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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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Subscription rates:

Institutions - \$100/year

Individuals - \$30/year

ROMANIAN ECONOMIC AND BUSINESS REVIEW

WINTER 2021

VOLUME 16

NUMBER 4



ISSN 1842 – 2497

ROMANIAN ECONOMIC AND BUSINESS REVIEW

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THE INFORMATION SYSTEM IN THE LIGHT OF THE DECISION-MAKING PROCESS AT THE LEVEL OF THE ORGANIZATION IN THE CONTEXT OF DIGITALISATION

*Elisabeta Andreea Budacia
Lucian C-tin Gabriel Budacia
Marian Florin Busuioc**

Abstract

The activity of research, analysis and use of information is the expression of the decision-maker's need to adopt appropriate decisions. For a decision-maker information represents the vital "raw material" which sets in motion the entire process of approaching the respective decision.

On the basis of the organization's information system the knowledge of its realities is ensured, creating the proper conditions for the elaboration and achievement of managerial goals, as the information system allows the obtaining of the necessary information in order to substantiate the decision. The information systems' utility should become apparent before, during and after making a decision.

We believe that the elaboration of competent computerised systems with a view to assisting decision-making emerges as a priority for the new wave of managers.

Change is part of the evolution of the local and global business environment. Thus, economic cycles lead to the appearance and disappearance of companies, and the period of the pandemic emphasized this aspect. For this reason, one of the methods through which companies can create resilience when faced with certain crises is digitalisation.

Keywords: *information system, decision-making system, digitalisation, information*

JEL Classification: M20

Introduction

The activity of research, analysis and use of information is the expression of the decision-maker's need to adopt appropriate decisions. For a decision-maker information represents the vital "raw material" which sets in motion the entire process of approaching the respective decision. However, the decision-maker's capacity to obtain sufficient information is limited by certain restrictions, of which some are more relevant, namely: the costs associated with procuring information, the decision-maker's analysis possibilities, the characteristics of the relations between the decision-maker and his/her environment. In the decision-making process, information represents the basis for success for any organization and is essential for solving a multitude of problems which are generated by its activity. Organizations need numerous decisions

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in order to function, adapt, progress, use the advantages of certain opportunities and overcome periods of crisis. There is a wide variety of problems with which an organization is confronted: many decisions are repeated throughout a working day, while others appear rarely, even once in a few years.

The role of the information system in substantiating the decision

In the literature, there are many definitions for the information system. Thus, for Hirschheim it represents a social system of different meanings, which refers to interpersonal exchanges. It is considered that the exchange of information is made through different information technologies which do not question its meaning; the actors are always components of the information system (through the fact that they interpret the information) and of the organizational system (through their roles in the processes of the organization). In his turn, Alter defines the information system as a combination of information, individuals and information technologies with a view to achieving a certain goal. Reix considers that the information system is an organized set of resources (materials, individuals, programmers, databases, procedures) which allows gaining, processing, storing and communicating information in its different forms, within an organization.

To sum up, we consider that an information system is an organized and integrated set of models, procedures, human resources and technical means of gathering, recording, processing, transmitting and storing data and information relating to the activity of the management system and the environment in which it functions.

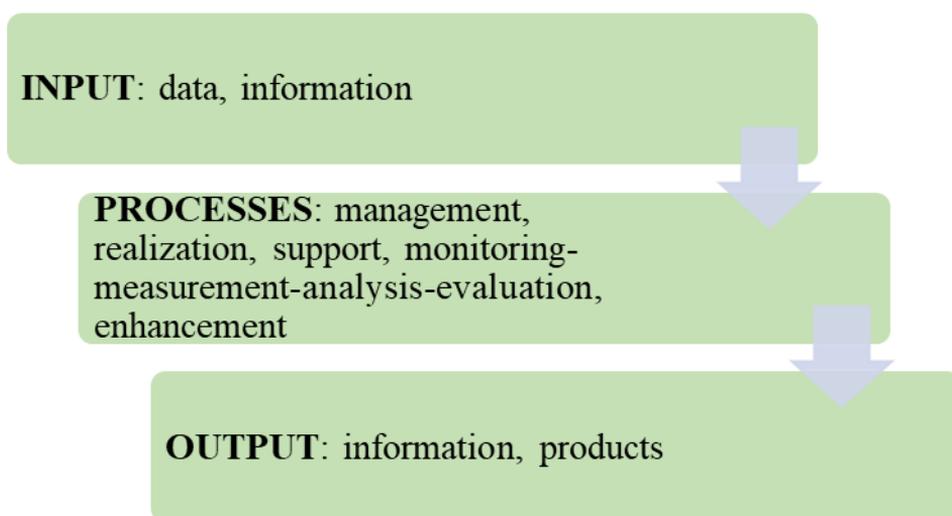


Figure 1: The simple chart of the elements of the organization's information system

Typical of the information systems is the fact that they should not be mistaken for the accounting system of an organization, accounting being just one of the processing methods, or the computerised systems, which are merely a technical support. Nonetheless, the accounting information system constitutes the basis of the information system for the majority of companies and their information systems are mostly

computerised, which often leads to the confusion between the core preoccupations of processing and the unessential ones.

On the basis of the organization's information system the knowledge of its realities is ensured, creating the proper conditions for the elaboration and achievement of managerial goals, as the information system allows the obtaining of the necessary information in order to substantiate the strategic decision, through the provision of the database necessary for the elaboration of development methods, for the processing and transmission of information regarding the degree of decision accomplishment, the measurement of the intensity of the managerial system's connections, the determination of irregularities and their nature and causes.

An organization's information systems can be more or less global and complete, more or less automated and permanent. They are omnipresent, multiform and more and more complex.

The information systems' utility should become apparent before, during and after making a decision:

- before: in order to prepare the decision;
- during the decision-making process: on the occasion of the simulation of decisional options and communication;
- after: the communication of the decision to those who carry it out (highlighting the information system's role as a coordinator) and exercising the control function in conducting it (on the basis of the return of information concerning the means actually used and the obtained results).

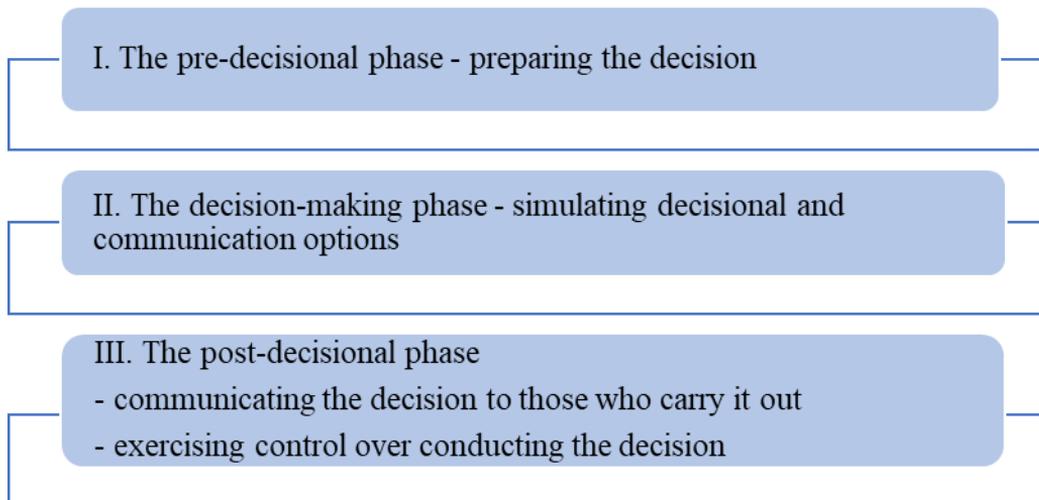


Figure 2: The phases of the information systems' utility with a view to adopting decisions

We believe that the elaboration of competent computerised systems with a view to assisting decision-making emerges as a priority for the new wave of managers. Even if, at the moment, information is no longer undervalued, underused and underestimated as it was in the past, there still is a series of problems regarding its use within the decision-making process.

The quality of information and the characteristics of the information which is relevant in the decision-making context

The **quality and value of information** impose the meeting of a double requirement: managers should be able to define the type of information they need and the computerised management system should be able to provide it. In order to make the best decision, managers should have at their disposal relevant information which leads to a richer knowledge, thus reducing uncertainty and being useful for established goals. Under these circumstances, the value of information as developed from the changes which intervened in the decision-making behaviour is of major importance, changes which were determined by the availability of information. Therefore, we consider that **good quality information is information that creates value through its use**, being characterised by the following elements: it is relevant for its purpose, it is sufficiently exact, it is quite complete in relation to the problem to which it refers, it comes from a source that the user trusts, it is communicated in a timely manner for its purpose, it is appropriately detailed, the communication was realized through a proper channel and it is well understood by the user.

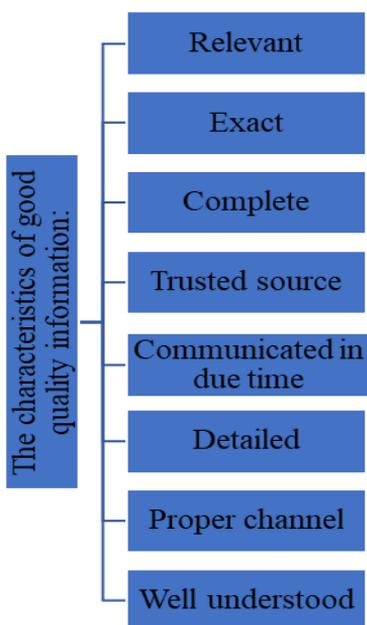


Figure 3: The characteristics of good quality information – a basis for the decision-making system

The **volume and periodicity of information** are very important, in the sense that a volume which is too high prevents managers from accomplishing their tasks. Good planning and a proper control of operations based on decisions should be centered around a constant flow of information, appropriately qualitative and in real-time.

Obtaining certain competitive advantages is represented by the reorientation of information technology¹ so that a dynamic view of the organization is ensured, a view

¹ Information technology strongly manifests itself as a competitive weapon which is extremely efficient in achieving set goals.

which facilitates the organization's adaptation to environment changes and thus its competitiveness. Competition is a current and difficult problem for any organization.

Improving the management's productivity represents a problem which was not taken into account until recently. And this was because the manager, through the decisions that he/she makes, does not realize a product in its own right and measuring his/her productivity through classic methods is quite difficult. We consider that the most efficient instruments for measuring the management's productivity are the quality of the decision and the time necessary for making the respective decision, instruments which are in a close relation of dependence with the quality and periodicity of information.

The harmonization of the objectives of a system with the already existing resources, in order to obtain a maximum efficiency, is realized through the impact of decision, as an essential trait of the management process which highlights the shift from thought to action. "The decision is made according to the information; the most important thing is to improve the information given to the decision-maker."² It is unanimously accepted that the hypothesis of a perfect knowledge is an illusion for technical and economic reasons. In the majority of situations, it is impossible to accumulate, process and master all the information necessary for a comprehensive knowing of a problem: knowledge will never be complete and perfect. Under these circumstances, we can state that the high qualitative level of the decision can be obtained not necessarily according to the "richness" of the information elements, but as a result of a good interpretation of these elements together with the level of preparedness of the decision-makers and the processing methods in use. "To run well a company means to be the master of its future; and in order to master the future, one must know how to work with information."³ The success of a company will depend more and more on the manner in which the management gathers information, on the quality of the gathered information, the speed with which it is processed in order to identify solutions and on the actions taken accordingly.

Characteristic of information systems is the fact they need different attributes, depending on the decision that is to be made.

² Löning H., Pesqueux Y. and collaborators, "Le contrôle de gestion", Dunod, Paris, 1998, p. 207.

³ Harper M.Jr., "A New Profession to Aid Management", Journal of Marketing, no. 3, 1981.

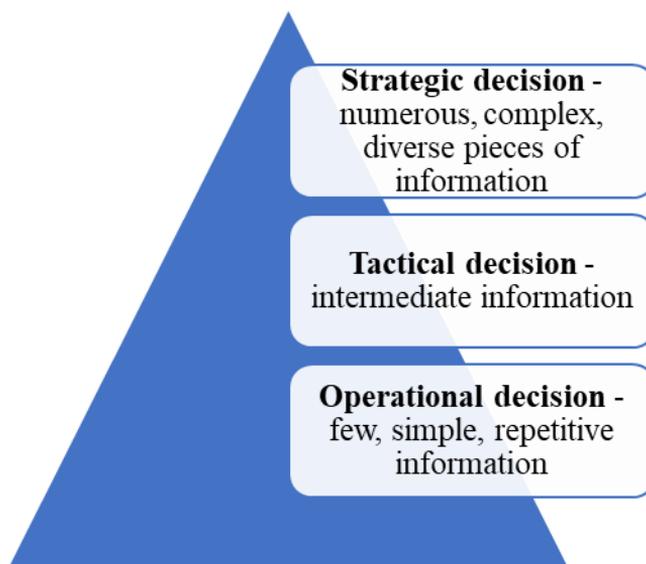


Figure 4: The levels of decision and information typology

In the analysis of current organizations, Marchand⁴ identifies four different modalities to contrive and use information, grouped under the umbrella term of “information cultures” as follows:

Table 1
Defining information cultures

The functional culture	Managers use information as an influence vector, as well as with a view to foreseeing.
The culture of distribution/separation	The manager and the employees estimate that the information is useful for the improvement of their activities.
The culture of questioning	The manager and the personnel view information as a means for a better understanding of the future and for identifying solutions in order to adapt to future trends/ orientations.
The culture of discovery	The manager and the employees are open regarding new ideas, in order to overcome crises and face changes, as well as to modify the methods of keeping competitors at a distance.

The desideratum of establishing a certain harmony between the set objectives and the existing resources, with a view to obtaining a maximum efficiency, is realized when the information system meets the conditions which concern:

⁴Marchand D.A., “La culture de l’information “, in L’art du management, Les Echos, March 1, 1997.

- **information determinism**, according to which information systems prove their utility regarding the determination and explanation of the decision;
- **adequacy** in relation to reality;
- **decision precedence** (before making a decision, all the conditions which impose it will be studied).

Thus, those who manage information systems must be vigilant when the imperative of the information systems' adequacy (regarding their conception and use) in relation to decision-making necessities constitutes a strategy. Processing information and, in a broader sense, all knowledge and competencies at the level of the organization, becomes a strategic variable for the organization: it can identify the important advantages and differences with respect to its competitors.

Change is part of the evolution of the local and global business environment. Thus, economic cycles lead to the appearance and disappearance of companies, and the period of the pandemic emphasized this aspect. For this reason, one of the methods through which companies can create resilience when faced with certain crises is digitalisation. Specialists from all over the world state that companies should build digital resilience. It may seem complicated, but it is, in fact, an aspect that regards the manner in which companies invest in technology.

Conclusions:

In conclusion, we consider that **managers of computerised systems should find answers to the following questions:**

- What information and knowledge is really useful for the organization and through which the organization can create the possibility to differentiate itself from its competitors?
- In what way does the functioning and practice of the organization modify the behaviour regarding information and knowledge?
- In what way can the organization use information in order to sustain changes?
- How can the organization evaluate and adapt the management of information in order to sustain the evolution of its strategies?

Furthermore, the reliability and utility of information systems represent relative and limitative characteristics of each organization. The pertinent character of information systems evolves in relation to their users and in relation to the modification of internal and external parameters; information systems are not effective and pertinent in an intrinsic manner, they have to include a "vigilance system" in order to make possible the anticipation of modifications and the detection of signals which announce important variations in the environment or in the organization.

In more practical terms, companies can invest in the Cloud infrastructure, in order to have all their operations in one place or they can invest in laptops, in order to facilitate telework. Another essential investment in digital resilience and in overcoming crises is in cyber security. While before the pandemic a company could work on a single secured network, today it works on several networks, which more often than not

are not secured, in the context of teleworking. This fact leads to cyber attacks and data breaches. For this reason, companies should invest in this field as well, in order to protect their employees with digital tools.

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TOWARD A CLOSER UNION? SOME IMPLICATIONS OF THE EU RECOVERY PLAN

*Georgiana Constantin-Parke**

Abstract

The tragic social and economic disruption of the COVID-19 pandemic has forced countries to take what they considered to be the proper steps toward improving their economies. In the case of the EU, its recovery package has sparked debates around impending fiscal federalization and the future of economics, sovereignty and democracy in Europe. This paper looks at discussions surrounding the package's long-term effects especially as regards a fiscal union (and how such a union might affect EU politics and democracy), and, finally, how such a move might translate into seismic cultural turmoil. In addition, the current EU move toward a potential closer union is often contrasted with the formation and functioning of the US, from which lessons might be gleaned and, hopefully, heeded.

Despite the otherwise encouraging prospects touted by politicians and MMT advocates, the long-term effects of inflation in the wake of the relief package could be serious and their prospective emergence should not be ignored. Moreover, if one thinks, as Sowell might say, 'beyond stage one', the effects of fiscal federalization of the EU might well have effects which trickle down to the very foundations of cultural and democratic interactions.

Keywords: *Fiscal union, EU, democracy, cultural disruption, US*

JEL Classification: F02, F50.

I. Introduction

The COVID-19 pandemic has led to much economic and social disruption around the world. In the wake of the lockdowns and with the advent of vaccine mandates, people who would generally make up important parts of the economy have had to, so to say, abandon their posts. Supply chains are disrupted¹, employment is down (in most cases because of a worker shortage and mass exodus from the workforce²) and the world is struggling to recover from what is being seen as the great pandemic of the last hundred years.

Every country in the world is trying to find the best way to stave off further economic hardships, and the EU, as a united block is also looking at ways to speed up

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¹ COVID-19: Managing supply chain risk and disruption. Deloitte <https://www2.deloitte.com/global/en/pages/risk/cyber-strategic-risk/articles/covid-19-managing-supply-chain-risk-and-disruption.html>

² Michael Wolf, *The global labor shortage- How COVID-19 has changed the labor market*, Deloitte. <https://www2.deloitte.com/xen/en/insights/economy/global-labor-shortage.html>

recovery and avoid future problems. Of course, the desire to implement lasting and efficient change does not always equal good results so it is important for countries in general, and the EU as a block especially, to remember that intention and result must be weighed carefully before implementation of any plan can take place.

Currently, in what will be “the largest stimulus package ever financed in Europe”, the EU’s long-term budget, together with NextGenerationEU (NGEU) a temporary mechanism designed to help with recovery³ (sitting at a total of €2.018 trillion⁴ in current prices) is lauded as the perfect solution to a difficult post- pandemic European revival. It is advertised as bringing about “a greener, more digital and more resilient Europe.”⁵ Might that truly be the case, or is the EU embarking on changes that have consequences it has not foreseen, or even worse, has ignored?

II. EU Recovery Plan: Where to?

The EU Recovery plan is included in the EU’s 2021-2027 long term budget and its Next Generation EU recovery instrument. It totals € 2.018 trillion in current prices⁶. The 2021-2027 multiannual framework equals €1.211 trillion, and it will be combined with the €806.9 billion which make up the Next Generation EU recovery instrument’s total value.⁷

The European Commission’s website notes that this is “a truly modernized budget”⁸ and breaks down what the money will be spent on, that is: more than 50% of it is allocated to research and innovation meant to modernize the EU (this will include “fair climate and digital transitions”, as well as “preparedness, recovery and resilience”⁹); 30% of it will be allocated to fighting climate change, protection of biodiversity, and gender related issues; 20% will be going toward digital transformation.¹⁰

The EU budget is to be funded in a few ways: EU own resources based on customs duties, gross national income (GNI) based on direct contributions from member states, contributions based on the value added tax collected by member states (VAT), a new contribution for member states based on their waste of non- recycled plastics, and other sources (such as competition revenue and other fines as well as taxes on EU officials’ salaries).¹¹

The Next Generation EU’s funding will come from borrowing on the capital markets. These amounts, approximately EUR 806.9 billion are to be paid back until 2058. For this repayment the EU will be looking to add new own resources such as: the carbon border adjustment mechanism (a tax on products not made in the EU in order to

³ Recovery Plan for Europe, *European Commission*. https://ec.europa.eu/info/strategy/recovery-plan-europe_en#the-largest-stimulus-package-ever

⁴ *Ibid.*

⁵ *Ibid.*

⁶ All sums are expressed in current prices unless otherwise noted.

⁷ The 2021-2027 EU budget – What’s new?, *European Commission*. https://ec.europa.eu/info/strategy/eu-budget/long-term-eu-budget/2021-2027/whats-new_en

⁸ *Ibid.*

⁹ *Ibid.*

¹⁰ *Ibid.*

¹¹ The EU’s 2021-2027 long-term Budget and NextGenerationEU, FACTS AND FIGURES. *European Commission*.

ensure they face the same CO2 emission costs as products made in the EU), a digital levy (a tax which includes that digital businesses also pay their “fair share”), and, own resource based on the EU emissions trading system (ETS), that is, “an equal price on CO2 emissions everywhere in the EU”.¹² There will also be consideration given to new taxes, such as a new corporate tax base and a financial transaction tax.¹³

As Leino-Sandberg and Vihriälä observe, through the NGEU recovery package a “fiscal union emerges [...] in two senses: through joint borrowing, which impacts on the aggregate fiscal stance; and through the transfers to member states. The EU is effectively getting a fiscal capacity that many have considered an essential but so far lacking element of a functioning monetary union”¹⁴. In what will be “the largest stimulus package ever financed in Europe”¹⁵, the EU’s long-term budget, along with NextGenerationEU¹⁶ is lauded as the perfect solution to a difficult post- pandemic European recovery.

As Leino-Sandberg and Vihriälä observe, through the NGEU recovery package we can see the emergence of a fiscal union, both through joint borrowing and through the subsequent transfers to member states¹⁷. Even though borrowing money on behalf of all member states is not something the EU was set up to be able to do by its founding treaties, the accelerated crisis response due to the COVID-19 pandemic is now affording it the type of capacity which many have already argued should have come with its monetary one.¹⁸ This future fiscal union would be incomplete, though. In order for the EU to finance its budget, through the Own Resources Decision (ORD), it needs to be approved by all member states through their national parliaments. This process is of course going to cause disagreements as is generally the case with the need for unanimous decisions.

Some of the most obvious pro and against arguments in the case of a European fiscal union are easily imagined, as one article on the EU website Debating Europe also underlines.¹⁹

Firstly, it is difficult, some argue impossible, to sustain a monetary union without a fiscal one. The argument goes that central EU monetary policies combined with national fiscal policies are unsustainable and that an EU Finance Ministry accompanied by good democratic oversight will make the Union strong and more stable “mutualizing credit risk while imposing tough fiscal discipline.”²⁰

Secondly, many see that in the current international scene, it will be difficult to keep the EU nations from decline without more fiscal unity: “Unless a strong fiscal element is adopted, predatory markets will be able to pick off the weakest members of

¹² *Ibid.*

¹³ *Ibid.*

¹⁴ Päivi Leino-Sandberg, „The Emerging Fiscal Union needs a solid foundation” Vesa Vihriälä 31 May 2021, *VoxEU*, <https://voxeu.org/article/emerging-fiscal-union-needs-solid-foundation>.

¹⁵ *Ibid.*

¹⁶ *Ibid.*

¹⁷ Sandberg and Vihriälä, “The Emerging fiscal union...”

¹⁸ *Ibid.*

¹⁹ Debating Europe, “Arguments for and against a fiscal union”. <https://www.debatingeurope.eu/focus/infobox-arguments-for-and-against-fiscal-union/#.YUX5d9NudUI>

²⁰ *Ibid.*

the euro herd. Fiscal union would raise Europe's market credibility and eurobonds would rival US treasuries."²¹

Thirdly, the desire for a united Europe is strong in many circles: "Central tax resources and mutualized debt would become powerful symbols of a united Europe. The need for strong democratic oversight will spur the creation of a revitalized European Parliament and directly elected Commission."²² Such a construction, a United States of Europe, could arguably compete better on the international level and have a stronger presence in global debates and actions.²³

The Union's finances might arguably be better organized and, the article goes, and keep in fiscal check "wayward Irish, Spaniards or Greeks."²⁴ And, of course, stronger and more relevant EU institutions would help create a clearer separation of Union and national fiscal competences.²⁵ But there are also problems with such a union, as the above-mentioned article also notes.

Firstly, a central governmental power is not expected to be able to deal with all the local problems arising in the EU nations, especially since Europe is so much more diverse in its traditions and culture, than the example most often cited as a union success, the US. "Fiscal union would entail a ballooning of the EU budget – provoking endless bickering among the 27 (or more) member states on how to share it out, not to mention the expanded scope for graft and bureaucratic inefficiency. It's a recipe for gridlock."²⁶

Secondly, there is the issue of democratic deficit. Taking the power of setting budgets and mandating taxes away from national governments can prove politically and economically unsound, not to mention, it takes even more away from the sovereignty element of member states.

Yet, when a fiscal union emerges, significant steps towards federalization might likely have to be taken in order to keep some semblance of democratic oversight on strong central EU institutions. Taxation with representation is also an important factor which will have to lead to a stronger political union. In the end, there cannot be a central European institution taxing its members' citizens in the same manner unless there is democratic oversight of and implication in its activities. EU federalism is not something that could be made a reality immediately, though, as Leino-Sandberg and Vihriälä also note. Of course, the best time for most decisive steps towards societal restructuring will always be during some sort of national, or even better, international crisis. The COVID-19 pandemic offers the possibility for rulers everywhere to envision a future more catered to their needs, as events of government encroachment on individual rights around the world have shown.

Modern monetary theory (MMT), which puts forth that there is no need for governments of monetarily sovereign countries (powerful states such as the US, China, Canada) to borrow money or tax citizens for their spending, when they can

²¹ *Ibid.*

²² *Ibid.*

²³ *Ibid.*

²⁴ *Ibid.*

²⁵ *Ibid.*

²⁶ *Ibid.*

actually just print as much as they want with no tragic consequences²⁷ might sound like a good idea to many leaders, but great care must be taken, as the risks of hyperinflation are not to be taken lightly. The EU's intention of creating an indebted fiscal union which might only find stability in the future by increasing the need for a stronger political union might not bode well for either its economic well-being (despite what MMT advocates might espouse) or its citizens' freedoms. And, what starts off like a Union control of states' finances would soon lead to other types of central control. After all, as Hayek put it, "money is one of the greatest instruments of freedom ever invented by man."²⁸ In the end, neither inflation caused by central planning nor democratic deficits are consequences EU citizens can afford to ignore.

As for the concept of a federalized Europe, it is a long debated and problematic one in itself. And, after Brexit, the not- so elegant adieu bid to the EU by the UK, a member with a solid tradition of democracy as well as sobering link to its monarchical and imperial past, what might a more united EU really look like anyway?

III. Problems of EU federalism

The European Union and the European People

In the event of an ever- closer fiscal and ultimately political union, many problems will arise which will shake the cultural foundations of several European states.

Around the continent of Europe, although there have been so many shared cultural experiences, one can witness a difference in how each country has built its foundations and how its national character, issues and debates are continuously evolving. Some countries have a greater number of religious people, some have a greater number of non- religiously affiliated people. Some countries welcome most new ideas as a sign of progress, some are pickier and more analytical about what progress means, and so on.

In a Europe ruled by central powers, the most powerful nations would no doubt be leading in dialogue and ideology. What is acceptable and seen as normal in one culture will have to be seen the same way in all cultures.

In Europe, there are different histories and cultural foundations, a different understanding of the world, different national religions, languages, national characters and identities and a different story of formation and purpose of every single country. This leads to different realities, economies, expectations of normalcy, and different political pursuits. Such dissimilarities became obvious during the EU's debt crisis, but they continue to be even more so brought to light by different issues.

There are those nations in the EU which do not yet accept a demand from the central EU powers to create laws accommodating certain issues long decided upon in parts of Western Europe such as LGBTQ+ unions, gender identity, sexual education for young children, euthanasia and so on. Some matters are forced on countries before their society has had the time to develop the cultural dialogue to deal with this on a

²⁷ Modern Monetary Theory, *Investopedia*. <https://www.investopedia.com/modern-monetary-theory-mmt-4588060>

²⁸ F.A. Hayek, "*The Road to Serfdom: Text and Documents--The Definitive Edition (The Collected Works of F. A. Hayek, Volume 2)*". University of Chicago Press. Kindle Edition, p. 125.

national level. This can be seen in the mandates the EU desires to place in the same sex marriage conversation.²⁹ This is not to say that certain cultures will forever decide that legal benefits and rights of same sex partners should not be recognized but rather that the conversation needs to take a careful consideration of freedoms such as religion, thought, expression and belief. Many issues can sometimes³⁰ clash with religious freedom, as they have in the US at times. Yet this freedom's importance (as others') cannot be overstated. As Eliade, the historian of religions observes, the concept of the sacred is something that is an intrinsic element of the human conscience rather than a prescientific stage of human evolution.³¹ Thus, religion, as Eliade sees it "presupposes and affirms the transcending of the profane, offering man the possibility of perceiving the sacred."³² As a fundamental reality of human existence, religion and the freedom to practice it have been essential for both man and society's wellbeing and a forcing of ideology on those of certain religions is not a matter conducive to freedom or cooperation.

When issues are artificially introduced in a society, when dialogue is not permitted but a resolution to an issue that was perhaps barely known in that society only years ago is forced upon a nation, it can break the natural course of cultural absorption and the trajectory of that particular nation to the point that it can spark unreconcilable breaks in the fabric of national unity. And this applies also to economic and political decisions which speak to a nation's character and its ultimate national direction. Overriding cultural values and imposing universal decisions on countries not yet ready to take on certain issues will be a blight on the EU if it does in fact reach a high level of political union.

Culture is not important only as regards a state's inclination towards or away from union or a centralized power. This fundamental building block of society has a certain developmental and chronological rhythm which, if broken, might take a long time to recover, if it ever does. What this means is that the peaceful flow of societal relations and interactions is disturbed. This can lead to delays or stifling of national identity and growth. Such a tragic process can be witnessed in post- communist countries, where the reality of breaking this delicate rhythm is evident in the struggles of these nations to not only embrace modernity but also to find their identity, balance, and peace.

Now, another significant issue for a potential USE is that of language. And this, in particular, presents a very unique problem to the idea of political union in Europe. It might not seem like that important of a subject, but the very idea of a nation's language, from the way it was formed, to the number of people who speak it, to its complexity, the effort it takes to learn and the effects it has on the speaker's mind and

²⁹ Craig Turp-Balazs, European Parliament calls for action against Romania over failure to grant free movement rights to LGBT+ couples, Emerging Europe, <https://emerging-europe.com/news/european-parliament-calls-for-action-against-romania-over-failure-to-grant-free-movement-rights-to-lgbt-couples/>

³⁰ The Associated Press, "A Colorado baker is fined for refusing to make a cake for a transgender woman". *NPR*. <https://www.npr.org/2021/06/17/1007594289/baker-fined-for-refusing-to-make-cake-for-transgender-woman>

³¹ Eliade's ideas on religion in Schifirnet "Religie și Tradiție", *Revista Română de Sociologie*, serie nouă, anul X, nr. 1–2, p. 53–72, București, 1999, p. 54.

³² Constantin Schifirnet, *op.cit.*, p. 54.

reality, language is the social glue which forms a people's most core identity. And language is intrinsically tied to national identity. As von Mises also noted:

“We speak of the German language and everything else that bears the label ‘German’ gets it from the German language: when we speak of German writing, of German literature, of German men and women, the relation to the language is obvious. Moreover, it does not matter whether the designation of the language is older than that of the people or is derived from the latter; once it became the designation of the language it is what became decisive for the further development of the use of this expression. And if we finally speak of German rivers and of German cities, of German history and German war we have no trouble understanding that in the last analysis this expression also traces back to the naming of the language as German. The concept of the nation is, as already said, a political concept. If we want to know its content we must fix our eyes on the politics in which it plays a role. Now we see that all national struggles are language struggles, that they are waged about language. What is specifically ‘national’ lies in language.”³³

Language shapes reality and truth, it shapes philosophies and beliefs, it defines nations and individuals. What might be the interaction of languages in a potential USE? Will it be different than what it is today? How might that affect the union? In the end, is there a European people to speak of, a European identity? Or is it a Europe of many peoples and identities, ones which might never be able to reconcile themselves with a few central ruling EU institutions led by Europe's great powers. Some might even see the attempt at federalization under the strong influence of the EU's most powerful nations as a remnant of imperialism rather than an effort for cooperation and equal representation.

In order for the EU to not become a super state representing the interests of its most powerful nations rather than all of its members, the democratic oversight would have to be great indeed.

It might be worth for the EU to look at some of the safeguards of the union it most collaborates and often compares itself with, the USA. A strong Constitution with great protections for its citizens' freedoms, an electoral college for the equal representation of its people no matter the size of the state's population, and other such provisions would be modeled off the US. Other uniquely European provisions would have to be made also though, such as efforts to keep the cultures and languages of each of its member states alive and to cultivate respect among its nations by making all cultures and national treasures (literature, science, music etc.) well known and promoted across the Union. Also, a great way to enhance freedom in the Union would be through a strong free market to support healthy competition through fewer and lower (not more and higher) taxes for businesses no matter the size as well as low barriers to entry in the market by limiting bureaucracy and cost for small companies that wish to compete. Moreover, special training for its Eastern bloc countries would be a useful tool which could strive to fend off corruption and excessive bureaucracy as well as educate on the tradition and implementation of democratic liberties.

³³ Ludwig von Mises, *Nation, State, and Economy- Contributions to the Politics and History of our Time*, Liberty Fund, Indianapolis, 2006, pp. 9-10.

IV. Further safeguards, and examples from the US

One of the best safeguards for freedom in the US lies within its Constitution. As well, the intent of the country's carefully tailored creation is obvious in its Declaration of Independence, which notes: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness."³⁴ The right of an individual to pursue happiness, whatever that may mean to them, is a unique and important addition. But the following is no less important: "to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed, --That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it"³⁵. Keeping the government from having too much power, which could, in the course of time, lead to tyrannical impulses, is a crucial part of the intentions of both the Declaration of Independence and the US Constitution. Hence, the Bill of Rights, that is, the first ten amendments to the US Constitution, see to it that vital freedoms among which are that of expression, religion, self -defense (from even the government itself), fair trial, and a solid role for individual states, are guaranteed.

If a Constitution for the EU were to come to pass, as unlikely as that might be at least in the short term, it would have to promise such freedoms and be just as difficult to amend and change as the US one, so that it is protected from regular redefinition and abuse.

And, while one can look at the federalist and anti -federalist papers to see what a potential USE might learn from the USA, it is probably more effective to look at how the reality of the US has turned out. It is still one of the richest countries in the world, but it has changed much especially in terms of its economic freedoms. And, as this continues to be influenced by socialist, interventionist policies, the danger is that its wealth will also diminish. A more politically united EU would have to take note of the USA example, in terms of its founders' intentions, the way laws were implemented and the effects they had on the states and their people, as well as the way those freedoms remained, expanded or disappeared after 245 years of existence.

There is much to be said on this subject and unfortunately not enough room to explore it in such a short analysis, but suffice it to say, any move toward a closer unity in the EU needs to be very delicately handled. Some might even question if it can be handled at all.

V. Conclusion

As COVID-19 passes and allows the world to open up once more, there are many issues to which we need to devote our attention. The recovery package set forth by the EU will have economic consequences including but not limited to inflation and a great number of years which citizens will spend paying it back, as well as creating undue burdens on businesses in the future if they are to be subject to new taxes. Investment in renewable resources, while a great idea, might also lead to energy

³⁴ United States Declaration of Independence, <https://www.archives.gov/founding-docs/declaration-transcript>

³⁵ *Ibid.*

production and price problems, especially if higher taxes for traditional energy resources are present.³⁶

Creating a closer union both economically, through the recovery plan and politically in the wake of it will have a special set of issues and will have to be handled with great care.

Whether these plans will be successful or not, it is important that vigilance is kept so that no matter how Europe moves forward, its citizens will have the best chance at keeping their freedoms intact now and in the immediate as well as distant future. It is up to each citizen to keep a watchful eye on their liberties, lest they find themselves in increasingly authoritarian environments.

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³⁶ Frédéric Simon, *EU energy tax plan seeks to end 'hidden advantage' for fossil fuels*, Euractiv, <https://www.euractiv.com/section/biofuels/news/eu-energy-tax-plan-seeks-to-end-hidden-advantage-for-fossil-fuels/>

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MAJOR TRENDS ON CRUISE SHIP DESIGN AND NEW SHIP CLASS TYPES

*Catrinel Dridea
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Abstract

With a relatively recent history, the cruising industry has grown significantly over the years. Nowadays, at over 20 years of the XXI century, in a difficult period, with political instability, lack of confidence in economical unions, economic crisis and Covid 19 pandemic, the cruising industry is still focusing on creating an innovating product, new cruise ships, able to fulfill passengers' needs and wants, as many possible, trying to impress by a modern design and special amenities and facilities, that no one expected to be possible 50 years ago.

In this context, this research aims to underline the newest architectural and design trends of river, sea and ocean cruises, taking into consideration the changes of consumer behavior of cruise passengers.

Keywords: *Cruise line, design, facilities, innovation*

JEL Classification: Z30.

1. Introduction

Over the years, cruising has become a more and more appealing alternative to land-based holidays, with an increasing number of first time cruisers, which are representative for the evolution of the industry.

Cruising has been characterized as one of the fastest growing sectors, as part of travel and tourism industry, as major companies have invested in developing a large number of ships, with high capacity and a variety of facilities onboard.

The various amenities, for different types of travelers combined with new and interesting itineraries have made cruising to be a must try experience. In addition, shore excursions organized in the cruising package represent a plus value for all the customers.

Becoming more popular among tourists, the major companies have increased their actions towards creating different types of ships, with large addressability, themed cruises, with a major accent on facilities and leisure activities, to an extent of an *artificial city*.

As a result, more tourists are choosing ships that provide a complete experience, with emphasis on the ship's features and services, rather than the itinerary itself. This being the case, there is an intense competition among cruise lines to offer a state of the

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art experience, with facilities and design that will delight the actual passengers as well as the potential ones.

2. Cruise industry major trends

All tourism activities have been profoundly influenced by the tourists' consumption habits. Changes have occurred in the travel preferences of tourists, hence the constant adaptation of offers. The modern tourist is nowadays an experience one, with high exigencies in selecting a vacation, far more invested in this process, than ever before. The consequence of the demand's dynamic is also registered in the major trends of cruising industry, to properly meet the traveller's needs and wants.

As previously mentioned, one important trend is represented by selecting the cruise ship as destination, which requires a higher input from companies to deliver high end products and services similar to daily based ones, the customers are familiar to.

Important trends that can be mentioned¹: *instagrammable* cruise travel, instagram feeds with different travel experiences on and off board; *total restoration* with modern wellness facilities; *achievement travel*, experiencing *goal oriented cruise*; *on board smart technology*, *conscious travel*, sustainable travel; *new out of reach destinations*; increase of *Generation Z passengers*; *off season experience*; *combining work with leisure*; *travelling alone* etc.

The spread of Covid 19 pandemic has significantly changed the evolution of cruising industry. As all activity has come to an end in 2020 and the start of cruise travel has encompassed, besides, the previous ones, a series of revival trends for the years to come²:

- On board technology will represent a key element of every activity, with a focus on touchless experience, such as check in online, booking shore excursion or meals and others;
- Out of reach, new destinations; world cruises;
- Off season destinations; tourists are more interested in travelling, therefore off-peak season cruising are expected to be increased as well;
- Women focused cruises, themed cruises for women will rise in popularity, consistent with the trend of solo travelling;
- Instagram travel, this approach of travel, facilities and itineraries through the lens of social media is more and more appealing in selecting a cruise vacation;
- Health eating and wellness;
- *Workation*, a combination of work and vacation cruise, will attract more passengers, taking into consideration the higher percentage of remote working employees;
- New gaming facilities, entertainment areas upgraded with high tech facilities, gaming attractions, more onboard activities;
- Small ships and shorter cruises are more likely to operate;
- Increase attractiveness of young travelers for cruising;
- Enhanced cleaning protocol, new health screenings and others.

¹ <https://cruising.org/-/media/eu-resources/pdfs/CLIA%202019-Cruise-Trends--Industry-Outlook>

² <https://www.cruisebooking.com/articles/cruise-tips-and-tricks/cruise-trends-2021>

Many of these changes have already begun influencing the cruising experience, others have just been implemented as companies are focusing on strategies to restart safe tourism onboard. Many initiatives are concentrated on improving the onboard experience and properly adapting to a different crowd, new requirements and necessities. This translates to approaching a new ships design, able to cater for all new trends.

At pace with the younger generation, initiatives are directed towards gaming facilities, more and more diverse activities onboard, social media presence, increase of high tech in every aspect of travel etc.

3. Initiatives of new class types ships

The cruise ships are used for leisure voyages, offering a complex experience, not only the itinerary, but also the onboard amenities, attractions and entertainment playing a more and more important role in choosing a specific cruise ship.

The rapid development and specialization process of the entire cruise industry has influenced the modern cruise ships in terms of design, materials, size and other onboard functionalities, as well as the facilities provided, as a response to a modern and sophisticated clientele. More than that, these changes have occurred, by taking into account major concerns about finding proper solution to cruise industry's impact on the marine environment and coastal communities.

The extent of cruising worldwide, to new destinations, exotic or secluded ones has determined companies to reconsider the cruise ship design and amenities, along size and structure, enlarging the existing class types, with different types of vessels and ships for cruise and excursion services in seas, oceans, rivers and lakes all around the world. Nowadays, the main ship class types are, as follows:

- **Mainstream Cruise Ship**³ - Known as floating resorts, the mainstream cruise ships are the most common and popularly type of cruise ships. With a capacity for 850-3,000 passengers, these vessels are equipped with various standard resort features, amenities and services, such as restaurants, bars and pubs, nightclubs and discos, shopping areas, theatres and cinemas, galleries and museums, libraries, casinos, gyms and spas, swimming pools and other sport facilities. Available for a wide range of customers, these cruise lines offer some of the most extensive programs for children and teens being the perfect choice for families⁴. Mainstream cruise ships can further be divided into two more different types of cruise ships⁵:

- ✓ *Contemporary cruise lines* - are represented by cruise ships with large vessels and with largest variety of onboard entertainment options. These cruises offer the widest range of cruise schedules and itineraries, very appealing for families, small groups looking for entertainment facilities and services, as well as couples and honeymooners.
- ✓ *Upscale Contemporary Cruise Lines* - these cruise ships are designed with all the amenities of the regular contemporary cruise lines but have also facilities for catering to upscale passengers.

³ <http://www.windrosenetwork.com/The-Cruise-Industry-Types-of-Cruise-Ships>

⁴ <https://www.fodors.com/cruises/cruise-lines-by-type>

⁵ <https://passportsymphony.com/different-types-of-cruise-ships/>

- **Mega Cruise Ship** – are the largest and most sophisticated ships able to accommodate more than 3,000 passengers. In terms of capacity and onboard services, the mega cruise ships are defined as a new class of cruise vessels, operating for more than 5,000 passengers, in some cases.

- **Ocean Cruise Ship** – designed for long ocean voyages and world cruises, the ocean cruise ships is characterized by a more solid design and a more resistant structure. These ships may not provide the same entertainment options as the contemporary cruisers, attracting adventure-seeking travelers, rather than families.

- **Luxury Cruise Ship** – these cruise vessels are defined as the most sophisticated ones, with luxurious amenities, high standard features and services provided for an exclusive clientele, available for longer itineraries and exotic destinations. There can be divided into three different types:

- ✓ *Premium cruise lines* - are represented by large ships, but not mega ships, offering voyages to exotic destinations, at higher prices. The size of the ship is an impediment on docking in the city center. These types of cruise lines are considered to be a great choice for luxury travelers, catering for passengers seeking luxurious accommodation, fine dining, and excellent activities and services. The majority of passengers are more mature and exigent in services, ship amenities and accommodation facilities required.

- ✓ *Ultra-premium cruise lines* – are much smaller than the previous ones, but providing similar facilities. They offer voyages with unique itineraries, to popular ports and to less-traveled destinations at an upscale price range, higher than the premium cruise lines. Due to their size, there are able to dock near the city, with the opportunity for passengers to easily reach the popular tourist attractions.

- ✓ *Ultra-Luxury Cruise Lines* - this cruise type is the high end of luxury travel, in terms of amenities and services provided, meeting customers' every expectation, being the most expensive type of cruise travel.

- **Small Cruise Ship** - are offering the basic amenities as the mainstream cruise ships, but the size is considerably different, the small cruise ships having a capacity up to a few hundred passengers. Motor or sail powered vessels, or medium-sized cruise ships are able to access less familiar destinations, smaller ports unreachable by large vessels, characterized by an intimate experience and cruises theme such as: ecotourism, culture or history cruises, sea sports, single cruises, senior cruises and others.

- **Intimate vessels** – this category refers to even smaller ships including all types of ships from river ships and mega-yachts to sailing and expeditions ships. They are providing a flexible offer, allowing passenger the opportunity to determine the itinerary in accordance with their needs.

- **Sailing Vessels and Yachts**⁶ - considered being part of a specialty line, these types of cruise ships include yachts, sail-assisted ships, and dual-purpose cargo ships. The cruise ships are catering for budget conscious travellers that are interested in an intimate experience. Their popularity is well known in Mediterranean countries such as Italy, Greece, and Turkey, more so, in this pandemic context that affected the entire industry.

⁶ <https://passportsymphony.com/different-types-of-cruise-ships/>

- **Adventure Cruise Ship** – The vessels are usually sail powered, with luxury amenities and tend to be small in order to reach remote destinations or inaccessible ones for large vessels. They are oriented towards a specific type of passengers offering adventure activities such kayaking, rafting, exploring remote fjords, or shore excursions that include mountain climbing etc.

- **Expedition Cruise Ship** – represented by small sized vessels, are able to get closer to out of reach destinations, less visited locations. Specialized companies are operating this particular type of ships, proving passengers an exclusive experience in remote destinations such as the Arctic and Antarctic regions or in the coastal areas of ecological and biosphere reserves, in oppose to the itinerary of the conventional cruises. The ship design and features are characterized by a proper level of comfort and services, including inflatable motor boats and, in some cases, additional services, such as helicopters for expedition trips and shore landings. Expedition cruise ships are appealing for tourists seeking educational experience, with a less importance on the entertainment facilities onboard.

- **River Cruise Ship** – Having a reduced capacity, with no more than a few hundred passengers, these vessels are specially designed for river cruises and inland waterways. There are a variety of amenities offered, from ultra-high-tech onboard features, to paddleboats ship trips in rivers such as Amazon, Nile, Rhine, Volga, Mississippi, and many more worldwide.⁷ This category can further be classified in the following subdivisions⁸: *U.S. River Cruise Lines, Contemporary River Cruise Lines, Upscale Contemporary River Cruise Lines, Premium River Cruise Lines and Luxury River Cruise Lines.*

- **Luxury Hotel Barges** – Especially designed for shallow in land waterways, they are more luxurious than the classic river cruise, attracting customers that want to enjoy small destinations, such as towns or villages along the itinerary. Offering a capacity from 5 to 24 passengers, they provide high quality services due to the high ration of staff per person. They are usually cruising on France and UK cannels, but also in other European countries such as Germany and Belgium, with little representation in the USA.

- **Specialty cruise lines**⁹ - different from other categories, the specialty cruise lines can refer to more adventure - like ships, with distinctive features, such as tall ship sailings or expedition cruises. The tall ships with white sails are providing idyllic scenery for passengers. Expedition vessels can be equipped for icebreaking or feature special sonar outfit to look out for whales, and usually require Zodiac boats assistance for long run locations. These vessels have a small capacity, up to 200 passengers and are attracting independent and adventurous travellers. A wide range of specialists can be found onboard in order to properly conduct the expedition, like photographers, wildlife biologists, anthropologists, and others.

Each type of cruise ship offers a specific experience, with large addressability, appealing to different tourists and their requirements. The design, amenities, size and

⁷ <http://www.windrosenetwork.com/The-Cruise-Industry-Types-of-Cruise-Ships>

⁸ <https://allthingscruise.com/cruise-line-types-figuring-out-what-the-different-categories-mean/>

⁹ <https://www.fodors.com/cruises/cruise-lines-by-type>

other characteristics are consistent with the more and more complex needs of potential clients, each cruise line having a unique personality. With some differences, cruise lines are generally structured into three basic categories: mainstream, premium, and luxury. Some of the most important features in choosing a specific cruise line can be presented as atmosphere, service, food quality, design, types of passenger, extra charges and costs¹⁰.

	Mainstream Lines	Premium lines	Luxury Lines
Atmosphere	Busy, buzzing and crowded	Full yet comfortable	Lots of personal space
Service	Fine but rarely personal	Prompt and efficient	Sollicitous and refined
Food Quality	Ample buffet-quality cuisine	Good restaurant food cooked to order	Fine dining by top chefs
Design	Loud and colorful	Refined and modern	Elegant and art-filled
Who's onboard	Everyone	Less price-sensitive travelers	The elite
Extra charges	All but the basics	Some drinks and dining	Just spas and excursions
Cost	Budget-friendly to moderate	A bit towards the expensive side	Extravagant prices

Figure 1: The personal passengers' preferences on different type of lines

Source: <https://www.fodors.com/cruises/cruise-lines-by-type>

4. New cruise ship design

Cruise companies are reinventing the image of their ships, by offering a new perspective of cruise travel in comfort and entertainment. Examples of new ship design trends can be presented, as such¹¹:

Smart cabins. Integration of high technology on ships is facilitating an enjoyable safe journey. Smart apps can provide a number of benefits for cabin users, from opening doors, adjusting lights, controlling temperature and others. Use of gadgets will improve the overall experience, taking into account the necessity of social distancing. Ocean Medallion¹² technology is the most representative example of this kind, giving the opportunity for contactless embarkation, keyless actions, touchless payments, order meals, book events etc.

Modern cabin design. Cruise ship designers are redefining the image from a nautical colorful look to a modern chic and comfortable hotel one, using more subtle neutral tones. An important feature is represented by the associating cabins with socialization, rather than only for sleeping, therefore including a larger living space with sofa beds, spacious terrace etc. New design is focusing on accentuating

¹⁰ <https://www.fodors.com/cruises/cruise-lines-by-type>

¹¹ <https://www.cruisecritic.co.uk/articles.cfm?ID=1447>

¹² <https://www.princesscruises.de/en/holiday-princess/ocean-medallion>

similarities with hotel based amenities, an important example being Ritz-Carlton Yacht Collection ship, Evrima, with 149 modern suites¹³.

Family centered accommodations. Providing accommodation for families has proven to be a challenge for cruise lines, the new amenities and design are focused on space for larger groups, connecting cabins, shared lounge for family members, with numerous facilities to select from and others.

Two story suites. Increased spacing by using two-story suites design is another example of innovative initiative. More cruise lines are adopting this display, with a sleeping area upstairs, equipped with glass walls for a special view and a living area downstairs.

Extravagant suites offer a variety of private amenities, games related areas, recreational spaces etc. in a spacious frame. The main focus is placed on the diverse character of products and services provided, such as private cinemas, different sleeping areas for parents and children, access to private outdoor facilities, pools and others.

Single cabins. In accordance with the solo travel trend, many cruise lines have integrated a new version of cabins representing a compact replica of a classic accommodation, as well as a combination of features single cabins with shared lounge for socializing.

5. Conclusions

The cruising industry has faced important challenges over the last years, due to the pandemic context. Companies have struggled to reinvent the image of cruising by appealing to a variety of potential passengers, catering for all types of guests and their preferences. This has reflected in major changes of ships' amenities and features, design and services offered.

More and more, the cruise ships prove to be excellent alternative to the classic accommodation, embodying a diverse and sophisticated offer, segmented by age, preferences, financial situation etc. New class types have emerged, particular to the exigencies of the clientele, but also according to the new regulations onboard for safe travel, influenced by the Covid 19 pandemic.

Assisted by increasing technology, cruise ships have gone through important changes in design, aspects underlined by the necessity of travel requirements in term of health and safety.

¹³ <https://www.cruisemapper.com/ships/Ritz-Carlton-Evrima-2100>

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EFFECTS OF MIGRATION ON FAMILY HOMES - FAMILIES LEFT IN RURAL HOMES (VRANCEA COUNTY)

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Abstract

The purpose of the ethnological interview is to listen to and gather as much edifying information as possible in order to obtain an overview of a phenomenon or subject analysed.

Qualitative research is a way to understand better, how people feel or what they think about a particular problem.¹

The desire to desire to accumulate a considerable income abroad and to transfer a part of the accumulated capital (remittances) to the country of origin of the emigrant explains the migration phenomenon. Remittances sent by Romanian emigrants have a number of destinations: personal expenses, real estate investments, and the education of children left at home and the avoidance of dropping out of school.

Migration involves some risks, as is well known, being a very complex phenomenon, we can even add that it is a particularly sensitive one, especially for the children of emigrants left at home, the psychological costs borne by them may remain even after many years of family reunification.

Keywords: *Romanian emigrants, psychological and social costs of migration, risks, ethnological interview, rural environment*

JEL Classification: F22, F66, J11, J60.

1. Introduction:

The theoretical approach of migration in recent years, which is common to sociology and psychology, considers that the main macroeconomic imbalances can decisively influence the choice and finding of a job for a person who intends to immigrate to another country. All these imbalances on the labour market in the emigrant's country of origin end up influencing the emigrant's ability to re-employment and his labour productivity.

The concept of labour factor mobility and frequent job changes for a person are more common in the United States than on the European continent. These changes highlight the parallel existence of two identities of migration or movement of persons,

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¹ Budacia, Andreea, Elisabeta, (2009), *Management și Marketing în audiovizual*, Editura Universitară, București, p. 123.

as well as different approaches to the states involved in the process. In most European countries, regardless of the period of economic prosperity or recession, migrant workers have become accustomed to long-term employment, building social and community networks (true diaspora), foreign immigrants contributing to the development of their own identity.

This article wants to analyse from a social and psychological point of view the effects of migration on children and family members left at home, especially in rural Romania, taking into account the current pandemic context. In order to identify the psychological effects felt by children left at home while their parents are working abroad, we used qualitative research (ethnological interview) based on a small sample, namely four different families living in two communes (Vizantea Livezi și Câmpuri) from Vrancea county.

2. Methodology of the ethnological interview conducted in the Communes of Vizantea Livezi and Câmpuri (Vrancea County)

Among the advantages of using qualitative research is the ability to track the direct reactions of participants, as well as the relatively low costs. The disadvantages of this research include the following:²

- the results are not fully representative for all immigrants;
- it is not possible to make certain concrete statistical and econometric estimates based solely on these testimonies;
- using a limited number of questions out of the total allocated questions;
- the existence of people who answered all or part of the questions in full (in case of online interviews);
- the existence of small groups of respondents who dominated the discussion throughout the interview, affecting the balance of the discussions or avoiding answers to questions;
- the answers given by each Romanian immigrant have a purely subjective character, and should be treated as such;
- from a psychological point of view the subjects interviewed in this research are analysed individually and not collectively.

The ethnological group interview is based on a qualitative method, which focuses on gathering real-time data or information on a relatively homogeneous group of interviewees.

The ethnological interview of the group also known as the natural interview, characterized by the following steps in our interview, conducted in August 2021:

- an unstructured form of interview (making an analogy with the title of our article we started from an analysis of the effects of migration from Romania in the current pandemic context);
- the ethnological interview conducted in Vizantea Livezi and Campuri communes was conducted as casual conversation/spontaneous, and there were no questions prepared in advance;

² Budacia, Andreea, Elisabeta, (2009), *Management și Marketing în audiovizual*, Editura Universitară, București, p. 128.

- the interview started as open discussions about the pandemic context;
- the interview took place between 15th and 23rd of August 2021;
- the discussions were no longer than 4 to 5 hours;
- the discussion focused on 5 main general (Q1, Q2, Q3, Q4 and Q5);
- the interview was conducted in a single session; the subjects don't know each other because they are from different families (Vizantea Livezi și Câmpuri);
- the group interviewed was formed by 18 people (underage kids of Romanian immigrants, and also some of the immigrants that have returned home for the summer holidays);
- throughout the period devoted to the ethnological interview, the emphasis was on the personal situation of the interviewee, starting from the hypothesis of using in marketing research "what the other person says is judged to be sincere or insincere";
- the participants from the two communes (Vizantea Livezi and Câmpuri) do not know each other beforehand, they belong to totally different families, there is no degree of kinship between them;
- throughout the ethnological interview we tried to focus the discussion on the effects felt by the children of emigrants left at home;
- another peculiarity of this ethnological group interview is that the group did not know that it was part of the object of the research, the discussions with them being conducted in a relaxed manner.;
- firstly, the data obtained will be stored and noted at the end of the session;
- the subjects were 18 people from Vizantea Livezi and Campuri communes, Vrancea County;
- the group is relatively homogeneous, consisting mainly of family members left at home, especially older children who are in middle school or high school, in the State pre-university system;
- the discussion focused on the effects of parental migration and the effects that were felt by the minors left at home in the current pandemic context.

In our interview, the group used was mainly composed of villagers living in the communes of Vizantea Livezi and Câmpuri in Vrancea County. The subjects of the interview are mainly family members left at home, but also a small part of the Romanian emigrants who have their domicile in the communes (Vizantea Livezi and Câmpuri) and they returned home after a period of almost two years.

The interview was planned for the entire research period (August 15-23, 2021) based on compliance with the table below.

Table 1: Structuring the interviews according to the migrants' domicile and the country / destination town

Place of origin	Subject of research	Method used in the qualitative research	Interviewees (nationality)
Câmpuri (Vrancea County)	identifying social and psychological effects for the families left at home as well as for the emigrant	open interviews - ethnological interview	Romanian emigrant temporarily in Italy (Rome and Perugia) - Romanian nationality
Vizantea Livezi (Vrancea County)	Identifying social and psychological effects for the families left at home as well as for the emigrant	open interviews - ethnological interview	Romanian emigrant temporarily in Italy (Bergamo and Bologna)– Romanian nationality

Source: Processed by the authors

3. Steps followed in the ethnological interview

In the ethnological interview, we went through a series of steps in order to be able to identify as objectively as possible the effects of migration on children left at home, namely:

- a. The methodology used in the research is the on-site survey conducted in the communes of Vizantea Livezi and Câmpuri (Vrancea County)
- b. The tool used in the research is the ethnological interview conducted for the 18 people
- c. The overall aim of the research is to identify the psychological effects for family members left at home, especially on minor children.
- d. setting the questions that were the basis for the ethnological interview (Q1- Q6):
 - Q1: What made you move to another country??*
 - Q2: How has the social situation of your family been affected during all this period during the Covid pandemic19?*
 - Q3: How often have you communicated with your children during this time? And what means of communication have you used during this period?*
 - Q4: How long has it been since you came home last? How long has it been since you have seen your family?*
 - Q5: Did you feel some uncertainty in the host country about job stability due to the COVID pandemic19?*
 - Q6: What are your plans for the future? Are you going to return to Romania for good?*
- e. The objectives of the research:
 - Ob1:** Identifying the effects felt by family members left at home of Romanian immigrants (especially children).
 - Ob2:** If and how the Romanian immigrants spend time with their children.
 - Ob3:** Establishing the importance of the decision to emigrate for migrants and their families.

Ob4. Identifying the main migration countries preferred by the interviewed respondents.

Ob5: what are the psychological effects on the children left at home?

f. The results of the research.

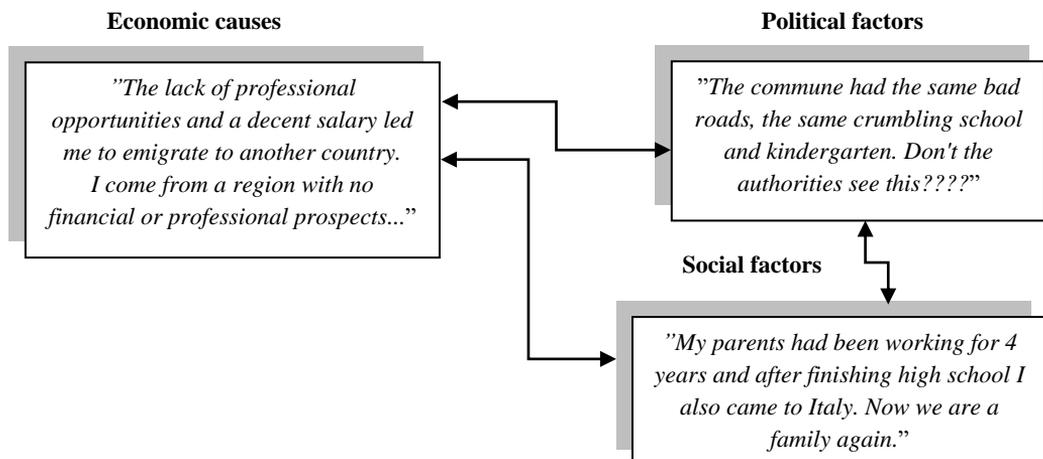
4. The report and elaboration of the results of the ethnological interview

Anghel, Remus and Gabriel; Horváth, Istvan (2009) consider that the factors that cause emigrants to emigrate are considered Push & Pull factors, which remain valid for both the emigrant's country of origin and the country of destination. The authors consider that economic, political and social factors are the most representative. The most important factors in the decisions to emigrate are better living conditions, better paid wages and a considerable increase in income, the experience of other people who emigrated, high unemployment in certain areas or regions, the poverty of the population and the lack of investments in the regions, the premises for obtaining a better job and real professional opportunities.³

In figure 1, based on the model (Push & Pull) we took the case of a Romanian emigrant residing in Vizantea Livezi, who went to work in Italy for about 8 years.

In the diagram below (Fig. 1), we see that the subject (Romanian emigrant) chose to emigrate mainly due to economic reasons and for the reunification of her family. "I also came to Italy after I finished high school; my parents were already there... "and less due to political, religious or bureaucratic factors.

Figure 1: The intertwined relationship between the rejection – attraction factors of the interviewed emigrant



Source: Own processing after interviews conducted by a group of Romanian immigrants from Vizantea Livezi (Vrancea County)

We classified the answers of the 18 subjects based on place of origin or the residing domicile (Vizantea Livezi and Campuri), the country in which they migrated, mainly Italy, and the cities they chose to live in. Rome, Perugia, Bergamo and Bologna.

³ Anghel, Remus, Gabriel; Horváth, Istvan, (2009), *Sociologia migrației. Teorii și studii de caz românești*, Editura Polirom, Iași, p. 34.

The group is a homogeneous one, made up of women and men, ages between 35-68 years, with secondary, high school education. Out of respect for their families, in our research, we will respect the right to privacy and we will not mention their names or those of their children, who are still minors.

Two families of Romanian immigrants from Campuri, and three families from Vizantea Livezi (Vrancea County) form the group.

The results of the research are presented in the following tables below, based on:

- an evaluation of the gathered opinions for each group, according to their domicile;
- secondly, the testimonies of the interviewees were presented for each individual interview.

Regarding the answers of the respondents, the opinions expressed by them referred to the following aspects:

- ☞ Safe financial earnings;
- ☞ The opportunity for social and professional life.

The psychological and social effects of migration were analysed both for the extended family of the Romanian emigrant (minors left at home) and for them. We classified their answers in to two columns, depending on the place of origin of the emigrant. (Vizantea Livezi and Câmpuri).

We selected the most representative answers from the ethnological interview.

Table 2: Opinions gathered from immigrants from Campuri- Vrancea County

Psychological effects on Romanian immigrants	Psychological effects for children left at home or for the members of immigrant families
"I left home to ensure a decent living for the ones that remained in Romania. The time spent abroad was difficult and ugly in every way. I live in Bergamo, and it was the most affected city, in Italy by the Pandemic... I didn't tell my family that I got sick with Covid for 4 weeks..." (female A.M. - 46 years, Rome)	"It took almost 2 years to see my mother, we talked on the phone almost every day, but it's not the same. After a few months, she told me that, she got sick with Covid; so, the family she worked for (illegally) let her go, because they were scared to, they would get sick also. She worked as a nanny." (Boy L.M.17 years)
"Before 2020, I made 1500 Euro now only half of that. I could not send the same amount as before. Now I send my family money once every 3 or 4 months. In one year, I changed 3 jobs." (Male N.C.- 59 years, Bonate di Sopra- Lombardia)	"We didn't spend as much as before because we didn't have the money. We only went church-store-home. I didn't go to the doctor because I was afraid to get sick... We managed..." (M.C. female 64 years)
"The hardest thing was the fact that I was away from my 2 little girls. Initially I wanted to take the eldest one (21years) to Perugia, but with the Pandemic I gave up. They stayed with the grandparents...hard, very hard... talking only on Facebook, WhatsApp, I was home sick." (Female G.B. – 53 years- Bologna)	"It was a very hard year, my grandad got sick from Covid and died at the County Hospital in Focsani. My sister gave up school. Initially, she was supposed to go to my mother, but she stayed at home, she gave up College. There is no money...I study at the Economic High school in Focsani, I had the final exam this year, I studied online, it was hard. My grandmother was alone...I do not know what I am going to do. I don't want my mother to leave anymore; I want her to stay at home..." (L.B. girl 17 years)

Source: Own processing based on respondents' responses

Table 3: Opinions gathered from respondents from Vizantea Livezi -Vrancea County

Psychological effects on Romanian immigrants	Psychological effects for children left at home or for the members of immigrant families
<p>"If until 2 years ago I said that Italy gave me a second chance, now I cannot say that anymore...We can feel the pandemic situation everywhere: at the store, on the street; Italian people are scared, they don't receive you to do the cleaning anymore...as I used to do it. When it was the emergency state in Italy, I did not work at all. We took each day at a time..." (Female D.B – 40 years- Bergamo)</p>	<p>"I spent from my allowance and my grandparents' pension...My Mother didn't send any money that was the situation, we managed. I studied online, I had a laptop, but other colleagues received a tablet from the Mair of the commune Vizantea (Mr. Ciubotaru)... I missed my mother, we leaved in fear, we took care of our grandparents that are old and sick...." (R.B. girl 14 years)</p>
<p>"The 90-year-old I was taking care of died, luckily I had documents... Ana (my wife) and I didn't have a job for about 4 months. I lived on the money raised from savings.... We intend to finish the house this year; we cannot finish it, maybe next year, in two years... when God wants it! We see what the situation is, we stay 2-3 more years, as much as possible and we return home, in Vizantea" (male V.M- years-Perugia)</p>	<p>"I also had to go home to Italy... I didn't leave because of the pandemic.... I went to the post-secondary health school in Focșani, but I gave up.... I did not like it, I was learning online a lot, rent, tax, food.... My family did not send much, I do not have the school allowance anymore... so I got a temporary job at Kaufland.... I miss them Every day. I left Vizantea for Focsani, I have no one in the village but an aunt, and my grandparents died...I can manage from the cashier salary and if my family sends me money, but this happens rarely..." (girl M.M-19 years)</p>
<p>"My husband and I live in Bergamo, and last year we both fell ill with Covid. Much serious was my husband who was admitted to the Pope John XXIII Hospital in Bergamo. I went through the disease much easily, but it was a nightmare, I thought I or F.(husband) would die. I thought I would not live to see my child, my parents, my mother-in-law, my relatives. I told my husband I 'm not leaving, I'm staying with the girl's. I will work as a sales clerk at the store in Vizantea, but I am not leaving anymore, I am not leaving my kid anymore.... I thought we were dying and she will be orphaned by both parents. My husband leaves in a week, I will stay with the girl, my mother-in-law has health problems.... I'll stay home and help my girl finish high school..." (Female L.Z. 44 years – Bergamo)</p>	<p>"I haven't seen my parents in three years; they both went to work in Bergamo. My father first settled in Milan in 2010 and then settled in Bergamo. They both got sick of Covid... I was crying at night in pain, in fear, for them.... I felt abandoned, sad, I felt angry.... Dad has to go to Bergamo because he has a contract, my mother instead stays at home, and she doesn't have a job for about 1 year now... I missed them... I won't let my mother leave anymore; I want her to stay at home with my grandmother and my uncles..." (girl A.Z – 16 years)</p>

Source: *Own processing based on respondents' responses*

Following the ethnological interview, we were able to identify the profile of the Romanian immigrant, and we were able to highlight some common features:

- People with ages between 35- 68 years old;
- People with high school degree obtained abroad or in Romania;
- People with family or friends in the destination country;
- the main reasons for leaving Romania were professional and economic reasons;
- people without any means of leaving;
- people with highly motivated purposes on the employment;
- someone responsible, able and wanting to adapt to the new requirements of the employment market;

- eager to secure a stable income in the host country and to invest when they return home (to build a house, to start their own business) or to invest in the education of their children.

5. Conclusions:

Following the ethnological interview, we found that each of the family members came to Italy brought by another family member, hence the model used: ‘treaded path model’.

From the perspective of the minor children left at home, we can identify a series of psychological feelings they felt during this period: fear of abandonment, fear of tomorrow, fear of illness, lack of affection of a parent, longing for the one who left home, worries and age-specific issues.

Following the ethnological interview, we observed that individuals are influenced by emotions regardless of the situation in which they find themselves. Any decision we have to make in the first place is influenced by our emotions. In general, four images of risk appear in the perception of people / decision makers⁴:

- The sword of Damocles or imminent danger refers to a threat that can strike at any time, the source of risk being artificial.
- Slow-killers or the invisible risk, it refers to an invisible threat to the health or well-being of the decision-maker. The effects are delayed and do not pose a major risk. The public does not have direct access to information it depends on external sources. The credibility of the source of information is crucial. The risk is minor, but the tendency to blame those involved is strong.
- The Scales of Athens, or cost-benefit ratio, refers to the difference between gains and losses; in particular financial gains or losses.
- The myth of Hercules, or risk for the sake of risk, refers to voluntary exposure to risk; the risk is desirable. The decision maker has the perception that he can control the risk with the help of skills or experience in a certain professional field.

The limits I have drawn from this ethnological interview are as follows:

- ✓ this is a study based on qualitative research conducted using a relatively small / limited group of 18 people;
- ✓ a group in such a small number is not considered representative in marketing research, in issuing judgments of opinion;
- ✓ the image of the risks identified in the questionnaire are the Scales of Athens and the Myth of Hercules;
- ✓ we observed that decision makers are influenced by economic, political and social factors when taking decisions;
- ✓ the psychological effects or possible "psychological traumas" left by the "experience of migrating to another country" cannot be assessed at this time;

⁴ Druica E., *Economia riscului - Teorie și aplicații*, Publishing House Cartea Studențească, 2008.

- ✓ the research could be extended to a representative group of people (1100 people), on several communes in Vrancea County, in order to be able to objectively identify the psychological effects for the minors left at home;
- ✓ the study could be greatly improved and transformed into a representative sample of interviewees in advanced quantitative research using an econometric model in SPSS or Eviews.

Romanians have a different mentality than the rest of European countries, they are more conservative or extremists when it comes to risk, either they totally avoid it or totally embrace it. Just like gambling, they gamble with their own lives in hopes of having a better one. As we have seen so far in this article, risk is based on the need to survive even though the hardship imposed on their families is great.

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MAJOR CHANGES IN CATERING AND FOOD SUPPLY ON CRUISES GENERATED BY COVID 19 PANDEMIC

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Abstract

The 1970s have represented the most flourishing period of mass tourism and at the same time the growth of cruises for leisure. From that period on to the present day, for over 50 years, this relatively new industry, has undertaken a spectacular evolution.

The debut of SarsCov19 virus, at the beginning of this pandemic (February 2020) had a major influence on cruising. When the cruise ship Diamond Princess of Princes Cruises Company has registered over 700 cases of Covid 19, with 15 deaths, from a total of 3700 passengers, the decline of cruising industry has begun. The cruising industry has been shut down completely and it started with a slow revival. All operational procedures on board have undergone changes, especially in regard to the safety of tourists.

This paper tries to analyze the catering and food supply changes of different cruising companies.

Keywords: *Cruises, catering, food supply, safety*

JEL Classification: Z30.

1. Introduction

As Covid 19 pandemic spread on a global scale in March 2020, the cruising industry has stopped working for several months. Even though, the ocean cruise industry has registered an annual passenger growth rate of 6.6% from 1990 to 2019, in 2020 the activity has dropped with more than 75%, estimating an increase in sales with 47% in 2021 compared to 2019. Regarding 2022, some companies are predicting to even up with 2019 results and to possibly surpass them. In 2019, the cruise industry passengers reached over 27.5 million, but ending the activity in 2020, for several months, has led to a major decrease in passenger number, leveling up to 2000-year statistics, around 7 million, mostly from North America representing 3.22 million, Europe with 1.9 million and 1.9 million for the rest of the world. The predictions for 2021 are approximately 13 million passengers, doubling the value of 2020 numbers.¹

The 2020 pandemic has strongly influenced the cruising industry, and therefore companies have voluntarily suspended their activity worldwide, for the benefit of public health. As a result, companies faced significant challenges and were able to

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¹ <https://cruisemarketwatch.com/growth/>

repatriate 100.000 crew members, using their own ships, if the airlines restrictions have generated a difficult context and took important initiatives for passengers, in terms of new safety procedures to proper deal with SarsCov2.

2. The Covid 19 changes in the cruising industry

The Covid19 pandemic and the lack of any activity from the middle of March to September 2020, had a profoundly negative impact on cruising, resulting in an estimated loss of more than 77 billion worldwide, 518.000 jobs and 23 billion in wages.²

However, the cruise industry has promptly taken actions to overcome the negative effect of the Covid 19 crisis, and with the help of national and international health authorities, have established new protocols for tourists' safe travel.

Testing the crew and passengers is the first step towards the new cruise travel, cruising industry been the first of tourism sectors to adopt this initiative, an important approach to safe travel. Pre embarkation testing represents a major step towards the health, safety and wellbeing of both passenger and crew for all cruising activities to come.

2.1. New concepts and experiences onboard generated by SarsCov2

Due to Covid 19 pandemic outbreak, many ships are operating at less than full capacity, at approximately 50-60%, mainly to encourage social distancing, many of cruise lines planning to increase the capacity over the next few months.³ Even if social distancing requirements are preventing cruise operators to obtain top level revenues, companies have made substantial investments in order to offer tourists the safety and comfort of cruise travel. Therefore, cruise lines have competed in creating new concepts for post Covid 19 experience.

Smart Vacations⁴ – a new concept that provides important information on new facilities or activities onboard, digital displays and interactive monitors in the common areas for passengers, cabins with TV information channels and personalized call center services by telephone.

Using electronic bracelets, throughout the entire cruise, allows a fast localization, enables passengers to be informed and to activity participate in applying and respecting all social distancing polies onboard.



Figure 1: https://future-cruise.nridigital.com/future_cruise_may20/dimeq

² https://cruising.org/-/media/research-updates/research/2021-state-of-the-cruise-industry_optimized.ashx

³ <https://www.latimes.com/business/story/2021-11-03/covid-changed-cruises-cruise-ship-safety-protocols-what-to-know>

⁴ <https://www.croaziere.net/protocol-de-sanatate/protocol-covid-costa-cruises/>

More space for passengers – The number of passengers onboard is significantly diminished, for ensuring a safe and pleasant travel in the context of social distancing. The public areas, including the relaxing spaces have been redesigned to maintain the safety standards, allowing access to a limited number of people at the same time. Also, the signaling of public areas has been improved to respect social distance protocols.

More space for medical facilities represents another important change in redefining cruise operations.

Open air entertainment facilities are to be considered an important trend, outdoor shows with weather protection are the proper option of the new cruise travel.

Flexible cancellation policies – Many companies have adopted flexible cancellation policies, sending a clear message regarding these aspects, to potential passengers, even before the activity has resumed.

Other important concepts emphasizing changes are:⁵

An app for everything – cruise lines are developing apps for facilitating all activities onboard, such as contacting each other, making reservations for different activities, find easy access directions to their stateroom.

Going with the flow – new design features, with open spaces for dining, socializing or relaxing etc. which allows passengers easy and free movement around the onboard amenities.

Smart accommodation – accommodations are integrating smart concept for new experiences, including virtual views in interior cabins, living facilities in verandah staterooms. Smart technologies such as virtual assistants, personalized smart-lighting and others improve the home like experience provided.

Prioritize island time – private destinations are more and more appealing to the tourists, island retreats are offering additional entertainment, dining, and other interesting experience in addition to the onboard one.

2.2. Safety measurement on cruise lines

For relaunching the cruising industry, urgent measures have been required, for all activities onboard, new procedures for operationalization, training the operational personal, keeping social distance, sanitizing etc.

The first measures which can prevent spreading of SarsCov 2 were the negative PCR tests and the proof of vaccination, as for the end of 2021 the companies also recommended booster shots for their passengers and crews.

Some initiatives were aiming to improve the air quality through efficient filtering and purification, the ventilation systems onboard providing optimal filtration of fresh outside air, minimizing indoor air circulation.

Another important example are the changes in the entertainment activities, many shows being presented several times during the week, in order to be accessible to all the tourists, with the social distancing protocols.

⁵ https://cruising.org/-/media/research-updates/research/2021-state-of-the-cruise-industry_optimized.ashx

Taking into account the main steps from embarkation to disembarkation, the safety measures have been divided in before embarkation, on board and at shore measures.

2.2.1. Before embarkation

Even before embarkation, the passengers are informed about the onboard measures, the conditions and rules for embarking, which are different, in this pandemic context. Therefore, there are new regulations regarding the passengers' Covid testing. Passengers over 12 years of age must be vaccinated against Covid 19, with both doses. Those up to and including 11 years old don't require vaccination proof, but a negative test for Covid 19, a PCR test, between 24 and 72 hours before sailing (The rapid antigen tests are not accepted). Also, from September 13, 2021, all passengers, regardless of age or vaccination status, have been tested in the boarding terminal⁶.

As well, there is the possibility for additional equipment for boarding sanitation, for instance the use of automatic doors for the entrance and exit points, operated with photocells, avoiding unnecessary touch points⁷.

2.2.2. On shore

Visiting the port of calls can only be done on their own, by fully vaccinated passengers. Passengers that want to be accompanied by non-vaccinated children must purchase an organized trip. All passengers are obliged to follow the regulations, sanitary protocols and local legislation from the port of call destinations.

2.2.3. Onboard

First of all, nowadays on board Covid19 protocols have been implemented on each ship and within each cruise line. All crew members take specific training courses on compliance with safety protocols and practices.

Secondly, all guests are asked to maintain proper hands hygiene, using water and soap and other available disinfectants onboard, being mandatory the instructions received from crew members and through the means of communication on board.

And thirdly, new anti-microbial carpets can be used for the public areas and cabin corridors⁸.

3. New catering concepts on cruise lines generated by Covid 19 changes

Among the major activities on cruise ships, there are supplying, preparing and serving of foods and beverages for offering exquisite meals for cruise passengers. Considering the fact that passengers are spending the entire vacation onboard, food and beverage policies and strategies are well defined and based on statistics and consumption habits, taking into account the passenger's profile and changes in their

⁶ Disney Cruise Line, <https://www.croaziere.net/protocol-de-sanatate/politica-de-anulare-covid-disney-cruise-line/>

⁷ <https://www.cruiseindustrynews.com/cruise-news/22838-cruise-ship-designers-prep-major-changes.html>

⁸ <https://www.cruiseindustrynews.com/cruise-news/22838-cruise-ship-designers-prep-major-changes.html>

needs and wants. Such strategies are reflected in bulk purchasing and updating, if necessary, for keeping costs down and permanently monitoring the supply usage; as a result, very little food goes to waste. Cruise lines usually spend \$10-\$15 on food per guest, per night. The food expenditure represents 6% of the cruise fare paid by the passenger, premium cruise lines having a higher food cost on average than budget and mainstream cruise lines⁹.

Even though cruise ships have resumed their travels around the world, travelling conditions have significantly changed since the Covid 19 pandemic. The way to carry out any economic activity, regardless of its nature, and the new safety procedures for all industries have generated important operational changes, for the onboard cruise ships activity, in general, as well as for and the food and beverage ones. Each company has tried to implement and innovate in order to bring passengers back on cruise ships, developing new concepts such as:

- **Catering to single cruisers** – sales strategies are focusing on the needs of single cruisers¹⁰.
- **Bubble travel** – tourists are allowed to visit different destinations, but on a series of strict regulations. Based on this concept, tourists can't purchase or consume anything at the destination, being permanently accompanied by cruise ship organizers.
- **The buffet is not a free-for-all**, passengers are not serving themselves. The cruise lines are trying to provide similar experience without the risk of contagion, working hard to ensure optimal condition for cruise buffet.
- All the self-service dining experiences were considered to be substituted with **full-service options**, upon initial activity revival. Regardless of the buffet experience, the main appeal of cruising consists in variety of dining options onboard.
- **Hygiene is the new luxury** – Safe dining requires the cleaning and disinfection of high touch surfaces, and also avoiding the sharing of items.
- **Changed dining rooms** – new regulations are imposing social distancing in seating and standing areas, and increase sanitation.
- Restaurants can install **screen dividers between tables**.
- **Lower number of tourists** is allowed simultaneously in the dining areas.
- An alternative to self-service the staff is helping to plate and serve food and for contactless experience onboard, passengers **can access restaurant and bar menus from their personal mobile device by scanning a QR code**.
- Another version of safe catering is a new buffet system, **where guests tell the server** the food they want and it is plated for them.
- The use of an **interactive wristband** for touch-free purchases of food and beverages, including at the buffet, as part of the contactless experience¹¹.

⁹ <https://emmacruises.com/cruise-food-how-much-do-cruise-ships-spend-per-cruise-and-per-person/>

¹⁰ <https://hospitalityinsights.ehl.edu/disruptive-cruise-market-trends>

¹¹ <https://eu.usatoday.com/story/travel/cruises/2020/10/07/future-of-cruise-ship-buffets-carnival-norwegian-royal-caribbean/3585196001/>

- To avoid crowding, cruise lines are offering virtual queuing at all specialty restaurants onboard, providing passengers with a contactless way to have **food delivered to their cabins**.
- The onboard restaurants were redesigned to ensure social distancing policies, only **guests from the same cabin** may share the same table, many restaurants recommend reservations and are limiting to eight guests, the groups at the dining tables¹².
- For breakfast and lunch there is free access to restaurants, with **larger serving time allocated**.
- **The quantity** of culinary products offered onboard remains equally important as their **quality**.
- **Increased pace of renewal and assortment variety**. To diminish the negative impact of the new safety restrictions onboard, passengers will be able to enjoy greater assortment diversity and a faster pace of renewal of culinary products, especially since changes have occurred in debarking to ports of call, with differences prior to the pandemic.
- **Changes in supplying procedures** due to strict operational regulations on port of calls, the lack of materials and the shortage of supply logistics (for instance, the lack of carriers in UK).
- **Preparing and serving the food as efficiently as possible in the pandemic context** requires additional conditions for food safety and social distancing, even among kitchen employees etc.
- **The pace of menu renewal** in line with customer trends and desires **must be just as fast, if not even faster** than in the pre-pandemic period.
- Cruise lines are offering a dining card upon embarking, which specifies that in addition to the same dinner time (which happens before the pandemic), the guest will have **the same place at the table throughout the trip**, therefore increasing the safety dining measures¹³.
- In terms of safety measures, companies such as Virgin Voyages, Virgin's Scarlet Lady adult-only ship¹⁴, are choosing to give up the buffet for preparing a number of 20 menu options.

Studies conducted on cruise passenger profile have reached the conclusion that, the growth rate of people embarking on cruise ships between 18 and 34 years is higher than that of people over 65, as it was until 2018¹⁵. Changes in demographic of cruise passengers determine important concerns for adaptation to this segment, in term of food and restaurant trends.

¹² <https://www.latimes.com/business/story/2021-11-03/covid-changed-cruises-cruise-ship-safety-protocols-what-to-know>

¹³ https://future-cruise.nridigital.com/future_cruise_may20/cruise_ship_food_trends

¹⁴ <https://www.virginvoyages.com/onboard/eat-and-drink>

¹⁵ <https://www.travelpulse.com/news/cruise/princess-sale-offers-drinks-wi-fi-tips-specialty-dining-and-more.html>

4. Conclusions

In 2020 the number of cruise ship passengers was 75%¹⁶ lower compared to 2019, according to the Cruise Lines International Association. This massive loss, even though companies have not stopped investing and launched new ships, has determined innovative initiatives for attracting customers lost in the pandemic, for responsible implementing of safety measures, procedures resulting from awareness of the danger posed by SarsCov2 and its threat to the safety and health of the world's population.

Although the cruise industry has been one of the most affected ones during this pandemic, major players are confident that with the proper measures promptly implemented, there are loyal customers looking forward to return on cruise ships for a memorable experience.

All of these changes represent add on value to cruise vacation packages, and give potential passengers confidence that they will have the safest journey in terms of Covid 19 contamination. Also, the new concepts of Food and Beverage departments, along with the modern technology onboard are underlining the important contribution of cruise lines in offering services and products in line with the current trends, accentuating the concept of safe travel.

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¹⁶ <https://www.nytimes.com/2021/07/28/travel/cruise-industry-comeback.html>

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CYCLING IN ROMANIA - ISSUES RELATED TO SPECIFIC STATISTICS, INTERMODALITY AND SAFETY

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Abstract

Cycling and cycle tourism are topics for which INCDT researchers have conducted relatively constant analyzes in recent years, by participating in various projects and studies in this field. One such project is the "Danube Cycle Plans", which is part of the Transport, Health and Environment Pan-European Program, co-financed by European Union funds (ERDF, IPA). The project was approved for funding under the Interreg Danube Transnational Program, priority axis 3.1, in 2020. The main objectives of the project are to improve the conditions for cyclists and to contribute to the promotion of cycling tourism, as an ecological mode of transport and as a means of improving accessibility in urban and rural areas, especially those in the Danube region. In this project we analyzed the current situation of cycling in Romania, by researching the issues related to specific statistics, intermodality and safety, which we will detail in this paper.

Keywords: *cycling, Romania, statistics, intermodality, safety*

JEL Classification: Z30.

1. Specific cycling statistics

In Romania there are no official statistical data regarding the number of cyclists, which prevented proper analysis and research at national level.

However, data provided by the National Institute of Statistics (INS) from Romania show that regarding the household's endowment with durable goods, an important increase in 2019 compared to 2010 was registered for bicycles. This shows that there is a growing interest in the use of bicycles in Romania and the potential for increasing the number of passengers on bicycles is high.

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Table 1: Households endowment with durable goods in Romania
– the case of bicycles, 2010-2019

Average number/100 households										
Years	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Bicycles	27.5	28.4	30.1	31.2	30.5	32.6	35.4	39.1	39.9	45.1

Note: Starting 2014 the data have been estimated based on usually resident population and they are not comparable to the series published for the previous periods.

Source: INS, Family Budget Survey.

Estimating the number of bicycles owned by population in Romania, 2010-2019

Combining data from Family Budget Survey (data provided by INS) with population data we can estimate the absolute number of bicycles own by households in Romania (see table 2). Therefore it was calculated that in Romania there were 3.3 millions bicycles owned by population in 2019 with 75.8% more than ten years ago (2010).

Table 2: Estimating the number of bicycles owned by population
in Romania, 2010-2019

Years	Average number of bicycles per 100 households (A)	Resident population (B)	Average size of a household (C)	Estimated number of households (D) = (B)/(C)	Estimated number of bicycles owned by households (E) = (A) x (D) / 100
2010	27.5	20,246,798	2.897	6,988,884	1,921,943
2011	28.4	20,147,657	2.879	6,998,144	1,987,473
2012	30.1	20,060,182	2.874	6,979,882	2,100,945
2013	31.2	19,988,694	2.857	6,996,393	2,182,875
2014	30.5	19,916,451	2.667	7,467,736	2,277,659
2015	32.6	19,822,250	2.658	7,457,581	2,431,171
2016	35.4	19,706,424	2.648	7,442,003	2,634,469
2017	39.1	19,592,933	2.627	7,458,292	2,916,192
2018	39.9	19,476,713	2.606	7,473,796	2,982,045
2019	45.1	19,370,448	2.585	7,493,403	3,379,525

Source: own estimation based on INS data

It is important to mention that the estimated number of bicycles includes also those designed for children and teenagers (up to 18 years old). A very rough assumption is to consider one third (33%) of these bicycles for children while the rest of 66% to be allocated for adults. Under these circumstances, in 2019 we would have 2.2 million bicycles for adults so therefore this number might be roughly similar with the number of cyclists in Romania.

Some data from a survey on cycling

INCDT and IMAS Marketing & Polls carried out in 2018-2019 a survey commissioned by the South-East Regional Development Agency entitled "*Perceptions*

and attitudes regarding cycling and its specific infrastructure", carried out within the project "Development of the partnership between NGOs and administration for the promotion of sustainable transport modalities within the localities", project co-financed from the European Social Fund through the Operational Program Administrative Capacity 2014-2020. This research¹ was based on an OMNIBUS sample and aimed to identify the perception of population on cycling and public policies that support this activity. The sample consisted in a number of 1010 persons aged 18+, uniformly distributed by all regions and by urban and rural localities in Romania; the interviews were carried out in the period 6-28 November 2018.

Cycling as a mode of transport

The results showed that the share of persons preferring bicycle was quite low, only 5.3% from respondents mentioning it as their preferred mode of transport. This share was even lower in the urban areas compared with rural areas (2.6% vs. 8.7%).

Regarding bicycle usage by gender, men mostly used bicycle as a mode of transport (6.8% compared to 3.7% for women). If one looks at age, most of those preferring bicycle as a mode of transport were aged 40-59 years and 60 years and over.

From the total respondents, 13.5% used bicycle as a mode of transport for going to work or school, while 86.5% used other means of transport. The percentage of those biking to work or school in the rural areas was higher than those locating in urban regions: 17.6% compared to 10.3%.

The bicycle has been used for sport and leisure purpose by 41.4% of respondents. The percentage of those biking for leisure in the rural areas is higher than those biking for leisure in the urban areas: 47.4% compared with 36.6%.

For going shopping and for other miscellaneous activities, the bicycle has been used by 28.4% of respondents, out of which 39.4% from rural areas and 19.8% from urban regions.

The percentage of those using bicycle to travel from one locality to another was even lower, approximately 13%. In the rural areas, the percentage of those using bicycle to travel from one locality to another was higher than in the urban areas (20.4% compared to 7.4%).

Cycling as a leisure activity

One can mention that biking was considered by most of the respondents more as a leisure activity rather than a daily mode of transport. Also one can see that bicycle was merely used in the rural areas rather than urban areas.

Considering the frequency of bicycle usage, it was found that:

- In the urban regions where bicycle was used as a leisure activity – 29.8% of respondents declared that they used it once or twice per week;
- In the rural areas 19.2% of respondents were used to bike once or twice per week for leisure purposes. Though, if we consider lower frequencies (two or three times per month, once per month or even rarely), the percentage was higher for urban areas than rural ones.

¹ Available at: https://www.adrse.ro/DIP/POCA_110839

As regards the purpose of using bicycle, the percentage of those using bicycle for sport and relaxation was predominately – 67.1% from total respondents, out of which 61.7% in the rural areas and 73% in the urban regions. The percentage of those considering bicycle a faster mode of transport than public transport and own car was very low (3.9%) albeit in urban areas this is a little bit higher (6.3%).

If we refer to difficulties faced by cyclists, 77.4% (74.8% in the rural areas and 80% in the urban regions) of respondents considered that lack of signs for cycling was the main difficulty faced when biking. Also, one can mention other issues such as: aggressive drivers (62.4%), obstacles on the bike trails (51.4%), improper status of trails (49.2%), car parked on trails (49.1%) and difficulties in crossing intersections (45.8%). In urban regions these issues were mentioned in a higher share.

Considering the main reason for non-using bicycle, out of 539 respondents that did not bike, 20.2% stated that they cannot bike or they don't have a bike (17.3%). The percentage of those that cannot bike was higher in the rural areas (23%) than in the urban regions (18%). Those from urban areas as compared with the ones from rural areas mentioned to a larger extent the lack of bike trails, fear of accidents and health related problems.

Regarding the quality of infrastructure for bicycles, out of total number of respondents, 58.9% declared that there are no bike trails in their residence locality. In rural areas this percentage is 78.3% while in urban regions this is 43.7%.

2. Intermodality

The access – with a bicycle – to subway trains (which are available only in the capital city – Bucharest) is allowed only in the first car, considering the direction of travel, in the area placed behind the train driver segment². During journeys, bicycles must be secured by the owner, so as not to affect the comfort and safety of passengers and not to damage the interior of the subway car. The access is to be made through the special access gates, destined for the people with special needs, after validating the driver's pass card. The access – with a bicycle – to subway trains is allowed on weekdays only between 20:00-23:00 and permanently on Saturdays, Sundays, and on public holidays.

The bicycle access to the trains that belong to both public and private railway companies is allowed, under certain conditions, which we will describe below.

"C.F.R. Călători" (the public railway transport operator) offers the possibility to transport the bicycle only in certain trains (that feature cars that are equipped with areas dedicated for bicycles). According to "C.F.R. Călători", the regulations regarding the transport of bicycles in trains that cover national routes³ are the following:

- un-demountable bicycles are admitted to be transported *only* at the trains having in composition types of coaches with a specially dedicated spaces for the transport of bicycles. A single bicycle per person is allowed.
- for travelers who are accompanied by bicycles, at the trains with reservation regime, shall be allocated seats in compartments next to the space for storage thereof.

² http://www.metrorex.ro/reguli_de_calatorie_cu_metroul_p781-1 (accessed 12 November 2020).

³ <https://www.cfrcalatori.ro/en/transport-services-bicycles-skis/>. Accessed 19 November 2020.

As for the regulations regarding the transport of bicycles in trains that cover international routes⁴ of CFR Călători, these include:

- in all the trains of CFR Călători, only foldable bicycles are allowed as hang luggage, provided that they can be deposited in the luggage space and they don't disturb or affect the other passengers.
- non-foldable bicycles may be transported on board trains in the designated spaces from the specially fitted coaches.
- for the international destinations, CFR Călători provides the bicycle transport service between Braşov-Budapest and return, on board train no. 366/367 "HARGHITA". The special bicycle coach circulates daily between the 25th of May 2020 and the 8th of September 2020.
- The bicycles are the responsibility of the passengers, in the departure station, the connection station and the arrival station, as well as during the travel.

In Romania, several private companies also operate in the railway passenger transport, the following provisions being applicable as regards bicycle transportation in trains:

- RegioCălători – bicycle transport is allowed, in the dedicated areas of the car – depending on the availability of space – provided that they do not disturb the other passengers⁵.
- TFC (Transferoviar Călători) – the access to the train – with folding bicycles – is only allowed in the dedicated luggage space, located above the reserved place or on the corridor, provided that the other passengers are not disturbed by the bicycle(s). The access to the train – with non-folding bicycles – is only allowed in cars that have dedicated places for storing bicycles. Throughout the transport, the passenger must accompany and supervise the bicycle, so as it does not affect the safety and the comfort of the other passengers. The passenger is directly liable for any damage caused to other passengers during the transport of the bicycle⁶.
- Interregional Călători – this company allows the transport of both conventional and folding bicycles in all the trains that it owns⁷.
- Softtrans – this company allows the transport of both conventional and folding bicycles in all the trains that it owns. No more than four bicycles are to be carried within a train, while the third car is the one recommended in this regard, as it hosts the special racks for bicycles⁸.

The bikes are allowed in busses in Romania, but there are only several localities where circulate buses equipped with bicycle racks, which we will describe in the next question.

⁴ <https://www.cfrcalatori.ro/en/bicycles-transport/>. Accessed 19 November 2020.

⁵ <https://regiocalatori.ro/termeni-conditii/reglementari-proprii-regio-calatori/informatii-comerciale/>. Accessed 19 November 2020.

⁶ <https://transferoviarcalatori.ro/tarife/biciclete.html>. Accessed 19 November 2020.

⁷ Information transmitted by phone call (19 November 2020).

⁸ <https://www.softtrans.ro/>. Accessed 19 November 2020.

All the danube ports in Romania make it possible to cross the river via various ships, for which the ransport of bicycles poses no problem⁹.

In Romania, the public and also the private transport system are not enough adapted to the cyclists' needs. Not all the trains are equipped with bike racks or bicycle areas. As a matter of fact, according to the National Railway Passenger Transport Company (C.F.R. Călători¹⁰), in 2015 (the most recent year for which information is available), among the priority topics of people's complaints were those related to the lack of cars dedicated to bicycle transport, transport conditions and service pricing, these topics being very often addressed by both domestic and foreign customers travelling alone or part of a group.

In the capital city – Bucharest – buses and trams are not equipped with dedicated spaces for transporting folding bicycles. But there are also positive examples in some other cities in the counrty, as described below:

- in Iași there are 16 buses that run outside the city and that benefit from special racks for transporting bicycles (no more than three bicycles can be transported at once). Bus drivers are responsible for making sure that the bicycles are properly attached, with the view to avoid any problems in traffic in the event in which they fall off¹¹.
- in Cluj-Napoca there are several buses running on three internal circuits that have been equipped with special racks for transporting bicycles (o more than three bicycles can be transported at once). It is a pilot project, through which the municipality aims to encourage alternative transport. According to the mayor of this municipality, the project will be extended upon request¹².
- in Brașov, on weekends and public holidays, all buses running on line 20 (an internal line) also transport bicycles by means of trailers that can transport either 16 or three bicycles¹³.
- in Sibiu buses on the line 22 from Sibiu rail station to Paltnis mountain resort provide services for bicycle transportation. Maximum 16 bicycles can be transported¹⁴.

Also, as intercity buses one can mention Flixbus.

There is no additional charge for transporting bicycles via the subway service of Bucharest¹⁵.

⁹ Source: field trips.

¹⁰ CFR Călători - *Annual report on free access to information of public interest in 2015*, available at https://www.cfrcalatori.ro/wp-content/uploads/2018/02/Raportul_Lg_544-2001-pe_anul_2015.pdf. Accessed 19 November 2020.

¹¹ <https://www.bzi.ro/autobuzele-ctp-iasi-care-circula-in-afara-orasului-sunt-dotate-cu-suporturi-pentru-transportul-bicicletelor-soferii-ctp-iasi-ii-vor-ajuta-pe-biciclisti-3989371>. Accessed 19 November 2020.

¹² <https://www.impact.ro/autobuze-dotate-cu-suport-pentru-biciclete-ce-oras-din-romania-revolutioneaza-transportul-alternativ-86264.html>. Accessed 12 November 2020.

¹³ <https://brasovmetropolitan.ro/2020/06/foto-ratbv-reia-transportul-bicicletelor-pe-linia-20-pana-in-poiana-brasov>. Accessed 12 November 2020.

¹⁴ <https://tursib.ro/traseu/22/program>

¹⁵ Metrorex București - http://www.metrorex.ro/reguli_de_calatorie_cu_metroul_p781-1 (accessed 12 November 2020).

However, for the transport of bicycles by trains that belong to both public and private companies, additional fees are charged, respectively:

Through the national railway company (CFR Călători), transport of bicycles in trains that cover national routes¹⁶:

- at trains where a bicycle transport service is offered may be taken for transport un-demountable bicycles for which it will pay, at the ticket office, a fee of 15 lei.
- folding/demountable bikes can be transported for free of charge on all trains, to the 1st and 2nd class, as hand luggage, in the limit of the available space, provided they do not inconvenience the other travelers (a folding bicycle per person).

Through the national railway company (CFR Călători), transport of bicycles in trains that cover international routes¹⁷, in order to transport non-foldable bicycles on board the train, buying the international bicycle ticket is mandatory. The price of the bicycle ticket is of 5 euros/bicycle.

All the private railway companies charge fees for bicycle transportation, as follows:

- RegioCălători – for a travel distance under 100 km, an additional fee of 2.9 lei is charged, while for a travel distance greater than 100 km, a fee of 4.8 lei is charged. If the owner of the bicycle travels with two or more successive trains, the charging is to be considered for each train separately¹⁸.
- TFC (Transferoviar Călători) - the access by train with non-folding bicycles is allowed only with the additional payment of the single charger of 7 lei. Instead, the passenger can take in the car – free of charge – a folding or a detachable bicycle and it is considered hand luggage, provided that it does not disturb other passengers¹⁹.
- Interregional Călători – for the transport of non-folding bicycles it is necessary to purchase an extra ticket, with the price of 2.9 lei (for a trip between 0-100 km) and 4.8 lei (for a trip up to 200 km)²⁰.
- Softtrans – this company charges an additional charge for the transport of non-folding bicycles equal to half of the total price of the transport ticket²¹.

Buses in the cities of Iași, Brașov, and Cluj Napoca do not charge an additional fee for bicycle transport²², but in Sibiu the fare is 10 lei (approx. 2 EURO) for one bicycle. In Flixbus the price is 39.99 lei (9 euro) per bicycle²³.

The ships that ensure transportation services to Danube ports in Romania do not charge an additional fee for bicycle transport²⁴.

¹⁶ <https://www.cfrcalatori.ro/en/transport-services-bicycles-skis/>. Accessed 19 November 2020.

¹⁷ <https://www.cfrcalatori.ro/en/bicycles-transport/>. Accessed 19 November 2020.

¹⁸ Information transmitted by e-mail (19 November 2020).

¹⁹ <https://transferoviarcalatori.ro/tarife/biciclete.html>. Accessed 19 November 2020.

²⁰ Information transmitted by phone call (19 November 2020).

²¹ <https://www.softtrans.ro/>. Accessed 19 November 2020.

²² Information transmitted by phone call (19 November 2020).

²³ <https://www.flixbus.ro/firma/preturi/transport-biciclete>

²⁴ Source: field trips.

3. Safety

According to the Ministry of Internal Affairs²⁵, the main causes of serious road accidents on public roads in Romania between 2013 and 2017 were:

- the lack of discipline from the pedestrians (21.3%);
- high speed (19.2%);
- failure to give priority to pedestrians (9.7%);
- failure to give priority to motor vehicles (7.8%);
- non-compliance with the road rules by cyclists (7.9%);
- failure to respect the proper distance between vehicles (3.8%);
- failure to respect the overtaking route laws (3.7%).

Regarding the impact of the non-compliance with the road rules by cyclists in the whole road phenomenon, it is observed in the table below that the incidence of this cause increased permanently between 2013 and 2019, both in absolute value and in weight. Thus, the road accidents that were caused by non-compliance with traffic rules by cyclists were in 2019 by 52.2% more than those registered in 2013, in the context of an increasing number of bicycle users in Romania, but also of the insufficiency of arrangements specific to this type of transport.

Table 3: The evolution of the non-compliance with the road rules by cyclists resulting in severe accidents between 2013 and 2019

2013	2014	2015	2016	2017	2018	2019
559	612	739	772	774	793	851

Source: Ministry of Internal Affairs, General Inspectorate of the Romanian Police, Road Directorate and Institute for Crime Research and Prevention – "Road Safety Bulletin –Annual Report, 2017 and 2019".

According to the same source, between 2016 and 2019 cyclists manifested a less responsible road behaviour, being more often guilty of the accidents in which they were involved. In 2019, the number of cases of non-compliance with the road rules by cyclists increased, which represented the main causes of severe road accidents. The drivers of two - wheeled motor vehicles also consistently registered values close to those of the accidents caused by the cyclists (see table below).

²⁵ The source of all this information is the bulletins published by the Ministry of Romanian Affairs, through the General Inspectorate of the Romanian Police, the Traffic Directorate and the Institute for Felony Research and Prevention, available in Romanian at: <https://www.politiaromana.ro/ro/prevenire/buletinul-sigurantei-rutiere>

Table 4: The level of liability of drivers between 2016 and 2019

Year	Bicycles	Animal – drawn vehicles	Two – wheeled motor vehicles	Commercial vehicles	Public transport
2016	59.2%	41.8%	59.0%	32.4%	20.6%
2017	60.4%	42.1%	56.7%	31.7%	17.4%
2018	61.4%	42.0%	57.0%	34.0%	19.9%
2019	63.1%	45.5%	57.8%	34.7%	16.3%

Source: Ministry of Internal Affairs, General Inspectorate of the Romanian Police, Road Directorate and Institute for Crime Research and Prevention – "Road Safety Bulletin–Annual Report, 2018 and 2019".

In general, between 2013 and 2018, most accidents that also included among the causes the non-compliance with the road rules by cyclist took place in rural areas (over 50%). In the urban areas, their share was about 30%; this fact is correlated with a higher number of bicycles in rural households. We mention that in rural areas cycling is a common way to ensure mobility over short distances among locals.

In rural areas, accidents caused by road indiscipline by cyclists were not only frequent but also some that resulted in high mortality. Overall, one out of seven accidents that took place in rural areas was caused by a cyclist. In addition, one out of five accidents caused by cyclists occurred while intoxicated. Moreover, in 2017, almost 60% of the accidents involving cyclists that took place in rural areas resulted in deaths.

According to the Ministry of Internal Affairs, the involvement of cyclists in causing severe road accidents began to rise to the surface in 2010 and 2011, reaching – in 2017 – a double number of accidents caused by their fault, as compared to 2011. At the same time, there was a gradual increase in the percentage of cyclists involved in total accidents, from 7% in 2010 to 9% in 2012, and 15% in 2017.

The evolution of the deaths of cyclists between 2016 and 2019

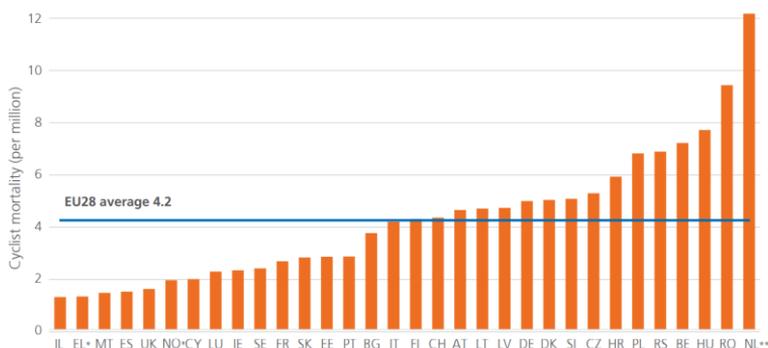
- in 2016, 173 cyclists died (representing approximately 10% of the total number of victims who died in road accidents that year) and 878 cyclists were severely injured.
- in 2017, 186 cyclists died (34 in urban areas, 110 in rural areas, and 42 outside the locality) and 848 cyclists were severely injured (347 in urban areas, 420 in rural areas, and 81 outside the locality).
- in 2018 the number of deceased cyclists decreased slightly as compared to 2017 (reaching a total of 177 people, less by 9 people compared to 2017), but the number of seriously injured cyclist was higher (933 people).
- In 2019, the number of deceased cyclists decreased significantly compared to 2018 (a total of 116 people, less by 61 people compared to 2018), while the number of seriously injured followed the same trend (738 people compared to 933 in 2018). By age categories, the fewest victims among cyclists were in the age range 19-24 years (6 dead and 34 seriously injured). Most victims were between the ages of 61-66 (29 dead and 116 seriously injured).

- between 2013 and 2019, depending on the type of road most cyclists died in serious road accidents on national roads, followed by county roads, streets, and communal roads. For example, the data for 2018 showed that 33.8% of the total number of deceased pedestrians registered on national roads were cyclists.

According to the most recent report by the European Road Safety Observatory²⁶, in 2016 Romania ranked first in the European Union in terms of the number of deceased cyclists, compared to the size of the population, respectively 8.9 victims per million inhabitants.

A January 2020 report by the European Transport Safety Council (ETSC) shows that Romania was on the 2nd place regarding the cyclist mortality among EU countries, with the highest mortality level, after the Netherlands.

Figure 1: Average annual cyclist deaths reported by the police (2016-2018 average) per million inhabitants in 2018



Source: European Transport Safety Council – *How safe is walking and cycling in Europe?* PIN Flash Report, 38 January 2020.

Available at: https://etsc.eu/wp-content/uploads/PIN-Flash-38_FINAL.pdf.

Accessed 30 November 2020

* El and NO – 2016-2017.

**NL – Statistics Netherlands data.

The ETSC report also found out that the highest proportion of males among cyclists killed is in Israel, Spain and Portugal (94%) and Romania and Bulgaria (93%). The largest proportion of cyclist deaths as a consequence of an impact with a van are in Romania (17%), Hungary (14%), Israel and Latvia (13%) and Slovakia, Portugal and Spain (12%).

We mention that in the National Road Safety Strategy 2016–2020²⁷, in order to reduce the number of deaths among cyclists (identified as a category with a high risk of

²⁶ European Commission - Traffic Safety Basic Facts: Cyclists. Available at: 2018 https://ec.europa.eu/transport/road_safety/sites/roadsafety/files/pdf/statistics/dacota/bfs20xx_cyclists.pdf. Accessed 23 November 2020

²⁷ Available at: <https://www.gov.ro/ro/guvernul/sedinte-guvern/strategie-i-plan-de-actiuni-pentru-cre-terea-sigurantei-rutiere-pana-in-2020-i-reducerea-la-jumatate-a-deceselor-din-accidente-rutiere-fata-de-2010>

accidents in Romania), among the priorities related to road infrastructure were the following:

- the separation of slow traffic from transit, by building roads dedicated to slow vehicles, such as agricultural machinery, wagons, bicycles; in the case of bicycles, in addition to local traffic, tourist traffic – cycling – can be considered in certain road sectors under some pilot initiatives, given that – currently– there are, at the level of the European Union, international cycling networks that connect major cities through "green roads" dedicated exclusively to bicycles. It must also be taken into account the priority development of all types of green ways, including those that do not intersect with the main road transport routes.
- the development of standards for the construction of bicycle lanes.

Unfortunately, these priorities have not been transposed into reality.

MANAGER'S DECISIONS INFLUENCED BY RISKS IN A PANDEMIC SITUATION- SME'S IN ICT SECTOR

Alexandra Irina Dănciulescu¹

Abstract

People are mainly influenced by emotions in making decisions. A manager or a good leader has to be detached and a little involved in the lives of his employees. This analysis wants to show how managers have made decisions during the Pandemic situation; what factors have influenced them in taking those decisions, and what is the prognosis of the past 2 years. We will analyse the IT sector of SME's and the risks involved and considered in making sound decisions that will allow the companies to thrive and prosper.

Keywords: *risk management, economic environment, SMEs, economic factors, psychological and social factors, ICT sector, the Risk Type Compass*

JEL Classification: D81, D91, G32, M00, M21.

1. Introduction

Because the manifestation of risk within the company can have as an extreme consequence its bankruptcy, it is necessary to define a risk protection instrument with which any company can carry out its activity and achieve its proposed objectives. Hence, the instrument called **risk management** that consists: both in preventing and minimizing the occurrence of events that may affect the company's activity and may alienate it from its mission, and help the process of identifying, evaluating and quantifying those events.²

Therefore, this paper presents in short, the literature available on risk management, the factors that influence risks nowadays, the last instruments that have risen in the last few years that can help managers make objective decisions and why we should take into consideration the personality of the individual.

We will talk about the economic environment of European and Romanian SME's; how natural disasters, like a Pandemic, can influence not only the social environment but also, the economic one; and, at last we will try to conclude in a positive prognosis that will be the starting point for further research.

2. Risk management

Risk management is the way we manage the negative effects of risk manifestation, and the way we exploit potential opportunities. By **risk management**, we mean the process by which we identify, assess, estimate, treat and report risks.

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² Dănciulescu A., *The Role of Risk Management and Treatment Methods applied in Today's Economy*, December 2013, Romanian Economic and Business Review – Special issue.

Although the principles are common, the quantitative techniques and tools used in specific areas must give way to subjective interpretations of the consequences of risk throughout the organization.

Various theories of **risk management** and organizational behaviour differentiate between risk and uncertainty based on an organization's ability to allot a probability to every possible result. From this point of view, organizational risk is the set of all results with calculable frequency distributions, while uncertainty exists either when probabilities cannot be determined for different results or when the set of all possible results is unidentified³. *Literature defines risk as the threat will adversely affect an organization's ability to achieve its objectives and successfully implement its strategies.*⁴. This definition highlights the fact that the risk is obvious and may be an inauspicious event, with a negative outcome.

Causes that can determine the occurrence of **risk**⁵:

- can be foreseen, unforeseen or just random;
- can be internal or external to the company;
- can be identified based on information from research or based on historical records(statistics);
- can be described from the point of view of:
 - *intensity*;
 - *production probability*;
 - *the area / extent on which a hazardous cause may act*;
 - *action span*;
 - **risk management** (keeping risks under control).

ISO 31 000:2009 has been replaced by ISO 31 000:2018 which has been technically revised.

The main changes compared to the previous edition are as follows⁶:

- ✓ principles of risk management, which are the essential reasons for its success;
- ✓ highlighting the leadership by top management and the integration of risk management;
- ✓ putting emphasis on the nature of risk management, detecting that new occurrences, information and analysis can lead to revising process components, measures and controls at every stage of the process;
- ✓ reforming the content with better emphasis on supporting an open system model to fit multiple needs and circumstances.

³ Stephen D. Gantz, Daniel R. Philpott, *FISMA and the Risk Management Framework*, 2013, Syngress, Pages 507-520, ISBN 9781597496414.

⁴ Griffiths Phil, *Risk-Based Auditing*, Gower Publishing Limited, 1998, Aldershot, England, Economist Intelligence Unit, Department of British Government, p. 17.

⁵ Dănciulescu Alexandra Irina, *Managementul riscului în cadrul IMM-urilor în contextul actual al globalizării și internaționalizării firmelor*, 2015, Editura Universitară, pp. 28-29, ISBN 978-606-28-0292-9.

⁶ <https://www.iso.org/obp/ui/#iso:std:iso:31000:ed-2:v1:en>

Today's economic context of a company is subject to risks, determined by certain factors⁷:

- ✓ changes in social environment that can change consumers preferences;
- ✓ expansion of sales place, access to international markets;
- ✓ aggressiveness of competition;
- ✓ changes in economic, fiscal, political and judicial system;
- ✓ state intervention in monetary policies, fluctuations of the inflation rate, fluctuations of exchange rates, changes in interest rates, changes in market prices,
- ✓ organizational and company structure decisions (organization, restructuring, outsourcing, merger, absorption);
- ✓ wrong strategies and erroneously adopted decisions that lead to the invalidation of previous experience;
- ✓ the optimistic or pessimistic attitude of the analysis team;
- ✓ changes in technology (patents and innovation);
- ✓ factors determined by the environment – abnormal variation in climate and temperature, earthquakes, landslides, storms, fires, explosions, *and for the last 3 years Covid-19 Pandemic.*

All of these can lead to the occurrence and manifestation of risk within a company. The problem is that it can slip by unobserved and/or can lead to the bankruptcy of the company and therefor her *demise*.

2.1. Theories and instruments to use in making decisions

The majority of modern theories⁸ on *decision theory* start from the usual idea of risk aversion of individuals, no matter their profession, that the human being trying to obtain a certain result, to the disadvantage of an option that could lead to the same resolution. Furthermore, the expert studies stipulate that the attitude regarding the risk factors is a stable attribute of each individual, linked to the development of the personality, as well as to his culture. On the other hand, because this is a complex phenomenon and because there are several theories present in the field of risk, the opinions of researchers do not always see eye-to-eye regarding the various characteristic aspects involved in this process.

Therefore, regarding the taste for risk, specialists have agreed that it is often associated with certain particular traits of the personality of the decision-maker, in terms of scientifically differentiating risk-takers from others; members of the same culture or profession, the opinions of those investigating this field become divergent.

Dr. Rob Long, an expert in Social Psychology says *that what happens around us influences us when it comes to evaluating and handling risk; that social psychology teaches us that conventionality, docility and social opinion are all tied to context and situation, much more powerfully than to personality. Therefore, he says that people*

⁷ Dănciulescu Alexandra Irina, *Managementul riscului în cadrul IMM-urilor în contextul actual al globalizării și internaționalizării firmelor*, 2015, Editura Universitară, p. 74, ISBN 978-606-28-0292-9.

⁸ Opran C., Paraipan L., *Managementul riscului*, Editura Comunicare.ro, Bucuresti, 2008, p. 37.

tend to misjudge the significance and power of individual personality and undervalue the influence of social conditions⁹.

Even though the theories regarding risk have a few inconsistencies, the predilection for risk is considered a stable attribute of the personality, but the attitude and perception towards risk depends on various characteristics like feelings, humour, perceptions etc.

Every person comes has a personal perception and attitude towards risk that he brings to the table. People are unique and this includes their predisposition towards risk. The research regarding personality identifies two specific characteristics that support this¹⁰:

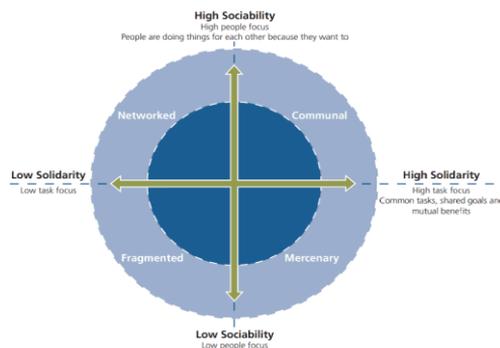
- The degree to which individuals are spontaneous or organized, methodical and obedient;
- The degree to which individuals may be careful, pessimistic and fearful, or optimistic, tough and courageous.

We can measure the predisposition to risk by using personality assessment tools. The fact is that regarding risk taking, people are very different. Organizations need to be more focused on the ethical and psychological profile of those working for them. Every person comes with their own scale of moral values that greatly influence the decisions we make on a day-to-day basis.

In 1998, Goffee and Jones have developed the Double S model, which takes into consideration culture regarding two key aspects¹¹:

- ❖ how well people get on socially and
- ❖ how well people get along with each other and work as a team.

Figure 1: The Double S model¹²



Source: Institute of Risk Management, Protiviti - Risk and Business Consulting. Internal Audit, 2012. Risk culture-Resources for Practitioners¹³

⁹ Understanding the Social Psychology of Risk and Safety, July 10th 2020, by Dr. Rob Long, <https://safetyrisk.net/understanding-the-social-psychology-of-risk-and-safety/>

¹⁰ Institute of Risk Management. *Risk Culture: Resources for Practitioners*, 2012, London: IRM.

¹¹ Goffee, R. and Jones, G., *The character of a corporation: How your company's culture can make or break your business*. New York: Harper Collins Business, 1998.

¹² <https://www.readkong.com/page/institute-of-risk-management-risk-predictions-2021-9281706>

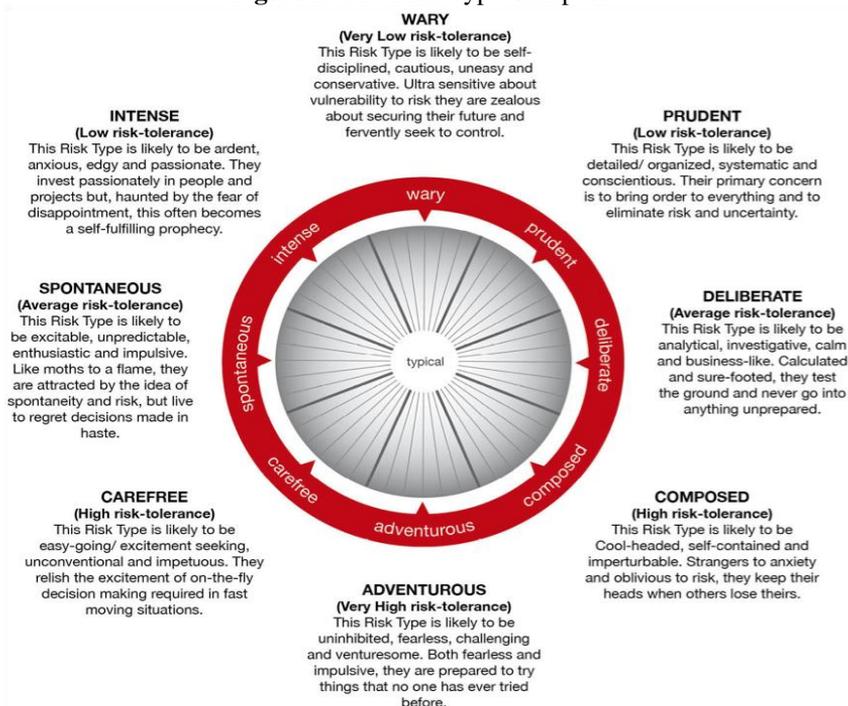
¹³ https://www.treasurers.org/ACTmedia/IRM_riskculture_full_Oct12.pdf

Every single culture in the model has both an advantage and a disadvantage when we think of risk management results. Nonetheless, the research performed out by the Institute of Risk Management in 2012, indicates that companies should look for consolidating both their affability and unity ratings in order to implement risk management more efficiently. Low results on either factor set up a barrier that will not allow an effective management of risk¹⁴.

Two attributes of personality add to the predilection for risk. First, the degree to which they are impulsive or methodical, organized and obedient. On the other hand,¹⁵ they may be careful, pessimistic and fearful, or optimistic, tough and courageous. The Risk Type Compass is a recently developed instrument meant to validate personality assessment procedures, developed by Geoff Trickey licensed **psychologist, CEO of Psychological Consultancy Ltd.**

The Risk Type Compass specifies that there are eight Risk Types, with different levels of risk tolerance. This will have an impact on how an individual reacts to risk and how he makes a decision. Geoff Trickey and Grace Walsh present the eight Risk Types as follows¹⁶:

Figure 2: The Risk Type Compass¹⁷



Source: The IIRP, article The Mosaic of Risk Culture, by Grace Walsh and Geoff Trickey, 10 January 2014

¹⁴ Institute of Risk Management, *Risk culture: Resources for Practitioners*, 2017.

¹⁵ Institute of Risk Management, *Risk culture: Resources for Practitioners*, 2017.

¹⁶ <http://www.theiirp.org/the-mosaic-of-risk-culture>, 10 January 2014, The IIRP, by Grace Walsh and Geoff Trickey.

¹⁷ https://www.pmia.org/Public/Public/Learning/Risk_Type_Compass.aspx

The Risk Type Compass assists companies in achieving their risk management objectives by taking into consideration the human factor or the individual's personal perception of risk. It improves the human factor and makes so much more effective risk management by raising recognition of an individual's predilection to risk and how that might be expressed in a team¹⁸.

3. Economic environment of SME's

3.1. Economic of European SME's

EU 2003/361¹⁹ (European Commission, 2013b) defines small and medium-sized enterprises as a *group of micro, small and medium-sized enterprises (SMEs) that are formed of enterprises with less than 250 employees and a turnover of maximum 50 million Euro, and / or the balance sheet does not exceed € 43 million. The SME category includes small businesses with less than 50 employees and a turnover of no more than € 10 million. Micro-enterprises are defined as enterprises with less than 10 employees and a turnover of maximum 2 million Euro.*

The European Union considers small and medium size enterprises as the pillar that sustains Europe's economy because they represent 99% of all businesses in the EU²⁰ and because they employ around 100 million people.

SMEs create ground-breaking resolutions to problems like climate change, resource efficiency and social consistency and help spread out these resolutions throughout Europe's countries. They are therefore vital to the EU's evolution towards a green and digital economy, to competitiveness and prosperity, to industrial ecosystems, economic and technological control, and toughness when facing external shocks.²¹

SMEs are responsible for two out of three jobs in the private sector, they account for far less than half of all exports and imports. When it comes to other types of internationalisation, such as foreign direct investments, the contribution of SME's is even more diminished²².

The Covid-19 Pandemic and the measures taken in response to it substantially altered many SMEs in the European Union. The two most affected sectors were accommodation and food services, the value added dropped by 37.8% and the employment also dropped by 11.1%, transportation and storage decreased with 16.1% and 0.7%.

According to the Annual Report on European SMEs 2018/2019, in 2018²³, approximately 25 million SMEs functioned in the EU-28, from which 93% were

¹⁸ <https://www.psychological-consultancy.com/products/risk-type-compass/>

¹⁹ COMMISSION RECOMMENDATION of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (notified under document number C (2003) 1422), (Text with EEA relevance), (2003/361/EC), 20.05.2003.

²⁰ https://ec.europa.eu/growth/smes_en

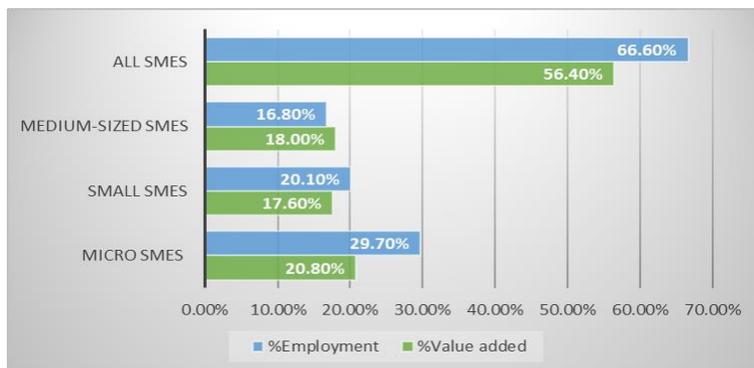
²¹ https://ec.europa.eu/growth/smes_en

²² Internationalization of SME's - A Policy Brief from the Policy Learning Platform on SME's Competitiveness, August 2021, European Regional Development Fund, <https://www.interregeurope.eu/>

²³ Annual Report on European SMEs 2018/2019, November 2019, report prepared for the European Commission.

micro-enterprises. *Figure 3*²⁴ presents the percentage of value added and employment created in the non-financial business sector of SMEs.

Figure 3: Non-financial business sector of SMEs in 2018



Source: processed by author

Nonetheless, in 2019 micro enterprises have had a major contribution to value added and employment development because the greatest evolution happened in sectors where micro enterprises played an important role. According to the Annual Report on European SMEs 2021/2022, July issue, 330 000²⁵ additional new jobs in constructions were created, while employment in the other size classes came to a stop. Other sectors²⁶, where medium-sized enterprises and large enterprises have a more central role, such as the manufacturing sector, declined or had a relatively modest increase.

Figure 4: Evolution of value added and employment of SMEs in NFBS in 1919²⁷



Source: processed by author

²⁴ <https://blogs.ec.europa.eu/promotingenterprise/files/2018/11/SME-Annual-report-2017-2018.pdf>

²⁵ Annual Report on European SME's 2020/2021, July 2021, report prepared for the European Commission.

²⁶ <https://www.ggb.gr/sites/default/files/basic-page-files/SME%20Annual%20Report%20-%202021.pdf>

²⁷ Annual Report on European SME's 2020/2021, July 2021, report prepared for the European Commission, <https://www.ggb.gr/sites/default/files/basic-page-files/SME%20Annual%20Report%20-%202021.pdf>

The global economic growth in 2019 was especially strong in industries like construction, hospitality and tourism, where micro enterprises are at the top. Furthermore, in 2019²⁸, the SMEs active in the IT&C sector displayed a robust value added and employment performance than SMEs from other sectors.

Figure 5: SME's in NFBS during 2018-2021



Source: processed by author

The Pandemic affected all the Member States in particular the *Accommodation and food service, Transport and storage, Administrative and support service activities* and Manufacturing sectors.

European small and medium size enterprises from IT&C sector performed much better in 2020 than other European small and medium enterprises from the others sectors²⁹.

In 2020³⁰, according to The Annual Report on European SMEs 2020/2021, the number of SMEs active decreased from 25 million to 21 million summing up 99.8% of all enterprises in the non-financial business sector (NFBS) of the European Union, from these 93% were micro enterprises. We have to take into consideration that EU-27 SMEs have generated 53% of the total value added and 65% of total employment.

The pandemic had a major impact on EU-27 SMEs in 2020, because it hit many businesses, especially those who were not prepared to deal with change. In addition, the pandemic exposed weak aspects of global value chains. A repositioning of some activities in Europe might happen and reveal new opportunities for European SMEs. Similar repositioning trends in other regions of the world might - on the other hand - have a negative impact on the internationalization of European SMEs.³¹

²⁸ Annual Report on European SME's 2020/2021, July 2021, report prepared for the European Commission, <https://www.ggb.gr/sites/default/files/basic-page-files/SME%20Annual%20Report%20-%202021.pdf>

²⁹ <https://www.ggb.gr/sites/default/files/basic-page-files/SME%20Annual%20Report%20-%202021.pdf>

³⁰ *Idem*, 22.

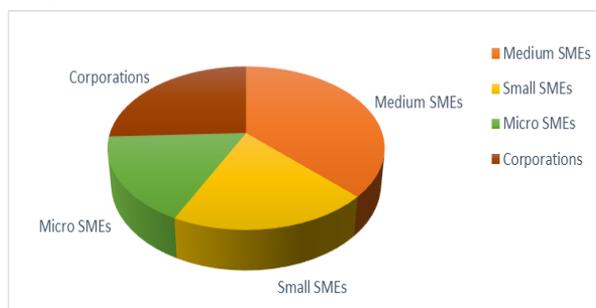
³¹ Internationalization of SME's- A Policy Brief from the Policy Learning Platform on SME's Competiveness, August 2021, European Regional Development Fund, <https://www.interreurope.eu>

The number of new SMEs registrations in Member States decreased and so did the funding for start-ups and scale-ups, in 2020. The number of bankruptcies also decreased in 2020, reflecting the effect of the different economic support programmes applied by Member States³², tolerance by creditors and supervisory bodies, and reduced operations by legal and administrative authorities ruling on and recording bankruptcies.

3.2. The evolution of IT&C SMEs in Romania

According to an article by Andrei Chirileasa³³, from December 2020, in Romania-Insider, in 2019, more than 24,000 software companies were active in Romania, 6.2% more than in 2018, of which: 22,600 micro, 1,100 small companies, 328 medium companies. As we can see from **Figure 6**, medium companies generated the biggest turnover share with 37.4% from the total SMEs, followed by corporations with 25.7%, small SMEs with 19.8% and micro SMEs with 17.1%³⁴.

Figure 6: Turnover share of Software SMEs in 2019



Source: processed by author

The *IC&T* sector performed well, with SME value added increasing by 13.0%, although SME employment decreased by 2.6%.³⁵

Romania's economy diminished by 3.9 percent in 2020, one of the lowest cutbacks in the European Union, and came back strongly at 6.5 percent in the first half of 2021.³⁶

Romania's IT market is one of the fastest growing markets in Central and Eastern Europe forecasted to grow reaching a value of RON 9.9 billion (\$2.47 billion) in 2021.

The countries' centre point for IT development is in Bucharest, holding 63% of revenues and other regions like, The North-West with 18%; The West with 5%; Central with 6%; and The North-East with 5%.

³² <https://www.ggb.gr/sites/default/files/basic-page-files/SME%20Annual%20Report%20-%202021.pdf>

³³ <https://www.romania-insider.com/ro-software-industry-dec-2020>

³⁴ https://www.economica.net/analiza-industria-de-software-din-romania-va-creste-la-un-maxim-istoric-de- peste-8-miliarde-de-euro-in-2020-topul-companiilor_193563.html

³⁵ The data for 2020 are estimates produced by DIW Econ, based on 2008-2018 figures from the Structural Business Statistics Database as well as provisional data for 2019-2020 from the National Accounts Database and the Short-Term Business Statistics Database (Eurostat).

³⁶ <https://www.worldbank.org/en/country/romania/overview#1>

Cybersecurity is a key component of the ICT sector in Romania.

Between 2014 and 2020³⁷, Romania received EUR 30.8 billion from the ESIF (European Structural and Investment Fund), supporting SMEs (including support to R&D activities or the ICT sector) through two operational programmes – the *Competitiveness programme and the Regional programme* – approximately EUR 1.64 billion.

An extra 550 million EUR has been mobilised under the European Regional and Development Fund for financial support to SMEs.³⁸

According to the European Commission's Digital Economy and Society Index (DESI), Romania ranks 5th in the EU due to the number of ICT graduates that represent 5.6% of all graduates, a number above the European average of 3.6%.³⁹

Unfortunately, migration and *brain drain* affected the IT&C sector caused by low salaries in the sector (although high for Romanian standards)⁴⁰.

Conclusions

SMEs play an important role in Romania's NFBS sector. In 2020, almost 27,000 software companies functioned in Romania, 9% more than in 2019 and 104% more than in 2010. Of these, 25.3 thousand are micro-enterprises, 1.1 thousand companies small, 353 medium-sized companies and 21 large companies. Their contribution to total value added was 55.9%, meanwhile the contribution to employment was 66.1%⁴¹.

Reaching a historic level in the local software market shows that although the industry as a whole dropped by 8% because of the Pandemic, the IT companies managed to adapt to these circumstances⁴².

To activate the economy, the Romanian government published a National Plan for Investment and Economic Recovery.⁴³

In 2021, expenditures recovered, and total sales of small and medium-sized enterprises increased by 4.5% by August 2021 compared to the same period of the COVID-19 pandemic year. The report⁴⁴ shows that e-commerce sales increased by 31.4% in 2021 for SMEs that responded to the survey. In Romania, 21% of SMEs that closed at the beginning of the pandemic remained closed after 6 months, compared to large enterprises, which remained closed in proportion of 13%⁴⁵.

³⁷ <https://op.europa.eu/en/publication-detail/-/publication/c2958194-0527-11e6-b713-01aa75ed71a1/language-en>.

³⁸ 2021 SME Country Fact Sheet's Background Document-Romania.

³⁹ European Commission (2020), *The Digital Economy and Society Index (DESI)*, available at: <https://ec.europa.eu/digital-single-market/en/digital-economy-and-society-index-desi>.

⁴⁰ Cristea, M., (2020), *Romania has the second largest pool of developers in CEE*, available at: <https://business-review.eu/tech/Romania-has-the-second-largest-pool-of-developers-in-cee-212202>.

⁴¹ *2021 SME Country Fact Sheet-Romania*, European Commission, https://ec.europa.eu/growth/smes/sme-strategy/performance-review_en

⁴² https://www.economica.net/estimare-keysfin-piata-romaneasca-de-software-va-depasi-in-acest-an-valoarea-de-92-miliarde-de-euro_546655.html

⁴³ https://ec.europa.eu/info/sites/default/files/factsheet-romania_en.pdf

⁴⁴ <https://www.consilium.europa.eu/en/policies/coronavirus/covid-19-travel-in-the-eu/>

⁴⁵ <https://www.consilium.europa.eu/en/policies/coronavirus/covid-19-travel-in-the-eu/>

The domestic market is underdeveloped, says Gabriela Mechea, ANIS Executive Director⁴⁶. Many of the IT&C companies in the country, whether they offer finished products for sale or cover intermediate activities in the production chain, have to adopt strategies of internationalization, because export activities are the main source of business⁴⁷.

In order to carry out its mission, supporting SMEs and strengthening the single market are still priorities for the European Union, more than 10 years after the launch of the Small Business Act (2008). Although progress has been made in key areas in the Community, only 25% of SMEs in the Member States now benefit from the opportunities offered by the single market in terms of exports (European Commission, 2020)⁴⁸.

The European Commission gave Romania's recovery plan a positive assessment. The financing (€14.2 billion in grants and €14.9 billion in loans) provided by the Recovery and Resilience Facility – at the heart of NextGenerationEU – will support the implementation of crucial investment and reform measures put forward by Romania to emerge stronger from the COVID-19 pandemic until 2026. The Romanian plan is part of an unprecedented coordinated European Union response to the Pandemic, to address common European problems by accepting the sustainable and digital transitions, to support economic and social resistance and the unity of the Single Market.⁴⁹

The contribution of Romania to the digital transition amounts to 21% of its total allocation of €29.2 billion. This exceeds the minimum of 20% required by the RRF Regulation.⁵⁰ The plan contains different measures that will support directly or indirectly private investments, including SMEs, will increase the capacity of the country to attract investment and create new businesses and jobs. The plan also aims to reinforce fiscal sustainability through important reforms of the tax administration, the tax framework, the management of public expenditure and the pension system⁵¹. Romania remains extremely resilient, declaring growth for five consecutive quarters since the third quarter of 2020, with an overall increase of more than 7% expected in 2021. The prognosis for 2022 is also good, the forecast is that the GDP to 4.5-5%.

Furthermore, consumption has been robust in the first 11 months of 2021, recording an increase of 10.5% from a year to another, a tendency that ought to remain constant on the short and medium run, regardless of new restrictions, that might appear in order to confront the spread of the Omicron variant⁵².

⁴⁶ Reștea, K. (2021, 2 septembrie). Topul celor mai puternice companii de IT din România și o radiografie a industriei. ANIS: *Nu avem o piață internă / 75% din venituri sunt realizate din exporturi*. <https://economedia.ro/top-cele-mai-puternice-companii-de-it-din-romania-si-o-radiografie-a-industriei-anis-nu-avem-o-piata-interna-75-din-venituri-sunt-realizate-din-exporturi.html#>. YT8ORp0zY2w

⁴⁷ <https://levelup.facultateademanagement.ro/wp-content/uploads/2021/12/Internationalizarea-IMM-urilor-din-Romania-in-perioada-pandemiei-Insight-uri-din-sectorul-ITC.pdf>

⁴⁸ <https://alientt.com/the-ec-publishes-the-sme-annual-report-2020-2021/>

⁴⁹ <https://www.thediplomat.ro/2021/09/28/romanias-national-recovery-and-resilience-plan-approved-by-the-european-commission/>

⁵⁰ https://ec.europa.eu/commission/presscorner/detail/en/qanda_21_4875

⁵¹ *Idem*, 38.

⁵² <https://www.fairwear.org/covid-19-dossier/worker-engagement-and-monitoring/country-specific-guidance/covid19-romania/>

However, the inflationary wave all across Europe affected also Romania, reaching an increase of 7.8% in November 2021, while the gas & energy prices recorded an increase of almost 50%.⁵³

When we talk about risk management failures (especially when thinking of SMEs), we do not talk about the problems that could have been addressed proactive. That means a risk management programme that included a good leader that uses a proper risk assessment tool, a proper instrument that supports cognitive diversity (*the Risk Type Compass*) to insure a balance between emotions and reasoning, which according to neuroscience characterizes decision-making.⁵⁴

Romania lacks in good decision makers from the top levels of the country's management, so the lack of good decisions happens at every level of entrepreneurship as well. The lack of infrastructure, whether it is transport infrastructure, fiscal burden or digitalisation. In our opinion, Romania has a long way to go regarding risk management, enterprise management and risk assessment. The process of decision-making has the power to influence the future, the triumphs and the ruin of any organization.

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⁵³ <https://www.fairwear.org/covid-19-dossier/worker-engagement-and-monitoring/country-specific-guidance/covid19-romania/>

⁵⁴ <https://www.psychological-consultancy.com/products/risk-type-compass/>

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