverty and other misfortunes of their citizens, and has a lot of money although she apparently has no other occupation. Also, she knows Giaconelli Mateotti, a genius shoemaker who has worked for important personalities, who makes just a couple of pairs per year and lives a simple life away from the hassle of the city. Louise's gift to her father is a pair of shoes from Mateotti, and, on their visit to him, the elderly gentleman spends a few hours measuring Fredrik's feet in all sorts of strange manners – standing, sitting in an armchair, drawing his outline with the pencil kept at a certain angle, telling him once he has finished that the pair will be ready in a year, as he has to complete two or three other orders beforehand. Louise's ideas on shoes resemble Harriet's, as well as Fredrik's father's – she mentions how an opera singer can perform better in an adequate pair. According to Giaconelli, good shoes are supposed to make people forget that they have feet. This metaphorically suggests, if we remember the parallel between shoes and life, made earlier in the story, that when one is well-adjusted or placed, i.e. integrated, in one's life, life does not feel like a burden, it is similar to the space of the shoes, i.e. one fits perfectly in it and does not feel encroached, uncomfortable or tightened in.

The trip to the magical place of the forest pond unblocks something in Fredrik, as he is, for the first time, up to searching for the woman whose wrong arm he amputated. It is as if Harriet's visit and his availability for taking her to the forest has triggered the ability to move, to become dynamic, to cross limits, not only physically but also mentally and emotionally, setting some things right and moving on – again literally and figuratively. In this respect, the spaces of the forest and pond function as transformational and compensatory ones. Just as he moves from a frozen world to a greener, populated one, his psychology and emotions get thawed and malleable again, suffering alterations.

6. Conclusions

The environment mainly mirrors, besides the aspects that we have mentioned related to his state of mind, Fredrik Welin's inability to manifest himself emotionally, to experience attachment and warmth towards another human being. When the summer progressively sets in – along with the notion that it is, strangely and abnormally, one of the hottest in years – the character experiences a metaphorical de-thawing of his barriers and crosses some invisible, self-imposed lines, being able to relate, connect to, and empathize with the others, overcoming his fear of intimacy and being able to put himself at risk emotionally. He manages to take action and do some gestures that used to be unconceivable to him: he stays with his family in the tight space of a trailer for a few days, confronts his guilt and worse fear by visiting the person whose life he believes he has ruined or at least altered for the worst forever, allows Jansson in his house and other people to get closer to him by having the party, receives a long line of women under his roof (Harriet, Louise, Sima, Agnes), has the courage and foolishness to burn Harriet's remains in the boat, giving her an unconventional, Viking-like funeral, despite the obviously illegal nature of the deed, only for the sake of a romanticism, sentimentality and poetry that characterizes it.

This method of using elements from the environment to render other realities regarding the character is effective because it is more lyrical, and because it displays in material, concrete and more numerous tangible objects – and thus more clearly and visibly – something invisible and difficult to explain.

We also notice that the progression of feeling and the evolution of the character on the personal plane are mirrored by a dynamic of the environmental elements as well. The stasis of the surroundings at the beginning is replaced by them becoming active, and not only as the logical outcome of the moving of, for instance, seasons. It is not just that they change, but the changes are rapid, dramatical and unexpected, illustrating those taking place internally, in the protagonist. Additionally, there is a passage from cold, hard-fact illustration between the protagonist and what is around him, to a sort of exchange between the two, a relationship of some kind, in which he influences and is influenced by the environment, in which he genuinely interacts with it, operating modifications on it and being modified by it. In the final words of the book, Fredrik acknowledges his progress and describes it as having come very far, even though not farther than a certain point (*ibidem*: 377).

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TAPPING INTO AN INIMITABLE SOURCE OF COMPETITIVE ADVANTAGE: ORGANIZATIONAL COMMITMENT

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Abstract

In today's fast changing and highly competitive business environment, the costs associated with losing well performing and engaged individuals may be too high to bear for the companies. Organizational commitment is a major factor determining employees' intentions of staying in the company and contributing to the overall objectives beyond mere job requirements. Highly committed employees engage themselves more with the organizational goals than regular employees and thus provide a true and inimitable source of sustainable competitive advantage. In this regard, organizational commitment is a critical construct, which helps organizations thrive and succeed. This paper examines a wide range of studies conducted in the organizational commitment literature over the past several decades and presents a comprehensive understanding of the construct, its antecedents, and consequences. The major findings and implications of the substantial research works have been compiled to provide a contemporary and holistic view whereby future research endeavors may catapult from these assertions and pursue in the further development of the construct. Organizational commitment has been found to have three generally accepted major components; normative, affective, and continuance commitment. Organizations and managers alike may benefit from each of these kinds of commitment. This study also provides implications for practitioners and researchers who can build upon previous works and draw conclusions for further action.

Keywords: *Organizational Commitment, Normative Commitment, Affective Commitment, Continuance Commitment*

JEL Classification: M10, M12, M19

Introduction

In his well renowned study, Barney (1991) asserts that four features of organizational resources make them generate sustainable competitive advantage. If the resources possessed by the organizations are *valuable*, *rare*, *inimitable*, and *non-substitutable*, then the competitive edge is not likely to be caught up by other firms in the long run. In today's global business world where almost all resources like different types of hardware, software, systems, logistical infrastructures, access to capital, etc.

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are quite easy to attain (at least to a large extent), the need for true sources of sustainable competitiveness arises as a major relevant topic in and of itself.

Today, making a difference with regards to competition based on easily imitable resources seems to be a very risky path to take for companies and managers alike. Thus, managers ought to take a more strategic perspective into making their resources more valuable in the eyes of the consumers and customers, rarer compared to competitors, more inimitable, and more non-substitutable. Therefore, the *human capital* the company possesses has the true and exquisite potential to deliver these desired goals. At the end of the day, all your resources – other than your own employees – can somehow be imitated by the competitors. Your company will always be the only company with that particular human capital. Thus, a highly engaged, truly committed, and continuously self-motivated workforce will always be a true gem in a sea of resources and constitute a quintessential source of sustainable competitive advantage.

Organizational commitment has been a very popular topic for researchers (Cohen, 2007; Aranki et al., 2019; Hanaysha, 2016). The reason for this great interest is its vitality in achieving high levels of employee engagement and thus better achievement of organizational goals. Basically, all organizations want high performing employees and they want such employees to stay in their organization. Without either of these, organizations cannot achieve sustainable success. McCunn and Gifford (2014) emphasize that if employees possess high levels of organizational commitment, then they will be involved more with the organization than not so committed employees. In this sense, commitment leads employees into caring more with the overall company mission and goals beyond mere requirements of official professional positions.

Meyer et al. (2002) assert that organizational commitment literature is quite extensive. Even after more than five decades of studies provided by researchers, “there remains rigorous debate as to the nature, types, and bases of commitment” (Mercurio, 2015, p. 393-394). This is natural because commitment happens at the individual level, but it has connections including those that are directly related with the job itself as well as the organization’s work environment. According to Arikan (2020), moreover superior-subordinate interactions also play significant roles in determining the level and type of commitment. Obviously, commitment is a dynamic phenomenon whereby personal and professional expectations actively change and thereby impact the engagement.

To provide a more comprehensive understanding of organizational commitment, this paper reviews major and significant works in the literature and hopes to offer a thorough perspective. First, organizational commitment is discussed. Then, its antecedents, consequences, and three components are highlighted. Finally, certain implications for practitioners and researchers are provided with the hope of engaging further discussion and inspiring future research.

Organizational Commitment

Even though organizational commitment has been studied extensively over the past several decades, a generally agreed upon definition does not yet exist. Over the years, several renowned researchers have provided insightful definitions emphasizing slightly different perspectives. Becker (1960) argues that when a person is committed, he/she “links extraneous interests with a consistent line of activity” (p. 32). Kanter (1968) emphasizes that the committed individual attaches his/her “affectivity and emotion to the group" (p. 507). Marsh and Mannari (1977) claim that when employees are committed to their organizations, they consider it a "morally right to stay in the company" (p. 59). Pool and Pool (2007) state that "organizational commitment reflects the extent an individual identifies with an organization and committed to its organizational goals" (p. 353). Aydin et al. (2011), in their definition of organizational commitment emphasize employees' "definite desire to maintain organizational membership" and their "willingness to exert considerable effort on behalf of the organization" (p. 628). When we compile and integrate the previous definitions and approaches, organizational commitment can be said to mean *an employee's intention to stay as part of the organization and engagement to contribute to organizational goals*.

It can be said that organizational commitment is among the most studied topics among researchers because it has a direct impact on the employee work behavior (Meyer et al., 2002). Only committed employees can perform at above average levels. Through engagement, companies can benefit from the otherwise latent potential of their human capital. Furthermore, committed employees have a sense of identifying themselves with the company and what it stands for. Fornes et al. (2008) claim that organizational commitment is the factor that connects the employees to their respective organizations. In this respect, it establishes a feeling of belongingness between the work force and the company. And it is a major reason why organizations accomplish their goals and objectives.

Organizational commitment has been shown to have several very positive impacts; like increased intention to stay, higher job satisfaction, and lower absenteeism (Yahaya and Ebrahim, 2016). Chen et al. (2006) claim that higher organizational commitment increases job performance and work motivation. Highly committed workforces can eliminate the costs associated with low motivation, absenteeism, and high turnover (Yahaya and Ebrahim, 2016). On the other hand, without an engaged workforce, companies have to settle for mediocre performance at best. The reason behind this is that an uncommitted workforce may be willing to quit at any point in time resulting in more problems regarding costs of rehiring, retraining, redeveloping, and etc. of the next set of employees. Moreover, an organization with a very high turnover rate will definitely not be an attractive alternative in the perceptions of potential new joiners.

Due to the nature of the construct, organizational commitment brings out the otherwise dormant energy within employees. Thus, in today's highly competitive business world, organizational commitment promises a competitive edge over those companies which lack it (Arikan, 2019). Since organizational commitment helps companies succeed in their endeavors and can be a source of competitiveness, it is of critical importance especially in contemporary business environment.

Antecedents of Organizational Commitment

Organizational commitment literature provides quite an extensive list of antecedents because the construct is majorly a psychological attachment to the organization and there are different components of it. Moreover, the human psyche is a dynamic one and so are the external factors. So far, the findings of the literature regarding the antecedents of organizational culture can be grouped under four categories; demographic, individual, job related, and organizational factors.

Demographic factors such as age, gender, marital status, level of education, length of service (tenure), and leadership style pertaining in the organization seem to affect the level and type of organizational commitment (Chughtai and Zafar, 2006). At the individual level, personal attributes and the superior-subordinate relationships seem to dominate the level of organizational commitment or lack of it (Mathieu and Zajac, 1990). Job related and organizational factors sometimes overlap one another. Job characteristics, autonomy, remuneration systems, and interesting work appear as the major factors affecting organizational commitment, whereas culture, level of empowerment, fairness, clarity, leadership, and feedback seem to be the main organizational factors leading to organizational commitment (Alkahtani (2016), Fornes et al. (2008), and Meyer et al. (2002).

Due to the highly complex, and sometime overlapping, nature of the antecedents of organizational commitment, managers need to understand the individual motives and expectations behind employee engagement. By noticing these factors, reasons behind uncommitted as well as committed employees may be spotted. Thus, managers may understand the real source of motivation or lack of it. This can lead to management making more informed changes in their decisions regarding human capital policies of the organization.

Consequences of Organizational Commitment

The major outcomes of high organizational commitment are higher motivation (Mathieu and Zajac, 1990), higher job satisfaction (Yousef, 2000), better job performance (Chen et al., 2006), and lower turnover rates (Chughtai and Zafar, 2006). Highly engaged employees seem to outperform other employees on almost all aspects. Since organizational commitment is not a one facet phenomenon, but rather a three-component construct (normative, affective, and continuance commitment), it is noteworthy that not all types of commitment will lead to same levels of such positive consequences. In the literature of organizational commitment such a distinction should always be considered.

Apparently, the outcomes of organizational commitment are what all companies desire. In that regard, it can be argued that not all organizations are equally competent enough to manage their engagement policies. As discussed above, organizational commitment occurs at the individual level, whereas it has its roots at multiple levels (demographic, individual, job related, and organizational). So, in order to benefit from such advantageous consequences, managers need to have deliberate agendas concentrating on understanding the cause-and-effect relationships between their specific employees and the desired level and type of organizational commitment.

Normative Commitment

Meyer and Allen (1997) proposed a now widely accepted three-component model of organizational commitment. This model suggests that the major psychological state that connects the employee to the organization is one of these three components. However, any combination of these components is also possible. In other words, an employee may have more than just one component of commitment.

According to Allen and Meyer (1990), normative commitment is the desire to stay in the organization because the employee thinks and feels that it is the *right thing* *to do*. In other words, normative commitment occurs due to a feeling of obligation. In normative commitment, employees feel the obligation to pay back their dues since they believe that this would be the morally appropriate thing to do. In this sense, there is a reciprocity between what the company, managers or superiors provided and what the employees feel in debt for.

If as an employee you believe that your company hired you when no other company was interested in your credentials at the time, then the indebted obligation you feel may be the cause of your commitment. As with all mutual relations, there are two sides to this. At one side, the company has taken the initiative to hire you and spend time, energy, and money in training and developing you. So, it is a deliberate act on the management's side. On the other hand, it is easy to predict that not all individuals in a similar situation would feel the same urge of responsibility and obligation. Thus, for normative commitment to occur, there must be a congruency between the expectations and moral values of both sides. In other words, management can harness normative commitment by setting certain intentions, but must keep in mind that these efforts are better exerted on those individuals who share the same or similar set of values.

This component of organizational commitment can prevail because of either "moral duty" or "indebted obligation" (Meyer and Parfyonova, 2010, p. 284). If, as an employee, you believe that the company is going through rough times and it is your moral duty to help your organization navigate through such an unfavorable situation, then this can convince you to stay in the company. This can be called self-convincing because of a feeling of obligation. Likewise, if you believe that the company and your superiors invested heavily in developing your skills and capabilities and are the major reason why you became so competent and experienced, you may feel an indebted obligation to stay.

Affective Commitment

Affective commitment occurs at the emotional level and is the desire to stay as part of the organization. In other words, employees stay as part of the organization because they really *want to do so*. Darolia et al. (2010) claim that employees with high affective commitment are more likely to identify themselves with the company. Those employees with affective commitment find emotional value in the organization and they want to be a permanent part of it. Because of this emotional attachment, they feel as though they are part of the family. Such employees naturally enjoy work, but more importantly they enjoy working in that specific company and want to stay in it.

Colquitt et al. (2010) assert that spending extra effort on work is possible through those employees who have high levels of affective commitment. This kind of engagement is very valuable. In that regard, management should be very aware of its competitive potential. Such employees really are engaged in their work and their organization and they exert the extra effort willingly. Losing such engaged work force may be too costly for companies. Those employees with affective commitment are willing to contribute at a greater level because of their sense of belongingness. Managers, leaders, and supervisors should notice this component of organizational commitment in their employees and nourish it because it leads to higher motivation and involvement, which are attributes all companies look for.

Continuance Commitment

In continuance commitment, the employee makes a rational cost-benefit analysis of staying versus leaving. As a result of this analysis, the employee has a desire to stay and be a part of the organization because it is more beneficial that way. In other words, employees with continuance commitment stay with the company because *they need to*. According to Meyer and Herscovitch (2001), employees with continuous commitment find it "costly to discontinue" (p. 316).

For example, if as an employee you have certain promotion opportunities ahead of you or the situation in the job market makes your current salary seem more favorable compared with prospective positions in other companies, you may feel a certain level of desire to stay in the company due to these factors considered. Thus, continuance commitment occurs relative to other factors that may offer comparable benefit packages. In that regard, it is very much related with expectations and other viable opportunities. Needless to say, in this component of organizational commitment, merely compliance is provided by the employees to their organization. Superiors, managers, and leaders in general ideally ask for more than compliance. They want to have engaged employees who will be willing to go the extra mile when necessary. In this regard, even though continuance commitment is a component of organizational commitment, it is not a very desirable one (Cooper, 2003).

Management should be aware of those employees with continuance commitment and notice that they may decide to leave the organization if other alternatives seem more viable. In this respect, depending on whether or not those individuals possess the desired skills, abilities, and competencies for the company, management may reconsider what they offer to such employees. Certain benefits offered may be altered based on such an analysis.

Conclusion

All organizations pursue achievement of their goals, being more competitive than the existing rivalry, and keeping high performing individuals in the work force. Organizational commitment is a key factor in all these aspects. Through engaged employees, companies get better performance results. Both quantitative performance (e.g., sales figures, market share, profitability, etc.) and qualitative performance (e.g., better customer service, innovativeness, employee satisfaction, and etc.) of organizations improve through committed individuals who offer more and higher quality input at the human capital level.

With engaged employees, organizations also achieve a competitive edge over their rivals and this competitiveness is very difficult to imitate because it resides in the workforce of the company itself. All other resources a company possesses are imitable to a great extent, but if the human capital you have has more involvement and engagement than competitors, then this has the potential to be a source of sustainable competitiveness due to its inimitable nature. Also, if high performers in the company choose to stay in the organization, then this has several side benefits. It makes the company more attractive in the industry as well as among prospective employees. In addition, inside the company, it helps create a more successful environment and a more positive and healthier organizational culture. Other employees have good and strong examples to look up to. Finally, a highly committed workforce may make management's job so much easier by providing solidarity and engagement among employees in terms of goals alignment. Efforts of the workforce are more in line with the overall strategy and objectives.

Organizational commitment can be derived by a variety of factors; demographic, individual, job related, and organizational factors. Because of demographic differences, individuals may present different levels of commitment. Since some demographic attributes may change in time and affect the expectations of the employees, then this will naturally change the amount of commitment individuals have towards their jobs. As for the individual characteristics like personal attributes and the superior-subordinate relationships, companies would be benefiting greatly if they actively invested in their employees and received continuous feedback to understand what it takes to get those employees more engaged. Job related characteristics seem to be an independent factor affecting organizational commitment at first glance, but even this can be turned into a potential advantage in terms of engagement if the managers and the company at large devote themselves to provide more empowerment and autonomy.

By making work related tasks more interesting and challenging, the managers can bring out the otherwise latent creativity within employees and help them commit at a deeper level. So, the managers and the company may have a deliberate agenda to enable more commitment in order to make those high performing individuals want to stay as part of the organization. This ties to the organizational factors. By creating an environment where employees can continuously improve themselves, the managers can turn their work into a place of attraction. This will enhance the value of the company in the eyes of the current employees and it will make it a more desired place to work for the prospective work force.

Due to the nature organizational commitment, engagement may be present even without any effort on the part of the management or the managers as is the case sometimes with affective commitment, especially. Without any management intervention or doing anything exceptional, certain employees may already be highly committed to the organization. However, rather than waiting for this to happen, a more proactive management approach may trigger almost all antecedents of organizational commitment and help create a strong and widespread organizational citizenship behavior across the whole company. Thus, the managers and the leaders have a certain obligation to actively be a part of the organizational commitment process. Since the outcomes of highly engaged employees like higher motivation, higher job satisfaction, better job performance, and lower turnover rates are what all companies want to achieve, organizational commitment seems to be a very potent area where management can intentionally exert extra efforts. To reap the benefits of committed employees, managers can make organizational commitment a major topic on their agenda both in the short and long term.

Researchers have already shown great interest in organizational commitment and its development over the past several decades. Since organizational commitment is very much related with individual, job-related, and organizational factors, future research may benefit more from a holistic model, which can help clarify the overlapping issues. Such a model may show cause and effect relationships more clearly. Finally, if research initiatives combine such an effort with more longitudinal studies, the desired effects may be better presented to other researchers as well as the practitioners. By understanding the dynamics behind and within different types of commitment, researchers may offer more comprehensive approaches to improve employee engagement.

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