

Chapter 5

Politicized Economy and Its Effects on Business Sustainability: A Case Study on Romania



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Abstract Globalization produces contradictory results and creates important loopholes in the socioeconomic dynamics of the world. In light of world politics and recent developments, (such as the proliferation of nationalist and populist parties and of the isolationist ideas culminating in the Brexit), the globalization idealists begin to understand that globalization is not an easy process to govern, given the fact that it implies the cohabitation of non-heterogeneous, multicultural populations. Besides the challenge brought by the stirred global context, Romania faces another complex challenge, consisting in the unprecedented interfering of the political sector in the very pillars of the society: democracy, the state law, and the market economy. The present paper intends to investigate the extent to which the politicization of the economy could have a major impact on the stability of the Romanian economy as a whole and on the sustainability of local businesses, in particular.

Keywords Business sustainability · Politicized economy · Globalization
Policymakers

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5.1 Business Sustainability and Socio-Political Environment

Sustainable development was defined by the Brundtland Report as being the “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”, a development described as a “process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are all in harmony and enhance both current and future potential to meet human needs and aspirations” (Brundtland 1987:43). The concept of sustainable development upholds the compatibility and complementarities of its three dimensions: economic, social, and environmental. It is a global, macroeconomic concept particularly through its social and environmental facets (Oncică-Sanislav and Căndea 2016).

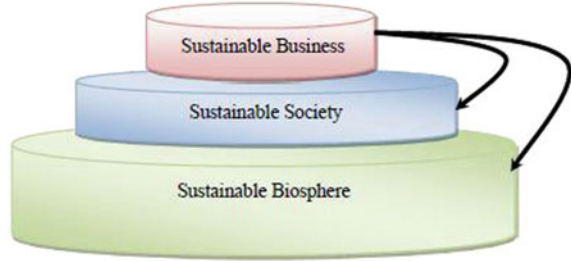
We can interpret the concept of sustainable development as the ideal of a human society thriving indefinitely. Pop (2015) asserts that development is sustainable if it leads to an increased number of human options, both locally and globally, to meet the needs of the present and future generations and defines resilience (R), viability (V), and subsistence (disaster) (S) as three levels of eco-economic reality, three different stages in the functioning of eco-economic systems in the context of sustainable development. These levels are measurable by identifying energy interdependencies with the three pillars of sustainable development in a trans-disciplinary context: the environmental (environmental) sector, the socio-community sector (human habitats), and the economic sector (market).

At macroeconomic level, the development process interconnects the global with the local levels, through what is defined as the concept of “glocalization”.¹ Possible human choices are determined by the available resources and personal creativity. There is a resource limit at the material level, but fortunately, there is no limit to creativity at the informational level. The least used potential is the human one, the knowledge in its complexity, which integrates the two seemingly difficult issues to manage together (Pop 2015).

At microeconomic level, the sustainable development concept relates to “sustainable business” concept, a concept (business sustainability) that can be regarded as the correspondent of sustainable development for the business sector (Oncică-Sanislav and Căndea 2016). By analogy with the three pillars of the sustainable development concept: economic development, social development, and environmental protection, the generally held view is that companies should strike in all their actions a balance between their economic, social, and environmental performance (Căndea 2010). Addressing the higher level context of corporate sustainability, Werbach (2009) extends the number of sustainable development dimensions to include the cultural aspect, in other words the local level, and holds that a corporation will not be sustainable unless its strategy for sustainability addresses all these four dimensions simultaneously.

¹Glocalization: the idea that in globalization, local conditions must be considered—Cambridge Dictionary 2017.

Fig. 5.1 Business sustainability depends on and, simultaneously, affects the social and natural environments. *Source* (Morris 2000)



In this context, we can define business sustainability as the capacity of a business to prosper in the long term, with no foreseeable time limit. As the engine of economic development, for-profit business is a very important actor and stakeholder of sustainable development.

On one hand, its activity and its sustainability (or lack of) have a significant impact on its social and natural environments. The well-being of society depends upon profitable and responsible/sustainable business enterprises. On the other hand, business sustainability (its long-term prosperity) is conditional on the sustainability of the social system and both depend on the sustainability of the natural system (Morris 2000) (Fig. 5.1).

This hierarchy implies that the organizational performance on which business sustainability hinges is determined by higher rank conditions that shape the activity of the organization. Namely, certain performance criteria of a company that strives to be sustainable can be limited by the way the broader, social, and natural system works.

The natural system includes interrelated factors like physical resources, wildlife, and climate. The social system (or societal environment) includes general forces that can be divided in at least four interrelated subsystems (Wheelen and Hunger 2006): the economic subsystem (forces that regulate the exchange of materials, money, energy, and information), the technological subsystem (forces that generate problem-solving inventions), the political–legal subsystem (forces that allocate power and provide constraining and protecting laws and regulations), and the socio-cultural subsystem (forces that regulate the values and customs of society).

The lists of factors comprising each subsystem are relatively long and as more and more markets become global, the number of factors becomes huge and much more complex. All these factors could prove important for business sustainability: the long-term survival of the firm. In order to achieve the purpose of this paper, we will further focus on the factors comprising two interrelated subsystems that are, usually, providing a major individualization at the national level: the sociocultural and political-legal subsystems.

The sociocultural subsystem is shaped by factors, such as national identity, values, religion, social organization and language, demographic trends, legal/justice system, the level of corruption, the level of government control, cultural understandings, and the list could continue. These factors are critically influencing the way

the organizations are managed (Hofstede et al. 2010), the prevalence of long-term view as opposed to short-term view in managing organizations, the interpretations given to and actions related to Corporate Social Responsibility (Tilt 2016), and the importance granted to environmental sustainability (Băcanu 2006: 66).

As an example, the level of corruption is a factor that can be an important source of environmental and social degradation, with negative impacts on sustainable development, thus hindering company's prospects for sustainability. For a company, the level of corruption in the society it operates can directly affect all the three dimensions, previously discussed, of business sustainability: economic, social, and environmental. Corruption and bribery escalates costs, undermines fair competition, and poses serious legal and reputational risks (UN Global Compact 2017). It also can be an important source of environmental degradation, especially in developing countries—it may reduce the stringency of environmental and labor regulation or the effectiveness with which these regulations are enforced (Welsch 2003).

The political factors comprising the political-legal subsystem can impact business organizations in many ways. Their evolution can add substantial risk to business operations and profitability, thus affecting directly business prospects for sustainability. A list of political factors affecting business (and business sustainability) can be considered to be (without claiming to be exhaustive): protectionism as opposed to free trade, level of bureaucracy, freedom of the press, education and education law, environmental law and laws that regulate environment pollution, tax policy (including here tax rates, incentives and tax administration), government stability and its involvement in trade unions and agreements, employment, immigration law, health and safety law, and so on (Wheelen and Hunger 2006). Also, a country's political stability, government efficiency, and central bank independence are to be considered as important factors with impact on state sustainability (RobecoSAM 2016) and, as a direct consequence, on business sustainability operating locally.

At the global level, the recent evolutions of the political landscape are rising doubts regarding the evolution of the globalization process, populist, and nationalist movements, based on anti-elitist, anti-immigration, and protectionist platforms gaining more and more traction and popularity.

At the Western society's level, the political environment is rocked by the populist successes at the polls in Western Europe and the United States, the proliferation and flourishing of nationalist and populist parties in EU, and by the democratic deterioration and authoritarian consolidation in the postcommunist countries of Eastern Europe.

Examples of these political evolutions are the United Kingdom's popular vote to withdraw from the EU and the election of Donald Trump as president of the United States, victories achieved through political campaigns based on anti-elitist, anti-immigrationist, and on economic protectionist platforms.

France is the latest country to deal with a blow to politics as usual, its voters rejecting the political parties that have governed in the last decades, in favor of Emmanuel Macron (a pro-European liberal) and the far-right challenger, Marie Le-Pen, who has vowed to take on globalization and France's relationship with the EU (BBC 2017).

This political evolutions, which are rejecting diversity of identity and of opinion within society and are discarding basic principles of modern constitutional thinking that democracy requires constraints on the will of the majority and checks on the decisions of the executive (BBC 2017), are also manifesting in the political-geographic area of Romania.

Thus, the political situation in the postcommunist countries (now members of UE) seems to indicate, after years of populism and corruption have eroded once-promising democratic institutions, a constant drift toward authoritarian types of regimes—Two outstanding examples being the recent political evolutions in two of the recent champions of transition from communism to democracy: Hungary and Poland (Balogh 2017). The EU and Britain are now focused on the Brexit phenomenon and governments in the region are also unsure of the positions of the Trump administration. As a result, the EU's capacity to encourage and support the commitment to democratization and a stable, rules-based order, seems to be weakened.

In Romania, the current political power seems to interfere with all the major pillars of the democratic society, an interference that could lead, in our opinion, to the elimination of the existing checks on its power, restrictions on democracy, and corruption strengthening. In the following, we will review some of the signs of the politicization of the Romania society and the potential impact on the local and corporate businesses sustainability.

5.2 Detectable Signs Toward a Politicized Romanian Society and Their Impact on Business Sustainability

5.2.1 The Main Modalities of Political Influence on Justice and the Negative Effects of Such an Influence

After the Revolution from 1989, under the influence of former communist leaders and nomenclature's members that still enjoyed political influence, the Romanian justice program has been politicized and delegitimized (Simic and Volcic 2013). As such, Romania unfortunately enrolled in the group of similar postcommunist countries and emerging democracies, in which independent courts are rarely found (Papova 2014).

Under the influence of a deficient legislative framework and with the intelligence services permission (still populated with former Securitate agents), the politicized leadership of the Supreme Court and Constitutional Court has contributed to the perpetuation of a partially independent justice, which in fact continued to be (in many regards) a politically driven tool (Stan 2013).

The European Commission (EC) report published on January 25, 2017, in regards to Romania shows that important improvements are still necessary in the justice field, especially in regards to aspects like the mutual respect between the state's institutions, and the independency of the legal system from the parliament (Cristea 2017). Unfortunately, after the publication of the EC report, the new Grindeanu government

adopted a controversial emergency ordinance amending the Criminal Procedure Code and the Criminal Code, in spite of the opposition of civil society, manifested in massive street protests. The emergency ordinance stated the decriminalization of the abuse of office, if the damage caused falls below 200,000 lei. Such a stipulation was about to cancel years of effort made by DNA (National Anti-corruption Division) to identify and punish policymakers who are guilty of abuse of office. Such a legislative measure could also affect many companies that have contracts with the local authorities and who noted the tendency of some representatives of local government to impose (abusively) certain views regarding the commercial relations existing between the two parties.

Fortunately, after weeks of unprecedented massive street protests, the Grindeanu government repealed the abovementioned emergency ordinance and accepted the resignation of the Justice Minister, who initiated the controversial ordinance. Moreover, the Grindeanu government asked the Justice Ministry to initiate—in the coming period—public debates with the civil society and political parties on all the important topics from the repealed ordinance.

Political and social developments like the ones described above can have a direct impact on the sustainability of Romanian businesses from several perspectives.

On one hand, the political-legal regulations are usually considered foreseeable by the business environment, contributing to the stability of the business environment by allowing timely adaption of the organizations. “Overnight” changes to regulations can greatly damage the interests and chances of long-time prosperity of firms, leading to an unstable and unpredictable business environment. They also affect the long-term confidence the investors have in the stability of the political and legislative environment of the country and in the capacity of the political class to govern.

Also, a weak social climate can easily result in violent turmoil, disrupting important economic activity and/or paralyze policymaking (RobecoSAM 2016).

On the other hand, regulations like the above mentioned, proposed by the Grindeanu government, may lead to the rise of corruption level, and greatly expand the extent to which public power is exercised to protect the interests of a small group at the expense of the economy and society at large. As mentioned before, this can have a direct negative impact on business sustainability.

It is true that the social events that followed the Grindeanu government’s decision also bring good news from the perspective of business sustainability as they are demonstrating the development in Romania of a strong social cohesion around the anti-corruption fight. This strong social cohesion can support orderly conflict resolution and can facilitate the implementation of the necessary reforms, thus contributing toward sustainable economic development (RobecoSAM 2016) and business sustainability.

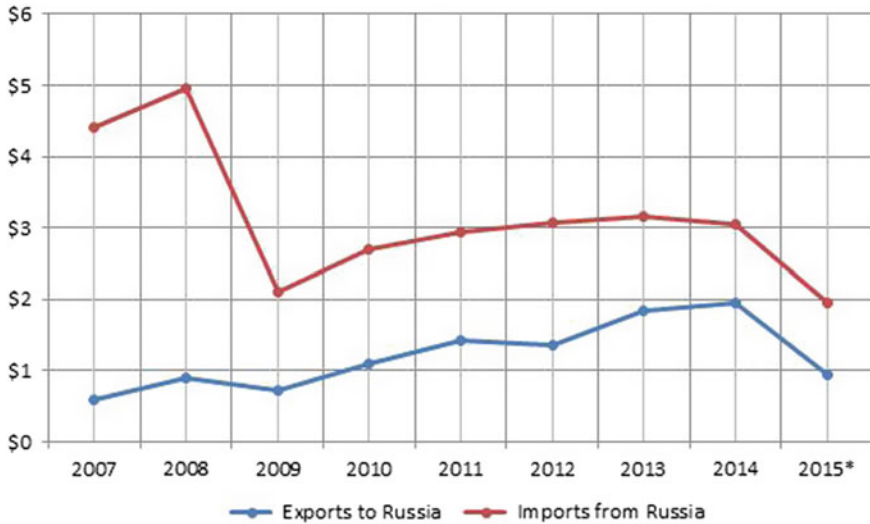


Fig. 5.2 The evolution of the Romanian-Russian bilateral trade. *Source* <http://www.rusexporter.com/research/country/detail/3901/>

5.2.2 *The Main Modalities of Political Influence on the Economy and the Negative Effects of Such an Influence*

In relation to the state's economy, the political factor can manifest its influence on two major ways: (a) from outside to inside (e.g., interstate embargoes imposed on divergent foreign policy considerations); and (b) from inside to inside (e.g., misleading actions on different critical points and institutions of the society, such as the education system, the religious institutions, the national bank, the national media, the tax administration system, etc).

(a) Outside to inside influence

As a member of the European Union, Romania must obey the union's external political decisions, assuming all the effects, negative or positive.

A good example of European external political decisions with negative effect is the embargo imposed by the United States and the European Union against Russia in 2014, as a response to the Russian military intervention in Ukraine. This embargo had tremendous effects on the Romanian exports and imports (as seen in Fig. 5.2), given the fact that Russia is one of the traditional Romanian commercial partners. In only 20 months (in 2015), the Romanian-Russian bilateral trade volume decreased by 33% and reached 2.8 billion USD compared to 4.3 billion USD in 2014.²

In this context, the compensatory measures that the European Union and/ or the United States of America have worked in the commercial relations with Romania

²www.rusexporter.com/research/country/detail/3901/.

are insignificant, Romania being (primarily) a market for the two great powers and not a provider of goods and services.

An example, but of internal European political and regulatory decision, with potential positive effects on the country and local businesses sustainability and their sustainable practices can be, for instance, the Directive 2014/95/EU of the European Parliament and of the Council (Directive 2014/95/EU, 2014). The laws, regulations, and administrative provisions necessary to comply with this Directive are brought into force at national level starting with December 6, 2016, and apply to all undertakings within the scope of Article 1 (Directive 2013/34/EU, 2013) for the financial year starting on January 1, 2017.

Its purpose is to raise to a similarly high level across all Member States the transparency of the social and environmental information provided by undertakings in all sectors. Thus, starting in 2017, it is necessary for large enterprises and business groups of public interest, as defined in the Directive, to draw up a nonfinancial statement containing information on at least environmental, social, and personal aspects, respect for human rights, Combating corruption and bribery.

This, in turn, could improve the business practices regarding CSR and environmental practices and reporting of companies which operate in Romania, thus improving their prospects for sustainability.

(b) Inside to inside influence

This kind of political influence manifests on different critical segments and institutions of the society, such as:

b1. Education

The most important personnel recruitment and selection agent that a nation has, in order to ensure the covering of certain roles or economic positions in the societal structure, is—for sure—the educational system (Cicea and Dobrin 2015). As such, the political factor is constantly interested in controlling the educational system, detrimental to the private sector, which is engaged in an unfair competition of attracting valuable young persons from the educational system.

In Romania, probably the most used way to politically control the educational system is to appeal to the school principals, who are appointed on political criteria and not on performance criteria, by contest (Tanase 2016). According to the information included in an official interpellation addressed to the Ministry of Education in the autumn of the year 2016 by Valerian Vreme (a deputy from Bacau district), in the already mentioned district (Bacau), there has never been organized a contest for the selection of a school principal for more than 8 years (idem). However, in the same period of time, important changes have been made in regards to the management of the schools in Bacau district, appointments being done on the basis of direct decisions made by a general inspector, surely supported by a political party. In such a manner, in the Bacau district alone, 45 school principals were changed in 2011, 88 school principals and 30 deputy directors were changed in 2012 and 50 school principals in 2014 (ibidem), decreasing once again the credibility of the Romanian educational system.

It is obvious that a powerful and developed contemporary nation depends both on economic strength, and on the vigor of the educational system (Phillips 2010). That is why the independence and performance of the educational system are crucial for the normal development of the society in general and of the economic environment in particular.

b2. Media

Information has always been an essential resource for the life of humans. By using information, humans were able to improve the society, take important decisions, economically develop, or elect better politicians (Levitin 2015: 55–56). In the Internet era, given the overload of information, the public has real difficulties in distinguishing the true information from the false ones. In other words, people do not know whom to believe anymore and they do not have time to investigate the information on their own. As such, the public's decisions are made based on the information and opinions emulating from so-called "trustworthy entities" such as newspapers, TV stations, Radio stations, or even books (idem). Sometimes such entities deserve our trust, sometimes they don't.

After the Romanian Revolution from 1989, the majority of the post-communist journalists involved in the daily media are in fact leftovers from the communist regime (Stan and Vancea 2015). Besides that, the main media corporations are owned and financed by the state (e.g., TVR, The National Romanian Television; Radio Romania Actualitati) or by legal entities/individuals who were not strangers to the communist regime (e.g., Dan Voiculescu, the owner of Intact Media Group, a press trust that includes: TV Stations such as Antena 1, Antena 2, Antena 3, Antena Stars, Euforia Lifestyle TV, Antena International, Happy TV; written press such as Jurnalul National or Gazeta Sporturilor; and Radio stations such as: Romantic FM and Radio ZU³). Dan Voiculescu is an important representative of the communist regime, former General Manager of the Romanian Foreign Trade Department and a proven Securitate informer (Romania Curata 2012).

Under the circumstances, the standards of accuracy, fairness, or social responsibility manifested by several of the Romanian media major corporations remain questionable and help perpetuate the phenomenon of politically influencing the media message.

b3. Religion

Important societal values such as the relationship with the natural environment, treatment of others, fairness, justice, and work ethic seem to be intrinsically linked to the extent to which religion has an important place in the life of a nation, because religious people usually have better values (Sandor and Popescu 2008).

Romania is considered to be the sixth most religious country in the world and the Church is constantly present in all the sociological studies and polls as the most trusted institution of the nation (Dale-Harris 2012). The Church claims to have 18 million followers in Romania, which is over 80% of the total population (The Economist

³www.intactmediagroup.ro/.

2012). As such, the Romanian Church is an inalienable authority and a terrible factor for influencing the public opinion.

Under the circumstances, the policymakers are constantly interested in keeping a “good relation” with such an important institution. Although Romania doesn’t have an official state religion, the Orthodox Church is the biggest religious institution in Romania, and it is getting public funding from the government (*idem*).

It was noticed by the press the fact that certain politicians received (over the years) help from different clerics, who are not making a secret of their political activities (*ibidem*). This explains why, in the election years, churchgoers find campaign leaflets in the churches and probably why the government has donated 11 hectares of land for the project of The National Cathedral of Redemption, a gigantic and luxurious church, which is currently being built in Bucharest. This casts a dense shadow on the Romanian State–Church relationship.

A modern relationship between the State and the Church should concentrate on the purpose of improving publicly shared values such as moral values, work ethic, and tolerance. Any other kind of entanglement between those two brings unfortunate results in the long term.

b4. National Bank

The National Bank of Romania (NBR) is the central bank of Romania, an independent public institution that supports the general economic policy of the Government.⁴ The National Bank of Romania is run by the Governor of the bank together with a Board of Directors. The members of the Board of Directors are usually renowned specialists that enter their mandates only after receiving the consent of the Parliament. Unfortunately, the Parliament may refuse to grant the consent for a certain proposed specialist in favor of a person politically sustained. An episode of this kind took place in October 2009, when Mr. Lucian Croitoru (a renowned economist and banker) was passed over by the Romanian Parliament in favor of Bogdan Olteanu (a lawyer by profession but a leading member of the National Liberal Party), for the position of National Bank vice-governor. This provoked harsh accusations from the press and the economic establishment that the Parliament was politicizing the NBR. In the year 2014, in the context of political elections, new accusations were made in regards to elude the independence of this fundamental institution of the state: The National Bank. According to the financial analyst Florin Cîțu, the Parliament “*legalized the subjugation of the monetary policy to political interests*” and “*the NBR has never been politically independent, but that was harder to prove*” (Rechea 2014). Recent evolutions (August 2016), in regards to the resignation of Bogdan Olteanu from the position of deputy governor of Romania’s National Bank, in the context of a big corruption scandal (Popescu 2016), brought the institution—once again—in a shadow side.

There are voices that claim that Bogdan Olteanu’s removal is only a political approach (Euractiv 2016), which aims to prepare the ground for the nomination of a new deputy governor, politically sustained by the actual governing party, which

⁴<http://www.bnr.ro/National-Bank-of-Romania-1144.aspx>.

Table 5.1 List of the Romanian districts that received bigger amounts of money than the ones they paid toward the state budget

District	Contributions to the state budget (euro)	Reimbursements received from the state budget (euro)
Vaslui	66.166.667	104.952.381
Botoșani	67.595.238	100.904.762
Teleorman	52.666.667	75.500.000
Călărași	49.095.238	66.095.238
Vrancea	63.261.905	81.642.857
Caraș-Severin	64.952.381	77.142.857
Suceava	143.976.190	165.833.333
Neamț	101.261.905	116.571.429
Mehedinți	57.238.095	65.595.238
Dâmbovița	98.166.667	106.785.714
Ialomița	55.857.143	60.523.810
Tulcea	57.523.810	61.238.095
Gorj	78.428.571	83.023.810
Maramureș	112.119.048	116.833.333
Olt	95.666.667	96.809.524

Source Pele (2012)

no longer is the National Liberal Party, the party that promoted Olteanu in the first instance.

The National bank has an important role in the financial stability of the country's economy. As such, the destabilization of Romania's economy will probably continue under the surveillance of a National Bank which seems unable to get rid of the curse of political influence, directly affecting the economic subsystem and, as a direct consequence, the sustainability (long-term viability) of the businesses operating in it.

b5. Tax administration

A balanced tax administration system for the state centralized budget involves a direct correlation between the collected fees from the different districts of the country and the amounts redistributed into the districts, after the collection. Yet, many people feel that the Romanian tax administration system does not reflect such a value and that the budgeting process is politically influenced, meaning that the reimbursements toward the districts are made according to the number of voters that the ruling party has, in each district (Pele, 2014).

According to public data offered by the Ministry of Public Finance, at national level, from every 100 Euros collected for the centralized state budget, only 25 Euros are being reimbursed to the districts. However, 15 districts of Romania (out of 41) received bigger amounts of money than the ones they paid toward the state as taxes and fees (see Table 5.1).

Table 5.2 Top 20 of the districts with the biggest rates in terms of PSD voters (the ruling party), during the latest elections (December 2016)

District	PSD voters' rates for the senate ^a (%)	District	PSD voters' rates for the chamber of deputies (%)
Galati	51.46	Neamț	52.64
Teleorman	51.95	Călărași	52.87
Buzau	52.85	Bacău	52.91
Bacău	53.04	Galați	53.09
Gorj	53.14	Hunedoara	53.18
Mehedinți	53.64	Vrancea	54.05
Vâlcea	54.83	Gorj	54.06
Timiș	55.23	Vâlcea	54.84
Tulcea	57.13	Vaslui	56.84
Brăila	58.70	Brăila	57.97
Argeș	58.88	Argeș	58.96
Harghita	59.56	Ialomița	59.73
Dâmbovița	60.34	Dolj	61.10
Ilfov	61.58	Botoșani	61.31
Botoșani	61.59	Teleorman	61.57
Sibiu	62.09	Mehedinți	62.26
Covasna	62.47	Dâmbovița	62.90
București	64.71	Buzău	64.94
Mureș	67.15	Olt	67.14
Dolj	68.85	Giurgiu	68.73

Source Cozmei and Popica (2016)

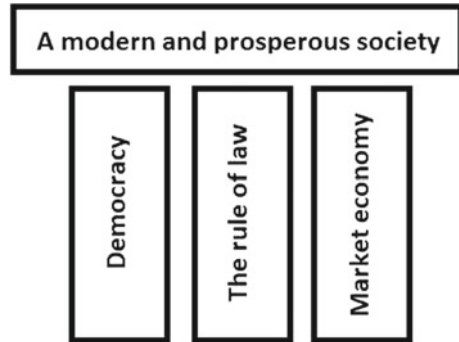
^aPercent out of the total numbers of voters in that district

If we analyze the same districts in terms of the number of voters for the ruling party (PSD), we will see that many of the favored districts are among the one to provide the biggest numbers of voters (see Table 5.2). 40% of the favored districts are included in the top 20 of the districts with the biggest rates in terms of PSD voters for the Senate (see Table 5.2 and the gray boxes in Table 5.2), and 80% of the favored districts are included in the same top with the biggest rates in terms of PSD voters for The Chambers of Deputies (see Table 5.2 and the boxes marked with a diagonal line, in Table 5.1).

In the other extreme, of the districts that benefit from reimbursements much lower than their contributions to the state budget, we mention: Ilfov district (with the capital—Bucharest included), Cluj district, or Timisoara district.

From every 100 Euros collected for the centralized state budget from Bucharest, only 11 Euros are being reimbursed to that district. From every 100 Euros collected for the centralized state budget from Cluj district, only 44 Euros are being reimbursed to that district. From every 100 Euros collected for the centralized state budget from

Fig. 5.3 The three pillars of a modern and prosperous society



Timisoara district, only 44, 6 Euros are being reimbursed to that district (Pele 2012). All those districts are usually among the ones with the lowest rates in terms of PSD voters (the ruling party).

5.3 Conclusions

Business sustainability depends on internal and external factors. In order to be sustainable, companies should strike in all their actions a balance between their economic, social and environmental performance. But business does not operate in a vacuum—it is part, and depends on the social and natural system in which it operates. As such, business sustainability contributes but also depends on the sustainability of its economical and social environment.

A modern and prosperous society is based on three major pillars (as shown in Fig. 5.3): democracy (political factor), the rule of law (justice), and market economy (economy). The independent effort of each of these three pillars contributes to the sustenance of the society; as such, those pillars should not interfere with each other (Minea 2015).

Democracy should provide businesses a safer long-term investment climate, by offering a level playing field and universal rules for competitors (Buchanan 2016). In a democracy, these rules should be devised and implemented by neutral state apparatus and enforced by a politically neutral judicial system. The politicization process of all the key financial, educational, and legal factors of the Romanian society, an unpredictable legal and economical environment, and an increased level of corruption seems to point toward a business environment which can prove very detrimental to business sustainability: a false democracy and rule of law, in which power arbitrarily exercised to protect the interests of a small group at the expense of the economy and society at large with policymakers that are more concerned about their own welfare than they are about the smooth running of the economy. This could lead the way to unfair competition and, determined by an unstable and unpredictable business environment, temptation for businesses in cutting corners and playing loose with

rules in order to maximize short-term gains. Continuation of this process would prove to be very counter-productive to long-term viability of firms, business sectors, and the country's sustainability.

Also, the raise of populist parties in EU, and the protectionism policies (including leaving the eurozone) they are promoting could put at risk the existing free trade relationships between EU's member countries, and even threaten the very existence of EU and the Eurozone, putting under risk the future and sustainability of many Romanian companies that are depending on the commercial relationships with the EU member countries.

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