

Financial Aspects of Competitiveness in the Sustainable Development of the Company

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Abstract. Competitiveness of firms is a most important problem and now the negative impact of financial crisis bring in discussion was in which Romanian firms may survive on the Unique European market. We think that in present are necessary the following: 1. Increased competitiveness should not be regarded as a process of exploiting short-term advantages (e.g. low cost of labour), but as a process of building an economic structure based on capital investment and process R & D innovation; 2. Competitiveness in complying with the legal community, or financial efforts in environmental protection, are significant segments of the real economy of Romania can not integrate into the European Single Market; 3. Of the 6 priorities of the NDP 2007-2013 (Competitiveness, Transport Infrastructure, Environment, Human Resources, Rural Development, regional development), the lowest financial allocation for Competitiveness (8.9% of total). Moreover, attracting European funds in the list is left behind to "graphics" originally made by Romania; 4. Now is a general series of vulnerabilities that lead to additional costs, such as uncertainty regarding the sustainability and stability of policy options, solutions for restructuring and economic development, large uncertainties regarding the ability to translate words into concrete actions and establish priorities in macroeconomic objectives and others

Keywords: Competitiveness, Financial crisis, Sustainable development.

Competitiveness of firms in Romania has always been raised, both as concept and as practical action. And now the financial crisis puts into question the way in which Romanian companies can survive in the single European market.

We believe that currently the following are required:

1 Competitiveness - strategic objective

Increased competitiveness "should not be regarded as a process of exploiting short-term advantages (e.g. low cost of labour), but as a process of building an economic structure based on capital investment and process R & D innovation.

Therefore, the main objective of the priority on the competitiveness of the NDP 2007-2013 is "increased productivity Romanian enterprises to reduce disparities in productivity compared to average EU level. It aims to generate in 2015 an average productivity increase of approx. 5.5% per year, allowing Romania to reach a level of approximately 55% of the European Union. This objective macroeconomic endorsed by the Romanian Government, however, is far from being achieved, at least based on current information. If the essence reducing disparities effort consists of massive financial investment, then the current national and international situation make it not be done.

2 Competitiveness and financial efforts

Free market access to products and services require substantial financial efforts of companies to purchase and implement advanced technologies and equipment, clean and efficient energy (including investments for the implementation of technology transfer and use of renewable energy), and to develop own ability to innovate. Competitiveness in complying with the legal community, or financial

efforts in environmental protection, is a significant segment of the real economy of Romania can not integrate into the European Single Market.

3 Place competitiveness NDP 2007-2013

Enumeration areas in which compliance is a European financial impact directly on the Romanian firms can be supported by calculations, but should be stressed that some costs will be borne from public money. Financial Programming NDP 2007-2013, apportioned Priority 1 - Competitiveness is highlighted in the table below:

- mil.euro -

NDP priorities	2007	2008	2009	2010	2011	2012	2013	Total
PI Competitiveness	651,48	620,72	793,14	882,76	842,95	761,25	682,12	5234,43

It is noteworthy that, of the 6 priorities of the NDP 2007-2013 (Competitiveness, Transport Infrastructure, Environment, Human Resources, Rural Development, regional development), the lowest financial allocation for Competitiveness (8.9% of total). Moreover, attracting European funds in the list is left behind to "graphics" originally made by Romania.

4 Constraints and vulnerabilities

Today is a series of constraints that generally lead to additional costs:

- Due to the delay of reforms, there is some uncertainty regarding the sustainability and stability of policy options, solutions for restructuring and economic development
- Although already an action plan, due to late institutional and managerial reforms, there are large uncertainties regarding the ability to translate words into concrete actions and targets set priorities
- The application of the law erodes the competitiveness of the economy and society as a whole
- The political and institutional erodes the competitiveness of the country poor, by deterring investment
- Corruption and the lack of transparency weakens the competitiveness and attractiveness of Romania as a destination for foreign investment
- Physical infrastructure is still relatively weak economic growth and affect territorial
- Delay mechanisms and institutional framework on the employment of high technology and economic activities with high added value and increase competitiveness erodes the real economy
- Although labour is cheap (comparative advantage perishable), lacks the capacity and the entrepreneurial market and an adequate system of management. Liberalization implies default information to facilitate access to information. Paradoxically, in Romania, access to information is based mainly on services paid bureaucracy that operates as a feedstock in making government policy, lack of private sector consulting and developed policies do not reflect the concerns and did not support private sector
- Missing links and necessary reactions among civil society, between government and NGOs, having a marginal impact in influencing social and economic policy.

It also shows constraints specific industries (e.g., in clothing)

Romania was based on a low cost and labour intensive to compete with other countries and the industry has suffered erosion of competitiveness over a longer period. They produced such a series of negative effects that overlap those currently generated by the international financial crisis, such as:

- Decrease in labour cost advantage
- Strong competition from illegal imports of finished products and equipment (unfair competition)
- Delays in developing and providing access to foreign markets
- Poor information about the internal and external
- Inadequate access to finance
- Lack of differentiation and diversification of products
- Lack of foreign investment, technology transfer etc.
- Relatively high cost of transport due to the state park infrastructure and transport
- Inadequate recapitalization efforts and restructuring of capital, property, employment, for an infusion of new technologies in industry and establish inter - area links, to help Romania to engage in activities with higher added value
- Lack of strong investment in private industry - a factor in driving sustainable growth
- Lack of private vector, strong, opens the way leaders of technological change and modernization
- Lack of market knowledge, entrepreneurial capacity, the ability to use marketing policies in the management of industrial and export
- Lack of industrial strategy, and general coordination / collaboration in the industry, for acquisition of new technologies, access to information and new outlets

5 Actions to increase competitiveness

Competitiveness does not occur by itself, for it has developed a well defined and implemented institutional and procedural, financial component is essential.

- Establish a committee for assessing competitiveness, consisting of representatives of government, the private sector - business associations, NGOs, business associations, chambers of commerce and industry
- Develop a strategy to support the reforms: privatization; legislative and regulatory, institutional, and debureaucracy transparency, access to capital, market outlets, technical marketing and management, that the economic policies promoted by the executive
- Creation of competitiveness initiatives and collaboration at regional level, which also include neighbouring countries. Only by broadening the domestic market may create potential for sustainable development
- Establishing quality as a criterion reference in any field orientation and functional services with high added value

Also efforts are needed in the private sector in the following directions:

- Competitive companies must make a direct exposure to the most demanding customers and markets, adapting products, services and strategies that their research - developing permanent (the assimilation of best practices). This may be an impetus for receptivity and openness to innovation and change (improvement) continues.
- Introduction of innovations in Romania with the support of networks performance in support of private investors and governmental mechanisms specifically created for the production of research results and innovation in specific areas
- Encourage industrial collaboration, inter-institutional, horizontal and vertical, between firms producing - groups and consortia usual on a contractual basis with establishing the strategic

objectives of industries and on the basis of "vector product" anchored and designed to market requirements and end users

- The gradual transformation of the industrial activities occur, polyvalent, in an assembly and assembly industry, collateral services, specialized, including the construction of industrial and civil
- Better cooperation between the private and public, to develop international trade and investment climate, access to markets and technologies. Replacement of declarations of good intentions by institutional structures and economic and financial mechanisms of the market, designed for concrete, punctual

6 Competitiveness and social responsibility

In Romania, social responsibility must be addressed as part of the overall agenda of both authorities and companies, as well as an appropriate tool to strengthen social cohesion and community awareness. It is an indirect means in the fight against non-ethical behaviour on the market and institutionalized bureaucratic corruption in public administration. As a member country of the European Union, Romania has two major objectives in respect of the implementation of a responsible corporate management (1) to reduce the existing gap between management practice in Romania and the developed countries should be promoted in an infusion of culture social responsibility as a means of reconciliation between the divergent interests of economic, social and environmental (2) to meet the need for convergence in the area of Europe, must internalize in an efficient and effective EU acquis in the field of social responsibility, respect what would amount to adoption of regulations in Romania similar to those existing in EU Member States, measures to stimulate and encourage firms to formulate and implement responsible policies in the social and environmental.

The logic of global sustainable development is transposed to the company and implemented through triple concept and practice of performance: economic, social and environmental. Concretely, three balances (the triple bottom line) is the extension of traditional network reporting the results of the company's financial size of the taking of environmental and social performance.

As a result, in this age, which is characterized by geographic market opened, and a pronounced mobility between firms, vintage know-how and technology, a coordinated strategy for sustainable competitive company may need to be performance management company to be measured from the dynamic view with the assessment of business balance sheet, its contribution to achieving an overall objective of both social and economic, not only by productivity, capacity, creativity, economic efficiency, aiming to maximize the economic value of the firm. This objective is necessarily compatible with taking into account the interests and expectations of different stakeholders within a framework that maintains the primacy of the economic role of the firm.

Performance is not a destination, it is a journey. To increase national competitiveness is necessary to increase the performance of sectors of national economy, either by attracting foreign direct investment, either through their own forces. A secure business environment provides many opportunities for increasing competitiveness and sustainable development of the company.

Although some profit denigrate, considering it an immoral earnings obtained capitalist class can not be neglected functions that it performs in society. Profits can be considered competitive phrase translated in goodwill - the company's ability to achieve profits above the market average.

7 Competitiveness and risk management

Managing risk and performance and development planning and sustainable financing of the business firm is an essential aspect.

The existence of a highly competitive environment and increasing the competitiveness of Romanian companies, all emphasized the issues presented and leads to the need for a better functioning of the financial system, its components, communication and financial position.

It is stressed that the financial information necessary to ensure that the major decisions that will lead to plan properly torque risk - performance increase competitiveness in the Romanian firms.

Coherence and relevance of information on the various distribution channels are essential for planning effective torque. It should consider modelling company profiles customers following a financial analysis as rigorous.

Financial Analysis helps decomposition torque risk - performance parts. By this method shows the causal relations, financial aspects relevant laws that underlie the formation and development, from which it decides on future business.

Where the company intends to amend the decision or when drew out a new information or financial act to strengthen the existing concerns should be centred on the couple risk - performance.

8 Competitiveness and business strategy

The development of micro-strategies in the development, influence the macroeconomic environment, but at the same time, development strategies and decisions should be used as data input and perspectives of development at the macroeconomic level. In other words, economic progress is ensured through the interdependence of the two levels of decision-making, the main objective being to maximize the positive effects and reduce adverse effects.

Determinants within this relationship of interdependence, is the decision macroeconomic strategy development through evolution, short, medium and long terms, for the purposes of achieving overall macroeconomic objectives. In these activities, the behaviour of the real economy is an important factor in decisions as well as a necessary tool for implementation of macroeconomic policy, strengthen and quantification results obtained effects.

Action in the market, micro management, directed always towards the optimum employment position in evolutionary trend of the economy, influencing consumer behaviour and use later, it as a tool to achieve the objectives, is a central business strategies. Another instrument, as used for corporate strategies, but much more inaccessible to influence is the associated economic development implementation strategies. Within this relationship of interdependence may occur, forecast or not, elements of mutual mismatch between expectations and trends, which give rise to adverse effects, which can be mitigated by maintaining the framework of strategies, elements of high mobility and efficiency.

The main benefits realized from the development strategies and implementation of macroeconomic policy measures associated with, arising from decisions in the micro-specific development strategies are the following:

- Increase gross domestic product and generally improve the results of key macroeconomic indicators;
- Strengthening public funding budgets;
- Facilitate the adoption and implementation of macroeconomic policy measures;
- Strengthening the banking system;
- Increasing the standard of living.

At the same time, however, actions in development, conducted at the microeconomic and induce adverse effects to the macroeconomic policies, which, moreover, inherent in the general development of an economy.

In this situation, developing strategies and decisions associated with macroeconomic policies, to ensure a level as better macroeconomic balance, it is necessary to have the microeconomic environment and development, production and trade and especially the effects of these activities.

In conclusion, development in optimal macroeconomic system, has as a basis, two main pillars, namely: macroeconomic policy management and all participants in the real economy - the pillars necessary to have a permanent interdependence, level of design strategies and decision-making, to mitigate, to a large extent, the shock induced by development programs at the system, ensuring in this way, a better efficiency and economic activity.

9 References

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