

Economic Development, Technological Change and Growth

The Impact on Continental and Economic Issues of Russia's Military Stance on Crimea and Eastern Ukraine

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Abstract: The paper deals with a very complex analysis of the Eastern Ukraine and Crimea and its impact on other European countries. The analysis covers historical, social, cultural, religious, linguistic, economic aspects, which are put together in order to obtain the best description of the situation. This approach is one of the few others realised at this scientific level. The latest statistical data and information are used in order to support the analysis and its conclusions. There is a pertinent connection between the historical, social, cultural and economic environment in region. The main conclusion of the paper is that a compromise is possible with compensations for the other interested global actors, not only for Russia. Moreover, the present strategically, military and economic crisis' approach will be very important for the future events anywhere in the world.

Keywords: geopolitics; geo-economics; comparativism; economic contraction; regional economic disparities

JEL Classification: F51; F62; O52; O57; R11

1. General Approach

The end of 2013 and the month of March 2014 mobilized the memories of March 1937. The old dynamics of the German-Austrian "Anschluß" in the late 1930s agitated the minds as to a Russo-Crimean "annexation" in the 2010s. To be sure, the search for a resemblance, for a comparison, was easy, and much easier than an analysis that would integrate the changes of the world context in which the events were taking place. Disruptions affecting Ukraine are, however, essentially those affecting the whole arc of countries of the Eurasian "in-between"- space, which links the Baltic area, in the north, to the Black-Sea/South-Caucasus region (Belarus,

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Ukraine, Moldova, Georgia, Armenia, Azerbaijan, Iran and Turkey, nay Syria) in the east and in the southeast.

Thus approached, the international crises in Georgia (during 2008), that in Ukraine (since 2013) and other internal tensions that arouse international interest (Turkey, Iran, Syria, Belarus) light up in a new way, the spotlight of the last phase of the establishment of the New International Order of the post-Cold War, against the backcloth of Chinese power and Sino-US latent rivalry. Civil and political confrontations within Ukraine are part of the crisis, but this crisis is primarily international, specifically continental, according to the main hypothesis of this article, and it is a crisis situated at the gateway to the “New Asia” (Chabal, 2015).

This hypothesis thus “situates” this crisis, in turn, out of the history of the 20th century alone and fully within the new configurations, those of “the Sino-Russian-European 21st century”.

At first sight, the tension in Ukraine, the referendum in Crimea and the “reattachment” of the peninsula to Russia seemed an open surprise. The concept of “annexation” or *Anschluß* was spontaneously used in the western/European press. However, international politics and events are oftentimes essentially ambiguous and it is never clear what to make of them, especially when involving historical “origins” of events. The fact that Crimea was Russian until 1954 is true; the fact that the Soviet empire no longer corresponds to present border-designs is also true. To be sure, Russia’s justification is as ambiguous in her stance on Crimea (and eastern Ukraine, and eastern Moldova) as it would be (?) on northern Kazakhstan, but, equally certain is the ambiguity of the (lack of) capacity of other States in the region and in the world as to how to react to that stance on Crimea and Ukraine.

And so, as often in academic analysis, when facts are uneasy to understand, one would be well-advised to revert to theoretical views. Our contention in this article is that one ought to mobilise concepts, among them some classic ones from geopolitics and their derivatives, to make sense of Russia’s stances in the 2010 before analysing the impact, particularly in economic terms, of Russia’s s move into Crimea in 2013/2014.

Nowadays, the conflict between Ukraine and Russia covers political, military, social and economic aspects. The main question related to this crisis is how deep is this conflict and which are its challenges for the international community?

There are a lot of articles, interviews and statements concerning the Ukrainian crisis. On the other hand, there are not large scientific analyses focused on it.

This paper offers a complex political and economic analysis based on the latest official data and considers that the greatest challenges for Ukraine and the international community will started at the end of the military conflict in region.

2. Critical Overview of the Literature

2.1. The Geopolitical Causes of Russia's Stance in the 2010s

Rather than reverting to immediate news reports, made worse by acute journalistic sensationalising of the facts, it is suggested to extract the necessary elements of discussion from theories that link space and power. The link between territory, as physical space, and power, as the capacity to dominate and impose one's view, is provided by geopolitical thinkers. We need to browse through classic geopolitical concepts (1), adapting some of them in particular, in order to seek to provide a fine-tuning of unfolding geopolitical dynamics (2).

2.1.1. Classic Concepts: Adapting some Geopolitical Classics

Classic thinkers, contributors from the late 19th and early 20th centuries, some of them German, some others Anglo-American, provide us with five views of the relevance of the physical space or territory. Let us remind ourselves of how these views relate to the events of Eurasia in general and with those in and around Ukraine in particular. It will then be possible, in each case, to state and discuss, to use and refute these views and suggest an analysis of the dynamics since 2013 in Ukraine as case-study of the European-Asian interface.

a)- vital-space : → expansion / losses of 1991 → lack of space

The issue of space in geopolitics is addressed as a territory animated by a State, according to the view of F. Ratzel (1844-1904)¹. That is, all States are in a struggle for space and seek to increase their territory in order to access more resources. This classic idea that States, as a rule, extend into their neighbours, has a countervailing significance: any State having lost territory will be driven to reacquire it, as if expansion was an unstoppable trend. Applied to the case of today's Russia, it is easy to see how this approach suggests that not only is the recent reattachment of Crimea to Ukraine in 1954 relevant to "reactive" geopolitics but also that, from the Russian point of view, 1991 has meant a large-scale loss of territory, namely that land conquered from the 16th century and the accesses to various seas in the world (Baltic, Black, Caspian, Okhotsk, ...) to the 19th century and mastery of the whole of Siberia

¹ Politische Geographie (1897), 2e éd., Munich, Oldenbourg, 1903 ; Géographie politique, trad. P. Rusch, Paris, Economica, 1988 [traduction partielle] ; Die vereinigten Staaten von Nordamerika, Munich, Oldenbourg, 1878 (t. 1), 1880 (t.2) ; Die Erde & das Leben: eine vergleichende Erdkunde, Leipzig, B. Institut, 1901 (1), 1902 (2) ; M. Bassin, Imperialism and the nation-state in F. Ratzel's political geography, in Progress in Human Geography, 11/4, 1987 ; J. Brunhes, Friedrich Ratzel (1844-1904), in La Géographie, 10/2, 1904 ; J.M. Hunter, Perspectives on Ratzel's political geography, Lanham, Press of America, 1983 ; A.-L. Sanguin, En relisant Ratzel, in Annales de Géographie, N°555, 1990.

and part of Manchuria. From the loss of space to the lack of space, especially to the subjective nature of the feeling of a lack of space in very large States, there is only a narrow margin.

b)- reconstruction → power / former scenarios / from 16th century

As to power in classic geopolitical views, K. Haushofer¹ (1869-1946) suggests that not only can power be constructed but that it can also be reconstructed. And so, the Japanese scenario of the late 19th century, the German scenario of the 1930s and, maybe, the Russian scenario of the 2010s would bear some resemblance. This calls for nuances. Comparisons are about looking in parallel at facts that are linkable to some analysis, not at identical facts. That Russia, having been the greatest land-power of the 19th century and the inspirer of the Soviet Empire, would seek to reconstruct its influence and might over the continent is not illogical. Haushofer would most probably, if he were to share his views with us today, contend with the logic present in the tough stance over Crimea and eastern Ukraine: geopolitics is less concerned with Westphalian legal rules than with the attempt to reach power, which is, according to another of Haushofer's views, by essence, an attempt at hegemony, that is absolute power. Relative power is but one stage to the realisation of power, in a deterministic realist approach.

c)- maritime → projection // access to sea // for land power

Power can also be hegemonic by combining sea-power and land-power. The former, referred to as "maritime power" for A. Mahan (1840-1914)², consists of a capacity to "project" power across the seas and eventually overseas, whether in a colonial or neo-colonial way. Continental powers, however, such as Russia - and China for that matter-, usually seek sea power less in order to project their power overseas than to exercise a capacity to patrol in their own waters "extended" over the dominance of "relevant seas", of which the Black sea is obviously one for Russia. The events of 2008 in Georgia remind us of the importance for Russia of the military port of Batumi in Georgia; those of 2014 of that of Sebastopol in Crimea (and the southern China sea for China). From the point of view of Russian geopolitics over the long, multi-secular scale, there is no alternative to dominating the Black sea and that

¹ Das Japanische Reich in seiner geographischen Entwicklung, Vienne, Seidel & Sohn, 1921; Weltpolitik von heute, Zeitgeschichte-Verlag Wilhelm Undermann, 1934; Weltmeere und Weltmächte, Berlin : Zeitgeschichte Verlag, 1937; Grenzen in ihrer geographischen und politischen Bedeutung, Berlin, Vowinckel, 1939; Japan baut sein Reich, Berlin : Zeitgeschichte-Verlag Wilhelm Undermann, 1941.

² The Gulf and Inland Waters (1883); The Influence of Sea Power Upon History, 1660–1783 (1890) ; The Influence of Sea Power upon the French Revolution and Empire, 1793–1812 (1892) ; The Interest of America in Sea Power, Present and Future (1897); Lessons of the War with Spain, and Other Articles (1899); The Problem of Asia and Its Effect Upon International Policies (1900); Reflections, Historic and Other, Suggested by the Battle of the Japan Sea, (1906) in Proceedings magazine, US Naval Institute, June 1906.

dominance calls for the control of Crimea. Two Balkan wars (1912) and, before that, the long, historical confrontation with the Ottoman Empire had the same purpose.

d)- heartland → key // key to back sea // and Mediterranean // as maritime Europe

Another theorist of the fact that sea-power complements land-power, H. MacKinder (1861-1947)¹, rigidifies the power relations between the powers of the sea (England of the 18th-19th c.) and those of the land (Germany of the late 19th c.). He further suggests a deterministic, sequential dynamic for dominating the continent, from Eastern Europe to the heartland, to the Eurasian space and to the world. On the way 'from' Germany 'to' central Asia, the Ukrainian plain seemed to him the space for mobility par excellence. In this perspective, it is clear that Russia has traditionally as much intent on Central Asia as the "continuation" of land as she does over the Black Sea as the "continuation" of access to the maritime space, from the Black Sea to the Bosphorus, the Egean Sea and the Mediterranean and, from there, to the Atlantic, as a complement to the access to the Atlantic from the Baltic Sea and the North Sea. This long-term perspective takes away much, if not all, of the contemporary tensions as attributable to a particular type of leadership or another.

e)- periphery → contain // expansion of NATO // (Baltic, Central Europe, Rumania)

The drive to expansion from the center triggers, according to the vision of N. Spykman (1893-1943)², a 'containment' from the periphery. History reminds us that if the ambitions of the periphery to conquer the central Asian space have failed (ancient Greece, modern France, Japan, Germany), on the other hand when the centre attempted to dominate the continent (Middle-Age Mongolia, modern URSS), it could not do so for longer than several decades. The concept of 'containment' helps analyse the cold war as a geopolitical occurrence. Further, the periphery is a kind of

¹ Brian Blouet, *Global Geostrategy, Mackinder and the Defence of the West*, Londres, Frank Cass, 2005; Gerry Kearns, *Geopolitics and Empire: The Legacy of Mackinder*. Oxford UP, 2009; Geoffrey Parker, *Western Geopolitical Thought in the 20th C.*, St. Martin's Press, 1985; W. H. Parker, Mackinder, *Geography as an Aid to Statecraft*, Oxford, Clarendon Press, 1982; G. R. Sloan, *Geopolitics in US Strategic Policy*, Brighton: Wheatsheaf Books, 1988; G. R. Sloan, "Sir Halford Mackinder: the heartland theory then and now", in Gray C S and Sloan G.R., *Geopolitics, geography and strategy*. London: Frank Cass, pp. 15-38; Pascal Venier, *La pensée géopolitique de Mackinder, apôtre de la puissance amphibie*, in Coutau-Bégarie (dir.), *Approches de la géopolitique*, Paris, Economica, 2013, pp. 483-507 ; Pascal Venier, *The Geographical Pivot of History and Early 20th C. Geopolitical Culture*, in *Geographical Journal*, vol. 170, no 4, décembre 2004, pp. 330-336.

² *The Geography of the Peace*, New York, Brace and Company, 1944; *America's Strategy in World Politics: The United States and the Balance of Power*, Brace and Company (1942); "The Social Background of Asiatic Nationalism", in *The American Journal of Sociology* 1926, issue 3; "States' Rights and the League", in *The Yale Review* 1934, issue 2; "Geography and Foreign Policy, I-II", in *The American Political Science Review* 1938, 1-2; with A. Rollins, "Geographic Objectives in Foreign Policy, I-II", in *The American Political Science Review* 1939, issue 3-4; "Frontiers, Security, and International Organization", in *Geographical Review* 1942, issue 3.

amphibious buffer zone separating the properly maritime powers (England, United States) from the properly land powers (Russia, China), which brings shades into the black-and-white Manichean suggestion that Russia is 'wrong' in viewing Crimea as space of Russian control and Europe is 'right' in contesting that view. Russia is simply containing European/NATO enlargement of influence (Baltic States, Central Europe, Rumania and Bulgaria) and Europe is simply containing desires of Russia to compensate the losses of 1991 with a Eurasian economic space.

These reminders allow us to take into consideration, further, some more contemporary, geopolitical concepts and similarly apply them to the situation of Russian initiatives in the eastern Balkans. These are drawn from French authors, not because they would offer a 'better' view but because they suggest a welcome diversity of views and a number of potential analyses.

2.1.2. Concepts Updated: Fine-Tuning Geopolitical Dynamics

Contemporary authors, from the last quarter of the 20th century, active within French academia and research, provide us with about ten modern views of geopolitical dynamics. They are not chosen here because they share a nationality among themselves (and with the author of the part I of the article), but because they offer an array of views and analyses, that complement rather well the over-accepted views that the physical territory is the key to geopolitics. What is suggested is that there are many other determinants than the sheer material space.

intentions → admitted or real/ prevent domino effect / Ukraine, Georgia → West

One such determinant consists of the 'real' intentions of actors, beyond their admitted intentions, often in the form of governmental rhetoric. This factor, which Y. Lacoste (1929-)¹ brings to the fore, suggests, beyond material, territorial determinants. Russia's real motive in Ukraine and Crimea is most probably to prevent the novel domino-effect of countries in the former soviet zone and the CIS space joining, one after the other, the western space (whether European or Atlantic) dynamic, with now Belarus (and soon Armenia) 'secured' in the Customs Union and the EEC. The real motive of the West is to secure Ukraine in the European-Atlantic dynamic, realising that, in the 21st century, countries' decision to adhere to one or the other geopolitical space (West or East) is likely to be a long-term clarification. From this point of view, what happened in Crimea and what is happening in Ukraine

¹ Les Pays sous-développés, 1959; Géographie du sous-développement, 1965; La géographie, ça sert, d'abord, à faire la guerre 1976; Dictionnaire de Géopolitique, 1993; Dictionnaire géopolitique des États, 1994; La Légende de la terre, 1996; Vive la Nation ! - Destin d'une idée géopolitique, 1998; Géopolitique. La longue histoire d'aujourd'hui, 2006; L'Eau dans le monde: les batailles pour la vie, 2006; La question pos-coloniale : une analyse géopolitique, 2010.

has a significance which reaches far beyond these territories and all the way to countries situated in the “arc” in between East and West. It is unlikely that these real intentions subside.

b) borders → typical // Soviet/Russian with Crimea as link

The acute tension of this early 21st century marks the fact that borders are again the subject of nationalist and military moves. M. Foucher (1946 -)¹ looks as the border-dimension of conflicts. He suggests a simple question: why should a border be stable? and a simple answer : borders, being the products of the unequal history of victors and losers, are bound to be questioned, sooner or later. From the Russian viewpoint, 1991 has caused a reshuffling of borders in the Baltic northwest, in the Centralasian southeast, in the Caucasian south, very uncomfortable at that, given five centuries of expansion. Conversely, 1991 has brought, in the West, a renewed awareness that the time has come (?) to contain post-soviet Russia in zero-sum games, probably untimely in these modern times of multilateral regionalisation, no longer times of sovereignist antagonisms. The West and the EU have more to bear in mind by way of Russian competition: the Eurasian economic space is already linking the ‘in-between’ countries (Belarus, Armenia) and central Asia (Kazakhstan, Kirghizstan, Tajikistan) to Russia.

c) structuration → of space / maritime as continuation of Russian land

The resemblance of maritime to terrestrial space, suggested by H. Couteau-Bégarie (1956-2012),² historian of the seas and naval confrontations, enables us to understand that, from a geopolitical viewpoint, whether under State sovereignty (land) or with an open international legal status (high sea), space “structures” ambitions and initiatives, land being itself structured and competitive : sea-lanes as

¹ L’Invention des Frontières, FEDN, 1986; Fronts et Frontières, un tour du monde géopolitique, Fayard, 1988, 1991; (sous la dir.) Fragments d’Europe-Atlas de l’Europe Médiane et Orientale, Fayard, 1993; (sous la dir.) L’Europe Prochaine, essai sur les alternatives et les stratégies pour une nouvelle vision de l’Europe, Fondation BBV, Madrid, 1994; Les Défis de Sécurité en Europe Médiane, FED, Documentation Française, Paris 1996; La République européenne. Entre histoires et géographies, Belin, Paris, 1999; (sous la dir.) Asies nouvelles, Belin, 2002; L’Europe et l’Avenir du monde, Éditions Odile Jacobs, 2009; L’Europe entre géopolitiques et géographies (dir.), Armand Colin, CNED, SEDES, 2009; Nouveaux (dés)équilibres mondiaux, La Documentation Française, oct. 2009; L’Obsession des frontières, 3e édition, Tempus Perrin, janvier 2012.

² La puissance maritime soviétique, *Economica*, 1983, 1998; Le phénomène « Nouvelle Histoire ». Stratégie et idéologie des nouveaux historiens, *Economica*, Paris, 1983, 1999; Le problème du porte-avions, *Economica*, 1990; Le désarmement naval, *Economica*, 1995; L’histoire maritime en France, *Economica*, 1998; L’œuvre de Georges Dumézil, *Economica*, 1998; La lutte pour l’empire de la mer, *Economica*, 1999; L’évolution de la pensée navale Vol. 7, *Economica*, 1999; Pensée stratégique et humanisme, *Economica*, 2000; Géostratégie du Pacifique, *Economica*, 2001; Traité de stratégie, 3e édition, *Economica*, 2002; Le meilleur des ambassadeurs, théorie et pratique de la diplomatie navale, *Economica*, 2007; Approches géopolitique, *Economica*, 2013 en collaboration avec Martin Motte.

much as land-corridors. Applied to Russian geopolitical visions of maritimity, this suggests the Black Sea and Crimea to be both a ‘continuation’ of Russian territorial management. ‘Continuation’ is a much connoted word since Clausewitz’ famous ‘war is the mere continuation of politics with other means” (K. Von Clausewitz, 2013). Here, war is not necessarily the main characteristic of the unfolding ambition but one of the forms taken by this ambition. The recent Russia-inspired Eurasian Economic Community is a much more serious contender of rivalry with Europe and “the West”: in 2013, instability in Ukraine started precisely when the idea of an “association” of Ukraine to the EU became fashionable.

d) geo-economics → recovery after crisis // 90s: Russia in crisis/ 2000s: Europe in crisis = opportunity

In a geo-economic perspective of “de-territorialisation”, for instance with Ph. Moreau-Desfarges (1943-)¹, actors are viewed no longer in terms of the “rapport” to the territory as a power-base but of the impact of economic stability or cyclical downturns on their status vis-à-vis other actors. In this vein, if Russia underwent in the 1990s an economic crisis when Europe was doing better, the reverse occurred in the 2000s with the Russian economy benefiting from higher world prices for energy (Russia is among the major world producers of natural gas and crude oil) and Europe in the deepest economic and monetary upheaval since its creation. A Europe in crisis is an opportunity for any actor wishing to adopt assertive stances over the interests of weaker competitors and if Ukraine was perceived as a possible ‘associate’ partner to the EU, non-European contestation of that possibility manifested itself more when the EU was weakened in/since 2008. With oil prices going down again, Russia is probably getting more determined in this stance vis-à-vis Ukraine and the Balkans.

e) grey zones → face of citizens: Russian passport issue = South-Ossetia 2008

International situations bear upon citizens in any territory, who often suffer from open conflicts among state decision-makers. From a humanitarian point of view, J.C. Rufin (1952-)² devised the concept of “grey zones” to qualify portions of a territory which escape the control of public authorities and where various forms of violence set in and disrupt the normal course of life. The fate of citizens becomes trapped and

¹ Relations internationales, collection "Points-Essais", Le Seuil, 7ème édition, 2007; Introduction à la géopolitique, collection "Points-Essais", Le Seuil, 2e édition, 2005; Dictionary of Geopolitics, Armand Colin, 2002; Repentance et Réconciliation, Presses de Sciences Po, 1999; La mondialisation, PUF, collection "Que sais-je ?" n°1687, 8ème édition, 2010; L'ordre mondial, Armand Colin, 3e édition, 2003; La gouvernance, collection "Que sais-je ?" n° 3676, PUF, 3e édition, 2008; Où va l'Europe ?, Presses de Sciences Po, 2006; Droits d'ingérence, Presses de Sciences Po, 2006; La guerre ou la paix demain ?, Armand Colin, 2009.

² Le Piège humanitaire – Quand l'humanitaire remplace la guerre, éd. J.-Cl. Lattès, 1986; L'Empire et les Nouveaux Barbares, éd. J.-Cl. Lattès, 1991, 2001; La Dictature libérale, éd. J.-Cl. Lattès, 1994, prix Jean-Jacques-Rousseau 1994; L'Aventure humanitaire, éd. Gallimard, 1994; Géopolitique de la faim – Faim et responsabilité, éd. PUF, 2004.

engulfed in possible manipulations dictated more by geopolitical interests than by humane motives. In Georgia, South-Ossetia and Abkhazia in 2008, in Crimea, Ukraine and east-Moldova from 2014, the fact that citizens are Russian-speakers was equated with their longing to revert to the Russian nationality and to see their living space attached to the Russian Federation. Humanitarian concerns go to citizens with differing views, intent on remaining within the existing sovereignty, since their uprooting does not agree with the stability or protection to which they are entitled. Whatever the inter-governmental dynamic, war-like actions have caused many casualties and deaths.

f) regional geopolitics → specificity : “in between” West/East - East/West

Or, is there specificity of the Balkans and of the Black Sea that would suggest a sub-regional geopolitics different from that of other regions? Inspired by F. Joyaux (1938-: Asia would be a region with lines of divide equating physical, civilizational and cold-war political traits when, elsewhere, these divides do not match)¹, we should deepen the hypothesis that Ukraine today belongs to the arc of countries “in-between” East and West, an arc mentioned in the introduction to this part I of the paper. Indeed, in the post-cold war, such an arc exists in between i) an Asia that extends West as the “Shanghai dynamic” of the SCO has affiliations encroaching upon the CIS space (Belarus, ...) as well as into the Middle East (Iran, ...) and as the EEC has affiliations with the region (Armenia, ...) and ii) a Europe that extends East as the EU, the OSCE and NATO have enlargements into the former soviet zone and into continental Asia. Physical or civilizational dimensions apply less than the fact that reverting to cold-war (West-East) dynamics would again ascertain the specificity of that zone.

g) national interest → enhance status leadership - Putin’s style / “cyclical” presidency

¹ La Chine et le règlement du premier conflit d'Indochine, Genève 1954, Publications de la Sorbonne, 1979; La nouvelle question d'Extrême-Orient, 1 L'ère de la guerre froide (1945-1959), Bibliothèque historique Payot, 1985; La nouvelle question d'Extrême-Orient, 2 L'ère du conflit sino-soviétique (1959-1978), Bibliothèque historique Payot, 1988- Préface de Jean-Baptiste Duroselle; La nouvelle question d'Extrême-Orient, 3 L'ère de l'ouverture chinoise (1979-1994) (inédit) ; Géopolitique de l'Extrême-Orient, Espaces et politiques, Bruxelles, Éditions Complexe, 1991, Collection Questions au XXe siècle; Géopolitique de l'Extrême-Orient, Frontières et stratégies, Bruxelles, Éditions Complexe, 1993, Collection Questions au XXe siècle; La Tentation impériale. Politique extérieure de la Chine depuis 1949, éd. Imprimerie nationale, 1994; La Politique extérieure du Japon, PUF, 1993, Collection Que Sais-je?; La Politique extérieure de la Chine populaire, PUF, 1994, Collection Que sais-je?; L'Association des nations de l'Asie du Sud-Est, PUF, 1998 Collection Que sais-je?; Mao Tse-toung, Les Cahiers de l'Herne, 1972.

The national interest is a constant of geopolitical action as M.-F. Garaud (1934-)¹ reminds us in the case of France. It can be mobilised to analyse yet further the situation in the Balkans and Ukraine. Russian stances from the late 2000s in the Black Sea (Georgia, Ukraine, Crimea) correspond to the service of post-soviet Russian leadership status, in addition to other notable services, namely the active participation of Russia to the construction of both the “new Asia” and of the “new Eurasia”. The pursuit of the national interest cannot be disputed as being the common denominator of all governments and leaders. What has changed since the Westphalian order was begun in the mid-17th century, confirmed by the UN system of world management, is that international actions should be negotiated and accepted before being undertaken (which applies also to interventions in 1991 and 2003 in the Middle East). The issue over Crimea is also one of time-dimensions and cyclical leaderships in Russia and Ukraine, as well as one of assertive versus constructive leaderships.

i) can criticise ? → is Russia just another country/ cold war ideology / US position, G2 with China

Russia’s stances in the Balkans, justified for some and untimely for others, suggests to ask if it is possible to criticise Russia, a question which P. Boniface (1956-)² asked about Israel’s policies towards Palestine (Boniface, 2003, 2014). The issue is that of bias. For criticising a contemporary dynamic, one may be accused of stirring past deeds which belong to the past and ought not to be mobilised to account for present dynamics. It is certainly a biased analysis to equate what some call the “annexation” of Crimea (2014) by Russia with the annexation of Austria by Germany (1937). It is equally biased to equate criticism of Russia’s today with and cold-war-type criticism of the past. If i) Russia did not annex Crimea in 2014 similarly to what happened in Austria in 1937, then ii) to criticise Russia today does not amount to an ideological primary anti-Russian attitude. Any country and any foreign policy can be criticised and this may lead to improvements in international relations. Russia and Europe and

¹ De l’Europe en général et de la France en particulier, Le Pré aux clercs, coll. « Pamphlet », 1992; Maastricht, pourquoi non, Plon, 1992; La Fête des fous : qui a tué la Ve République ?, Plon, 2006; Impostures politiques, Plon, coll. « Tribune libre », 2010.

² La Puce, les hommes et la bombe: l’Europe face aux nouveaux défis technologiques et militaires, avec François Heisbourg, Hachette littérature, 1986; Vive la bombe : éloge de la dissuasion nucléaire, Édition no 1, 1992; Les Nouvelles Pathologies des États dans les relations internationales, Dunod, 1993; Contre le révisionnisme nucléaire, Édition Marketing, 1994; La Puissance internationale, Dunod, 1994; La Volonté d’impuissance : la fin des ambitions internationales et stratégiques ?, Éditions du Seuil, 1996; Repenser la dissuasion nucléaire, Éditions de l’Aube, 1997; Les Guerres de demain, Éditions du Seuil, 2001; Le Monde contemporain : grandes lignes de partage, Presses universitaires de France, 2001; Le Monde contemporain : grandes lignes de partage, Presses universitaires de France, 2003; Le monde nucléaire : arme nucléaire et relations internationales depuis 1945, avec Barthélémy Courmont, Armand Colin, 2006; Comprendre le monde, Armand Colin, 2010; La Géopolitique : les relations internationales, Eyrolles, 2011.

Ukraine could monitor the situation in the Balkans differently: the recent Putin-Hollande-Merlk meeting (6/2/2015) can be criticised as a modern Yalta “over the heads” of Ukrainians.

j) track-2 diplomacy → to some extent - Lavroff / Lavroffisation / Sochi Olympics

And so, finally, crisis-management can revert to track-II diplomacy as practiced by various IR Institutes in the world, notably at IFRI, led by Th. de Montbrial (1943-).¹ To be sure, the crisis over Ukraine and Crimea, just as many international crises since the cold war (over Iraq in 1990, over North-Korea since 1994,...) yield to various diplomatic dances-of-the-slow-snail. These dances mobilise forefront diplomats, here S. Lavroff in particular, and track-II actors, such as “experts”. They also mobilise international events not directly linked to diplomacy but attracting high international visibility, such as sporting events². In this vein, the year 2014 witnessed, all at once, the crisis in Ukraine and Crimea, the displaced G7-meeting (from Sochi-Russia to Brussels) and the Olympic Games in Sochi-Russia, where some Ukrainian athletes protested against the referendum held in Crimea (at the risk of being disqualified for breaking Olympic neutrality). Classic track-II conferences over Ukraine did and do complete the picture: crises are also “managed” by recourse to lay-mobilisations.

This rapid promenade in the alleys opened by contemporary analysts of geopolitical determinants in the late 20th century usefully completes the reminders of classic authors of the late 19th century. Applying all of these in order to make sense of events of the early 21st century (not “To use 21st c. tools to hold Russia accountable for 19th c. behaviour”...) suggests that what is at stake is not particularly just Russia or Ukraine or even Crimea, but broader dynamics. Russia is acting but as a western-Eurasian power belonging to an Asia that is more and more China-inspired. Europe is an actor but also a Union more and more inclined to manage initiatives and crises

¹ L'énergie: le compte à rebours, J.-C. Lattès, 1978; La revanche de l'Histoire, Julliard, 1985; Que faire?: les grandes manœuvres du monde, La Manufacture, 1990; Mémoire du temps présent, Flammarion, 1996; Dictionnaire de stratégie (codirecteur avec Jean Klein), PUF, novembre 2000; La France du nouveau siècle (dir.), PUF, février 2002; L'action et le système du monde, PUF, février 2002, 2e édition, coll. « Quadrige » octobre 2003; Réformes-révolutions: le cas de la France (dir.), PUF, 2003; Quinze ans qui bouleversèrent le monde, Dunod, octobre 2003; La guerre et la diversité du monde, L'Aube - Le Monde, 2004; Géographie politique, coll. « Que sais-je? », PUF, 2006; Vingt ans qui bouleversèrent le monde, édition Dunod, 2008; Journal de Russie – 1977 - 2011, published on March 1st, 2012.

² P. Boniface, L'Europe et le sport (dir.), Presses universitaires de France, 2001; La Terre est ronde comme un ballon: géopolitique du football, Édition du Seuil, 2002; Football & mondialisation, Armand Colin, 2006; De But en Blanc, avec Pape Diouf, Hachette, 2009; Football & mondialisation, Armand Colin, 2010; JO politiques, Gawsewitch Éditeur, 2012; Sport et géopolitique : une décennie de chroniques, Éditions du Cygne, 2013; Le sport, c'est bien plus que du sport !, avec Denis Masseglia, Gawsewitch Éditeur, 2013; Géopolitique du sport, Armand Colin, 2014.

as a continental power, which raises for Europe the every decision to (partly) des-atlanticise its security.

In conclusion of part I of this article, Russia is at a crossroad between vertical determination (annexing Crimea) and multilateral construction (constructing the Eurasian EEC)? This is suggested for at least three reasons.

First, adjustments are massive and numerous in the post-cold war, not just in the zone of the Black Sea, Ukraine, Crimea, or even in the whole of the zone "in between" Eurasia and Europe. It is a much more widespread phenomenon and therefore particular dynamics must be analysed from a wide perspective. The post-cold war international order is questioning many givens inherited from the cold war, for instance Euro-African relations, Sino-Russian relations, South Asian dynamics, East-Asian construction, Latin-American assertions, etc.

Second, the nature of international power is affected by the opening of the political borders in the world since 1991, and is therefore evolving, from an essentially political and military nature, to an economic nature at large, and particularly commercial and financial. It is necessary to analyse events again according to economic cycles, in the neo-critical manner of, for instance, S. Amir and E. Wallerstein¹. More generally than the neo-critical approach, we suggest that the present Black Sea dynamic is affected by the economic crises either in Russia, Europe or the world at large.

Third, above all, the change taking place in the world at present, and therefore also in the former Soviet zone, is one from vertical to multilateral dynamics. That is to say, it is no longer appropriate or even possible for a State to act according to unilateral ways or even strict bilateral ways. This means that (unilaterally) neither

¹ By Samir Amin, of interest, see: *Les effets structurels de l'intégration internationale des économies précapitalistes. Une étude théorique du mécanisme qui a engendré les économies dites sous-développées* (thèse), 1957; *L'accumulation à l'échelle mondiale*, 1970; *La crise de l'impérialisme*, 1975; *L'impérialisme et le développement inégal*, 1976; *Transforming the world-economy?: nine critical essays on the new international economic order.*, 1984; *La Méditerranée dans le système mondial*, 1988; *Transforming the revolution: social movements and the world system*, 1990; *Le grand tumulte*, 1991; *L'Empire du chaos*, 1991; *La gestion capitaliste de la crise*, 1995; *Les défis de la mondialisation*, 1996; *Obsolescent Capitalism*, 2003; *Du capitalisme à la civilisation*, Éditions Syllepse, 2008; *L'Implosion du capitalisme contemporain. Automne du capitalisme, printemps des peuples?*, Éditions Delga, 2012. By Imma Wallerstein, of interest, see: *Capitalisme et économie-monde, 1450-1640*, Ed. Flammarion, 1980; *Le mercantilisme et la consolidation de l'économie-monde européenne, 1600-1750, Tome II: Le Système du monde du XVe siècle à nos jours*, Ed. Flammarion, 1984; *Le capitalisme historique*, Ed. La Découverte, 1985 [nouvelle édition 2002, avec Postface: "La mondialisation n'est pas nouvelle."]; *Le grand tumulte? Les mouvements sociaux dans l'économie-monde* (avec S. Amin, G. Arrighi & A.G. Frank) Ed. La Découverte, 1991; *L'Après-libéralisme: Essai sur un système-Monde à réinventer*, Ed. La Tour d'Aigues: Éditions de l'Aube, 1999; *Comprendre le monde. Introduction à l'analyse des système-monde*, Editions La Découverte, 2006. Réédité en poche en 2009.

Russian in the Black Sea, nor the USA in international politics, whether around Ukraine or in Afghanistan, nor China for that matter, can succeed long in seeking to initiate domination. This also means that (bilaterally) neither Russia with only China can seek to dominate Asia, nor the USA with only the EU can seek to dominate western Eurasia.

Coming to Russian foreign policy in the present times, Russia has “no choice” but the multilateral SCO format, together with five other members and in a collective dynamic of, altogether, sixteen “SCO-affiliated” countries, which is both inevitable for Russia and uncomfortable: risking to appear as the “armed arm” of China (against the West), in Ukraine or elsewhere. Or else, Russia is acting in a way that paves the way for the enlarging EEC, another multilateral initiative, involving large parts of the CIS space, also in a competition with China, but an economic competition, not a military one as with the CSTO.

The latest official data published by the European Commission talk about weak economic performance in 2013, stagnation in 2014 and a little future recovery in 2015. The potential risks for the Russian economy are high inflation rate, rouble depreciation and fiscal outlook deteriorating (European Commission, 2014, p. 124).

Another study highlights that the decline of the oil and gas prices on international market and the difficulty to attract foreign investment after Russia’s military intervention in Ukraine support a negative macroeconomic evolution in Russia in 2014 and 2015 (Central Investigation Agency, 2014).

An interesting approach is that Ukraine-Russia conflict is a family conflict, which started as a result of Ukraine’s option to a future adhering to NATO. This is why Russia was “forced” to start the military actions against Ukraine (Saunders, 2014, p. 1).

The Ukraine’s economy has bad perspectives, because its industrial areas are under conflict. Moreover, the national currency is plummeting. This is why IMF approved the second loan for Ukraine (1.4 billion USD). This loan is focused on five important economic areas: a sharp currency devaluation, which will increase the cost of all imported goods, a government-funded bailout for domestic banks, government spending cuts, measures to regulate money laundering and a sharp increase in energy prices. Ukraine asks for urgent international financing (Burke Michael, 2014, p. 2). An interesting point of view is that the pro-European and anti-Russian bastion in Ukraine is Lvov region, where 30% of the population lives below the poverty limit (Ernu, 2014, p. 2).

3. The Russian Economy under the Crisis’ Impact

After high economic growth rates during 2010-2012, Russia faced to the economic contraction in 2013 and 2014. The forecast economic growth of 2.0% in 2015 will support a little economic recovery (see Figure 1).

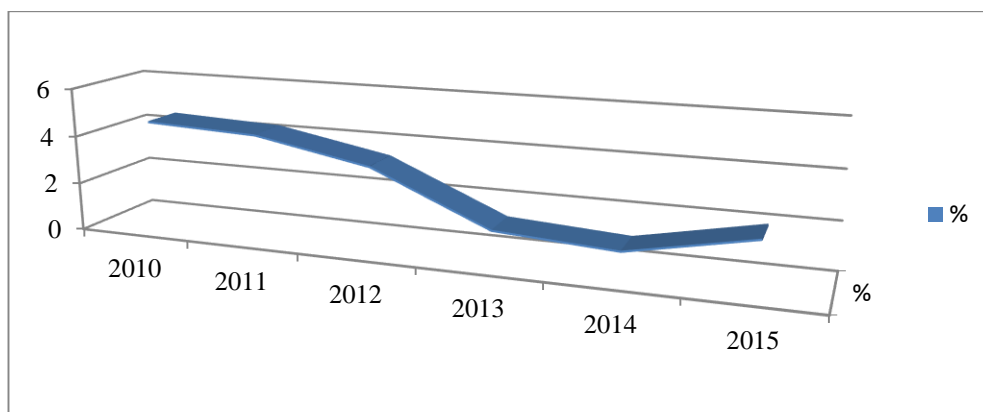


Figure 1. GDP growth rate in Russia (%)

Source: personal contribution

The real risk for the Russian economy is related to escalation of the conflict in region and imposition of sanctions (European Commission, 2014, p. 125).

As a result of the regional crisis, Russia faces to a negative net export of good and services even that it decreased dramatically its imports during 2012-2014 (see Figure 2).

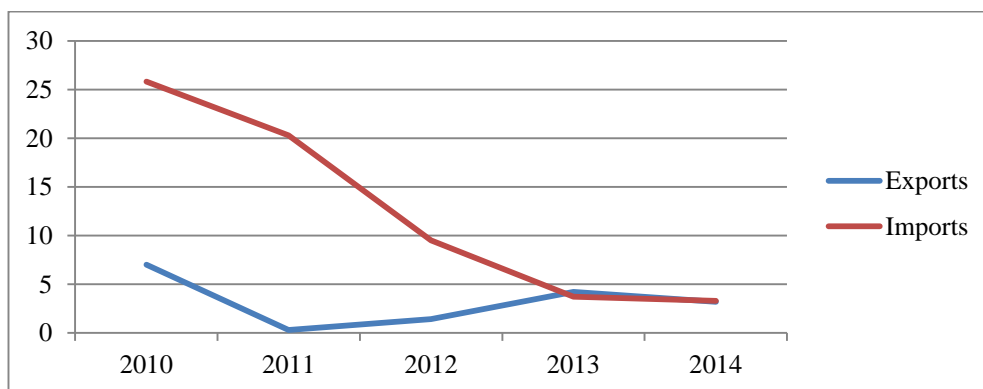


Figure 2. Net exports' trend in Russia (%)

Source: personal contribution

The imposition of sanctions against Russia supported the employment's decrease and the increase in unemployment rate. This trend will continue in 2015, as well (see Figure 3).

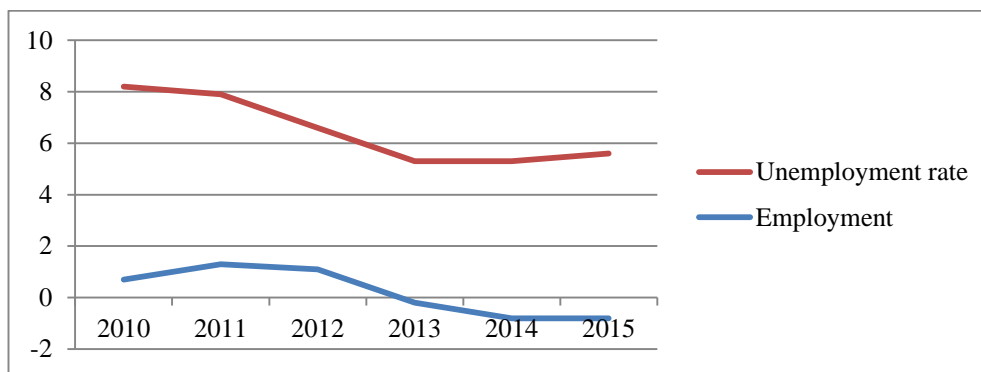


Figure 3. Employment and unemployment' trends in Russia (%)

Source: personal contribution

On the other hand, the inflation rate is still high in 2014 and will decrease slowly in 2015 (see Figure 4).

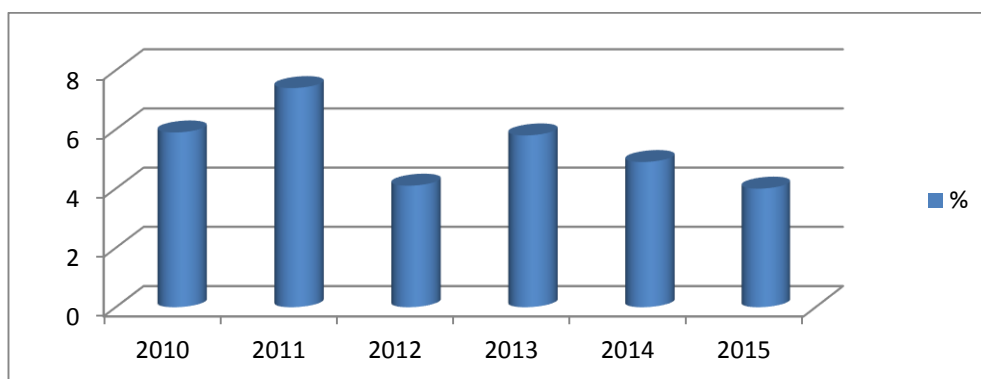


Figure 4. Inflation rate's trend in Russia (%)

Source: personal contribution

Maybe the single positive economic evolution is that connected to the budget deficit, which is unchanged from 2013 (0.5% of GDP) and which will increase to 1.0% of GDP in 2015. This situation is supported by little government gross debts, even their trend is positive (see Table 1).

Table 1. Budget indicators (% of GDP)

Indicator	2010	2011	2012	2013	2014	2015
General government balance	-1.2	4.2	2.8	0.6	0.3	-0.3
General government gross debt	11.0	11.7	12.5	13.6	14.3	14.8

In Table 1, the budget situation depends heavily on the price of oil, which is considered to remain above 100 USD/bbl in 2014 and 2015.

Russia is placed at 53rd position in the world under the competitiveness criteria. This position was supported by better domestic competition, ICT use and business sophistication. On the other hand, Russia faces to inefficient institutional framework (world rank 97th), corruption and favouritism (92nd) and re-establish trust in the independence of the judiciary (109th) (World Economic Forum, 2014, p.6).

4. The Ukrainian Economy under the Crisis' Impact

The Ukrainian economy faces to a deep recession. The GDP in 2013 represented 85% from the same GDP in 1992, even that Ukraine has a lot of rare materials. Moreover, there are great economic disparities between the Ukrainian regions (see Table 2).

Table 2. Ukrainian administrative divisions by GRP per capita (in USD)

	2004	2005	2006	2007	2008	2009	2010	2011
Autonomous Republic of Crimea	930	1260	1604	2094	2638	1788	2080	2452
Cherkasy Oblast	912	1303	1625	2046	2768	1847	2183	2655
Chernihiv Oblast	970	1263	1527	1996	2508	1684	1941	2438
Chernivtsi Oblast	675	908	1119	1459	1855	1204	1378	1666
Dnipropetrovsk Oblast	1618	2324	3017	4132	5870	3560	4374	5298
Donetsk Oblast	1826	2437	3114	3999	4942	2969	3653	4590
Ivano-Frankivsk Oblast	985	1349	1615	1991	2457	1602	1867	2441
Kharkiv Oblast	1350	1761	2248	3098	4043	2724	2979	3522
Kherson Oblast	854	1115	1335	1608	2268	1573	1808	2140
Khmelnyskyi Oblast	855	1125	1391	1802	2265	1512	1714	2174
Kiev Oblast	1250	1692	2162	2977	3910	2794	3294	4335
Kirovohrad Oblast	963	1247	1529	1890	2566	1681	1957	2508
Kyiv City	4348	5617	6972	9860	11694	7841	8875	10041
Luhansk Oblast	1123	1586	1997	2698	3481	2126	2494	3157

	2004	2005	2006	2007	2008	2009	2010	2011
Lviv Oblast	1014	1299	1653	2161	2639	1809	2061	2580
Mykolaiv Oblast	1208	1522	1934	2421	3071	2188	2555	2947
Odessa Oblast	1321	1682	2055	2738	3728	2611	2841	3243
Poltava Oblast	1662	2258	2837	3663	4267	2867	3737	4439
Rivne Oblast	905	1223	1529	1920	2319	1501	1737	2107
Sevastopol City	1099	1454	1996	2566	3150	2178	2578	3094
Sumy Oblast	941	1268	1554	2029	2586	1749	1980	2494
Ternopil Oblast	661	898	1152	1487	1839	1314	1476	1896
Vinnitsia Oblast	883	1164	1451	1814	2290	1559	1806	2238
Volyn Oblast	897	1226	1465	1923	2343	1514	1754	2140
Zakarpattia Oblast	797	1048	1302	1673	2017	1294	1547	1820
Zaporizhia Oblast	1521	2084	2647	3569	4411	2646	2981	3472
Zhytomyr Oblast	826	1084	1314	1680	2192	1465	1842	2164
Ukraine	1367	1829	2303	3068	3891	2545	2974	3588

Source: Ukraine Regional Dataset, 2013

According to data in Table 2, the regional dispersion is presented in Figure 5. The low developed regions in Ukraine are the Western regions, while the developed regions are the Eastern regions. Even Autonomous Republic of Crimea has a GRP higher than the Eastern regions.

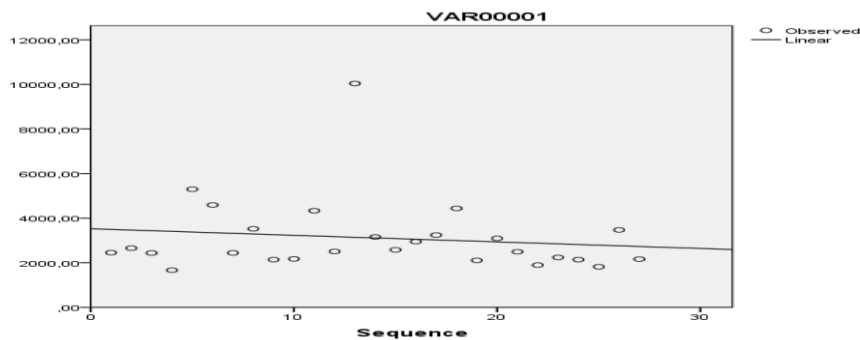


Figure 5. Disparities related to Gross Regional Product in Ukraine

Source: personal contribution

The macroeconomic trend during 2008-2013 is presented in Figure 6. The forecast for 2014 is negative -8.0% (Central Investigation Agency, 2014).

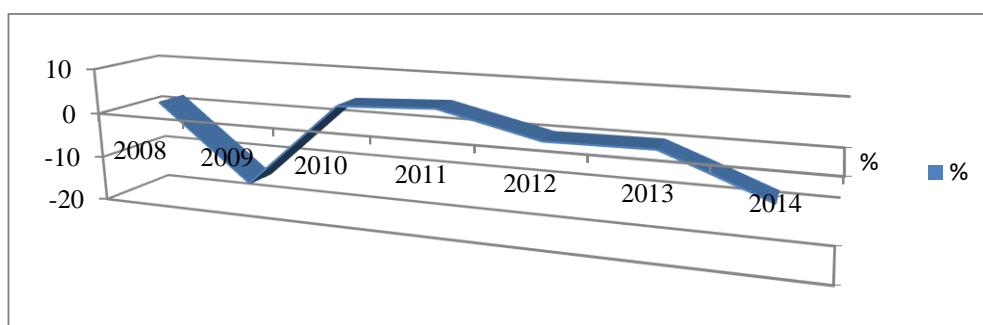


Figure 6. GDP trend in Ukraine

Source: personal contribution

This macroeconomic evolution was supported by high unemployment rates (8.0% in 2013, for example) and normal inflation rates (0.7% in 2013).

On the other hand, Ukraine faced to an increase in the public debt, which achieved 40.6% of GDP in 2013. The public debt consists of domestic public debt, external public debt and sovereign guarantees (see Figure 7).

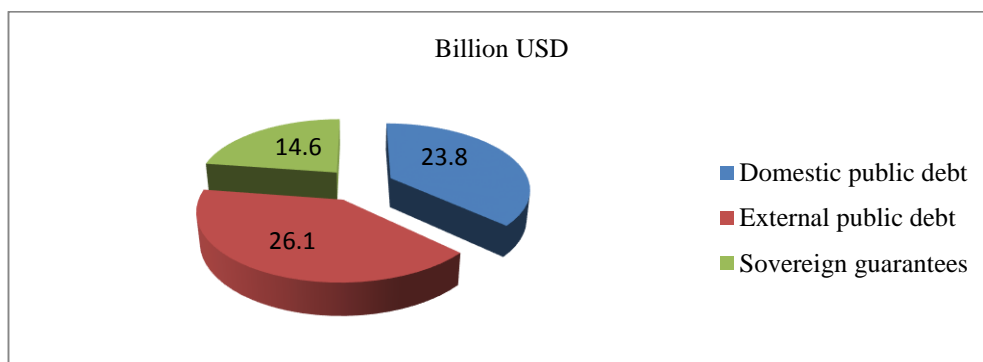


Figure 7. Public debt in Ukraine (2013)

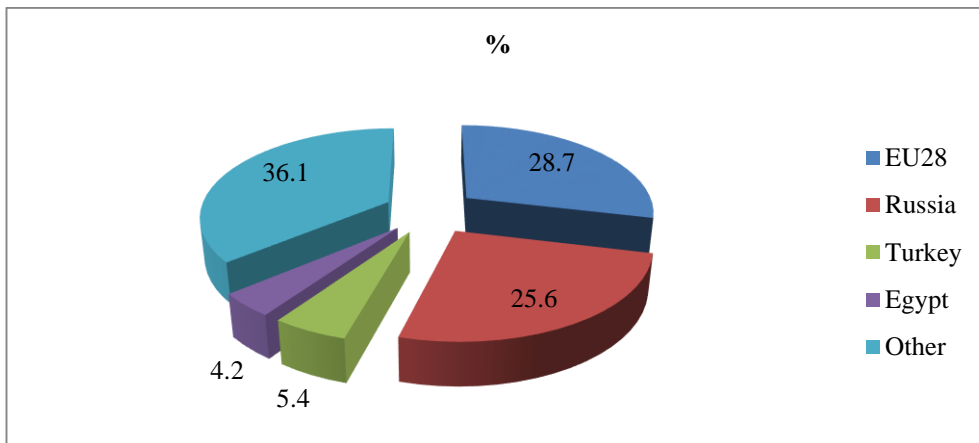
Source: personal contribution

In 2014, Ukraine achieved better world rank (76th), even that it still faces to great challenges as: the institutional framework (130th), decreasing the dominance of large companies in domestic markets (129th) and making markets more competitive (125th) and more efficient (112th).

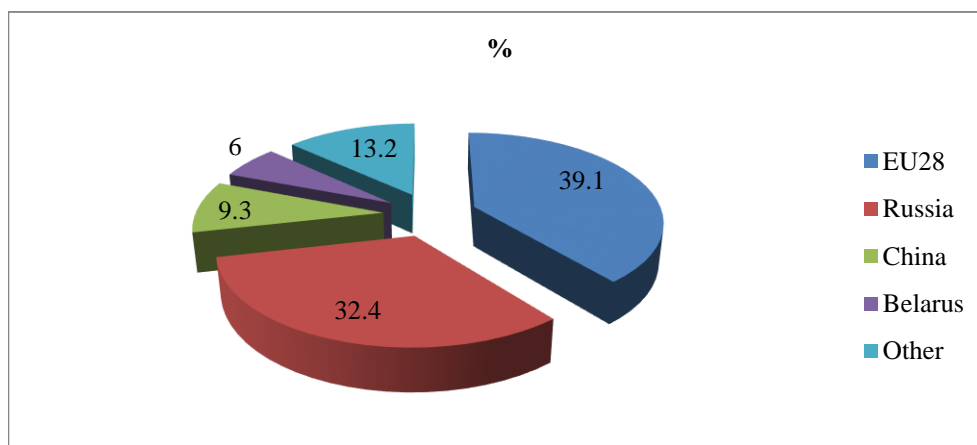
On the other hand, restoring peace in Eastern Ukraine is undoubtedly the country's highest priority (World Economic Forum, 2014, p.7).

5. The Ukrainian Crisis' Impact on Ukraine-Russia-EU28-USA trade Relations

The Ukraine's exports achieved 71.14 billion USD in 2013 and covered: ferrous and nonferrous metals, fuel and petroleum products, chemicals, machinery and transport equipment and food products. The main export partners were: EU28, Russia, Turkey and Egypt (EEAS, 2014). The Ukraine's imports covered 87.21 billion USD in the same year, 2013, and consisted of natural gas, machinery and equipment and chemicals. The main import partners were: EU28, Russia, China, Germany, Belarus and Poland (see Figure 8).



Ukraine's exports



Ukraine's imports

Figure 7. Ukraine's foreign trade (2013) *Source: personal contribution*

According to Figure 8, Ukraine's main foreign trade partners are EU and Russia. Russia has to maintain high exports in order to pay its imports of sophisticated industrial goods. EU is the main export partner for Russia, as well. This is why the European imposition of sanctions affected the Russian economy (Adomanis, 2014, p. 3).

On the other hand, three Eastern Ukrainian regions (Harkov, Dnepropetrovsk and Poltava) cover the greatest part of the exports.

The EU-Ukraine agreement signing leads to partial loss of the economic connections with Russia and the Custom Union, which will support a great budgetary deficit (an annual flow of 15-20 billion USD). Moreover, Ukraine's external debts are distributed between USA (80%), Russia (6.5%), EU28 (4.3%) and China (4.3%). This is why, USA, Russia, EU28 and China negotiated their spheres of economic influence at the end of 2013. USA will invest in energy and lands, Russia will take the military industry, the energy transport and different infrastructures, China will focus on Crimea harbor and lands and EU28 is interested in many economic projects.

On 4th of March 2014, Ukraine signed a financial agreement related to a loan of 610 million Euros from EU28. On the other hand, Ukraine signed a preliminary agreement with IMF regarding a loan of 17 billion USD. There is a powerful interdependence relationship between Russian and Ukrainian economies. Ukraine is the most important transit country for the Russian natural gas to EU28. Russia tried to bypass Ukraine by building North Stream and South Stream gas pipelines. On the other hand, EU28 tries to decrease its dependence by the Russian gas.

The next step of this conflict is that Russia will be forced to produce itself the main products imported from Ukraine and, probably, from the EU28, when Ukraine will be able to adhere to the EU (Dembitski A., 2014, p.2).

In conclusion of Part II of this co-authored article, Ukraine's conflict is far away of finishing. The economic, political and strategically interests are too high to support a rapid solution in this geographic area. The main global economic and military actors (USA, Russia, EU28 and China) have their own interests in Ukraine and fight to obtain more advantages. EU28 tries to become more active in this region with its adhering partnership for Ukraine.

A compromise is possible with compensations for the other interested global actors. Perhaps, at least a part of Ukraine will become member of the EU on medium term. On long term, the solution will result from the economic performances of EU28 vs Russia, which will be able to guide population and regions to one or another regional organization.

6. Conclusions

According to the above complex analysis, Ukraine is just a point on the political-military chase table. The stake of this game is immeasurably greater. The main global actors try to obtain more advantages in the region. The historical approach supports the idea that Russia had and has greater interests in region. Moreover, the latest events implemented Russia's wish to restore the red empire.

EU28 became more active in region using its proposal to attract Ukraine to the European Union, at least on medium term. Moreover, EU28 play the role of potential lender for Ukraine.

USA is traditionally present in the region, as long as it is the possibility to convince Ukraine to adhere to NATO.

There are at least two other countries directly interested in the problem: Moldova and Romania, which try to find the best strategically, military and political solutions to avoid direct conflict with Russia.

The cultural, ethnical, religious and linguistic aspects are very important for a final solution. And this solution will be not a military one. Unfortunately, Ukraine will have the same statute as Cyprus: a part of Ukraine will remain under Russian administration, while the other one will adhere (maybe under an emergency procedure) to the European Union. Maybe the most important aspect of this research is that the forced territorial reorganization is possible in the 21st century in Europe.

7. Acknowledgements

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The Evolution of Urban Green Areas in Romania during 2002-2013

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Abstract: The small size of green areas in Romanian urban settlements remains a problem of current urbanization, having a negative impact on the healthy lifestyle of the population. Nowadays, the green areas from most of the Romanian cities are under the WHO standard of 50 m²/inhabitant, under the E.U. standard of 26 m²/inhabitant, and also under the national standard (94 urban settlements-29.4% have less than 10 m²/inhabitant of green area in 2013). Furthermore, the evolution of green areas after 2002, shows that almost a quarter of Romanian urban settlements (24.5%) recorded significant declines, some towns having less than one square meter per inhabitant. This study presents a detailed analysis of Romanian urban green areas, their evolution over the period 2002-2013, based on the latest data provided by INS (National Institute of Statistics), identifying in the same time the causes and effects that led to the current situation. Mapping the results and identifying regional disparities, along with proposing measures to increase urban green areas are also objectives achieved in this study.

Keywords: green spaces; urban development; green infrastructure; healthy lifestyle; regional disparities; concreting green spaces

JEL Classification: Q23; Q26

1. Theoretical and Methodological Aspects

Currently, the researchers define “green space” differently, depending on its management type, the way is perceived by each community, but also its location.

In the US and Canada, in the last half century, has developed a unique management concept of the green space called “urban forestry”. This concept is a real science, defined by some authors as “*art, science and technology of managing trees and forest resources in and around urban community ecosystems to provide physiological, sociological, economic, and aesthetic benefits to the society.*” (Konijnendijk et al, 2006, p. 93) or “*planning, design and management of trees with recreational values located in or near urban areas*” (Nilsson & Randrup, 1997, p. 2).

Another concept commonly used by the US researchers is the “urban forest”, defined as: “*a forest or a collection of trees that grow in a city or a suburb. In a wider sense*

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the concept may include any woody plants that are encountered in and around human settlements.” (Negulescu, 2011, p. 9).

In Europe, industrial development in the nineteenth century, imposed planning measures to the public green areas, generated by the population migration from rural to urban areas. Even from that time, these green spaces, parks and gardens were perceived as very important for the quality of urban life and health of the population.

The latest studies conducted in Europe after 2010, by the European Commission specialists, and researchers interested in this topic, reunited in a series of workshops, use the concept of “Green Infrastructure” defined very differently. Further, we mention some definitions formulated in some of these studies:

❖ *Green Infrastructure is an interconnected network of green space that conserves natural ecosystem values and functions and provides associated benefits to human populations.*

❖ *Planning/strategic approaches that maintain ecological functions at the landscape scale in combination with multi-functional land uses*

❖ *Existing natural and “man made” structures that can deliver sustainable land use and services for society.*

❖ *The part of a territory devoid of permanent man-made structures, that is providing directly or indirectly, partly or totally through the vegetation it supports, a series of services to the population living on it or more or less near to it.*

❖ *System/network of open space, consisting of natural and man-made structures that provide directly or indirectly multiple benefits to society and support and improve ecological functions.*

❖ *Strategic or/and management approach to improve and sustain the multifunctional system of natural and man-made green structures, that provides benefits to society and maintain ecological functions. (“Towards Green Infrastructure for Europe”, Annex 1, Workshop Proceedings, Brussels, 2009, p.4)*

In this context green infrastructure consists of *natural and man-made elements, such as reforestation zones, green bridges, green urban areas, high nature value farmland or forest areas.* (Towards A Green Infrastructure for Europe-Developing New Concepts For Integration of Natura 2000 Network Into a Broader Countryside, p. 5).

These definitions refer to green infrastructure that overlaps/belongs to both urban and rural space, the difference being made by its categories of green areas. Thus, urban green infrastructure comprises primarily urban parks, gardens, trees, courtyards of churches, zoos, gardens of the houses in the residential area. (*ibidem*, p. 5).

In Romania, the concept of urban green space is defined as: “*the green areas in towns and cities, defined as a puzzle network or system of seminatural ecosystems consisting in specific vegetation (woody, tree, shrub, flowery and herbaceous).*” (Law no. 24/2007, Art. 2). Within this, the same law, as amended by Law no.47/2012, states the following categories of urban green spaces:

- a. public green spaces with unlimited access: parks, gardens, squares, planted strips;
- b. specialized green areas for public use:
 - botanical and zoological gardens, open-air museums, exhibition parks, recreation and ambient areas for trained animals in circuses;
 - those related to public facilities: nurseries, kindergartens, schools, hospitals or social protection institutions, cult edifices, cemeteries;
 - grounds and sports parks for practicing performance sports;
- c. green areas for recreation: recreational bases, leisure spaces, and sports complexes;
- d. green areas to protect lakes and watercourses;
- e. protection corridors from technical infrastructure;
- f. recreational forest;
- g) nurseries and greenhouses.

In this study, we used the latest data provided by the INS (National Institute of Statistics) on green areas¹ in the urban settlements in the period 2002-2013, and we also calculated the average area per inhabitant for each urban settlement in Romania. Based on these results, we established the hierarchy and mapped the urban settlements according to international European and national legal standards, but also on the evolution of green areas during 2002-2013. Finally, we identified the regional disparities reflected by thematic maps, proposing a series of measures for reducing the deficit of green space in urban settlements from Romania.

¹ According to INS, green areas (ha) - include the area of green spaces as parks, public gardens or public squares, land bases and sports facilities within the constructible perimeters of urban settlements. In the green areas are not included greenhouses, nurseries, vegetable gardens, cemeteries, agricultural land, lakes etc.

2. International and National Standards Regarding Urban Green Areas

The importance of green areas lies in their ecological and socio-economic functions, in their capacity to perform certain natural functions, protecting the environment and providing another series of multiple functions. Green areas are an important part of community life, contributing to its social image, architecture, reflecting in the end its social and economic development. (Negulescu, 2011, p. 8)

In the ecological functionality, the main functions of green areas are: hydrological function (retaining precipitation, preventing torrents), anti-erosion (strengthening riversides), climatic (moderating climate extremes), sanitary and leisure (stimulating exchange of air, oxygenation and air purification, air flow reduction, fixing and even metabolizing of some toxins, negative ionization and purification of microbial air), aesthetic, scientific and educational.

All these functions, extremely important, both for the natural environment and especially for the demographic component, increased, over time, the attention to this category of urban space, national and international organizations recommending a minimum area for urban population. At the moment, WHO recommends for urban areas a minimum of 50 m²/capita of green space and EU norm requires a minimum of 26 m²/capita.

In Romania, Law no.351/2001 regarding the approval of the National Planning Program - Section IV - Network of Settlements, in Appendix 2, Section 1.0, as amended by Law no. 100/2007 stipulates in the table "Minimum quantitative and qualitative indicators defining urban settlements" that green areas (parks, gardens, squares) must have at least 15 m²/capita for cities and at least 10 m²/capita for towns.

Regarding the definition and management of green areas, in 2007, after joining the EU, was adopted Law no.24/2007 regarding the regulation and management of green areas in urban settlements in Romania, with the purpose to improve the situation at this category of spaces so necessary for the health of the urban population (implementing the strategy for the conservation and development of the green areas of the municipalities of rank 0 and 1, setting up local registers of green areas). This law was amended until now by several normative acts, among which Law no.88/2014 and Law no.135/2014, the amendments aiming a number of provisions on administration of green areas in both the public and private property.

In 2007, was also adopted GEO no. 114/2007, which stipulated that "*local government authorities are obliged to provide, inside urban settlements, an area of green space of at least 20m²/inhabitant until December 31, 2010 and at least 26m²/inhabitant, until December 31, 2013*". Unfortunately, as we will see in the next chapter, although the legal framework exists for almost a decade, the development

of green areas inside the Romanian cities is still far from the norms mentioned in the existing laws, the actual values being extremely low in many urban settlements.

3. The Evolution and Current Characteristics of Urban Green Areas in Romania

The dynamics of urban green areas during 2002-2013 reflects an increase of 17.5% at national level, ranging from + 4.8% (Macroregiunea 4) to + 68.6% (Macroregiunea 1). The evolution of urban green areas also highlights increases in six of the eight development regions of Romania (NUTS 2), these oscillating between + 121.5% (Regiunea Nord-Vest) and + 2.2% (Regiunea Sud-Vest Oltenia). The only regions which recorded a significant decrease during this period are Regiunea Sud-Est (-12.5%) and Regiunea București-Ilfov (-5.2%), the same downward trend being recorded by green space area per capita (Table no.1). This revival recorded by urban green areas, especially after 2006, at national level, does not allow yet the fulfillment of the minimum standards of green space recommended by WHO and EU, national average being only 10.6 m²/capita in 2013.

Table 1. The Dynamics of Urban Green Areas In Romania/Macroregions/Development Regions During 2002-2013

Romania/Macroregions/ Development regions	2002		2007		2013		Evolution 2002-2013	
	Green areas km ²	Green areas m ² /inh.	Green areas km ²	Green areas m ² /inh.	Green areas km ²	Green areas m ² /inh.	Green areas km ² (%)	Green areas m ² /inh. (%)
ROMÂNIA	201,84	8,87	207,24	9,18	237,19	10,61	+17,51	+19,55
MACROREGIUNEA UNU	34,57	6,24	44,65	8,12	58,31	10,63	+68,67	+70,47
Regiunea NORD-VEST	15,46	5,37	22,81	8,00	34,25	12,05	+121,54	+124,45
Regiunea CENTRU	19,11	7,18	21,84	8,24	24,06	9,11	+25,90	+26,91
MACROREGIUNEA DOI	50,06	7,28	49,84	7,28	53,42	7,86	+6,71	+7,99
Regiunea NORD-EST	24,14	6,19	24,29	6,24	30,76	7,91	+27,42	+27,73
Regiunea SUD-EST	25,92	8,71	25,55	8,65	22,66	7,80	-12,58	-10,41
MACROREGIUNEA TREI	67,82	11,52	62,59	10,71	73,68	12,69	+8,64	+10,10
Regiunea SUD-MUNTENIA	17,74	5,13	18,92	5,57	26,23	7,93	+47,86	+54,49
Regiunea BUCURESTI - ILFOV	50,08	20,62	43,67	17,82	47,45	18,99	-5,25	-7,91
MACROREGIUNEA PATRU	49,39	11,12	50,16	11,48	51,78	12,12	+4,84	+9,01
Regiunea SUD-VEST OLTENIA	23,59	9,93	24,77	10,67	24,11	10,74	+2,20	+8,17
Regiunea VEST	25,8	12,48	25,39	12,39	27,67	13,64	+7,25	+9,32

Source: INS, Bucharest

In territorial level, from the 319 urban settlements of Romania, only 71 (22.2%) have an area of green spaces exceeding 26 m²/capita (EU standard) and only 20 (6.2%) exceed WHO standard of 50 m²/capita.

The analysis of each urban settlement, according to its rank, established by Law no. 351/2001, reflects the following evolution of green areas during 2002-2013:

❖ urban settlements of rank 0 (Bucharest), although recorded a downward trend of green areas (m²/capita) by 6.4%, is approaching, according to the latest data, the standards recommended by the EU, having in 2013, 21 m²/inhabitant;

❖ urban settlements of rank 1-cities of national importance, with potential influence at European level¹ (11 cities) - have an area of green space, placed mainly below the national legal standards. Craiova City (33.6 m²/inh.) and Cluj-Napoca City (28.7 m²/inh.) are the only ones that exceed the European norm, Oradea City being to the limit of 24.6 m²/inh., while Braila, Constanta, Galati, Ploiesti and Braşov City do not fulfill even the minimum national indicator, having less than 15 m²/inh. in 2013. The dynamics of green areas in the cities of rank 1 reveals that during 2002-2013, Galati City is the only one which recorded a significant decrease by -49.3%, the other cities recording increases between + 2.2% - Craiova City and + 236.6% - Oradea City.

❖ urban settlements of rank 2-cities with inter-county importance or with balance role in the network of settlements (92 cities) recorded the same poor situation, only 14 of them (15.2%) exceeding 26 m²/ inh., of which only three (Băileşti, Mangalia and Campina-3.2%) having values above 50 m²/inh. of green areas. Most of the cities of rank 2 (43 urban settlements- 46.7%) have an area of green spaces placed in the range of 15-26 m²/capita, but more concerning is the percentage of those with values below 15 m² of green space/capita (35 cities-38%), of which 17 cities have less than 10 m²/capita in 2013². Regarding the evolution of green areas, we notice that only 17 cities of rank 2 (18.4%) recorded a decrease (m²/capita), the highest being registered by Sighetu Marmăţiei (-74% during 2002-2013).

the analysis of urban settlements of rank 3-towns (215 towns), reflects the large deficit of green areas in romanian urban settlements. Basically, from the 215 towns of rank 3, 34.8% (75 cities) have less than 10 m²/inhabitant of green areas. If we consider the fact that, from 319 urban settlements in Romania, 94 have less than 10 m²/capita, we can conclude that towns are the urban settlements with the largest deficit of green areas (79.7%). At the same time we notice (Figure 1) that 55 towns

¹ Bacău, Braşov, Brăila, Cluj-Napoca, Constanţa, Craiova, Galaţi, Iaşi, Oradea, Ploieşti, Timişoara.

² Sacele city has the smallest area of green space of all the cities in Romania, each inhabitant assuming only 1.1 m² of green space.

(25.5%) of urban settlements of rank 3 have over 26 m²/capita., having the largest share in Romanian urban settlements (77.4%) that meet WHO and EU standards. Thus, the towns that have also the role of health resorts, have large areas of green spaces (Băile Tușnad-412.9 m²/inh., Sovata-149.7 m²/ inh, Slănic-148.9 m²/ inh, Băile Olănești-135.8 m²/ inh, Băile Herculane-109.5 m²/ inh. etc.) and cities located in areas with richer forest vegetation (Cavnic, Solca, etc. - Figure 2). Instead, a series of settlements, which recently became towns, basically do not have green areas (Pantelimon-0.82 m²/ inh, Broșteni-1.5 m²/ inh, Milișăuți-1.8 m²/ inh., Podu Iloaiei-2.7 m²/ inh.). Regarding the dynamics of green areas, the evolution is extremely varied, fluctuating between +1733% (Mioveni-the highest increase during 2002-2013) and – 89.2% (Rovinari-the highest decrease during 2002-2013).

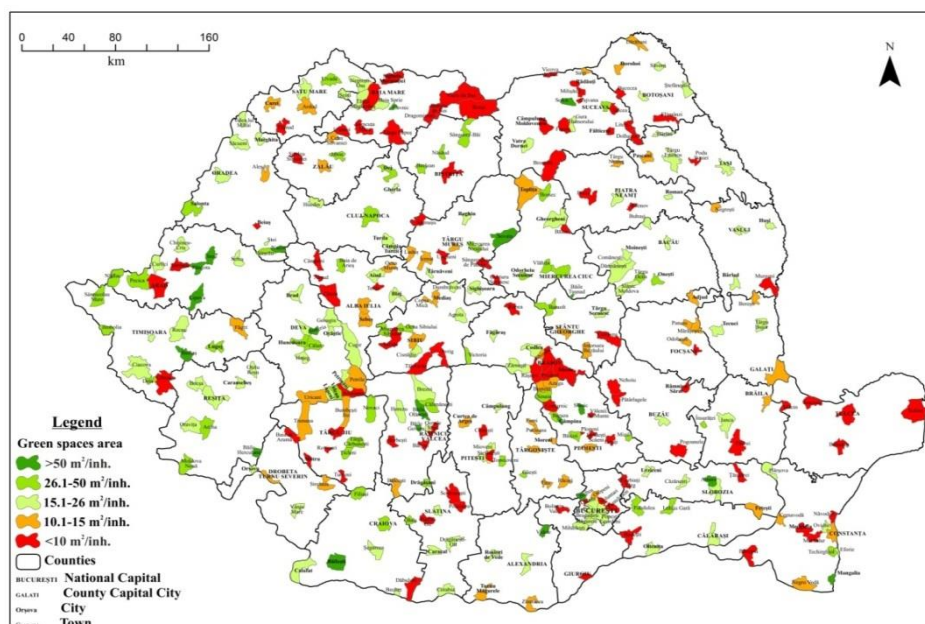


Figure 1. Urban Green Areas in Romania in 2013

Source: INS, Bucharest

The causes which led to this unfavorable evolution, continued after 2007, appear after 2000, when local authorities began to return the properties (especially urban domains) confiscated by the communist regime. The main effect of this action was the extension of residential area to the detriment of green areas. Incompetence or indifference of the authorities determined the restitution of large areas of green spaces, although the most rational solution would have been buying them back.

The lack of a Local Register of Green Areas¹, before the appearance of Law no.24/2007, and also the delay of its achievement, incomplete at present in most of the urban settlements, allowed municipalities to give building permits to owners, green areas having other status in official documents. Another reason that generated the reduction of urban green areas, mostly in Bucharest City, was caused by the appearance of pubs whose number increase significantly in these areas of rest and recreation. This phenomenon started after 1990 when certain commercial spaces appeared in parks under contracts concluded between the owners of these units and local authorities, with the obligation to respect the green areas. In most cases this fact was not respected, and many units have spread without permits. Therefore, besides the increase of the concrete surface, many illegal constructions which were built in this period, reduced significantly the urban green areas (Chiriac D., 2009, p.267).

Permissive legal provisions (the low amount of fines compared to the amount of profit earned by real estate developers), failure law application or its selective application by local authorities were also important causes of this unfavorable evolution.

¹ Each urban domain in order to have the status of green area must appear in official documents-planning documents, General Urbanistic Plan, Local Register of Green Areas. Currently, in planning documents, few green areas are listed as they really are. For example, green areas between blocks, squares, are not considered in these documents green spaces so they do not receive legal protection.

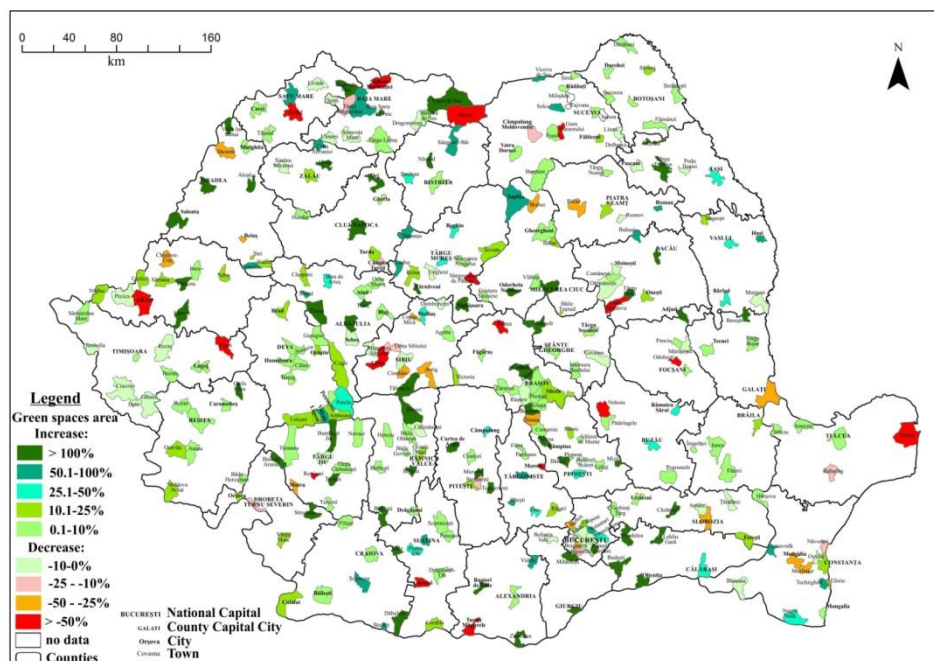


Figure 2. Urban Green Areas Evolution During 2002-2013

Source: INS, Bucharest

4. Conclusions

Unfortunately, the unfavorable evolution, continued after 2007, could be lowered only in few cases, although the central authorities have approved in the same year “The National Program For Improving The Quality Of The Environment By Creating Green Areas in Urban Settlements” (Emergency Ordinance no. 59/2007) which supports the financed projects submitted by local authorities for new green areas or for the rehabilitation and expansion of existing ones.

The goal (improving the environment and life quality of urban population) and objectives of this program (increasing green areas in settlements and improving the indicators according to WHO, EU and national standards, by developing and modernizing the urban green areas in cities, creating new parks, squares or alignments and rehabilitation of existing ones) should be pursued primarily by the municipalities of urban settlements, which must submit as many projects for setting up new green areas which contribute to the overall process of urban regeneration.

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Social Development – Requirement and Consequence of the Evolution of Society

Irina-Elena Gentimir¹

Abstract: Society evolves according to the energy and mindset of individuals. The more individuals are open to new things, the faster they produce change. This paper presents the relationship between social development and evolution of society from the perspective of the individual to produce and accept change. Education and assimilation power rush and improve the process of change. Investment and support individuals in positive actions bring benefits to society and the economy.

Keywords: society; individual; education; change; economy

JEL Classification: I25, I31, O10

1. Introduction

Social development is a process that leads to the change of the social structures in order to improve the capacity of one society to reach its objectives. Social development can be shortly described as the process of organizing the human energies and activities at high levels such as to reach better results.

The development emphasizes the use of human potential. Social developments consists of putting people in the core of development (Jacobs, Cleveland, 1999; Patel, Kleinman, 2003). Starting with the 1990's, there has been a higher recognition of the fact that social development is essential for better results, inclusively for the economic sustainable growth. Development is frequently correlated to a relatively similar term, the growth. Like the development, the growth is a form of progress, but the development is a superior type. Growth can be seen as a quantitative extension, while development is a qualitative development, at a higher level. While growth is a development at the same actual level, development is a development at a new unheard level (Kohn, 2009; Spolaore, Wacziarg, 2013). For example, we can see in business the growth as a multiplication of a shop model in tens of franchise activities; development consists of the effective development of the concept of franchise. Development is more like a change to a superior qualitative level, while growth is a quantitative evolution. In the widest meaning, development can be defined as an ascending directional movement of society from low level towards high levels of

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energy, efficiency, quality, productivity, complexity, understanding, creativity, happiness and fulfillment (Brach, 2008).

2. Social Development – from Individual to Society

Social development slowly evolves in time. It mostly represents an unknown phenomenon, which happens in an irregular manner, with evolutions and failures. On another side, if the process of social development was discovered and it was used in development policies, strategies and action plans for society, we could eliminate the disorders and meanders of social development and the obstacles that stand in its way and we could accelerate the positive evolution. MSS Research (2007) and Roy Posner (2010), after 30 years of observations, claim that there are 3 stages of social development: social grounding, the initiation- pioneers' role, the acceptance and the assimilation.

3.1. The First Stage: Social Grounding

Energy

A method through which the society can be evaluated is through its level of energy. A society can develop as long as it has the energy to do so. Yet, it cannot start to develop until it has a surplus of energy. The energy surplus is available only when the society is not completely absorbed by facing the existence problems at the actual level and has an energy surplus to pass at another level. An example in history would be the cultures that developed their agriculture to a point when they were ready to explore the trading opportunities with other state or head for industrialization (Krebs, Clutton–Brock, 1998). New ideas and technologies also represent signs of energy surplus, such as companies and other organizations that develop very fast (the ones in Silicon Valley).

Awareness

The energy surplus in society initially acts like a development of thinking and discussions about new possibilities, as an incentive for innovation and development and as a growing dissatisfaction regarding the actual situation. The most important thing is that this surplus is expressed through the society awareness about new opportunities and challenges (Sachs et al., 2004).

The speed and credibility of information in the last years has boosted the awareness degree of the possibilities of society. Either we are talking about 60.000 newspapers or Gorbachev's politics of glasnost from the end of the Cold War (for example, openness to new ideas), the importance of being aware of the possibilities is the

moving force that can transform the energy surplus from the society in a new development reality.

Aspiration

The energy surplus provides the fuel for progress and the awareness of the society about the possibilities sets the progress direction. Yet, society must react against this possibilities – it must really desire that these possibilities will emerge. The way an individual who wants to make something must have aspirations when possibilities and opportunities emerge, the same way the society has to have aspirations to take advantage of the possibilities and opportunities to develop when it has the chance.

The aspiration of passing to a superior level can be damaged by a series of factors or supported by others. For example, societies that feel superior or fulfilled are less capable of desiring to pass to the next level. Also, societies could not desire to evolve as they think that it is over their means and abilities. If superiority or inadequacy prevent the aspirations of one society, other social attitudes can boost the aspiration. Social pressure from the others or from the outside can be a strong incentive for aspiration. A classic example is the farmer that will dig a fountain only after he had seen the other had already done it. Another example is represented by a country that is mandated to change due to another country's influence, like the case of the Americans reaction, who have noticed in the 1980's that the Japanese started developing in the major industrial fields (Genicot & Ray, 2009). The energy surplus, the awareness of opportunities and the desire to evolve are the preceding conditions that ground the society for new development initiatives. Though it is not really a linear process and these factors fluctuate, they represent the needed conditions for social development grounding.

3.2. The Second Stage: the Initiation – Pioneer's Role

Though society can be ready to evolve to a superior development level, there must be an agent that would start the action. This is the role of pioneers. They are people that are willing to give up the actual status and try something new. Through their aware action, they express an issue of aspiration the society is only partially aware of.

The pioneer is not usually a radical person, an outlaw, but rather he shares his aspirations, knowledge and values. Either it is about two young men who founded Apple Computer in a garage, setting the scene for a new level of technology, or about a farmer that dares to accept a loan in order to search for water in the countryside of India when others fear of the fact of being the first one, the pioneer is the one that is off the records, but inside, not outside the social environment, setting a new trend or revealing a new possibility (Swedish Civil Contingencies Agency, 2011).

Then, society must positively react against the pioneer's initiative. In case he is too advanced compared to the society, the society will frequently react in a negative manner or would act immaterially. On other side, if the pioneer's initiative has the same trend with the society aspirations and grounding, he inspires others to the same initiative or to new ones. The pioneer's initiative are spreading through the whole society, releasing a development movement. For example, if other farmers in the countryside of India accept the credits to search for water, the village and the community start developing. When other hackers saw the first personal computers of Apple Computers displayed at the Homebrew Computers Club, they were inspired to produce, thus developing new related technologies or even new ones.

3.3. The Third Stage: Acceptance and Assimilation

In the end, the pioneer's initiatives must be completely accepted and organized by the society as a whole.

Acceptance through new organizing forms

Acceptance starts when the pioneer's initiative is included in new organizing or already existing structures in the society. The society usually organizes its life through laws, regulation, systems or series of accepted practices. The interesting fact is that the pioneer's initiative, which creates the spark of development, in fact leads to the emergence of a series of new, more complex organizations, meant to support it and who make pressures to the existing organizations in order to improve their functioning such as to satisfy the needs of the new phase (Dilworth-Anderson, 2008).

Lack of organization

There are frequent cases when the pioneer's initiative is not supported by new organizational structures, causing the failure of development. When the Eastern European countries started the transition from the planned economy to the market economy, they lacked a very wide range of structures and practices needed for the efficient functioning of a market system. Especially Russia has suffered from this reason. In its case, not only that there have been no new organizing structures that would have eased the transition, but many of the existing ones, essential to a stable transition towards the free market system have disappeared, thus creating an arid environment for the implementation of a market economy (Ranis & Stewart, 2010).

Education

A universally recognized form of organizing for the evolution of society is education. When society is truly interested in supporting development, it starts to provide formal education in fields that are related to the initiative. For example, we can see the huge volume of formal education and training during the last years in the field of personal computing and internet (OECD, 2013).

Institutionalization

In a subsequent stage, society accepts and assimilates new actions to an extent that no longer needs the support of specialized organizations, of politics or laws that would promote them. The activity becomes part of the normal functioning of society, so it becomes a way of life. It grows up from organizing to institutionalizing (Dilworth-Anderson, 2008).

The cultural transmission by the family

In a higher stage of evolution of a new social activity, the family has an active role in its propagation. Once a new activity has been accepted as being desired by large groups of population, families assume a higher and higher role in providing knowledge, abilities and activity supporting attitude for the next generation. When an activity has reached the point where the family has a very active role in its transmission, the activity becomes part of the society culture (Bisin, Verdier, 2005).

Table 1. The 3 stages of social development

<i>First stage: social grounding</i>	<i>Second stage: Initiation – the pioneers' role</i>	<i>The third stage: Acceptance and assimilation</i>
Energy surplus at the actual level Awareness of possibilities The aspiration to evolve	Pioneer's initiative Acceptance of society Initiative taken over by the others	New organizing forms Institutionalization (for example, education) Cultural transmission by the family

It is true that economic growth, through the growth of the total welfare of one nation, improves the potential of reducing development and of solving other social problems. But history gives a series of examples in which economic growth has not been followed by similar human development problems. In exchange, growth was made at the cost of high inequality, higher degree of unemployment, weakened democracy, the loss of cultural identity or excessive consumption of natural resources needful to future generations. As links between the economic growth and social and environmental problems are better understood, experts, including economists, tend to agree that this kind of growth is unavoidable unsustainable, namely it cannot continue the same way during a long period of time. First of all, when the environment and human/social losses resulting from the economy growth prove to be higher than the economic benefits (additional incomes gained by most

people), the total result for the individuals' welfare becomes negative. Thus, this economic growth is hard to support from the political perspective (Kohn, 2009). Second, economic growth itself unavoidable depends on the environmental and social/human conditions. In order to be sustainable, growth must be based on a certain quantity of resources and services provided by nature, such as pollution absorption and resources renewal. Moreover, economic growth should be constantly fueled by the results of human development, such as highly qualified workers, capable of technological and managerial innovations, as well as opportunities for their efficient use: more and better work places, better conditions for new business to develop and a higher democracy at all decision making levels (Spolaore & Wacziarg, 2013).

5. Conclusions

Missing a valid theory, social development highly remains a study and experimental process, with a high rate of failure and a very unequal progress. Negative consequences of the transition strategies in most of Eastern European countries, the stopped progress in many African and Asian countries, the growth of the income gap between the more and the less developed societies, environment pollution, crime and violence reflect the fact that humankind strongly follows a process without the whole knowledge needed to efficiently manage and rule. The emergence of a solid theoretical framework of social development would provide the knowledge needed to approach these imperfections. I would also finally lead to a deeper and more practical discovery – the infinite creative potentials of humanity.

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The Impact of Innovation on the National and Regional Competitiveness within the European Union

Alina Elena Iosif¹

Abstract: Many studies have revealed the positive relationship between economic growth, and implicitly competitiveness, and innovation. The aim of the current paper is to test the impact of several indicators of innovation on the most relevant competitiveness indexes. These indexes are developed by the World Economic Forum, the Institute for Management Development or under the coordination of the European Union and their purpose is to quantify competitiveness. The current research is looking to the national and regional level within the European Union. In order to test the connection between competitiveness and innovation econometrical analyzes were carried out. Overall, the results indicated that indicators of innovation related to ‘human resources’, ‘intellectual assets’, and ‘finance and support’ have a positive impact on competitiveness. The differences and similarities between the impact of innovation on the national and regional competitiveness are pointed out. Knowing these particularities, the policy makers may formulate adequate national and regional policies to stimulate innovation. Several policy recommendations focused on the validated variables of innovation were formulated. The current paper brings an added value to the literature by revealing the positive connections developed between the most relevant indexes of competitiveness and indicators of innovation.

Keywords: indexes; rankings; policy recommendation

JEL Classification: O10; O30; O38

1. Introduction

The socio-economic changes have generated a new approach to economic growth, leading to the competitiveness between countries, regions, cities or enterprises (ESPON & Universidade de Santiago de Compostela, 2012). Emphasizing, the “economic competitiveness” is wide spread covering the enterprise level up to whole national economies (ESPON & Universidade de Santiago de Compostela, 2012). ‘The ability to create more wealth than that created by competitors in the global market’ is defined as the competitiveness of the national economy, while the competitiveness of cities and regions is focused on ‘the ability to adapt to the

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changing conditions, while paying special attention to maintaining or improving one's position in the ongoing rivalry between regions and cities' (ESPON & Universidade de Santiago de Compostela, 2012, p. 6). Further on, competitiveness at the micro level refers to "*the ability of a firm to increase in size, market share and profitability*" (Fagerberg & Nelson, 2003).

The competitiveness is influenced by various factors, out of which innovation is one of the most important. Close to innovation, the location, specialization, and infrastructure are considered to be the other main factors that have impact on competitiveness (Becker, 2009). Similarly, Kumar et al. (2013) places innovation as one of the main drivers of competitiveness of emergent markets, next to internalization and institutions.

Innovation implies a "new or significantly improved product (good or service) introduced to the market or the introduction within an enterprise of a new or significantly improved process" (ESPON & Politecnico di Milano, 2012b, p. 11). Another definition of 'innovation' refers to 'the putting into practice of inventions' (Fagerberg et al., 2005 in Naude et al., 2011, p. 2). Innovation is divided into several divisions represented by the product innovators that have to introduce new and significantly improved products in terms of fundamental characteristics; the process innovators that have to implement new and significantly improved technologies in production or methods in supplying services and delivering products; and the marketing and/or organizational innovators that are focused on capturing innovation processes in services (ESPON & Politecnico di Milano, 2012b). Overall, innovation has a wide coverage referring to the development of new products, processes, exploitation of new markets and the development of new ways to organize business (Naude et al., 2011). More generally, "*innovation is an evolutionary, cumulative, interactive and feedback process in terms of information transfer, implicit and explicit knowledge in alterations of a technical and organisational character*" (Kroll et al., 2012, p. 13).

Radical innovation is associated to the advanced economies that are characterized by intense competition, while the incremental innovation is more relevant for developing countries that are in the process of catching up (Naude et al., 2011).

As stated by Moreno & Suriñach (2014), the relationship between innovation and growth is a subject that was intensively debated in the economic literature and the results revealed the positive impact of innovation on the economic progress. Innovation has an essential influence on fostering competitiveness, productivity and job creation (Romer, 1986 in Moreno, Suriñach, 2014). Apart of the significant impact of innovation on national economic growth, innovation is stimulating regional and local economic development (Kroll et al., 2012).

Both nations and regions are open systems that have either, to develop their ability ‘to absorb and to fruitfully apply what is known elsewhere’, or to develop leading-edge innovations in order to enhance competitiveness (Kroll et al., 2012). Overall, innovation is relevant for any country, region, city, no matter its level of development if it is interested to be competitive within the global economy.

The goal of this research paper is to determine, through econometric analyses, which are the main determinants of innovation that have a positive impact on national and/or regional competitiveness in EU. Knowing the determinants of innovation that have a noticeable impact on the increase in national and regional competitiveness is highly important for the formulation of policy recommendations.

The following section includes an overview on the main relevant indicators of competitiveness and innovation.

2. Competitiveness and Innovation – Metrics and Ranking

Capturing competitiveness and innovation in metrics is a laborious process that involves the use of various and relevant indicators in order to develop a complex instrument.

The three main instruments measuring national competitiveness are represented by the Global Competitiveness Index (GCI), the World Competitiveness Index (WCI), and the Country Competitiveness Index (CCI). These instruments have a certain history, as follows: the World Economic Forum is developing the report on competitiveness for 35 years (Schwab, 2014, p.xiii), the IMD World Competitiveness Center is declaring that they are the ‘pioneers in competitiveness since 1989’ (IMD, 2013), while the index elaborated by the Joint Research Center of European Commission has a second apparition, after the 2010 edition (Annoni & Dijkstra, 2013, p. 134).

The most recent published reports on competitiveness in relation to the current paper are reflecting the Global Competitiveness Index 2014-2015, elaborated by the World Economic Forum; the World Competitiveness Index 2014, released by the IMD Competitiveness Center; and the EU Regional Competitiveness Index 2013, which includes the Country Competitiveness Index 2013, elaborated by the Joint Research Center of European Commission. Apart of these, World Bank Group is making a ranking of the economies in terms of their ease of doing business. The reports entitled ‘Doing Business’ of the World Bank Group (2015) rank the economies based on their regulatory environment in relation to starting and operation of a local firm. The most recent ranking reflects the situation of 2014 and is referring to 189 economies.

Further on, a comparison between the rankings of the national competitiveness indexes is conducted. The EU Regional Competitiveness Index 2013 (Annoni & Dijkstra, 2013) includes the Country Competitiveness Index (CCI) that mostly reflects the situation for the year 2012. As it is the oldest reports compared to the others, 2012 will be considered the reference year. The comparing data will be extracted from the Global Competitiveness Report 2012-2013 (Schwab, 2012) and the IMD World Competitiveness Yearbook 2013 (IMD, 2013).

The Global Competitiveness Report 2012-2013 contains the ranking for 144 economies, while the IMD World Competitiveness Yearbook 2013 includes the hierarchy of 60 economies, without referring to Cyprus and Malta. The Country Competitiveness Index is dedicated to the ranking of the 28 Member States of the European Union.

As the ranking of a country vary for each index, mainly in terms of variables used and reference years, the comparison could be conducted only if the indexes are positioned on the same scale. The solution in this case would be to calculate the percentages of the rankings by 'dividing the rankings to the number of the economies used in each index' (Arslan, Tathdil, 2012, p. 40). For example, Belgium that is positioned on the 17th position in the ranking of Global Competitiveness Report 2012-2013 that evaluates 144 economies, then its ranking percentage is of 11.81% ($17/144*100$). As a result, Belgium lies in top 11.81% of the 144 economies according to Global Competitiveness Report 2012-2013, 43.33% of the 60 economies evaluated in IMD World Competitiveness Yearbook 2013, and in the top 10.71% of the 28 Member States in terms of CCI 2013.

The graphic representation of percentages of the rankings for the year 2012 are captured in figure 1.

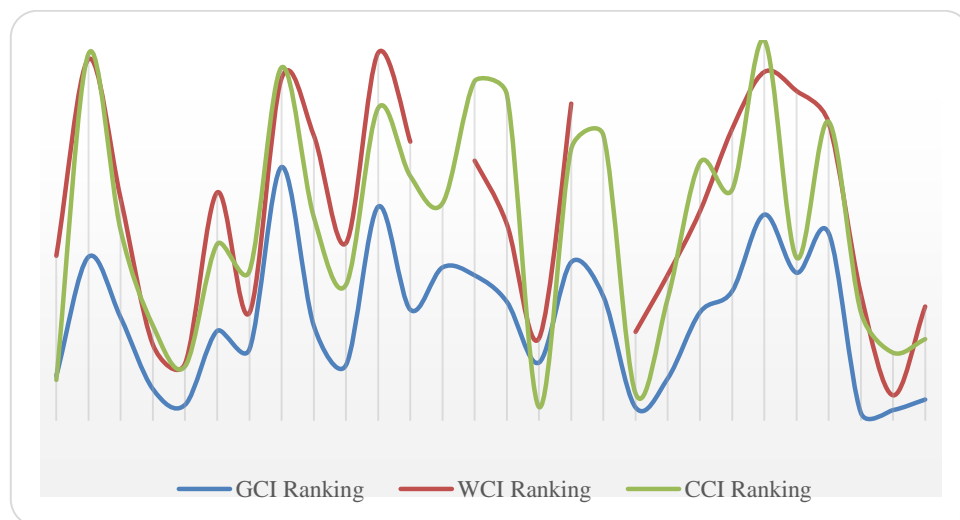


Figure 1. The percentages of the rankings for the year 2012

Source: own representation, based on the available data from various reports

Calculating the correlation between pairs of rankings, the results have indicated that the indexes are highly correlated. GCI and WCI have the tightest relation confirmed by the correlation coefficient of 90%, followed by the 88% connection between GCI and CCI, while WCI and CCI are connected in proportion of 84%. These highly positive correlations are explained through the use of similar variables or proxies in the composition of the competitiveness indexes (Arslan & Tathdil, 2012). Consequently, any of these three indexes could be a reliable source for measuring national competitiveness.

Apart of the indicators that reflect the national competitiveness, there is the EU Regional Competitiveness Index (RCI) elaborated under the auspices of the Joint Research Center of the European Commission. This report is representative for capturing the competitiveness of 262 regions within the European Union. The current RCI 2013 represents the second edition of this index, reflecting data from the period 2009-2011. The highest competitive region out of the 262 regions of the European Union is Utrecht, followed by the London area and the area including Oxford (Annoni & Dijkstra, 2013, p. 132). On the other side, regions of Greece, Bulgaria and Romania are placed on the last positions in terms of regional competitiveness.

In terms of quantifying innovation at the national and regional level, the Global Innovation Index, the Innovation Union Scoreboard and the Regional Innovation Scoreboard are considered to be among the most reliable sources.

The Global Innovation Index 2014 reflects the situation in terms of innovation for 143 economies around the world and is constructed based on 81 indicators (Cornell University et al., 2014, p. xvii). The Global Innovation Index 2014 uses the most recent data, corresponding to the period 2004-2013. The 81 indicators are distributed within seven main categories and most of the data are reflecting the situation of 2010-2013 period. 56 indicators are represented through hard data, 20 represent composite indicators and 5 of them are survey questions from the World Economic Forum's Executive Opinion Survey (Cornell University et al., 2014, p. 373). A relevant index for measuring innovation at the European Union's level is represented by the Innovation Union Scoreboard 2014, which includes 25 indicators divided by eight dimensions. As 11 out of the 25 indicators mainly refer to the year 2012, and the others to 2009-2011 period (Hollanders & Es-Sadki, 2014), it can be concluded that this last version corresponds mainly to the year 2012.

Figure 2 reveals the main dimensions of innovation used for the development of Global Innovation Index (GII) and Innovation Union Scoreboard (IUS).

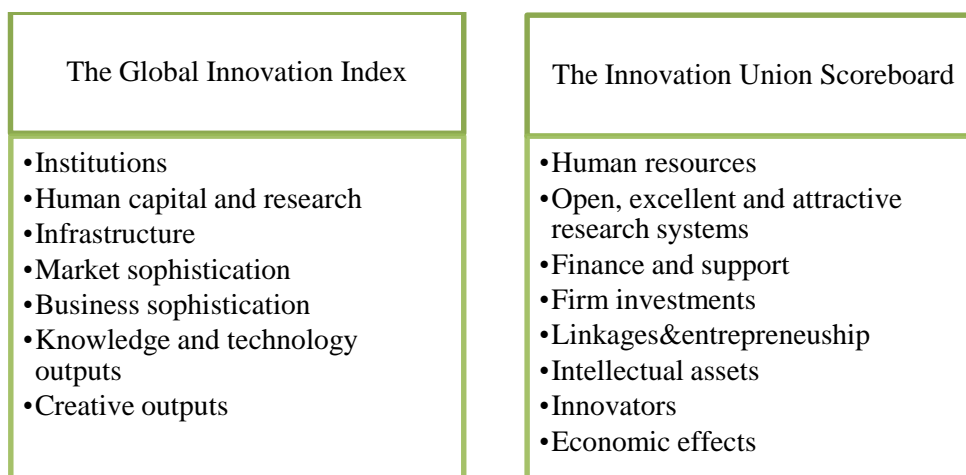


Figure 2. Main dimensions of innovation included in GII and IUS

Source: own representation, based on the available data from various reports

The Regional Innovation Scoreboard (RIS) reflects the innovation at the regional level within the European Union. Due to the lack of data at the regional level only 11 indicators out of the 25 indicators inserted in the IUS are included within RIS. The RIS has a certain history, reaching the 6th edition in 2014. This last edition presents the innovation performance of 190 regions of the European Union, Norway and Switzerland associated to the year 2010. The regions are divided in the same four categories of innovation performance as in the case of the IUS, precisely 'innovation leaders', 'innovation followers', 'moderate innovators', and 'modest

innovators'. The highest number of 68 regions are associated to the cluster of Regional Moderate innovators, while the lowest number of 31 regions are distributed in the cluster of Regional Modest innovators. The Regional Innovation leaders are mostly associated to the Innovation leaders mentioned in IUS, corresponding to Denmark, Finland, Germany and Sweden (Hollanders et al., 2014).

Based on the positive relation between competitiveness and innovation, the current paper settles several objectives, as follows:

- Identifying the main determinants of innovation that have an impact on the national competitiveness, represented by WCI, GCI or CCI, within the 28 Member States of the EU.
- Identifying the main determinants of innovation that have an impact on the regional competitiveness, represented by RCI, within the 28 Member States of the EU.
 - Comparing the national and regional results in terms of the validated determinants of innovation.
 - Formulating policy recommendations in order to increase national and regional competitiveness by supporting the validated determinants of innovation.

3. The Relationship between Competitiveness and Innovation at the National and Regional Level within EU

This section of the paper is focused on the methodology used to test the connection between the competitiveness and the determinants of innovation, both at national and regional level within the European Union's area. Further on, the results of the econometrical analyzes are exposed, along with the comparison between the determinants of innovation validated at the national and the regional level in EU.

Methodologically, the paper includes several econometrical analyzes where the dependent variable is represented by the national, respectively regional index of competitiveness, and the independent variables are referring to determinants that reflect innovation. The research process requested using the documentary analysis and consulting several international and European reports. At the national level three cases were developed. The dependent variable is represented by WCI, GCI or CCI and the independent variables are considered the dimensions, respectively indicators composing IUS. At the regional level, the RCI is on the position of dependent variable, while the indicators included in RIS are the independent variables. The intensity of the innovation – competitiveness connection is tested through regressions, by using the Eviews programme. In all the four cases, three at national level and the last one on the regional level, several tests (R-squared, Ramsey, White

etc.) were applied in order to test the correctitude and stability of the multiple regressions that were developed. Most of the tests registered good results, and if a problem was encountered, this issue is specified and solved in the corresponding case.

Case 1

Firstly, the correlation between the competitiveness at the national level in the European Union, represented by the WCI, and the eight dimensions of the IUS is tested. Extracted from the report elaborated by the IMD World Competitiveness Center in 2014 (IMD, 2014), the WCI reflects the situation of the year 2013. On the other side, the dimensions of innovation are mainly associated to the year 2012.

$$WCI_{2013} = 24.54131286 + 41.42490488 * HR + 38.05768989 * IASSETS$$

The econometrical analysis confirms that the ‘human resources’ and ‘intellectual assets’ have a positive impact on the WCI, implicitly on the national competitiveness in the EU. The regression is well defined with an R-squared of 77%, making the determinant variable significantly explained through the explainable variables. Their coefficients indicate that the national competitiveness within the EU in a certain year is predicted to increase by 41.4 when the ‘human resources’ from the previous year goes up by one, and increase by 38 when the ‘intellectual assets’ from the previous year goes up by one, and is expected to be 24.5 when all the variables are zero.

The second situation reveals the connection between the WCI and the indicators associated to the two dimensions of innovation previously confirmed.

$$WCI_{2013} = 15.90901748 + 7.945120612 * NDG + 0.8027726633 * POP_T_ED + 2.18268833 * COM_DESIGN$$

Only three out of the total seven indicators of the two dimensions of innovation were confirmed; each of them registering a p-value less than 0.05.

“New doctorate graduates”, “population aged 30-34 having completed tertiary education”, “community designs” and the free term have a positive impact on the national competitiveness in the EU. The strongest impact is represented by the first variable, namely when ‘new doctorate graduates’ goes up by one within a certain year, then the national competitiveness of the following two years increases by 7.94.

Case 2

Extracted from the Global Competitiveness Index 2014-2015 (Schwab, 2014), the dependent variable is reflecting the situation on the national competitiveness for the period 2013-2014. Similar to case 1, the dimensions of innovation are mainly concentrated on the year 2012.

$$GCI_{2013-2014} = 3.35255477 + 1.054443102 * HR + 1.628281786 * IASSETS$$

The coefficients associated to ‘human resources’ and ‘intellectual assets’ variables show that the national competitiveness within the EU in a certain year is predicted to increase by 1.05 when the ‘human resources’ from the previous year goes up by one, and increase by 1.63 when the ‘intellectual assets’ from the previous year goes up by one, and is predicted to be 3.35 when all the variables are zero (Iosif, 2014 b).

$$GCI_{2013-2014} = 3.532798965 + 0.009238330553 * POP_T_ED + 0.4771957769 * PCT_PAT_AP + 0.02498496308 * COM_TRADEMARK$$

Overall, the applied tests confirm that the regression is good, even though the number of validated explanatory variables is limited. “Population aged 30-34 having completed tertiary education”, “PCT patents applications”, “community trademarks”, and free term are the variables that explain the national competitiveness within the EU. Considering that the first and the third variables are reflecting the situation of the year 2012 and the ‘PCT patent applications’ are representing the situation of the year 2010, the results validate that the variables have a positive impact on the national competitiveness, but due to the difference in the reference years the intensity of the connection is low.

Case 3

Both the CCI and the dimensions of innovation reflect the situation of the year 2012.

$$CCI_{2012} = -1.455910675 + 1.227930104 * FS + 1.683188549 * IASSETS$$

Several tests are conducted in order to validate the regression, and the problem of homoscedasticity is encountered when applying the White test. Consequently, the function “White Heteroskedasticity-Consistent Standard Errors & Covariance” (Becker, 2013) is used in order to allow the data to be interpreted.

The equation reveals that if “finance and support” or “intellectual assets” variables goes up by one unit, then the competitiveness at the national level in the EU is predicted to increase 1.23, respectively 1.68. Moreover, when the variables are considered to be zero, then the national competitiveness is expected to be -1.46 (Iosif, 2014a).

$$CCI_{2012} = -1.880204682 + 1.296360725 * RD_PUB + 2.769676764 * VCI + 0.061431124 * COM_TRADEMARKS$$

Three out of the six indicators associated to the two validated dimensions of innovation were confirmed, namely “R&D expenditure in the public sector”, “venture capital investment”, and the “community trademarks”. The results indicate that these three independent variables have a positive impact on the national competitiveness. The ‘venture capital investment’ has the highest impact, generating an increase of 2.8 on the national competitiveness when it goes up by one unit.

Case 4

The current RCI 2013 is using data from the period 2009-2011, while the indicators of the RIS are more focused on the year 2010. At the regional level (NUTS2) only an equation is projected, because the independent variables are represented only by indicators of innovation. Due to the lack of data corresponding to the regional competitiveness at the NUTS 2 level, several representative countries had to be extracted from the analysis, namely Belgium, Bulgaria, Germany, Greece, France, Austria and United Kingdom. Even through more than 40 regions were excluded, 126 observations are enough in order to proceed with the econometrical analysis.

The regional case testing the connection between competitiveness and innovation raised the major problem of heteroskedasticity, and the function of ‘White Heteroskedasticity-Consistent Standard Errors & Covariance’ had to be applied. Consequently, only the independent variables that had a p-value under 0.05 could be interpreted.

$$\text{COMP_REG} = -1.042892846 + 0.7440246876*\text{RD_PUB} + 0.5645051723*\text{RD_BUS} + 1.794870846*\text{PCT_PAT_AP} - 0.06626375233*\text{SME_MO} + 0.1270593164*\text{EMP} - 0.09144817196*\text{SALES}$$

The “R&D expenditure in the public sector”, ‘R&D expenditure in the business sector’, and ‘PCT patent applications’ are confirmed to have a positive impact on the regional competitiveness in EU, while the free term a negative influence. Even though the regression is well defined, with an R-squared of 58%, half of the variables included within the regression are not validated. Several improvements have to be brought to this regression.

4. Comparison between Cases

Table 1 reflects the differences between the three cases focused on the connection between competitiveness and indicators of innovation at the national level within the EU. Within the header of the table, in brackets, the dependent variable corresponding to each case is specified.

Table 1. Comparison between the cases at the national level

Case 1 (WCI)	Case 2 (GCI)	Case 3 (CCI)
New doctorate graduates per 1000 population aged 25-34	Percentage population aged 30-34 having completed tertiary education	Community trademarks per billion GDP
Percentage population aged 30-34 having completed tertiary education	PCT patent applications per billion GDP	R&D expenditure in the public sector as % pf GDP
Community designs per billion GDP	Community trademarks per billion GDP	Venture capital investment as % of GDP

Source: own representation

Even though within all three linear regressions the same independent variables of innovation were used, differences in terms of validated indicators have appeared. Consequently, the econometric tests validated only several particular variables in relation to each dependent variable reflecting the national competitiveness in EU. The common point between the first and the second case is represented by the “Percentage population aged 30-34 having completed tertiary education”, while the “Community trademarks per billion GDP” constitutes the similarity between the second and the third case. Overall, there are more differences between the cases, than common issues. Even though there is correlation between the three indexes reflecting the national competitiveness, they do not present the same sensibility to the determinants of innovation. Behind their sensibility could lay the methodology used for calculating the index of the national competitiveness and how ‘innovation’ has been included and quantified as a component of the index itself.

The indicators of innovation that were validated as having impact at both the national and regional level in EU are represented by the “R&D expenditure in the public sector as % pf GDP” and the ‘PCT patent applications per billion GDP’. These common points reflect that innovation acts through similar instruments on the regional competitiveness as in the case of the national competitiveness in EU. In the latter case, more indicators of innovation were confirmed due to the variety of indexes used for the determinant variable. ‘R&D expenditure in the business sector as % pf GDP’ is a distinctive feature of the regional competitiveness compared to national competitiveness in EU, indicating the involvement of the business sector in developing innovative activities by investing in R&D at the regional level. The “power” of the R&D expenditure in the business sector on competitiveness is already confirmed at the regional level, and is stimulated to increase, by various policies and programmes, to generate positive impact also at the national level in the EU.

Implications of the innovation's impact on competitiveness and policy recommendations for stimulating innovation to enhance competitiveness at the national and regional level (NUTS2) within the EU represents the main subject of the following section of the paper. It is worth highlighting that there is no universal policy to innovation, and local specificities and capabilities should be considered when formulating cohesion policies in the innovation's area (ESPON & Politecnico di Milano, 2012a). Consequently, the policy recommendations are generally formulated based on the validated determinants of innovation. The recommendations may prove their efficiency and effectiveness as long as they are applied in accordance with the specificities and needs of each region/country of the EU.

5. Policy Recommendations

Many authors (Fraunhofer ISI, 2014; IEG, 2013; EC, 2013; UNECE, 2012; Arslan & Tathdil, 2012; EU, 2010; Polt et al., 2008) have formulated policy recommendations that support innovation for increasing competitiveness. A selection of the most relevant measures in line with the results of the current paper are exposed in the following list. The list points out barriers to which solutions and adequate recommendations are allocated.

The lack of commercial exploitation and precise scope of the Research and Development (R&D) results (UNECE, 2012; Polt et al., 2008)

Enhance direct innovation impact of the R&D

- Developing follow-up projects that are focused on the commercial side of the research results;
- Constant supporting of the sponsorship of R&D programmes;
- Commercialization of the stock of inventions and innovations;
- Investing in the quantity and quality of human resources available for R&D and involved in activities that improve competitiveness (IEG, 2013);
- Emphasizing the emergence of private institutions and initiatives additionally to the government support programmes for innovation;
- Increasing R&D opportunities in promising industrial sectors.

Minuses in the environment to support innovation policy and, implicitly, innovation-based enterprises

Develop regulatory and institutional environment conducive to innovation

- Investing in basic, secondary, and tertiary education and skills development in the area of high-tech products and services;
- Investing in science and technology (IEG, 2013);
- 'Supporting public investment in R&D that focuses on improving efficiency and relevance to end users, as well as strengthening the use of research results in public policy decisions' (IEG, 2013, p. 25);
- Showing an openness to foreign technologies and to cross-border cooperation in innovation (UNECE, 2012);
- Facilitating the access to finance at the various stages of enterprise development;
- 'Provide flexible financing arrangements to encourage innovative firms to undertake risks in developing new products, processes, and services' (IEG, 2013, p. 26);
- Allocating the corresponding microcredits to stimulate innovation within enterprises;
- Developing appropriate market regulations for innovative products and government procurement;
- Supporting transparency and accountability in public spending and investment;
- Promoting independence of the judiciary;
- Harmonizing the 'relevant laws and regulations in accordance with international norms, transparent and stable rules, low costs and simple procedures governing the registration and operation of enterprises' (UNECE, 2012);
- Encouraging the wide use of information and communication technologies (UNECE, 2012).

Costly and fragmented patent system in EU (EU, 2010)

Creating a single innovation market (EU, 2010)

- Reforming the patent system in Europe (EU, 2010);
- Developing a single EU patent system;
- Using formal intellectual property protection mechanisms;
- Developing stable property rights including intellectual property rights.

6. Conclusions

Being aware of the importance and impact of innovation on competitiveness, both advanced and developing economies should allocate the necessary resources for developing an adequate “innovation policy” and formulate appropriate “national innovation systems” (Naude et al., 2011). Moreover, increasing competitiveness at various levels through innovation is a major objective of the Europe 2020 strategy that has developed seven flagship initiatives, out of which the “Innovation Union” is dedicated to measures that ‘improve framework conditions and access to financing research and innovation’ (ESPON & Universidade de Santiago de Compostela, 2012, p. 83). In order to support this initiative, both public and private environment should come with measures for improving competitiveness (Popovici, Călin, 2014).

A competitive European economy that is allocating the adequate importance to innovation has the capacity of maintaining and rising a growing standard of living, while thinking about the future generations (ESPON & Universidade de Santiago de Compostela, 2012).

Based on the obtained results, policy makers, business, and academic community should pay a special attention to the validated determinants of innovation for enhancing a long-term economic growth. Concluding, stakeholders involved in stimulating and implementing innovation at the national level in EU should be more focused on developing “human resources”, “intellectual assets” and “finance and support”.

Recent studies (Moreno, Suriñach, 2014, p. 26) have revealed that, beyond the traditional determinants and the indicators included in indexes, innovation is influenced, by “the embeddedness of agents in their local networks” and by “their degree of connectedness with the outside world”. Quantifying these variables and including them into indexes associated to innovation could be a real challenge for econometricians. The influence of these determinants on innovation indirectly generates effects on the competitiveness at various levels. Moreover, the current trends indicate that the spatial dimension is essential when analysing innovation. In order to reach a coherent cohesion policy, strong normative strategies should be built based on the capacity of a region to turn knowledge and innovation into regional growth, and the regional specificities into innovation patterns (ESPON & Politecnico di Milano, 2012a).

As a future direction of research, a comparative analysis between the validated determinants of innovation with an influence on the national and/or regional level would be useful. The purpose would be to formulate appropriate policy recommendations to enhance competitiveness by a proper stimulation of innovation at each level.

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Social Media: Opening New Doors for the Domestic Tourism Industry in Albania

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Abstract: The online word is becoming every day more and more important for the tourism industry. Through different technologies, it has made the possibility to ease the way people search and decide for their own travel destination, the way they pick their accommodation and their traveling medium. In particular the online social media, as part of the online word, has created new opportunities for interaction and communication between people. Today individuals have the opportunity to share knowledge, opinions and experiences through online communication. Also their impact goes even further by influencing the behavior of other users in the process of buying. This article will be focused on the usage of Facebook social media platform, arranging a content analysis regarding the different social media tools to engage and interact. This will serve as small step in understanding how domestic business and tourism industry are using social platforms to engage more users and increase their business performance.

Keywords: social media; domestic tourism industry; online marketing

JEL Classification: M31, M15, O35

1. Introduction

Nowadays being social is a trend which is growing very fast. A major contribution has brought the continuous development of different social networks in the online world. Today, users of these networks are involved in a large variety of activities, which includes the consumption and distribution of various materials, express opinions and involvement in various discussions with other users online. (Heinonen, 2011).

Users exchange information, either seeking or sharing, by using a communication medium (Wilson, 1999). In our case, the communication medium which helped the world to make a further step in the digital society is without any doubts Social Media. The trend of social media usage is growing constantly. Data show that at present,

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only 20 percent of world's population is active on social networks all the time. A study conducted by Nielsen Corp shows, Social Media in 2010, represented nearly 25% of the time spent online by user, passing by far the gaming with 10% and e-mail with 8%. (Nielsen, 2010). This is a truth that involves as well the development of Web 2.0 tools. It is not surprise that most of the social media sites are increasing day by day their interaction with users in many different ways. These figures, helped by the usage of mobile devices, are expected to grow higher (Bell, 2012). "Every 60 seconds, over 600,000 Facebook statuses are updated, over 98,000 tweets are sent and over 600 videos are uploaded on YouTube....Businesses will focus on creating more relevant content that cannot only be shared but also add value to the brand...Lack of relevance will simply drive...away." (Maseko, 2012).

2. Literature Review

Social media has emerged as a new concept in the dictionary development of internet. If simple people would be asked in defining social media, they can give a general approach but still finds difficulties in expressing it simply. Safko & Brae (2009), follows the definition of social media in the logic of people who comes together in the online world by interacting with each other through comments, posting tweets, sharing and liking. The social world offers the possibility to be part of interactions, discussions and point the interest in topics which the traditional media tools aren't emphasizing (Picard, 2009). Most of the social media activities occur on the Consumer-to-Consumer (C2C) and Consumer-to-Business (C2B) online marketing domains (Kotler, Bowen and Makens, 2010). This approach create opportunities for the market to have a wider view of the customer perceptions. All the above changes has brought new development in the marketing world as well, by emerging new concepts like Social Media Marketing.

TechTerms.com defines SMM as "marketing done through social media or social networking websites" (2010) and Brickmarketing.com as "marketing with other technological concepts and techniques to achieve specific goals..." (2012). Anyhow one important point is the fact that SMM can be defined as a new technique, but not a new world (Zimmerman and Sahlin, 2011, 11). It is a common sense that not all the key social platforms cannot be used for all the industries. Taking into consideration the differences between the industries some social media channels can result in a higher impact in some industries comparing to others. The selection of the right channels depends on the marketing strategy and the definition of the target group (Heymann - Reder, 2011). Following the decision about the right social platform for the industry, it is important to understand which are the potential strength and weaknesses presented in making marketing through the social media.

Zimmerman and Sahlin, has listed some of the main point of strength and weakness that a business may have when deciding to make Social Media Marketing.

Strengths	Weaknesses
1. Saving money on advertising	1. Not every target group is using social media channels
2. Concurrently targeting huge number of possible customers	2. Time consuming to initiate and maintain
3. Supports sale activities	3. More employees needed
4. Channels assist in building and increasing brand recognition	4. Discipline necessary
5. Business processes could be improved	5. Difficult to gather visibility
6. Profitable relationship building	6. Unsuitable for short-term usage
7. Improves search engine ranking	

Figure 1. Strength and Weaknesses of Social Media Marketing

Local social networks have started to emerge as well in Albania. Still these social media sites are in the first steps and their popularity is much lower than those of the international sites. According to the Albanian Media Institute, the most popular social site is Top.al, followed by Iliria.net, Albfriend.com and Adoli.net (2011). One fact regarding social sites is that most of the online registered user are Albanian living abroad mostly in the Western Europe and United States. This is related with the big development of internet culture in these countries. For example, Forumishqiptar.com counts only 46% of the visitor from Albania and the rest of them are abroad. The same situation is with another famous site Peshkupauje.com, where the Albanian visitors count only 41 percent of the total visitors (Albanian Media Institute, 2011).

In the tourism context, the development of these concepts brings continued growth of new forms of sales related to the Web and platforms built on. Now more and more have a growing trend in sales via the Internet or otherwise known as e-tailing. This, in itself, provides that the tourism sales via the Internet are seen as one of the main forms of modern developments tourism industry. These developments have found a considerable burst of relying on principles and functionality offered by Web 2.0. Nowadays, some of the main challenges of online tourism platforms correlate exactly with Web 2.0 concepts. At this regard tourism industry can be seen as one of the most effective industries in using the social platforms and online world to increase their business and performance.

Tourism industry which is related with the entertainment industry, it has a high adaption rate for online tools. This adaption can be linked with the concept of sales

of gossip. Sales of gossip finds application in the creation and distribution of materials that may have impact on the promotion and development of retail sales via the Internet. Marketing can be described as rumors of customer engagement in a positive or negative communication, or as the result of experience satisfying or disappointing. In this regard, gossip is a marketing communication structure from person to person, in connection with the brands, products, services, companies and organizations that have an impact on consumer purchase decision (Evans 2009).

3. Research Methodology

In order to determine the potential opportunities that arise for the development of domestic tourism, in the context of social media, as a form of small business, the implementation of this research study is presented as a viable choice. Considering lack of existing primary and secondary data, this research is proposed to be conducted through a content analysis of most known social pages used to develop the domestic tourism in Albania.

Objective and Goals of the study

The proposed research will focus to identify the best feasible ways on how we can use the Social Media to promote the Domestic tourism in Albania. Thus, the following objectives have been set.

1. Defining the user engagement in social media regarding the domestic tourism industry.
2. Identifying and evaluating the way social media can be used to promote the domestic tourism industry.
3. Providing recommendations on how small and medium enterprises should approach and manage social media to improve domestic tourism.

Sample selection

The target group regarding the study includes the customers which uses social media tools to make their decisions for domestic tourism in Albania. In accordance with the study goals, the target group will aimed to have basic information and knowledge regarding social media, domestic tourism places and English language.

Formulating the research problem

The following research questions may be used to explore the abovementioned objectives:

- Is social media a useful platform for promoting and developing the domestic tourism in Albania?

Problems and limitations

The main limitations which will be considered regarding this study includes the following fields:

- Lack of available and/or reliable data regarding the cost of domestic tourism development in Albania
- Lack of prior research studies regarding the effect of social media in domestic tourism in Albania.
- Fluency in the English language.
- Familiarity with internet and online access.

4. Content Analysis

Presently local tourism in Albania is promoted in the Social Media mostly over tour operators. The most well-known Tour Operators Fan Page stimulating local tourism are Klubi i Kampistave “Discover Albania”, “High Albania” Mountain Club, JAL Kamping and Outdoor Albania.

4.1. Camp Club “Discover Albania” - Facebook Fan Page

The official Facebook Fan Page of Klubi i Kampistave “Discover Albania” seem to be the most developed social media regarding local tourism in Albania. Currently it has more the 15,138 fans. Currently the average fan engagement is quite low with 199 people talking about this page, with a rate of 1.31% user engagement.



Figure 2. Camp Club “Discover Albania” - Facebook Fan Page

Currently this page is promoting mostly local places from the south of Albania, mostly in the City of Korça. From a quick view of the events in their page, it seems the main used social media tools are posting promotion regarding the upcoming trips and different photos for the events they managed to do in the past. In some cases this Fan Page is using as well different publications made in the newspaper or TV filming of the places in order to create a closer feeling to the customer. One negative point of the page is related with the content posting. They are posting the same event many times in different days...without making any change to the layout or the information. The main tabs shown apart Photos, includes total number of fans, events organized and notes regarding different details.

4.2. “High Albania” Mountain Club - Facebook Fan Page

The official Facebook Fan Page of High Albania Mountain Club is ranked as the second most developed social media page promoting local tourism in Albania. Currently it has 6,782 fans. The average fan engagement is quite low with 116 people talking about this page, with a rate of 1.71% user engagement.

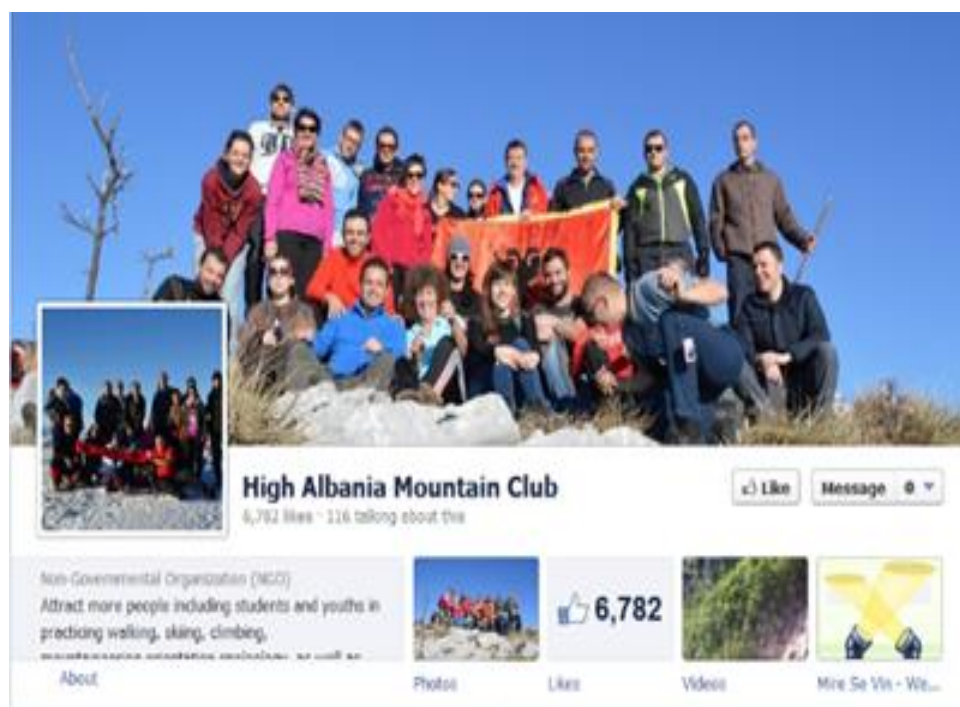


Figure 3. “High Albania” Mountain Club - Facebook Fan Page

This fan page is mostly promoting weekly activities in local places mostly nearby the capital city of Albania, Tirana. One interesting usage of this social media tools is related with the connection of the website. Mostly what are they doing now is that all the trips and events are presented in the official website and they are posting a link in Facebook. In brand awareness point of view it could a good approach, but it seems that user engagement is quite low.

Another difference is related with the cover page. High Albania is the only fan page which is placing a group photo in the cover page in comparison with the other famous social media fan pages for local tourism.

4.3. JAL Kamping - Facebook Fan Page

Jal Kamping Facebook Fan Page is ranked as the third most famous fan page regarding local tourism in Albania. This is a very interesting page because shows the effect of the seasonality of the local tourism places in the social media.



Figure 4. JAL Kamping - Facebook Fan Page

Jal Kamping is a Facebook Fan Page for a local place near the seaside with most of its tourism activity during the summer period. The total fans this page counts now it is 5,204 fans and talking about this is 3 people.

The user engagement shows clearly the motivation of the business owners which depends by the seasonality of the business. The Fan Page tabs include as well one different option in comparison with the other fan pages. The “suggest to friends” tab is a very useful tool to increase the number of people liking the page. This tool can be used by the actual fans to invite their friend to like the page as well.

4.4. Outdoor Albania - Facebook Fan Page

The last famous Facebook Fan Page promoting local tourism in Albania is Outdoor Albania. The fan page seems to be well organized in terms of information. The number of total fans is 5,119 fans and talking about this include 101 people. Tabs contain information regarding the possible tours which can be organized in local places in Albania, a blog and events. Posting activity is not frequent and the posting interval in some cases is quite near each other.

The content of posting is quite updated with the season, by showing professional pictures of the winter local places and winter sports which can be done in these places. An important point of the fan page is the fact that all the local places are promoted with specific local tours.



Figure 5. Outdoor Albania - Facebook Fan Page

5. Research Findings

Social Media approach in Albania is still in the first phases but growing very fast. Albanian populations has increased its presence in the social media platforms. According to Social Bakers, Albania has 1,120,640 users in the Facebook platform. Facebook penetration in Albania is 37.52% comparing with the 77.72% number of active internet users in Albania (Social Bakers, 2012).

It seems that currently the most know domestic tourism developers are the tour operator organized in groups and usually on weekend basis. From the content analysis it is seen that most of the posts are related to the tourism activity they promote. The aim is sharing information regarding the place, traveling details and pricing.

Usually a big part of their customers are coming even by these social platform, where they are engaging with the tour organizers by asking question about the places, what kind of outfit they should wear or the timing of starting the journey. At the end tour organizer are using this social platforms to present their journey, different images of the people who took part and funny moments they were involved in the tour.

6. Conclusions

Online word has become a new tool for the development of the tourism industry in Albania. Currently through different technological platforms tourism has created the possibility to easily manage all the travel and destination information just through one click even for the Albanian market. Social media has brought an additional advantage to the tourism industry. Tools like “check in”, “talking about this”, “viral reach”, “retweet” and “hangout” can be of great benefit to Albanian domestic tourism business. These tools should serve as a first hook for domestic tourism business to start dealing with technology. Engagement in shortcoming will lead to what today in the world represent Social CRM. Albanian domestic tourism business will start interact and understand their customer needs. Social CRM development includes the creation of special communities for Albanian domestic tourism places online. Usually communities are perceived as a source of information from the general users, despite the fact that it can be part of company website. Normally community posting should be related with domestic tourism situations and perceptions. This can be used as a very nice guide for all the people who seek to travel to these local destination. Anyhow there are a lot of effects to be considered before opening a community page regarding a local business and mostly it can related different topics like frequency of posting, content of the material, business disposal to open a dialog with interested customers and in which ways community can be promoted. The following steps would create the basic needs for knowledge management and associated technology services. Information about customer perceptions and reviews about their experience are main incentive factors for small business owners to accept technology in their business.

Currently domestic tourism industry in Albania, has developed in terms of social media through different tour organizer which have opened pages for promoting different tourism location and making them accessible for the customer through

different packages. This step can be used as a great incentive in the future development of local platforms or social media access which can increase the engagement of the users.

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