“Do not fear to be eccentric in opinion, for every opinion now accepted was once eccentric.”

Bertrand Russell
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**Book reviews**

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Editorial Foreword

Dear readers,

We have the pleasure of meeting again with the occasion of the 14th volume of the Review of Applied Socio-Economic Research!

This issue of our review continues the incursion through critical topics of current high interest ranging from sustainable development, environment sustainability, education system and managerial strategy, food security – the result of in-depth research of the authors. The paper authored by Diana Baidoc and Laura Bacali deals with impact of innovation on sustainable development of organizations and proves that the development of innovative products, services and technologies are of essence for maintaining economic competitiveness in modern society. Sustainability is also the concern of Alexandra Cotae, but from the point of view of the influence of national culture on business organizations and their commitment to environment sustainability and the way national culture with its specific characteristics influences business organizations across the European Union countries in their decisions to implement Corporate Social Responsibility (CSR) practices.

The changes in the education system, reforms, new trends and managerial strategy in this field approached from various authors have always been of utmost interest from our point of view. This time, Laura Pintilie proposes an approach from the point of view of managerial strategy oriented towards increasing the quality of an educational services in Romania after 1989.

Md. Mostafizur Rahman, Mahmud Uz Zaman raise the issue of food security in extremely poor households in developing countries, with particular reference to Bangladesh, and propose to adopt the interpretivist methodology in understanding and capturing the prevailing complexities of food security, keeping the sensitivity and voice of food insecure households.


Enjoy your reading!

Ruxandra Vasilescu
Editor in chief
Impact of innovation on sustainable development of organizations

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Abstract. The development of innovative products, services and technologies is a prerequisite for maintaining economic competitiveness in modern society. It is unlikely that only the long-term products remain on the free market, with the introduction of new or improved advanced technologies and services. In this context, we can speak of a strategic circle that must continually cover every department of a company. By focusing local and global efforts on companies, financial resources can be identified to support technological innovation and product innovation. As product development, technology development includes industrial research and experimental development, followed by technology transfer within the company to deliver high-performance products. New technologies are support for marketing, and marketing also plays a major role in selecting technology solutions and their recipients.

Specialist literature offers many ideas on these issues: firstly, green marketing today has an important role to play in the economy, and the study of the dissemination of technological innovations in the field is in constant expansion. Renewable energy sources can be considered as radical innovations because each of them has changed the electricity production from the previous power. There are many statistical issues that explain this process of innovation.

Keywords: green marketing, innovation, renewable energy, new technologies, sustainability management.

JEL Codes: O31, Q20, O32, Q55, Q56.

1. Introduction

For this paper were used as bibliographic and information sources: specialized books published in the country and abroad by national and international authors, articles published in national and international databases, energy consumption of the analyzed company. The collected data was analyzed, using different modes of processing, to predict the evolution of the phenomenon and to draw conclusions.

The following research methods were used: documentation, by analyzing the literature, being studied books, studies, national and international articles; static methods such as classification, synthesis, graphical representation of events and phenomena investigated; the method of interdisciplinary research, based on knowledge from other fields, such as statistics, quality management; comparative analysis used to compare energy consumption for each month.

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In this paper we focused on energy management, an aspect of everyday life that seeks solutions to choose inexhaustible energy sources for people, not to exclude future generations. In recent years, renewable sources have become increasingly prominent in the global energy scene.

The main objective of the paper is to analyze and elaborate an energy assessment in order to establish the real situation of the energy consumption, the energy efficiency level, as well as the measures for improving the energy regime and for preventing the effects of environmental pollution. The evaluation was carried out on a well-defined energy outline, impacting the operation of company A. We chose this company because it is in constant development and it is important to see how energy has increased since the factory was opened when equipment had to be tested and used more than now that production processes are stable. The variables used for the analysis are electricity, thermal energy and water consumption.

In the first part of the paper we explained the phenomenon of innovation, sustainability management and the supply chain. Combining this knowledge will lead to the identification of the best solutions. The launch of technologically innovative products is complex, expensive and risky. It is important to place on the market because of the risk of similar products being launched by competitors. The pace of innovation is becoming more alert and rapid innovation a crucial condition for business success.

In the last part we present general information about the company under review, named in the "Company A". An example of the sustainable development standards on which the organization operates is exemplified, focusing on ISO 5001 related to energy management. Due to the fact that the organization is constantly growing, it is looking for solutions to lower energy consumption and, implicitly, costs. In this respect, the subject of this chapter is to analyze the energy consumption of the organization and to identify possible actions to improve energy management within the organization.

2. Sustainability Management

Sustainable development has been defined in many different ways, but the most used and accepted definition goes back to 1987, when the World Commission on Environment and Development published "Our common future" (WCED,1987), also known as the Brundtland Report. In this document, sustainable development is defined as "development that meet the needs of the present without compromising the ability of future generation to meet their own needs". This definition departs from the classical concept of development, only related to economic growth, and promotes the idea that different aspects must be taken into account: social, environmental and economic progress are strictly connected if we want to achieve sustainable development.

We cannot solely focus on the economic growth of the society if we want a long-term and enduring development that aids to improve quality of life, because "money makes life more comfortable, but not more sustainable" (Stougie, L,2014). Talking about sustainability and sustainable development can be seen only as a temporary trend. Nevertheless it is undeniable that the last decades were characterized by a raising awareness of environmental problems and by an increasing number of consumers that want to understand what is behind the products they buy. People are concerned about global warming, ozone depletion, air and water pollution and are aware that the decisions made today will shape the future of our planet. But what is the real problem of our unsustainable society? It is a fact that present industrial management is based on overexploitation of fossil fuel, resource depletion and environmental destruction. This is the reason why industry could be seen partly as the problem as well as the solution for a sustainable development" (Wall, G.,2001). Every technological process and system should be chosen wisely, preferring that one that is more sustainable from the environmental, economic and social point of view. Companies should follow the "Triple Bottom Line" (TBL) way of doing business, in other words they should think about the impact their actions have under an environmental, economic and social point of view. This concept was introduced and explained for the first time by John Elkington in his
book "Cannibal with Forks: The Triple Bottom Line of 21st Century Business" (Elkington, J.,1997) and is a way of encouraging an integrated approach of life cycle sustainability assessment, taking into account the three pillars of the environment, economy and society when evaluating the impact of a company on both a local and a global scale. The TBL can be seen as a different way to express the 3P approach, that involves People, Planet and Product. While people and planet are related to the collective interest, product is a more self-interest concept, therefore it should be better to refer to “People, Planet and Prosperity”, as introduced during the World Summit on Sustainable Development in Johannesburg (2002).

Making sustainable energy for the planet is not possible but necessary. It is the golden thread that constrains development, social inclusion and environmental protection. (Ki-moon, 2016).

Increased attention to environmental issues has led to the development of new economic theories that aim at creating more sustainable lives, a branch of which is green marketing. Technology plays a particular role in the evolution of marketing.

The road to recognizing the theories of sustainability by global institutions has been a long and difficult one. Below we have a comprehensive history of the efforts made in this respect:

- 1972, the United Nations Conference, Stockholm - is the world's first environmental event;
- 1973, following the UNEP Conference of the previous year, the United Nations Environment Program was created;
- 1980, UNEP together with IUCN (World Conservation Union) and WWF (World for Nature Foundation) publishes the document "The Global Conservation Strategy for Natural Resources for Sustainable Development" where, for the first time in history, the concept of sustainable development is quoted in an international document;
- 1987, Brundland Report, published by the WCM Commission set up by the WCED (World Commission on Environment and Development). The definition of sustainable development presented in this report is recognized today "It is intended to respond to the needs of the present without compromising the potential of future generations";
- 1991, Earth Care. A strategy for a sustainable life promoted by IUCN, UNEP and WWF. The document is the reference point for implementing the concept of sustainability;
- 1992, UN Environment and Development Conference in Rio de Janeiro. Ends with the Rio Declaration, signed by all participating countries where 27 principles are presented and Agenda 21 on environmental integration and development - an action program to achieve the objectives set in the declaration;
- 1997, the Kyoto Protocol. The participation of 154 industrialized countries with the intention to reduce global greenhouse gas emissions by 5.2%;
- 2001, the Gotemberg Protocol. European Directorate for the Determination of GHG Emission Levels to be attained in 2010 by meeting the Kyoto targets;
- 2002, World Summit on Sustainable Development in Johannesburg. Due to financial inability, the goals set ten years ago in Rio could not have been fully touched and now have been redefined on a much smaller scale for the next decade.
- 2005, the United Nations World Summit in New York, focusing on Monitoring the Millennium Goals, has resumed Agenda 21 with the planning of concrete actions to be implemented.

In conclusion, even if there are many definitions and interpretations of sustainability, they are all related to environmental, economic and social aspects, that have to be properly assessed and balanced before the development of new products or with the aim to improve an existing product.
3. The Advantages and Disadvantages of Innovation

Customers are no longer satisfied with product ownership. When purchasing, consumers are looking for the product to deliver value, utility and satisfaction, be designed and built in accordance with their expectations and requirements. This requires market diversification, a real challenge for companies that have to compete on multiple market segments at the same time. Intrusion into multiple markets can be achieved mainly by diversifying the product portfolio.

The current market is characterized by a high level of innovation and an orientation of R & D activities towards satisfying customer needs. Harsh competition on the market places new challenges on the entire product development process, such as machinery, equipment or equipment, in order to achieve the three major objectives of any company at the same time: shorter time for launch, manufacturing costs reduced and high quality products. Several factors and trends make the achievement of these goals more difficult than anticipated, here being remembered the great complexity of machine-type products, equipment or equipment, the explosion of variants due to the relatively excessive personalization and the high innovation rate due to the desire of customer satisfaction. Designing this type of product can influence a large part of their cost, so it is important to get cost estimates as early and as possible at the design stage and sometimes at the bidding stage.

Technology is globally a major changeover for both the markets and the structure of industries. It creates challenges and opportunities on the market. Much of long-term economic growth is due to technological change that increases productivity and leads to the emergence of new products, processes, or industries. Advanced technology involves scientific technology, and implementation of technologies involves a management that is characterized by flexibility and quick decision-making and factual. (Lakatos E. S., 2015)

The creation of ideas and the accumulation of knowledge are found in innovative products on the market. An innovation strategy in an organization leads to the success of all those involved in the organization's good functioning. A business organization that aims to develop a technologically innovative product can face two main risks of uncertainty: technological uncertainty and market uncertainty. Recognition of opportunity is necessary, but not enough to be successful. Many companies recognize the opportunities, but far less recognize the ways to take advantage of this knowledge.

Innovation is a process that enables companies to be more efficient, to create products or services with distinct features, to improve, giving them the chance to gain a competitive advantage. There are several advantages and disadvantages in the innovation process, which we have summarized below:

**Benefits**

Today, both the product market and the resource market can be represented as fast-moving business environments characterized by increasing competition intensity and dynamics. Creating a sustainable edge is essential for a company to face the turbulence increasing occurring every day. Within this framework, the company has to develop a knowledge-based business philosophy in which the ability to generate knowledge plays an essential role in substantiating the competitiveness and formulation of company strategy. (Lakatos, E.S., 2016)

Specialized knowledge can not be fully mastered by a firm because it is in individuals and even if protected by patents, copyrights and commercial secrets, they fluctuate outside the organization when people leave the company. The technological capacities used to give birth, learn and share knowledge, research and development (the ability to create the “new”), are authentic critical sources that allow businesses to compete in dynamic competitive conditions. (Grant R., 1996)

So, when the company has the tools to find solutions and develop new ways to exploit the stock of accumulated information and the flow of knowledge of people entering the organization, it is enriched by a process that ends
with the creation of an innovative product or which allows the enterprise to meet market needs even when demand changes are unforeseen. (Kamariah I., 2014)

Another advantageous feature of R & D is the ability to contribute to the firm's ability to absorb, "the ability of a firm to recognize the value of new, external information, to assimilate it and to apply it for commercial purposes." (Cohen W. M.,2006) In this perspective, the exploitation of external findings is a core component of innovation capabilities, so that the spill - caused by interaction with the endogenous absorption capacity of the firm - is no longer considered a complete deterrent to R & D activity, as "negative stimulus relatedness with spreading is offset by a positive incentive to increase absorption capacity " (Cohen W. M.,2006). Due to this R & D capacity to generate basic knowledge in the company, the company can exploit the dissemination of competitors and thus the company is more stimulated to invest in research and development.

In order to conclude the list of main reasons for investing in research and development, we quote Juan V. García-Manjón's point of view. According to the authors, firms invest in R & D as they represent a growth mechanism for the company due to its positive impact on sales. In addition, they believe that the preoccupation to promote business growth is central because it leads to economies of scale, being the starting point for technological change and therefore supporting a better market position, guaranteeing the company's survival. (Garcia-Manjon J.V., 2012).

Disadvantages
In the literature, the so-called management risk aversion is assumed (Monks R., 2011) that occurs when we analyze the inequality of interests between managers and shareholders. The former can not easily diversify their investment, represented by time spent at work, because they need a certain amount of time to find a replacement job with a high prestige and a reasonable salary. While the latter can buy and sell shares fairly easily, diversifying the investment made. Usually, cautious managers are more concerned about current earnings than about favoring investments that positively contribute to future performance so that they "bear no long-term risk, but can take advantage of short-term rewards [...] to the detriment of the institution, its shareholders [...] the problem known as moral hazard " (Monks R., 2011). Thus, given this framework, there are several reasons why managers prefer to avoid spending on research and development, and Lantz and Sahut (2005) clearly emphasize them. First, research and development in the quality of intangible assets is a risky investment because "the decisional choices resulting from the process of acquiring knowledge and rights are irreversible and firms structuring, sometimes putting them at risk" (Lantz J.S, 2005).

Moreover, the authors emphasize the uncertainty and long-term orientation of such a non-material asset, the benefits that lead to cost recovery only after a certain period of time: what is known as "time innovation". This intangible increases asymmetry rom shareholders and managers, contributing to the above mentioned problem, typical of the principal-agent situation: moral hazard. The principals (shareholders and, to a certain extent, the market) do not have control (without excessive costs) on management behavior. Thus, the latter deals with an investment whose content and prospects of current profit are dubious, would prefer to avoid it. From their perspective, firms have to bear large costs (due to high development and control costs) for an asset with an uncertain future value and so uncertainty.

The probability of failure of R & D projects is low, as the risk of innovation is both technologically - "a technological breakthrough makes brutal and competitive discovery," its discovery may not become a market standard". Researchers, exemplifying a firm stops a research and development project, underlines the impossibility for the enterprise to recover the entire amount invested in innovative activities: the specific ability of firms to spend intangibles (most of the time) make research and development an irreversible investment that can not be sold at the cost of acquisition..

Another disadvantage of investing in innovation is that related issues R & D obliges firms to protect inventions to prevent competitors from copying knowledge discovered without permission. This requires a detailed
disclosure of the invention, which in turn allows competitors to use discovery as a starting point for further research in order to improve them, avoiding the significant costs incurred by the original inventor in the research phase.

Literature review proves a positive correlation between R & D expenditure and the firm's market value. (Ehie K.I., 2010). In view of the performance gained from a market-based perspective, we take into account market expectations for future earnings - included in the share price, which also focuses on investments with forward-looking returns such as research and development.

However, mixed or even conflicting results are presented in studies investigating the influence of R & D on company performance, appreciated in terms of sales growth, revenue and profitability. (Zhu Z., 2012). The earliest evidence indicating a positive effect of R & D on sales growth dates back to the 1960s, especially with regard to Mansfield's work (1962).

(Lamperti F., 2015) The former author's paper, studying the refining industry in steel and petroleum, revealed a significant difference between firms that made significant innovations in the selected periods (between 1916 and 1945) and others that were not involved in the innovation process. Conclusion confirmed by Scherer (1965), which took into account data on the top 500 American Fortune companies, has shown the reward effect of R & D investment on company profits by increasing sales. Since then, many further studies supported the positive impact on sales growth such as: Hall, 1987; Geroski 1996; Del Monte and Pagani, 2003; García-Manjón and Romero-Merino, 2012.

Other recent contributions have shown the essential role of innovation to enhance the company's performance. Van Auker et al. (2008), analyzed 1,091 Spanish enterprises producing small and medium-sized enterprises, dividing them between low and high-tech industries. The work confirmed the positive relationship between innovation (measured, among other things, as R & D expenditure) and firm performance, regardless of the technological intensity of the sector. In terms of authors, performance improvement is related to the impact of three dimensions. Novelty products allow the company to adapt to changes in the market and, to meet the needs of customers, strengthen their relationship with them.

The innovation process contributes to economic efficiency, lower fixed costs and thus increases profits and productivity. Managerial and systemic innovation improves the quality and coordination of tasks. Bogliacino and Pianta (2010) have tested for 38 production and service sectors in eight European countries over two time periods from 1994 to 2006, a model based on three perspectives analyze. They considered investing in R & D as the main contributor to developing successful innovation. They confirmed innovation-based entrepreneurial profits and investigated the extent to which profits, the result of innovative efforts, are the engine of future technological efforts (Van Auken H., 2008).

An interesting point that strives to balance the positive and negative effects of research and development on performance is that of Chao-Hung Wang (2009) who "explored the performance problem as a result of both optimal effects and of the thresholds "(Chao-Hung W., 2011). On the one hand, investment up to (and not beyond) a specific amount is necessary to establish an optimal balance to maximize performance. On the other hand, taking into account the final stage of the lifecycle innovation process, in order for research and development to affect positively and efficiently performance, a minimum investment threshold is required. If these conditions are not met, the effects the negative costs of making the investment are higher than the positive ones, so it is possible to emphasize the presence of a compromise when investing in R & D: on the one hand in the long run, it generates additional profits but also, increase the company's total costs.
4. Innovation and sustainable development

The main purpose of companies is to reduce the costs and use of harmful substances throughout the supply chain. This can be achieved by providing incentives for suppliers who are able to reduce the use of harmful materials or develop sustainable practices. It is estimated not only the quantity of sold material but also the quality of the additional services it offers. (Cioca L.I., 2007)

The following is a supply chain along with its activities: purchasing raw material, manufacturing, distribution, and product use by the final consumer.

In this cycle, the following practices must be taken into account in order for a product to be completely green:

- Reduction of raw material by a new design designed to minimize the amount of waste material.
- With the goal of reducing overall size and weight, using feedstock from suppliers using organic techniques.
- Use of recycled materials. Governments encourage and provide incentives for those using this type of material.
- Designing for transport, creating a package that best suits the mode of transport, but also to reduce its weight and the use of recyclable packaging.

In the literature, there are few approaches to identifying the interference between technology diffusion and marketing management. On the market of technologically innovative products, for consumers to acquire a new product, they need to adopt the new technology. The adoption rate of new technology is even greater as consumers are more open to new technologies. This opening is given by the way the product is promoted, but above all by the way of promoting technology. Under these conditions, the diffusion of technology interferes with strategic marketing to bring technology as close as possible to the consumer. In addressing the type of adopter of new technologies, there is not much research on consumer income as a factor influencing the adoption
of technology. The consumer adopts the new technology but can not resort to the product purchase due to the income / price ratio. To be innovative, as a type of adopter in terms of technology diffusion, that is, to be among the first to buy that product, the consumer must have a level of income so that the price is not a hindrance to the purchase.

One of the issues related supply chain is the cost of purchasing refined materials that are derived from specialized suppliers. Here are some of the features that a green product has to meet unlike competing products: to pollute the environment less, or not at all, against competing products, to lead to conservation of resources and energy, to make sustainable use of natural resources, have a long-term use, be reusable, be recyclable, contain recyclable compounds or materials, be easy to remove.

The first step through which waste can be reduced in the production process is by using green packaging. This is one of the most visible elements in the green supply chain because it is what the consumer feels and sees before coming into direct contact with the product.

In recent years, besides the role of protecting products, packaging has become a way to attract consumers as well. This is precisely why there is much greater control over packaging, since excessive use involves more waste, additional costs, waste of resources and, in particular, environmental degradation.

For many companies, packaging transformation is an easy and fast technique to reduce costs and environmental impact. The points to be achieved in converting packages to some green are: discount, consumers think there is a disproportionate use of packaging, to reduce it to a minimum, companies have to send this message to have a low impact on the environment, reuse, this is probably one of the best ways to use a packaging, companies have to take the responsibility to take back packaging from consumers and reuse them. Unfortunately, this can not be true in retail trade where the current health and hygiene rules do not allow this, recycling, if can not be reused, it should be possible to dispose of the packaging in the most environmentally friendly way possible. Companies should promote their premises where packaging is recycled, reforming, this is probably the most difficult thing, because all the packaging aspects of the production materials for which it is used must be tested. (Zhang G., 2012).

The CSP (Sustainable Packaging Coalition) has the role of creating a world where packaging is a responsibility of environmental companies, being created safely throughout the lifecycle. They can meet market performance and cost criteria if they are made entirely from renewable resources and easy to recycle. Besides this, another role of the packaging is to communicate creative information to the consumer in a creative way, resulting from the nature of marketing techniques and green design.

There are laws that packaging manufacturers have to put forward: Directive 94/62 / EC on packaging and packaging waste, the guidelines of the Federal Commerce Commission (US) Guidelines for Environmental Marketing, ISO 14021 and EN 13427 are European requirements for packaging and packaging waste. One of the main reasons that led to the creation of these regulations is that about one-third of the ten tons of waste each year is made up of packaging. (Blue S., 2006)

As mentioned above, in order to reduce the amount of packaging, several laws have been created, the problem now faced by suppliers is to ensure the correct amount of packaging to prevent product damage and compliance with laws in terms of quantity and quality. The cost of packaging of toxic material is getting bigger, as well as the purchase of materials that can be reused or recycled is a difficult process.

The best solution in this regard would be to reduce the size of the packaging weight and increase packaging efficiency. In Africa, one of the biggest problems is the lack of efficiency of food containers. This is a problem highlighted by the Organization World Health, talking about 30-50% of food that has been damaged due to non-conforming packaging. In Europe, this is only 3%.
5. Eco innovation in the company A

The company under review, Company A, is a multinational company headquartered in Germany. It is the world's largest supplier of components for the automotive industry, with about 375,000 employees worldwide. Its operations are structured in four sectors of activity: mobility solutions, industrial technology, consumer goods and construction and energy technologies. The organization has nearly 440 branch offices and regional companies from around 60 countries.

42,700 researchers and developers work for this organization in 93 locations around the world on a single network, so there are on average 20 patents on each working day, which puts the company first in Germany. This is not possible without an investment, so over the last 5 years it invested over 20 trillion Euros for research and development.

Company A's philosophy of circular economy is that it has a positive impact on the world. Contrary to the rhetoric often used in the sustainability discourse, the circular economy does not aim to reduce the negative fingerprints mankind has on the environment but to create a positive impression. The ultimate goal of reducing the negative impact is to leave no impact (for example, to become "carbon neutral"). Company A offers an alternative view: people have the ability to be a healthy part of the environment because we are smart enough to develop products and services that meet both human and environmental needs.

The key issues that Company A guides with respect to the circular economy are:

- Compliance with customer laws and requirements
- Compliance with customer laws and requirements
- Use of substances that interfere with the minimum
- Improve the environmental footprint and the efficiency of materials and energy.
- Research and development: 53% of the budget is allocated to the research and development of sustainable products
- New business models: product as a service, digitally powered circular economy
- Supply Chain: The performance of suppliers' durability, critical materials purchased, and a strategy for this is known. Suppliers are also involved in these issues just before conceiving a product.

By limiting the scope of businesses facing the implementation of directives and the possibilities of developing sustainable and environmentally sensitive concepts, it is appropriate to talk about the operational certifications to demonstrate their commitment and efforts in this sense. Company A is certified ISO 14001, a voluntary international standard that applies to all types of business and defines how an effective environmental management system should be developed. The ISO 14001 certification does not provide outstanding environmental performance but verifies that the organization has an appropriate management system to monitor the impact of its activities on the environment and to seek systematic improvement in a coherent and effective way and durable. What distinguishes this certification from one in the quality domain is the number of certification transferability on products derived from the production process: the company is to be certified, not the products it puts on the market. Also, as far as energy management is concerned, it has the ISO 50001: 2011 certification. The purpose of this international standard is to enable organizations to establish the systems and processes needed to improve energy performance, including energy efficiency and energy use. (SR EN ISO 50001:2011).

Company A is aware of environmental responsibility and actively contributes to avoiding CO2 emissions. The implemented energy policy ensures the sustainable development of energy resources. In this respect, the company:

- Ensure energy savings by continually improving energy efficiency within the limits of technical and economic possibilities. In this context, it aims to achieve the set energy targets.
• Record and systematically assess the relevant energy consumption in accordance with DIN EN ISO 5001
• Monitor the implementation of energy saving measures, taking into account the latest findings and requirements. Therefore the necessary resources are provided
• Take into account the relevant and internal requirements relevant to the implementation of the energy management system
• Continuously reduces energy consumption, which is an important condition for reducing production costs. Therefore, it tries to implement energy efficiency in all processes, including planning and acquisition
• Involves employees in achieving energy efficiency goals. They are asked to avoid unnecessary energy consumption. To this end, employees can come up with suggestions for improvement

Company A also believes that by continuously reducing energy consumption, we all contribute to the economical use of energy resources and to the protection of the environment.

We conducted Company A energy consumption analysis based on historical records, drawing diagrams of variation of the power and thermal energy parameters relevant to the operation of the receivers. The activity of the company had started in 2014, and the analysis was made for years 2014 and 2015.

The activity within the analyzed company takes place mainly in three organized exchanges of 8 hours / shift, for 7 days a week. It is estimated 350 days of work. Thus, a total of 8400 hours in which energy was consumed per year is known at the company's global level.

The flow of energy flowing into Company A's outline is represented by: active / reactive electrical energy and methane gas, consumed well in the form of losses, to produce.

The industrial / drinking water required for domestic hot water preparation, heat preparation for winter heating and for preparing cold water for various cooling processes is also considered as a contrived resource. Active electrical energy consumption in the company is achieved in the main processes of obtaining finished products: electronic control units for the automotive industry. Also, a significant amount of electricity is consumed for a number of auxiliary processes: production of compressed air, production and distribution of cold water 6/12 °C and 26/36 °C respectively, distribution of heat from the boiler, distribution thermal agent through CTAs, indoor and outdoor lighting, exhaust, ventilation, pumping.

The trend of monthly electricity consumption is increasing. It is also noted that in 2015, in the first months of the year, the energy consumption increased by about 32% compared to the same period last year. In 2014, in the beginning, the most significant share of electricity consumption was for climate conditioning of the building.

The seasonality of methane gas consumption is high, with high temperatures in low-temperature and low-summer months. In the summer months, gas consumption is produced to produce predominantly domestic hot water.

Water consumption is higher in summer, correlated with the consumption of domestic hot water and evaporation from cooling-air conditioning systems.

From the analysis of specific electricity consumption, it is clear that the rate at which the factory entered the normal production regime. If at the beginning of 2014 the average specific consumption was around 52 kWh / thousand Lei, this happened due to the carrying out of tests, tests, accommodation and initiation activities with the technological processes to be carried out.

During this period, the energy consumption was made mainly for microclimatic conditioning in the areas of: production, storage, technical, office. As the development process reached its set quotas, the level of production began to increase, specific consumption began to diminish, so stabilization was observed from July 2014 until April 2015.

It is noticed that the specific consumption values are even lower as the production level is higher, the minimum values being at the highest productivity.
Specific electrical consumption has two representative peaks: summer (due to microclimate insurance) and winter (due to microclimate and productivity decline). Specific consumption of electricity correlates with the heat demand for winter heating (December - February), due to the increase in the heat pump load and, implicitly, the electricity consumption due to the fact that winter increases the consumption of the hot air distribution fans, as well and other equipment (electric receivers) that contribute to conditioning the winter microclimate. In December 2014, specific electricity consumption is more prominent due to low productivity. Specific consumption of methane gas correlates much better with heating needs during the assessment period, with even a series of improvements worth checking out and replicating (from February to March 2015).

The close correlation of the specific consumption of methane gas with the heat demand is closely related to the fact that methane gas is consumed only to ensure microclimate. It is noteworthy that since October 2014, the specific methane gas consumption trend has been improving, which has increased from January 2015 to March 2015. These improvements can be considered as good practice guidelines. Since March 2015, specific methane gas consumption has suffered a slight depreciation.

Specific electrical consumption correlates with the need for cold in the summer, with an increase in value, due to the more intense use of chillers and related receivers that have a significant share in total energy consumption. The energy intensity represents the percentage of the annual energy cost (electricity + methane gas) in the annual production cost.

Share of the cost of Electricity in the cost of production: 0.8%;
Share of cost with Methane Gas in the cost of production: 0.2%;
Share of total cost to Energy in production cost: 1%.

In order to improve the energy consumption process, the following solutions are proposed, with the impact on sustainable energy reduction of carbon footprint following the optimization of electricity consumption by 858 tons of CO2 per year.

The following organizational improvement solutions are proposed:

Company A should:
- Initiate a bonus system for employees proposing / applying energy efficiency measures
- Initiate a bonus system for the proposals / implementations in which the factory manager of the plant is engaged
- Perform periodic revisions of transformers. Regularly check them by measuring insulation resistance
- Label and keep up-to-date the labels of equipment and dispatches in electrical distribution boards
- Keep the skylights / windows clean by periodically cleaning them
- Renegotiate periodically the electricity / gas price
- Carry out a set of periodic maintenance reviews such as: electrical equipment heating, ultrasonic inspection for compressed air loss detection, lighting assessment of the operator's work plan
- Perform regular correlations of energy consumption with influence factors (indoor and outdoor temperatures, humidity) and set reference levels as optimized consumption targets. Additionally, it is recommended to apply some corrections when overtaking target values, ie replicating behaviors that lead to energy consumption within the required limits
- Follow daily energy consumption at cost center and overall outline and link these consumption to production levels
- Identify the downstream consumption of the plant when production is not achieved and intervene in such consumption by switching off lighting when not required, reducing temperatures outside production hours to a minimum acceptable level of maintenance, lowering the level air conditioning - refreshment of air in unused spaces, identification and shutdown of other consumers whose operation is not required outside the hours of the program
- Make a comparison between trade-related consumption, correlated with the level of production achieved and identify the factors that influence specific and global energy consumption. For example: ambient temperature, temperature in production areas, number of operators involved in production output, number of machines / equipment with which production takes place, quality of raw material used, quantity of production programmed.

Renewable Energy Solutions:
Photovoltaic panels: The energy stored in solar rays is transformed into electricity through photovoltaic panels. These panels are made up of three main layers: a transparent protector, a photovoltaic cell layer and a support layer. The layer that actually converts is the photovoltaic cell layer. Photovoltaic cells are made of semiconductor materials. Such a cell consists of a support plate, iron, copper, aluminum, on which is placed a layer of semiconductor material coated with a thin film of gold or silver. The cell is covered with hygroscopic lacquer to protect against atmospheric or mechanical effects. They have a photocathode which, when interacting with a beam of light, turns the light energy into electricity. Specifically, photons from solar rays bombard the atoms of the material from which the photovoltaic cell is made. Under this action, they tend to free themselves, and so electricity is formed.
This form of energy conversion is virtually inexhaustible, dispersible, which ensures conversion to the place of use, eliminating the disadvantage of remote energy transport. The recommendation to install photovoltaic panels is to make sure that energy is needed by non-polluting means and capable of ensuring total energy independence. The benefits are visible after the investment is dampened, when the required electricity is virtually free of charge.

Green Roof: Buildings whose roofs are wholly or partly covered with naturally growing land and vegetation, over special membranes with non-root water and water and root and a filtration and drainage system that drives the water to the drainage of the building, which also maintains water in places formed to hydrate the soil. The drainage layer of the water can be 2-6 cm high and is in the form of egg formwork, successfully replacing the gravel used so far.

Conclusions
In the literature, there are few approaches to identifying the interference between technology diffusion and marketing management. On the market of technologically innovative products, for consumers to acquire a new product, they need to adopt the new technology. The adoption rate of new technology is even greater as consumers are more open to new technologies. This opening is given by the way the product is promoted, but above all by the way of promoting technology. Under these conditions, the diffusion of technology interferes with strategic marketing to bring technology as close as possible to the consumer. In addressing the type of adopter of new technologies, there is not much research on consumer income as a factor influencing the adoption of technology.
The consumer adopts the new technology but can not resort to the purchase of the product due to the revenue / price ratio. To be innovative, as a type of adopter in terms of technology diffusion, that is, to be among the first to buy that product, the consumer must have a level of income so that the price is not a hindrance to the purchase.
In organizing production processes, reducing costs is the first objective organizations are pursuing. This is about optimizing the use of productive resources, starting from the most general way possible: reducing energy consumption, reducing waste, re-using residual products, reducing greenhouse gas emissions. In this paper, we focused on the energy consumption of company A, analyzing all the energy-consuming areas of the company.
This analysis shows that there is the highest energy consumption in the production area, but the company's goal is to reduce these costs over time, implementing intelligent energy management solutions.

Based on the analysis of energy consumption and the number of pieces produced in that time frame, we have made the graphs of variation in consumption with output.

There have been some ideas for improvement that the organization might consider in the future to reduce consumption and implicitly to have the least impact on the environment.

Reference


The influence of national culture on business organizations’ commitment to environment sustainability in the European Union

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Abstract. The current paper provides information on the way national culture with its specific characteristics influences business organizations across the European Union countries in their decisions to implement Corporate Social Responsibility (CSR) practices, environmental sustainability initiatives and their eco-innovation performance. We reviewed an array of economy literature approaching the concepts of sustainable development, CSR, environmental performance, eco-innovation in relation to Geert Hofstede’s theory on culture and the six cultural dimensions. The paper offers an overview of the CSR practices and preferences around the world, with a focus on Corporate Environmental Responsibility, followed by a presentation of decision models of European SMEs in adopting circular economy practices correlated with the eco-innovation performance of the EU countries. While there is a certain link between the environmental performance of firms and the cultural background and economic development of their host country, we must address the specific social, political, economic, historic context of the country society in order to find the personalized solutions for the improvement of circular economy practices among its organizations.

Keywords: sustainable development, circular economy, multiculturalism, environmental performance, Corporate Social Responsibility, enterprises.

JEL Codes: Q01, M14

1. Introduction

The sustainable development concept was first presented by the World Commission on Environment and Development, (also known as Bruntland Commission) in its 1987 report. Described as “development which meets the needs of current generations without compromising the ability of future generations to meet their own needs” (Report of the World Commission on Environment and Development: Our Common Future), the concept proved to be one of the most successful paradigms that shaped international and national public policies, as well as the international community’s attitude towards its main concerns: economic, social and environmental development. “The concept supports strong economic and social development, in particular for people with a low standard of living. At the same time, it underlines the importance of protecting the natural resource base and the environment. Economic and social well-being cannot be improved with measures that destroy the environment. Intergenerational solidarity is also crucial: all development has to take into account its impact on the opportunities for future generations.” (UNECE 2004-2005).
In the context of a population growth at the disadvantage of the stability of global ecosystems, scholars militate for redefining sustainable development as “development that meets the needs of the present while safeguarding Earth’s life-support system, on which the welfare of current and future generations depends” (Griggs et al., 2013; Lahuerta-Otero, Gonzalez-Bravo, 2017, Lakatos et al., 2015)

At the United Nations Conference on Sustainable Development – or Rio+20 held in Brazil in 2012, UN members established a framework of 17 Sustainable Development Goals (SDGs) and guidelines for their implementation. At least 7 out of the 17 goals are linked to environmental issues (UN, Rio 2012)

The UN Sustainable Development Summit held in September 2015, at the United Nations’ headquarters in New York integrated sustainable development goals and targets in the new Transforming Our World - 2030 Agenda for Sustainable Development to stimulate action “in areas of critical importance for humanity and the planet”: People, Planet, Prosperity, Peace, Partnership (Transforming our world: the UN 2030 Agenda for Sustainable Development UN, 2015)

Several authors indicate that the implementation of the sustainable goals for environmental performance varies from one country to another, according to each country’s own cultural specificity and socio-economic, political and administrative contexts from which the priorities given to each objective derive. (Lahuerta-Otero, Gonzalez-Bravo, 2017; Onel & Mukherjee, 2014; Baugh et al, 2007; Husted, 2005). The adoption of policies related to sustainable development paradigm depends on the commitment of all stakeholders of a country: government, organizations, private entities, citizens) towards a common set of principles, directives, guidelines (UN 2015; Lahuerta-Otero, Gonzalez-Bravo, 2017).

In order to characterize a country’s culture, the literature widely uses Geert Hofstede’s theory of cultural dimensions (1983; Hofstede, 2001; Hofstede and Hofstede, 2005; Hofstede et al. (2010): power distance, individualism versus collectivism, uncertainty avoidance, masculinity versus femininity, long-term versus short-term orientation and indulgence/restraint. Other scholars showed a preference for the Globe Study instead of Hofstede’s theory. The GLOBE (Global Leadership and Organizational Behaviour Effectiveness) is an organization dedicated to the international study of the relationships among societal culture, leadership and organizational practices (globeproject.com; Lahuerta-Otero, Gonzalez-Bravo, 2017)

This paper focuses on the way national culture influences the commitment of corporate environment to introduce and apply strategies favouring environmental sustainability. Therefore, it is necessary to approach the field of CSR from a comparative perspective across countries.

Corporate Social Responsibility is defined by Business for Social Responsibility as ‘a company’s responsibility beyond return to shareholders to include an acknowledgement of its responsibilities to a broad range of stakeholders throughout society including employees, customers, business partners, communities and the environment’ (cited by Baughn et al, 2007) International Institute for Sustainable Development state that “CSR should be seen as the way that firms—working with those most affected by their decisions (often called “stakeholders”)—can develop innovative and economically viable products, processes and services within core business processes, resulting in improved environmental protection and social conditions.” (International Institute for Sustainable Development, 2007). Similar definitions were given by various authors (Cheung et al, 2009; Dahlsrud, 2008; Ayuso et al, 2017). Cheung et al (2009) summarizes CSR as “the management of potential conflicts of interest between different stakeholders with respect to economic, environmental, social and ethical issues. For the firm, CSR is about its relationship with relevant
stakeholders. More specifically, firms need to balance the priorities of their various stakeholders in all the aspects of performance”.

CSR has two distinctive dimensions emphasized in the literature: social and environmental responsibility (Baughn et al., 2007). The latter is also used separately when referred to practice Corporate Environmental Sustainability Reporting (CESR) (Alvarez; Ortas, 2017; Jamali, 2016, Lakatos et al., 2017).

2. Methodology

The current paper, entitled “The influence of national culture on business organizations’ commitment to environment sustainability in European Union” aimed at identifying the behavior of firms with regard to circular economy activities depending on the cultural context of their country. In order to approach this topic, we analyze relevant content related to the concepts of sustainable development, CSR forms environmental performance across the world, as well as relevant research on EU SME’s attitude towards undertaking circular economy practices in correlation with EU countries performance on eco-innovation. In order to characterize cultures, we use the common Hofstede’s theory of cultural dimensions derived from his extensive organizational anthropology research spanning over four decades. Hofstede and scholars in general draw a distinction between the two meanings of the term culture. On the one hand, the objective or primary culture is related to all intellectual and artistic knowledge and productions which are usually delivered and developed in institutions. On the other hand, the secondary or subjective culture defines the way a collectivity feels and acts; it encompasses lifestyle, education forms, social rituals, systems of value, moral, ideology, as well as the culture in the current/primary meaning (Hofstede, 1996). Social anthropologists like Hofstede as well as other scholars in social and economic sciences relate to this secondary aspect of culture in their research on cultural differences between societies.

The six dimensions were defined (Hofstede, 2012) as follows: 1) Power distance – the degree to which less powerful members in a society, active in social systems such as family, institutions, organizations, feel and accept an unequal distribution of power. 2) Individualism versus collectivism. Individualism describes societies in which members have loose ties that often relate them only to their immediate family and everybody is expected to look after himself or herself. Opposed to it, collectivism pertains to societies in which throughout their entire life members are tightly integrated in strong, close-knit in-groups that offer them protection and support in exchange for undoubted loyalty; 3) Masculinity/femininity. The masculinity side of this dimension represents a preference in society for achievement, heroism, assertiveness and material rewards for success. Society at large is more competitive. Its opposite, femininity, stands for a preference for cooperation, modesty, caring for the weak and quality of life; 4) Uncertainty avoidance – the degree to which members of a society accept or avert unknown, unexpected, ambiguous or away from the status quo situations. Countries exhibiting strong uncertainty avoidance indices maintain rigid codes of belief and behavior and are intolerant of unorthodox behavior and ideas. Societies with weak uncertainty avoidance indices maintain a more relaxed attitude in which practice counts more than principles; 5) Long term/Short term orientation. Long-term oriented cultures value immediate outcomes and rewards, personal dignity, thrift, perseverance. By contrast, the others emphasize respect for tradition and social order, protecting one’s face; 6) Indulge/Restraint dimension was added in 2010 based on Minkov’s World Values Survey data analysis for 93 countries. An indulgent society is more likely to allow relatively free satisfaction of basic and natural human needs and desires related to enjoying life and having fun. On the other hand, a restraint society tends to regulate the expression of emotions with strict norms.
Therefore, this paper aims to find to what extent the six cultural dimensions influence the commitment of European business organizations to environmental protection depending on the national context of the country they are located in correlation with the eco-innovation performance at the national level of the EU countries.

3. The relationship between cultural factors and Corporate Environmental Responsibility practices implementation

Hofstede (1996, 2012) defined culture as “collective programming of the mind which distinguishes the members of one group (or category of people) from another”. By analogy with the computer software, he uses the term “mental programs” or “software of the mind” for a group’s ways of thinking, feeling and acting. Therefore, it implies that stakeholders’ preferences and behaviour are influenced by the cultural characteristics of their country. Consequently, companies need to personalize all their actions from top management policies to most instrumental operations and procedures according to each market’s pressure and demands (Alvarez; Ortas; 2017)

Power distance

In high power distance societies the dialogue between the management team and employees is not encouraged; as a consequence, the system with high level of power distance record low pressure from stakeholders on businesses with regard to issues related to their social and environmental sustainability (Lahuerta-Otero, Gonzalez-Bravo, 2017; Alvarez; Ortas; 2017; Cox et al, 2011; Park et al, 2007; Husted, 2005). On the contrary, low power distance societies encourage its members to involve in the decision–making process, therefore individuals will be willing to initiate discussions and debates on social issues, including the environmental ones (Lahuerta-Otero, Gonzalez-Bravo, 2017);

Individualism/Collectivism

Several authors concluded that collectivistic cultures are more prone to obtain environmental performance as they are more committed to the society’s long-term well-being, while company members in individualistic societies tend to be less ethical (Alvarez; Ortas; 2017; Park et al., 2007). Other authors believe that individualistic societies are more likely to protect the environment as they encourage personal initiatives which can lead to awareness movements and pressure groups with potential to shape public policies (Cox et al., 2011; Onel & Mukherjee, 2014; Lahuerta-Otero, Gonzalez-Bravo, 2017; Husted, 2005).

Masculinity/Femininity

Researchers commonly report that societies with a higher level of masculinity record a lower level of environmental performance, as they focus on the achievements of objectives, individual interest, growth and profit and ignore future risks, including the environmental effects (Alvarez; Ortas; 2017; Lahuerta-Otero, Gonzalez-Bravo, 2017; Park et al., 2007; Cox et al., 2011; Husted, 2005; Hofstede, 2012).

Uncertainty avoidance
Several authors have confirmed that societies with high scores of risk avoidance have a long-term outlook and take measures to reduce uncertainty and environmental threats. (Lahuerta-Otero, Gonzalez-Bravo, 2017; Alvarez; Ortas; 2017; Onel and Mukherjee 2014; Park et al., 2007)

**Long term/Short-term orientation**

Short-term oriented societies consider environmental actions an unnecessary cost reducing the present benefits. On the contrary, long-term oriented cultures take into consideration the future benefits brought by present sustainable actions for general social wellbeing on which depends the future of organizations themselves (Lahuerta-Otero, 2017; Gonzalez-Bravo, 2017)

**Indulgence/Restrain**

Authors like Alvarez and Ortas (2017) consider that “restraint cultures would have companies with more incentives to engage in CESR.”

4. **The relationship between economic development and environmental sustainability practices/performance**

Researches have confirmed the relationship between the economic development of a country and its level of corporate social and environmental responsibility (Lahuerta-Otero, Gonzalez-Bravo, 2017; Baughn et. el., 2007). Wealthier societies have greater access to consumption and production which generate environmental damage. This situation will create awareness among society members that will boost the implementation of environmental friendly measures by individuals and organizations by providing incentives for a more responsible behavior and taking attitude against irresponsible behavior. Nevertheless, the more economically developed societies have greater access to information regarding future environmental risks as well as more financial and technological resources to be invested in environmental sustainable practices (Lahuerta-Otero, Gonzalez-Bravo, 2017; Zamfir et al., 2017; Baughn et al, 2007)

Baughn et al. (2007) research also linked a country’s corporate social and environmental responsibility with economic freedom (that is little governmental intervention), and absence of governmental corruption.

Another important factor which stimulates corporate social and environmental responsible practices is the engagement of firms in internationalization. Several academic papers, cited by Ayuso et al. (2017) confirm that internationalized firms operate in foreign markets with specific and diverse social, cultural and environmental challenges; as a consequence, they will leverage the knowledge acquired in those places (Bansal, 2005 retrieved from Ayuso et al., 2017). They will also “gain experience in communicating, negotiating, and building relationships with stakeholders, and will be able to develop greater sensitivity about how to adapt their CSR strategies to the local context” (Strike et al., 2006, cited by Ayuso et al., 2017). Nevertheless, firms with international experience can recognize the value of achieving high environmental and social standards in order to facilitate their license to operate in particular countries (Bansal & Roth, 2000).

5. **The relationship between cultural factors, economic development and Corporate Environmental Responsibility (CER). CSR and CER forms across countries**

In terms of CSR, related to both social and environmental actions, the practices, including here the reporting and the preference for one field or another varies across countries around the world. Jamali and Karam (2016) provide a broad perspective on the nuanced forms of CSR in the developing countries in
comparison with the one from the developed countries “grounded in largely coherent systems of governance”.

There are more frameworks used to compare CSR forms. The first framework, which takes into consideration the National Business System (NBS) of each country makes a distinction between explicit CSR and CER encountered in economies such as the USA and more implicit forms of CSR to be found across Europe (Jamali & Karam, 2016). Therefore, CSR practiced in US is less regulated by state and stimulates business to take voluntary social roles; on the other hand, European societies consider similar social obligations to be an attribute of the government. As a consequence, while explicit CSR derived from Anglo-American societies “encompasses the collection of formalized approaches, processes and frameworks of the CSR industry, implicit CSR includes perceived mandatory and/or taken for granted social obligations resulting in requirements for corporations to address relevant issues in their particular environments, often stemming from cultural norms about citizenship or stewardship, which may be salient in developing countries” (Matten and Moon, 2008 cited by Jamali and Karam, 2016).

A different framework, proposed by Kang and Moon (2012) compare CSR forms in three different types of capitalist societies. According to them, in liberal market economies such as USA and UK, CSR and CER are more competitive and instrumental (Jamali and Karam, 2016) given the fact that then national governmental systems offer incentives to companies’ shareholders in order to create value. In coordinated market economies like Germany and Japan, CSR is more cohesive given the preoccupation of the national system of government for broader value created by stakeholders and the common efforts of building solidarity between workers, unions and shareholders. In state-led economies (e.g. France, South Korea) more developmental forms of CSR prevail, given then national governance system’s focus on creating public value through the strong influence of the state (Jamali and Karam, 2016).

Both frameworks are difficult to apply when describing CSR form in developing countries that may have a less coherent system of governance and regulations, “dysfunctional markets, contracted governments and weakened labor institutions” (Jamali and Karam, 2016). Still, scholars note that in Asian culture firms “rely more on cultural mechanisms such as philosophy and guiding principles” rather than formal codes of action and documents (Tanimoto and Suzuki, 2005; Weaver, 2001). Moreover, the inherent modesty in Asian cultures may determine companies in this region not to make public the success in CSR, CER and other activities (Welford, 2005) and therefore some of these activities may not be easily distinguished by outside observers.

CER and CSR are practiced differently around the world. US firms for instance have a preference for social CSR through philanthropic programs and volunteerism. In European countries like France and the Kingdom of Netherlands, companies are more committed to environment management. (Baughn et al., 2007). Firms in Asian societies like Japan, Taiwan and Singapore, for example, demonstrate equal or higher levels of social and environmental CSR compared to other developed countries while Pakistan and Bangladesh score levels of CSR that are lower than Eastern and Central Europe average levels, as well as Latin America and Africa (Baughn et al., 2007).

Baughn’s (2007) study brings evidence for the positive relationships between CSR, CER and economic development, economic, freedom, non-corrupt government, political freedom.

6. Corporate environmental performance in European Union

Several authors reported that economic prosperity influence the link between cultural characteristics and sustainable environmental performance of a country. According to Lahuerta-Otero, Gonzalez-Bravo (2017) the best environmental protection performance is obtained by the more individualistic, less uncertain, and
less masculine societies. In their study on European Union countries, individualistic societies correspond to more developed societies such as United Kingdom, Switzerland, Luxembourg. Feminine countries with Finland, Norway, Iceland and Sweden, in top five tend to be more short-term oriented by focusing on their present quality of life and accept established roles. The authors concluded that “despite common objectives and strategic European lines, country-specific environmental policies differ and are affected by their levels of economic development and their innovative initiatives, as well as by cultural factors.”

Welford’s (2004, 2005) and Baughn’s (2007) studies found that Northern and Western Europe display a higher level of CSR activity than Southern and Eastern Europe. The latter concluded that, regarding Eastern and Central European countries, the high level of government corruption has a strong influence on both social and environmental CSR. In these countries the state has a strong role, thus citizens may have lower expectations from private organizations to take social larger social initiatives.

Zamfir et al. (2017), in their recent paper on European SMEs and their decision model of undertaking environmental sustainable actions reinforces the influence of the national-cultural context on the decisions of companies to commit to a more sustainable-oriented behavior. In European Union, despite the common Europe 2020 Strategy (European Commission, 2010), “economic development, national programs, funding mechanisms, the institutional framework, and incentives are still very heterogeneous across countries” (Zamfir et al., 2017)

They found that three quarters of SMEs have adopted circular economy measure in the last three years. “Most of them targeted waste reduction by recycling, reusing, or selling it to other companies (55%), and the reduction of energy consumption by re-planning its usage (38%). 34% of the SMEs have redesigned their products and services in order to reduce the use of materials or to use recycled materials, while 19% have aimed to minimize the usage of water by re-planning how water is used. 16% of the companies have adopted practices related to the use of renewable energy” (Zamfir et al., 2017).

Countries like Bulgaria, Hungary, Poland, Romania and Slovakia have the least stimulating framework which leads to the weakest participation of their SMEs in terms of circular economy-related initiatives – 60%, regardless of the sector of activity, size, or turnover of the company (Zamfir et al., 2017). Lakatos et al. (2016) in their survey on the Romanian consumers support for the circular economy concept concluded that consumers are aware of the importance of undertaking circular economy business models, but it requires a national strategy including incentives and benefits to encourage them to develop new consumption patterns favorable to both economy and environment.

However, Zamfir et. Al.’s (2017) study indicates that even in the case of the European countries that provide more favorable conditions for stimulating SMEs to undertake sustainable environmental practices, their attitude differs remarkably across sectors and with regard to the company’s turnover. There are sections of SMEs where the participation in circular economy-related practices is weak as well as other sections in which the vast majority or even all the companies engage in circular economy actions.

In Belgium, Spain and the UK for instance, 88% of companies active in manufacturing and retail initiated circular economy actions in the last three years. For the SMEs from the other sectors, where the turnover determines their involvement in circular economy practices, 98% percent of companies that registered a total turnover of 10 million euros undertook environmental sustainability practices (Zamfir et al., 2017).

For another group of SMEs – from Greece, France, the Netherlands, Sweden and Czech Republic- the total turnover is the main criterion that companies consider when they decide in regard to circular economy initiatives (Zamfir et al., 2017).
In the case of SMEs from Greece, France, the Netherlands, Sweden, and the Czech Republic, the company’s total turnover is the next most important predictor for its decision in relation to the circular economy. Only 61% of companies with a turnover below 25,000 euros have adopted circular economy activities, as compared to 92% of companies with a turnover above 10 million euros. Companies registering a total turnover between 25,000 and 250,000 euro, their relation with environmental performance activities is predicted by their country. 73% of firms from Greece, the Netherlands and the Czech Republic and 83% from France initiated circular-economy practices, while in Sweden only 62% percent of firms engaged in similar practices. For companies in the same countries with a turnover of between 250,000 and 500,000 euros, the sector of activity is the decisive factor for commitment to sustainable environmental practices. Those from manufacturing and retail show more interest for circular activities than the others (Zamfir et al., 2017).

Regarding the group of SMEs located in Austria, Portugal and Germany, companies with a total turnover lower than 25,000 euros are the least prone to environmental sustainability practices; by contrast, all those from manufacturing and industry sectors registering a total turnover of more than 500,000 euros have got involved in circular economy practices. In what concerns the “middle” firms, with a total turnover of between 25,000 and 2 million euros, their decision to undertake circular economy practices is determined by their sector of activities, with those in manufacturing, industry and retail sectors displaying higher levels of propensity for this field (Zamfir et al., 2017).

Within Italian firms, there is a variety of attitudes towards circular economy activities depending on the sector of activity. SMEs in the manufacturing sector are the most engaged in circular economy practices, while 75% of Italian firms in retail with a turnover of between 50,000 and 250,000 did the same. The involvement of SMEs from services and industry in circular economy actions is linked to their total turnover. As a rule companies with lower levels of turnover display less commitment to environmental sustainability practices than the wealthier ones (Zamfir et al., 2017).

CSR and decisions of European firms in adopting sustainable environmental practices can be correlated with the Eco-Innovation performance of the European Countries. Davidescu et al. (2015) evaluates Romanian performance in terms of Eco-Innovation by comparison with the other European Union countries during the period 2003-2013 by using the methodology of constructing composite indices proposed by Organization for Economic Co-operation and Development (OECD) in 2008.

Their study revealed the values of the Eco-Innovation Index for each European country and reached the following conclusion: there are three types of EU countries: 1. The leading countries with the highest average values in the field of eco-innovation: Germany, Denmark, Sweden, the Netherland and France; 2. Countries with improved performance over the studied period: Czech Republic, Estonia, Spain, Italy, Luxembourg, Portugal and Greece; 3. Countries with lowest performance: Bulgaria, Hungary, Lithuania, Latvia, Romania and Slovakia.”(Davidescu et al. 2015)

The results of Davidescu et al.’s study (2015) confirm to a certain extent the correlation between the environmental performance of business organizations and the cultural characteristics and economic development of the country in which they operate, in two aspects: 1) The role of governmental support and incentives for the development of circular, sustainable economy initiatives. Governments in the first two types of countries in terms of eco-innovation performance strongly promote environmental sustainable initiatives through public and EU funding, solid national environmental policy strategies and laws. 2) The correspondence between the environmental and eco-innovation performance of the countries and Hofstede’s six cultural dimensions. Most authors consider that the more economically and environmentally performant societies are more individualistic, less uncertain, less masculine and low power distance. The leading
countries in terms of eco-innovation performance from Davidescu et al.’s study are all individualistic societies. Four of them (Sweden, Finland, Denmark, France) (HofstedeInsights.com) are feminine societies. In terms of uncertainty avoidance, three countries (Finland, Germany, France) display high levels of aversion to risks. Also, all countries, except France, are low-power distance countries. Regarding the countries with the lowest score on environmental and eco-innovation performance: Romania, Bulgaria, Slovakia, Hungary, Poland, Lithuania, Latvia, majority of them – four out of seven – show increased level of high power distance and all seven are prone to uncertainty avoidance. Four of them are feminine, while the rest of the three are masculine. Five countries are individualistic, while two (Romania and Bulgaria) are collectivistic (HofstedeInsights.com). Consequently, the correlation between Hofstede’s cultural dimensions and the economic and environmental performance of the countries is applicable to a certain extent. On the other hand, Davidescu et al.’s (2015) study reinforces the relationship between economic development and sustainable environmental responsibility of a country. Both economic and environmental performance should be assessed in relation to their common each country’s specific cultural, economic, political and historical backgrounds in order to identify appropriate strategies for development.

7. Conclusions

The research confirms to a great extent the relationship between environmental performance of companies and the economic development of the country in which they operate as well as cultural background of the country. Still, some economically developed countries may perform better in social CSR than environmental CSR, depending on their priorities and culture-specific. At EU level, the most environmentally performant countries matches the scholars’ statement: economically developed culture are generally the most concerned about environment issues and usually associated with higher levels of individualism, femininity, uncertainty avoidance, low power distance. This statement is partly applicable to the less performant countries in Europe in terms of environment and economy. Further research regarding each country’s cultural characteristics in relation to circular economy actions is recommended in order to facilitate the identification of more personalized strategies needed by organizations in their specific country.

8. References


Features of managerial strategy specific to school bodies in high school and vocational education in Suceava County, Romania

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Abstract. The end of 1989 brought to Romania a change of political system. The transfer from communism to modern capitalist society determined the country’s orientation towards the European Union and globalization. The impact of changes also appeared in the field of education. This study aims to identify specific aspects of managerial strategies specific to a school body oriented towards improving the quality of educational services. The research was conducted on a sample of 418 teachers from 12 high schools and vocational schools belonging to secondary education of Suceava County, Romania. The data were collected based on a questionnaire and processed using the SPSS software. The study uses correlation analysis in order to assess the specific links among the variables specific to the educational system and also their intensity. The results underlined that material resources of educational units and the ongoing training of teachers are the two important features of a managerial strategy oriented towards increasing the quality of an educational service.

Keywords: education system, teachers, training, material resources, managerial strategy.

JEL Codes: I20, I29, J24

Introduction

Starting with the end of the last century, the literature in the field of the economically developed countries looked into the structural changes in the educational systems of different countries. Educational reforms had been implemented that imposed changes both in the curricula, teaching methodology and resources needed to achieve the set goals. The main countries in which the reforms had been accelerated by theoretical studies included Great Britain and the United States.

In England and Wales, the reform had been enforced by the Law on Educational Reform (1988) that was further completed by other laws. This reform introduced self-management that is the basis of the decentralized system in which all functional areas (curriculum, human resources, financial resources, community relations, etc.) are managed by the school director and the board. The parents of students sit on this board (Bush, 2015).

In the USA, the reform of 1980 put at the centre the learning activities of the student and its personal needs, marking the transfer from the concentration on resources entering into the system to the results of educational services. The reform brought important changes not only to teaching methodology but also to the curriculum structure (standardised curricula and assessment) (Democrats for Education Reform, 2007). The educational reform transforms public education into a market where the effectiveness of input-output relation of the educational system is assessed. The organizations of parents actively get involved into the life of the school along with their children (Parent Revolution, 2009).
In Romania, the educational reform started in 2000 when the first law on education was adopted after the change of the political system in 1989. It brought a novel element of school decentralisation and the increase of their self-management. Later though by many changes of ministers, the decentralization was blocked. Only in 2011 a new law was issued called the Law of National Education (Solomon, 2011). To increase the effectiveness of activity, the secondary educational system in Romania underwent reforms that aimed to change its specific features. In this context, there have been 24 ministers since 1989, 3 laws on education, over 1000 legislative amendments and law articles, most of them not implemented (ex. 6% of GDP for education, free textbooks for all students, or classes of up to 25 students).

Structurally, school management has been one of the main priorities of educational reforms in secondary education. The term management referring to the management of a school unit was introduced in Romania at the beginning of 2000. The director of a school unit was seen as a “gate through which the reforms pass easier or harder” (Iosifescu, 2001). Not only changes in school management were aimed by the reform, there also arose the idea of change at the individual level of all members of school organization. Implicitly, this fact should have left to organizational change. Such terms as educational management, project management, and strategic management were introduced into the daily use of educators, many times with no prior explanation of their meaning and importance for school activities. Now, in the daily life of schools, concepts specific to organizational culture are used, such as: mission, vision, values, organizational policy and strategy, strategic aims and objectives. The problem is that these terms frequently showed the formalism as the feature of the Romanian secondary educational system. How does the simple teacher relate to these concepts? How is objective the analysis of factors characterizing the educational organization? Which are the main elements included into the managerial strategy aimed to ensure the success of the educational unit and its competitive advantage?

This study investigates these issues being conducted within a more extended research aiming at identifying a strategic model ensuring the quality of secondary educational services in Romania.

The main purpose of the study is to identify specific teaching features that are significant for the structure of a managerial strategy oriented towards the improvement of the quality of educational services in schools.

To achieve this goal, the research aims:

- to analyse the relationship between the socio-demographic characteristics of teachers and their expectations and perceptions on the features of a managerial strategy oriented towards the improvement of the quality of educational strategies;
- to analyse the relationship among variables expressing the expectations of teachers on the features of managerial strategy in a school unit and their expectations on the strategy;
- to analyse the relationship among variables expressing the perceptions of teachers on the features of managerial strategy in a school unit and their perceptions on the strategy.

1. Data and methods

1.1. Data

According to data available on the web site of the Suceava County School Inspectorate, there are 40 high school and professional school type of units, out of which 37 are public and three are private. In these schools, students are enrolled into the theoretical/vocational, technological or professional areas of study (Rețea școlară publică, 2017. Rețea școlară particulară, 2017). Depending on the share of students in each study area, the school unit belongs to one of the categories: theoretical high school (32.5%), technological high school (27.5%) or mixed high school (40%). In technological high schools, there are also professional schools that train students in a specific profession within a shorter timeframe than in theoretical/vocational high schools.

The research was conducted on a sample of 418 teachers from 12 selected high schools (30%) out of a total of 40 high schools of Suceava County during July-September 2016. We applied 521 questionnaires, representing 67.83% of total teaching posts recorded in these schools. 418 questionnaires were completed.
and returned, namely, 80.23% of total applied questionnaires and 54.42% of total teaching posts in the schools that make up the sample. The distribution by study area of schools included in the sample and the applied and completed questionnaires is in line with the structure of the studied population (Table 1).

Table 1. The distribution by study area of schools included in the sample. The distribution by study area of the applied and completed questionnaires

<table>
<thead>
<tr>
<th>The study area of school</th>
<th>The share of schools in sample</th>
<th>Applied questionnaires</th>
<th>Completed questionnaires</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Count</td>
<td>%</td>
</tr>
<tr>
<td>theoretical/vocational</td>
<td>25%</td>
<td>169</td>
<td>32.43%</td>
</tr>
<tr>
<td>technological</td>
<td>16.67%</td>
<td>20</td>
<td>3.83%</td>
</tr>
<tr>
<td>mixed</td>
<td>58.33%</td>
<td>332</td>
<td>63.72%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>521</td>
<td>100%</td>
</tr>
</tbody>
</table>

From the perspective of the length of service in education, expressed in groups of equal time frame (five year interval), the highest share belongs to respondents with length of service in education over 10-15 years (22.7%) and the lowest to respondents with the length of service in education of up to 5 years (10.8%).

In what concerns the professional training of respondents, certified by the acquired teaching grade, the distribution shows that the most significant weight (74.8%) is found in teachers holding at least grade II in education on an ascending scale with 5 grades: junior, definitive, grade II, grade I, PhD.

Table 2. The structure of the sample of teachers by: (a) length of service in education; (b) grade; (c) position

(a) Length of service in education

<table>
<thead>
<tr>
<th>0-5 years</th>
<th>5-10 years</th>
<th>10-15 years</th>
<th>15-20 years</th>
<th>20-25 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.8%</td>
<td>13.4%</td>
<td>22.7%</td>
<td>20.1%</td>
<td>11.7%</td>
</tr>
</tbody>
</table>

(b) Teaching grade

<table>
<thead>
<tr>
<th>Junior</th>
<th>Definitive</th>
<th>Grade II</th>
<th>Grade I</th>
<th>PhD</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.9%</td>
<td>16.3%</td>
<td>23%</td>
<td>47.5%</td>
<td>4.3%</td>
</tr>
</tbody>
</table>

(c) Position

<table>
<thead>
<tr>
<th>Professor</th>
<th>Vice-principle</th>
<th>Principle</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>96.9%</td>
<td>1.9%</td>
<td>1.2%</td>
<td>100%</td>
</tr>
</tbody>
</table>

1.2. Methods

Data collection was made on a paper-based questionnaire as the application of the questionnaire in the electronic format (google.docs) failed due to the low number of respondents. The questionnaire was based on the questionnaire model used by the ServQual method assessing the quality of services provided to a specific organization. ServQual is a representative method for measuring and assessing the quality of a service. It is used to establish the difference between the perceptions and expectations of the service beneficiaries and may be adapted to the assessed service (Parasuraman, Zeithaml&Berry, 1988). The perception of beneficiaries on the product quality is important as “the perceived quality is not equal to the objective quality” (Zeithaml, 1987). The ServQual method is used in education, the difference between perceptions and expectations expressing in this case the quality of educational services provided by an educational institution (Good Practice Manual, 2013). A quantification of the difference between perceptions and expectations of the teachers on the quality of educational services is the first step in the identification of strategic aspects allowing to improve the quality of educational services.

The questionnaire is adapted to secondary schools taking into account the organizational specificity of Romanian schools. It is divided into two parts. The socio-demographic data of teachers were collected in the first part that included the their status (full time, part-time), length of service in education (0-5 years, 5-10
years, 10-15 years, 15-20 years and over 25 years), professional training reflected by the teaching grade (junior, definitive, grade II, grade I, PhD), held position at the time of questionnaire application (professor, vice-director or director). The second part of the questionnaire included two sets of questions, each comprising 22 statements. These expressed identical issues, formulated differently in terms of time reference (future and present). First, they were asked about what they would have liked to have at their disposal to ensure a qualitative educational process in terms of their expectations. The second perspective was related to their perception at the time of questionnaire application on the resources that the school directors together with the management team should provide to facilitate the unfolding of instructional activities specific to schools. Each item in the second part of the questionnaire was analysed using a Likert scale with five values, varying from (1), corresponding to the answer to very low degree to (5) matching the answer to very high degree.

Data was processed using the Statistical Package for the Social Sciences (SPSS 13.0 programme). For this research, 8 variables from the questionnaire were selected: two socio-demographic characteristics (length of service in education and teaching grade); three items expressing expectations (I.1.1, I.1.3, I.1.6) and three items expressing the perceptions (I.2.1, I.2.3, I.2.6) of the respondents on the two features of the managerial strategy in the school unit (material resources of the school unit needed in the teaching process and the interest of organization directors for supporting on-going training of teachers) and a specific type of managerial strategy aimed at improving the quality of educational services (Table 3).

<table>
<thead>
<tr>
<th>Item number</th>
<th>Variable</th>
<th>Temporal perspective</th>
<th>Described feature</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Length of service in education</td>
<td>Socio-demographic characteristic</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Teaching grade</td>
<td>Socio-demographic characteristic</td>
<td></td>
</tr>
<tr>
<td>I.1.1</td>
<td>The school unit should have rooms and equipment appropriate for providing theoretical and practical instruction.</td>
<td>future / expectations</td>
<td>Specific material resources</td>
</tr>
<tr>
<td>I.1.3</td>
<td>School directors should support on-going professional training and personal development of teachers.</td>
<td>future / expectations</td>
<td>On-going training</td>
</tr>
<tr>
<td>I.1.6</td>
<td>Managerial strategies should be oriented towards improving the quality of educational services</td>
<td>future / expectations</td>
<td>Quality of educational process</td>
</tr>
<tr>
<td>I.2.1</td>
<td>The school unit has rooms and equipment appropriate for providing theoretical and practical instruction.</td>
<td>present / perception</td>
<td>Specific material resources</td>
</tr>
<tr>
<td>I.2.3</td>
<td>School directors support on-going professional training and personal development of teachers</td>
<td>present / perception</td>
<td>On-going training</td>
</tr>
<tr>
<td>I.2.6</td>
<td>Managerial strategies are oriented towards improving the quality of educational services</td>
<td>present / perception</td>
<td>Quality of educational process</td>
</tr>
</tbody>
</table>

Demographic characteristics of the respondents have been considered for the analysis as they influence the self-assessment capacity and objective reporting to school realities.

The six items selected from the second part of the questionnaire for the analysis have been grouped two by two to express the same idea from different temporal perspectives (future and present). The first pair (I.1.1-I.2.1) refers to material resources (furnished rooms and appropriate equipment) needed for teachers to provide good teaching activity. The second pair of items (I.1.3-I.2.3) describes the need of
school directors to support on-going professional training and personal development of teachers. The last analysed pair (I.1.6-I.2.6) considers the degree of orientation of managerial strategies towards improving educational services.

The relations among variables were analysed using association tables, Somers’ d coefficient for ordinal variables (Labăr, 2008) and Pearson Chi-Square test.

2. Results

Sixteen possible associations among selected variables were analysed. Out of these, only seven were statistically significant (Asymp. Sig. < 0.05) (Table 4).

<table>
<thead>
<tr>
<th>Variables</th>
<th>Pearson Chi-Square</th>
<th>Asymp.Sig.</th>
<th>Somers’d</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I.1.6. Length of service</td>
<td>45.196</td>
<td>0.001</td>
<td>0.132</td>
<td>0.000</td>
</tr>
<tr>
<td>I.2.1. Length of service</td>
<td>31.884</td>
<td>0.045</td>
<td>-0.144</td>
<td>0.000</td>
</tr>
<tr>
<td>I.2.1. Teaching grade</td>
<td>37.431</td>
<td>0.002</td>
<td>-0.119</td>
<td>0.006</td>
</tr>
<tr>
<td>I.1.1. I.1.6.</td>
<td>274.138</td>
<td>0.000</td>
<td>0.391</td>
<td>0.000</td>
</tr>
<tr>
<td>I.1.3. I.1.6.</td>
<td>536.131</td>
<td>0.000</td>
<td>0.509</td>
<td>0.000</td>
</tr>
<tr>
<td>I.2.1. I.2.6</td>
<td>171.363</td>
<td>0.000</td>
<td>0.399</td>
<td>0.000</td>
</tr>
<tr>
<td>I.2.3. I.2.6</td>
<td>402.856</td>
<td>0.000</td>
<td>0.623</td>
<td>0.000</td>
</tr>
</tbody>
</table>

The results show that between the variable length of service and expectations of teachers on the orientation of managerial strategies towards the improvement of the quality of educational services there is a weak positive correlation (d = 0.132). Therefore, as their length of service grows, teachers want that managerial strategies be oriented towards the improvement of the quality of educational services.

Table 3 also shows the existence of a weak inverse relation between the variable length of service and perception of teachers on the existence of furnished rooms and appropriate equipment for providing the instruction of students in good conditions (d = -0.144). The distribution of respondents by the perception on material resources and length of service in education supports the same result. A share of 37.78% of teachers with the length of service 0-5 years and about 25% of teachers with length of service 5-10 or 10-15 years selected the answer to a very high degree. In opposition, only 12.36% of respondents with a length of service over 25 years perceive to a high degree that the school unity has the furnished rooms and appropriate equipment needed for providing the instruction of students in good conditions.

The value of Somers’ d association coefficient shows that between the teaching grade and the perception of teachers on the furnished rooms and appropriate equipment needed for providing the instruction of students in good conditions there is a weak inverse relation (d = -0.119).

The distribution of respondents by the perception on material resources and the teaching grade confirms the inverse association between the two variables, the shares of those who perceive to a high degree that the school unit has appropriate material resources decreasing with the teaching grade(from 32.43% and 30.88% for junior and definitive grades, to 14.21% and 4.44% for grade and PhD).

In terms of perceptions, around 64% of respondents selected values 4 and 5 on the used Likert scale, corresponding to criteria to high degree (41.97%) and to a very high degree (21.82%), for the item describing the feature material resources in the school unit.

Regarding the feature on-going training of teachers, the share of teachers perceiving to a high degree or to a very high degree that directors support on-going professional training was around 85% (28.78% and 56.35%, respectively).
In what regards expectations, 89.11% of respondents see material resources in the school as being to a very high degree an element of a strategy oriented towards improving the quality of education. Also, 84.24% of respondents believe to a very high degree that school directors will have to consider on-going professional training of teachers to develop a managerial strategy aiming to increase the quality of educational services. The association analysis of the variables expressing the expectations and that of those describing the perceptions of teachers on the selected features of managerial strategy in schools outlined (table 4):

- Weak to moderate relations were found in case of variable pairs I.1.1-I.1.6 (d = 0.391) and I.2.1-I.2.6 (d = 0.399) showing that managerial strategies aiming to improve the quality of educational services are related to the existence of material resources specific to the field both at the perceptions level and at the expectations level.
- A positive relation (d = 0.509) is recorded between the expectations that school directors support the on-going professional training and professional development of teachers and the expectations that the managerial strategies be oriented towards improving the quality of educational services. Therefore, in terms of expectations, managerial strategies oriented towards improving the quality are closely related to the support that school directors will provide to teachers as to stimulate their interest for on-going training.
- A strong positive relation was found (d = 0.623) between the perceptions of teachers of the fact that school directors support ongoing professional training and professional development of teachers and the perceptions of the fact that managerial strategies are oriented towards the improvement of the quality of educational services. Therefore, the respondents associate the interest of directors for on-going training of teachers with the managerial strategies oriented towards the improvement of the quality of educational services.

3. Conclusions

This study belongs to a more extended research aiming at identifying the main elements of a managerial strategy oriented towards improving the quality in the secondary educational system in Romania. Out of the high number of variables included in the study (48), just some of them were selected to be presented in this study (8). Two of the selected variables indicate the socio-demographic characteristics of the respondents (the length of service in education and the teaching grade). The other variables describe two features of a managerial strategy, namely, the material resources in the school unit and the ongoing training of teachers, these elements being influenced by both the length of service in education and the teaching grade of teachers. The statistical processing of data allowed to analyse the associations among the variables and the intensity of the identified relations.

Regarding the items referring to material resources in schools and the ongoing training of teachers, most answers of respondents (over 64%) were concentrated on the two last values of the used Likert scale corresponding to answers to high degree and to a very high degree.

The correlation analysis identified the existence of weak inverse relations between the length of service in education and the teaching grade of teachers, respectively, and the existence of material resources specific to teaching. As the professional experience and the level of professional training grow, both the perception and expectations of teachers towards the equipment of schools with specific material resources decrease.

On the other hand, the attitude of school managers towards on-going training of those working in education is not associated in a statistically significant way with these characteristics.

The results also indicate that managerial strategies oriented towards the improvement of the quality of educational services are closely related to the available material resources and to the support given to teachers for on-going training as both in terms of perceptions and expectations of teachers, there have been observed statistically significant associations between these features and the managerial strategy aimed at quality.
In conclusion, the analysis of data confirmed the empirically observed aspects known by people working in the system of secondary education in high schools and professional schools of Suceava County. Thus, material resources needed in the teaching of students and on-going training of teachers have been identified as being two important features of a managerial strategy oriented towards the improvement of the quality of educational services.

Building an optimal model of managerial strategy aimed at improving the quality of educational services requires the identification of appropriate features for a managerial strategy in education and the establishment of their ranking and importance in the structure of such a strategy. For this purpose, the research will be continued with the analysis of other possible associations among variables from the set of 48 variables included into the survey questionnaire.

The results of this study could be completed by a qualitative analysis of documents on which the managerial strategies aimed at the educational system of Romania are based.

4. References

New paradigm in understanding food security in Bangladesh: experiences from fieldworks in coastal areas of southwest Bangladesh

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Abstract. Food security in extremely poor households in developing countries like Bangladesh has become exceedingly challenging because of high exposure to natural disasters, weak institutional governance, high population density and rapid urbanization. The conceptual understanding of food security has been changed over time, and the 3A’s model- availability, accessibility, and application has clearly shifted our conceptual understanding of food security in our recent time. However, the 3A’s model does not express the total scenarios of food security, in particular the links between food and non-food issues in conceptualizing food security because most of the previous researches tend to capture food security in a modernist perspective-driven by experts’ opinion and interpretations. This paper campaigns for adopting the interpretivist methodology in understanding and capturing the prevailing complexities of food security, keeping the sensitivity and voice of food insecure households, in particular the extremely poor households of Southwest coastal areas of Bangladesh. In addition, this paper reviews and critiques the prevailing complexities in conceptualizing food security due to its multidimensional characteristics. In order to explore and explain the complex understanding of food security, this paper employs both the methodology of listening and understanding and the interpretative framework for collecting qualitative data regarding the understanding of food security. This paper promotes the necessity to adopt the ‘methodology of listening and understanding’ from an Interpretivist perspective that is mainly qualitative in nature, is able to make sense of the complex understanding of food security containing both food and non-food issues by generating multi-contextual information provided by the extremely poor households in coastal areas of Southwest Bangladesh.

Keywords: coastal areas of Southwest Bangladesh, food security, Interpretivist methodology, and methodology of listening and understanding.

JEL Codes: Q18.

1. Introduction: Understanding the shifting complexities in conceptualizing food security through the 3A’s model

The concept of food security is multidimensional in nature than can be clearly reflected at definitions in different research and policy usage ranging from self-sufficiency of food to coping with disaster vulnerability and risk (Clay, 2002; Heidhues et al., 2004). A conventional concept of food security can be

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related with providing both physical and economic access by all people at all times to safe and nutritious food to meet the dietary needs for an active and healthy life (FAO, 1996); however, numerous studies have conceived of competing definitions of food security with more than 200 definitions and 450 indicators (Hoddinott, 1999).

At a landmark international conference in 1974, the World Food Summit has incorporated the coordinated actions to deal with global food crisis and to ensure future availability of adequate food to all at reasonable prices (FAO, 1974). Eventually, the opportunities have been created to tackle the global food problem through inter-governmental cooperation to improve food availability as well as distribution. In the beginning stage, the concepts of food security have given a particular focus on basic food availability and price stability at international and national level (Clay, 2002). As a result, national government tend to emphasize food available through increasing food production; however, the major components of food availability depend on the adequate production and distribution of food (Ericksen, 2008; Gregory, 2005).

Recent evidence shows that both domestic food production and food importing play a central role for food availability, which is very much similar to the understanding in 1970s. Nevertheless, the understanding of food availability associated with food security has been shifted from domestic food production to vital interaction between agriculture/food policies and socioeconomic factors at the micro and macro-level (Hall, 1998), as it has been estimated that the global demand for food may increase by 60 percent by 2050 (FAO, 2012). Careful observation on food availability reveals that instability in food production associated with environmental variability can become significant challenge for domestic food production particularly in developing countries (M.S. Swaminathan Research Foundation, 2001). The initial concepts of food security have addressed the supply shortfalls created by production failures (Borton & Shoham 1991); however, drought, flood and diseases have always raised concerns about availability of food (Rochford, 2013).

The production-supply focused food security concepts have been highly questioned since the adequate food availability at the national level does not ensure food security at the individual and household levels (Frankenberger & McCaston, 1998). Sen (1981:7) explicitly exemplifies the facts particularly referring to famine that one can have food insecurity with no significant decline in food availability per head. Clearly, this becomes apparent that food security has a convincing relation with accessibility of food to people’s entitlement (Davies et al., 1991). It can, therefore, be perceived that considering the access to food for food security has minimized the limitations of the prior concepts of food security.

There is much more things to discuss for food security such as adequate access by all people, sufficient access to domestically produced food and sustainable access to food without dependence on foreign-exchange-consuming imports although food security has clearly incorporated food availability and accessibility (Africa Leadership Forum, 1989). The concept of food security further highlights whether everyone has enough to eat at any time for life and for productive effort (Kracht, 1981; Maxwell, 1996). Some of the cases, the concepts of food security are preferably emphasizing the availability of food to ensure a minimum necessary intake by all members where the minimum requirement of food has become arguably confusing. Alamgir and Arora (1991) admit that the minimum requirement of food includes a wide range of factors such as body size, weight, sex, nature of work, and for women pregnancy and lactation status. The associated problems with the minimum food requirements for food security can be adjusted by providing adequate access to enough food at all times by all people for an active and healthy life (Reutlinger, 1985).

In 2000s, the concepts of food security have articulated disasters’ vulnerability and risk reduction because vulnerability cuts across the food security (Hussein, 2001). A current understanding of food security indicates a situation with physical, social and economic access to sufficient, safe and nutritious food to meet the dietary needs and food preferences at all times for an active and healthy life (FAO, 2002). It appears that
the prevalence of malnutrition has declined from 1970 to 2000 (FAO, 2004); however, climate change can pose problems for national food supplies because agriculture is so dependent on the monsoon (Shukla, 2003). In addition, climate change is likely to bring greater variability that can raise the number of current 1 billion food-insecure people in the world (FAO, 2009a; 2009b; Whetton, 1994). Moreover, climate change, natural resource constraints and competing demands for biofuels have created considerable challenge for the food systems (FAO, 2012).

Clearly, the problems of food security are getting complex; therefore, the understanding of food security needs to investigate further as it’s no longer dealing with only food. The non-food factors such as education, health and sanitation have become very crucial for food security (Pinstrup-Andersen, 2009); consequently, this has emerged the necessity for comprehensive understanding of food security in current time. Due to the continuing changes in issues attached to food security, it has become considerably important to understand the both explicit issues such as food production and supply, and embedded issues such as poverty and education of food security. In essence of that, one of the major growing concerns direct towards existing 3A’s paradigm in understanding and analyzing food security, and also urges a new ‘non-food based’ paradigm in understanding and analyzing food security.

2. Methodological transition: directing towards sustainability

In general, research design has four main ideas such as research strategy, conceptual framework, research questions, and tools and procedures of data collection (Punch, 1998: 66). However, these four ideas of research design can vary substantially if we are conducting a qualitative research as it calls for considerable flexibility in design (Bazeley, 2013: 33). This paper adopts a ‘methodology of listening and understanding,’ which is mainly ‘qualitative in nature,’ is able to make sense of the complex situations of food security by generating multi-contextual information (Richards & Morse, 2013: 28). The term ‘qualitative in nature’ can be confusing as this means different things to different people. In a generic term, qualitative research is a situated activity that locates the observer in the world, and consists of a set of interpretations studying in natural settings (Denzin & Lincoln 2005: 3). We consider the term ‘qualitative research approach’ to entail a nonmathematical process of interpretation, carried out for the purpose of discovering concepts and relationships in empirical data, and findings are not arrived at by statistical procedures (Strauss & Corbin 1998: 11).

Firstly, the key reasons for adopting qualitative strategies because the extremely poor households hold the most food insecure status, and consider as the ‘hard to reach’ group in the society. They do not have a fixed place to live and also tend to build their houses on government’s land, legally or illegally. Moreover, many of them are not included in the official statistics. Since there is lack of existing reliable data about extremely poor households to apply random sampling, the use of probability statistics would limit our understanding of food security. Secondly, the important reason is that there is little known about the experiences of extremely poor households concerning to their food and non food insecurity, and the links between these two issues. On top, we hold a viewpoint that the use of qualitative methods of inquiry offer ‘voice to the participants,’ that helps to explore the insights of food security keeping the contextual understanding of both food and non-food phenomena. We have adopted constructivism position, which asserts that social phenomena and their meanings are continually being accomplished by social actors (Bryman, 2012: 33). This means that the meaning attached to food security is not discovered but constructed (Crotty, 1998: 42). Aligning with this view, we believe that it is exceedingly complex to generate definitive understanding of food security. Therefore, in this research, what we are presenting is a specific version of the
meanings and understandings of food security in extremely poor households in coastal areas of southwest Bangladesh (see Table 1 for methodological framework and its components used in exploring the understanding of food security).

### Table 1: Methodological Framework in Exploring the Attached Meaning of Food Security

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Aspects</th>
<th>Level of interaction</th>
<th>Framing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Context</td>
<td>Perception of food security by the extremely poor household heads</td>
<td>Link between individuals from different socio-demographic background</td>
<td>Interpretivist</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Link among different communities</td>
<td></td>
</tr>
<tr>
<td>Process</td>
<td>Formal and informal food support programs</td>
<td>Link between individuals with GOs and NGOs</td>
<td>Subjectivism</td>
</tr>
<tr>
<td>Content</td>
<td>Understanding of food and non food issues</td>
<td>Link between food and non food issues in exploring food security</td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors’ generated, 2017

This research assumes that food security is a social invention, and the boundaries of 3A’s model (availability, accessibility, and application/utilization) of food security are artificial, which means the boundaries are socially constructed. Social constructivism relies on constructions of something are mental, as with constructivism, but they are generated as much through social relationships and conversation as through interaction with objects (Hepburn, 2006: 39). Therefore, the exploration of meanings and understandings of food security based on the original words of different stakeholders associated with food security programs may represent different perspectives of food security.

In exploring those attached meaning of food security, we have adopted purposeful sampling because it allows us to choose research participants in such a way that the researchers are interested (Silverman & Marvasti, 2008: 167). In purposive sampling, participants are selected on the basis of their familiarity with the required information, willingness to reflect on the phenomena of interest, and level of interest to participate and spend the time (Spradley, 1979). We have selected the research participants with the foremost criteria of maximize the learning about food security from them.

We have performed the data collection and data analysis simultaneously. However, we gave special attention and more priority to data collection. In this regard, Bazeley (2013: 35) highlights that effective data gathering and sampling strategies can ensure quality of data for analysis. Considering that we have selected 18 research participants (see Table 2 for data collection sources along with the types of collected information) in such ways so that they would lead us to understandings, to assertions, perhaps even to modifying of generalizations (Stake, 1995:4).
Table 2: Data Collection Matrix

<table>
<thead>
<tr>
<th>Sources of Information</th>
<th>Types of Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Interviews</td>
</tr>
<tr>
<td>Extremely poor household heads (8 persons)</td>
<td>Yes</td>
</tr>
<tr>
<td>Local government officials (4 persons)</td>
<td>Yes</td>
</tr>
<tr>
<td>Local non-government officials (2 persons)</td>
<td>Yes</td>
</tr>
<tr>
<td>Members of civil society (2 persons)</td>
<td>Yes</td>
</tr>
<tr>
<td>National experts (2 persons)</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Authors’ generated 2017 (adapted from Creswell, 2007: 342)

This paper adopts a consistent and recurrent pattern recognition framework, which is shown in Figure 1. This data analysis framework explores the subjective understanding of food security while analyzing the descriptive information, and examines the objectivity of 3A’s model of food security through understanding the analytic information. During the data analysis, data triangulation has been carried out to generate aggregated meaning of food security from the collected multisource information.

**Descriptive**

Beginning of fieldworks

**Analytic**

Ending of fieldworks

= Consistent and recurrent patterns of food and non-food issues for food security in coastal areas of southwest Bangladesh

**Fig. 1: Conceptual Framework of Data Collection and Data Analysis of Food Security**

In this paper, we have positioned ourselves within the subjectivism paradigm, in contrast to objectivism in interpreting the results of research. In line with subjectivism, constructivists not only reject objectivity but also celebrate subjectivity (Guba, 1990:17). For the ease of data presentation, the interviews data are primarily discussed as aggregated form. The findings of the aggregated thematic data show how the concept of food security is grounded among different groups in coastal areas of southwest Bangladesh.

3. **Research site: empirical significance of data**

One-third of Bangladesh belongs to the coastal areas which occupies a population of 3 crore and 48 lakh (BBS, 2014). Considering three indicators namely influence of tidal waters, salinity intrusion, and cyclones/storm surges, 48 Upazilas or sub-district (third tier administrative unit) of 19 Zilas/District (second tier of administrative unit) of Bangladesh (Bagerhat, Barguna, Barisal, Bhola, Chandpur, Chattagong, Cox’s Bazar, Feni, Gopalganj, Jessore, Jhalkati, Khulna, Lakshmipur, Narail, Noakhali, Patuakhali, Pirojpur, Satkhira, and Shariatpur districts) are considered as coastal areas which are ‘exposed’ directly to vulnerabilities from natural disasters (Ministry of Water Resources, 2005).
Research site is selected in such ways that establish the representativeness of food security in southwest coastal areas of Bangladesh. The site is selected on the basis that it contains information relevant to research problems and questions related to food security. The selection of research site holds the ideas of ‘problem sampling’, which provides data of maximum relevance to the focus and questions of research (Layder, 2012: 121). Considering the administrative boundary, Rayenda Union (union is the smallest administrative unit in Bangladesh) is located in Sharankhola Upazila, which is situated in Bagerhat Zila, a southwest coastal Zila of Bangladesh. This research site is characterized by the frequent disaster and climate vulnerabilities due to its close vicinity to the Bay of Bengal of Bangladesh. Rayenda Union lies between 22°15' and 22°20' north latitudes and between 89°47' and 89°96' east longitudes (BBS 2012a). Like other Union Councils of the Bangladesh, Rayenda Union Council performs an important role for promoting food security through implementing the different programs associated with food namely Vulnerable Group Feeding (VGF) program under emergency relief activities, Vulnerable Group Development (VGD) program for risk reduction and capacity development, forty days work program for extreme poor, Food for Work (FFW) program, and Cash for Work (CFW) program (Rayenda Union Council, 2014).

4. Findings of fieldworks: addressing the methodological aspects

The findings of the interviews from multiple sources explicitly show three dimensions namely content, context, and process of food security. While analysing the interviews, we have primarily incorporated the ‘what aspect’ of food security with the content dimension. Later, we have explored the ‘why aspect’ of food security with the context dimension, and the ‘how aspect’ of food security with the process dimension in relation to the methodological framework. The links among the three dimensions along with their aspects of food security are shown in Figure 2.

![Fig. 2: Interlinking aspects among the three dimensions in methodological framework](image)

Considering the three dimensions, we have generated the aggregated thematic experiences of food security. The aggregated thematic experiences are then further classified into three different categories comprising the perspectives of extremely poor household heads, non-government officials and members of the civil society of Rayenda Union, and government officials of Rayenda Union and national experts. The following aggregated themes reflects the three dimensions such as content, context, and process of food security:
i) Aggregated thematic perception of food security of extremely poor household heads: the ‘what aspect’ of food security targeting the content dimension

“I think food support programs are very useful for us. We are properly utilizing the rice for our families. I think the amount of rice is not sufficient to maintain four or more than four members’ food demand in a family. Sometimes we get twenty kilogram rice instead of twenty two kilogram rice from the Rayenda Union Council. The Union Council keeps that two kilogram rice to maintain the operational cost of rice distribution. The Council members should not take anything from that rice so that poor people like us can get the right amount of rice.” - Karim Fakir (pseudonym), Fisherman, Household interview in Rayenda Union.

ii) Aggregated thematic perception of food security of the government officials and national experts: the ‘why aspect’ of food security targeting the context dimension

“The current vision of VGD support is to generate food surplus in poor households. Government thought that poor households would be able to save that food, which would ultimately help poverty reduction process. I think there are some flaws in the existing VGD guidelines. Whenever poor households are getting VGD, I have tried to understand whether they are taking VGD as extra surplus, savings, or support. In most cases, poor households are eating the whole amount of food in every month. On top, they think they can work less as they are getting VGD support. If this is the real scenario, then VGD should be after forty years.” - Asaduzzaman Milon, Chairman, Rayenda Union Council

iii) Aggregated thematic perception of food security of the non-government officials and members of civil society: the ‘how aspect’ of food security targeting the process dimension

“Some NGOs are also conducting earthen work programs as a part of food for work program. They give one hundred fifty BDT (Bangladeshi Taka) per day for their daily work. I think these works are making the poor people lazy. For example, if they work outside the program for the whole day, they can earn three hundred BDT. Again, if ‘Food For Work’ program comes for four hundred people, chairman and ward-members engage two hundred people to complete their works. The rest of the money unofficially goes to their pocket. Sometimes they don't offer works for the whole period. For example, if they are supposed to engage people for forty days, they engage people for around twenty to twenty five days. So, even that two hundred people don't get the opportunity to work for the whole period.” - Md Motahar Hossain, Headmaster of Rayenda Pilot High School, Rayenda Union.

5. Findings of fieldworks: links between institutional aspects and food aspects for food security

We have mentioned earlier that this paper has adopted the Interpretivist approach in understanding and conceptualizing food security with multiple dimensions. Interpretivism epistemology is widely used to establish intangible but strong social interactions and understand how people think when they are confronted with different social issues (Saunders et al., 2012; Collins, 2010; Littlejohn et al., 2009; Myers, 2008).
The findings of the interviews indicate the issues of food security have two aspects namely institutional and food aspects of food security. The interrelation between the institutional aspects and food aspects along with the aggregated themes generated by the different research participants are shown in Figure 3.

Fig. 3: Interlinking institutional aspects with food aspects in understanding food security

The data from the fieldworks reveal that the GOs and NGOs officials highlight food security with the institutional aspects. For example, “Many GOs and NGOs are working together for food security. But I think whatever we are implementing is very compartmentalize. NGOs have separate programs and GOs have their own programs. We need to develop strong coordination to improve food security of our targeted population. Many sectoral programs are going on targeting the same issue- food security. But I think until or unless if we are able to develop a strong institutional network, we are far reaching from improving food security through our programs” - Asish Kumar, ‘Proshar’ Project Coordinator-USAid, Sharankhola Upazila, Bagerhat

In relation to formal support programs of food security with institutional aspects, the findings of the fieldwork explores that GOs and NGOs are mostly performing output oriented activities and are keeping their focus on tangible benefits to formal food support schemes such as Food For Work (FFW), Money for Work (MFW) programs. Participants of both GOs and NGOs have indicated the issues of transparency and accountability as one of the crucial challenges of food security through those development programs.

While explaining the institutional aspects of food security from the extremely household heads’ perspectives, this research explores that extremely poor people tend to rely on their neighbors during their food insecurity though they can offer little help to each other. The in-depth interviews and focus group discussion reveal that extremely poor households put high emphasis on the non-food issues along with the informal support programs mostly from the neighbors. For example, “Government helps us with twenty two kilogram rice in every month. We can use that twenty two kilogram rice only for ten days, even sometimes for fifteen days. Then I have to work hard to arrange food for rest fifteen to twenty days. I beg every day from morning to evening. This way, I collect money, and I buy food with that money. Sometimes I can hear my kids are crying for food, and then I need to ask my neighbors for food. Sometimes they cannot even help us as they are also poor.” - Nur Hasan (pseudonym), Beggar, Household interview in Rayenda Union
Interviewees have pointed out that there is a clear link between the 3A’s model of food security and non-food issues of food security such as health, education, and place of living. The respondents have specifically mentioned that along with the availability, accessibility, and application/utilization aspects of food security, the non-food issues are playing dominant role for containing food security at household level. Also, respondents have acknowledged some other factors such as long and unsafe work trips, rigid working hours, and hazardous working environment hold links with their missing working days, which ultimately leads to income inconsistency resulting the households to food insecurity.

Finally, food insecurity often can be the result of lack of assets, education, health and attributes directly linked to ones well-being (Burchi & Muro, 2016; Candel, 2014; Barrett, 2010; Lobell et al., 2008; Brown et al., 2008; von Braun, 2008; von Braun, 2009; Bhattacharya et al., 2004; Maxwell, 1996). This study has explored that government and non-government officials have been credited to formal food support programs as well as food items. In contrast, the extremely poor household heads have well acknowledged the informal food support programs and non-food items in explaining food security. As this study is proposing a new approach to view food security holistically from two major stakeholders, i.e., extremely poor household heads, and officials working in different tier of government and non-government institution, we have prescribed to view food security in aggregated fashion comprising both food and non-food issues.

6. Conclusion

In this research, we consider the subjective interpretations of the food security from three different groups. In this respect, this research promotes the ‘constructionism’ paradigm to construct the meaning of food security accepting the multiple realities of food security. By applying this new paradigm ‘constructionism’ in understanding and constructing the meaning of food security, we hold a position that claims the existence of multiple meaning of food security ranging from only food associated with ‘objectivism’ to the links between food and non-food issues associated with ‘subjectivism.’ Finally, this research paper concludes that examining food security is not unidimensional; it is multidimensional. The concept of food security holds multiple meanings attached with general to specific contextual information, and we need to adopt the constructionism paradigm so that we could create the meaning of food security and explain the importance of incorporating non-food issues in conceptualizing food security in a developing country like Bangladesh.

7. References


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Abstract: This paper is a review of the book entitled “The neo-social economy”, edited in 2016 by LAP LAMBERT Academic Publishing. The team of authors (Chiriloaie Violeta and Marcu Liviu) approached social economy, an emergent field in Romania, offering to the readers an in-depth analysis of the term of social economy, considering 19th century economists’ vision and also 20th century realities, including social enterprises recent development.

Keywords: social economy, social enterprise.

JEL Codes: Y3.

1. Introduction

Social economy has become an important topic in recent academic debates, conferences, research studies, as well as a European priority nowadays, a time when Europe's economic and social patterns need to be rethought and reinvented, and social enterprises must become the engines of change, social innovation, inclusive and sustainable economic growth. As stated in the most recent report elaborated by CIRIEC-International, the European social economy is very important in both human and economic terms and it is a reality which should be considered by society and by policy makers, providing over 13.6 million paid jobs in Europe, the equivalent of about 6.3% of the working population of the EU-28, the employment of a workforce of over 19.1 million, including paid and non-paid, more than 82.8 million volunteers, equivalent to 5.5 million full time workers, over 232 million members of cooperatives, mutuals and similar entities and over 2.8 million entities and enterprises. (Mónzon J.L. & Chaves R., 2017)

In this general context of the concerns for social economy, we welcome the publication of the book “The neo-social economy” written by Chiriloaie Violeta and Marcu Liviu, which enriches the Romanian literature in the field of social economy, with an in-depth analysis of the term of social economy.

2. Review of chapters

The book has the main theme of “Defining the term of social economy”, and is divided into four chapters. The authors look for a standard operational definition of social economy, beginning with the 19th century economists’ vision, continuing with some experiments of social economy, with the story of the cooperative movement in 18th - 19th centuries Europe, and having a final chapter about the challenges of the 20th century - neo-social economy and the social enterprise. This scientific ‘search’ for the definition of the term ‘social economy’ carries the readers in a very interesting and brave approach of the authors, giving them the opportunity to understand economic phenomena related to social economy, different currents of economic

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thinking, social and economic evolutions across the time in Europe, old models of social economy organizations which can be met also in present, all these leading to the understanding of the social and economic rationale of social economy and social enterprises.

In the first chapter 1.1 entitled “The 19th century economists’ vision” the authors search the origins of social economy, going back in time to the 19th century when the economist Charles Dunoyer published a “Treatise on social economy” that advocated a moral approach to economics (1830), Frédéric Le Play founded International Society of Practical Studies of Social Economy (1856), John Stuart Mill advocated for the association of workers and joint ownership of capital by workers, and Leon Walras published his famous work “Study in social economy, theory of distribution of social wealth” (1896).

The second chapter 1.2 “Experiments of social economy” is about Robert Owen’s legacy, Charles Fourier’s vision on the ideal society and the Romanian Ion Ionescu de la Brad’s legacy who all his life tried to improve Romanian peasants’ life.

The third chapter 1.3 “Cooperative movement in Europe” represents an interesting incursion in the world of cooperatives, one of the oldest and successful models of social economy in Europe. It begins with the famous initiative of “the honest pioneers” of Rochdale (1844), continuing with the story of the honest and social trade from Lyon, and other examples of cooperatives in Europe such as: Hermann Schulze’s cooperative model, credit cooperatives of F.W. Raiffeisen, the Greek Common Company of Ampelakia, and the Romanian “Infratirea” Society of Savings from Braila.

After the captivating scientific journey from the first three chapters, in the last chapter 1.4 “Definitions of Social Economy in 20th century” the authors brings us in present, explaining and analyzing concepts such as the third sector, community economy, family economy, social and solidarity economy, social enterprise, considering also well-know approaches in the field: CIRIEC studies and EMES approach on social economy and social enterprise.

3. Conclusion

The book ends with an interesting conclusion about social economy and moral behavior, considering that having high moral standards in all the economic manifestations is a key to a sustainable social economy, and opening the way for future debates and researches on the topic.

4. References


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Abstract. This paper aims to explore the debate of why poverty is still prevalent throughout the world, in spite of a wide array of prescriptive economic development plans, by reviewing William Easterly’s erudite book, The Tyranny of Experts. The author of this book argues that conventional technocratic authoritarian approach is the real root of poverty, significantly neglecting the rights of the poor. After discussion, this book review article evaluates the strengths and weaknesses of the book as well.

Keywords: economic development, individual rights, poverty, technocracy, tyranny.

JEL Codes: O19.

1. Introduction

Why is poverty still prevalent throughout the world, in spite of a wide range of prescriptive economic development plans? William Easterly (2013), in his erudite and thought-provoking book, The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor, answers this question clearly, arguing that a lack of both liberty and the rights of the poor results in this vicious circle. In this regard, he presents the “technocratic illusion,” which has been the foundation of traditional approaches to economic development. This approach holds that poverty can be eliminated through technical solutions. However, this truly technocratic authoritarian approach neglects, according to the author, the real root of poverty, “the unchecked power of the state against poor people without rights” (p. 6). Easterly maintains that technocracy is the moral tragedy of contemporary development. Easterly, in the place of the authoritarian and technocratic developmental paradigm, suggests three dimensions for potential new research: An emphasis on history, non-national factors and the importance of spontaneous solutions in the domain of the market, technology, and politics.

2. Review of chapters

The real strength of this book lies in the way in which the author effectively justifies his argument by comparing two Nobel Laureates, namely, Myrdal and Hayek. Myrdal was a developmental economist who persistently argued the need for a technocratic authoritarian approach to eradicate poverty. He maintained
that governments should control individuals, the rights of the poor can be violated in the name of development, and the state should have responsibility for economic development (Myrdal, 1970). On the contrary, Hayek (1944), the author of the highly prestigious book *The Road to Serfdom*, challenges the assumptions of technocratic development and emphasizes individual rights as a means of escaping from poverty. Hayek holds that individual liberty and freedom are the sole truly progressive policy.

The author continuously stresses on “spontaneous order” through market competition as an alternative to the expert-solution mindset. Spontaneous order in the area of the market, rule of law and social norms, are the only way for human life to evolve. In addition, he points out the knowledge problem with conscious design, stressing that it suffers from the problem of lack of knowledge at the center. That is, tacit knowledge which can be acquired by “learning by doing” cannot be evaluated by problem solvers or experts. It can be primarily and only achieved by incentivized individuals. His argument is highly provocative and convincing, given that he specifically discards a utilitarian approach to development policy which can violate the individual rights and makes his point clear on the basis of a “rights-based approach.” Easterly also sheds light on the cost of oppression which would eventually lead to the consequences that block the development by triggering a sense of untrustworthiness. This lack of trust, says Easterly, will hinder trade and facilitate oppression. As an illustration, the AJA case and Colombian underdevelopment, both of which were caused by the long-term legacy of slavery and mining, are introduced. He persistently argues that oppression is a crime of opportunity.

In chapter ten, Easterly asks, “How much do nations matter?” showing the illusion of the GDP growth rate. The excessive focus on national development over individual development is a new type of tragedy, because this propensity will lead to forgetting the rights of the poor. What, then, is the right action for the nation that desires economic growth? The author answers this question, maintaining that the state should establish a political and economic system that can ensure the individual rights of political and economic actors.

How much do national policies influence long-term economic growth? According to the research findings of a World Bank study, there is only a weak correlation. Easterly calls the tendency for economic growth to be promoted through national policy “good luck,” because the fastest-growing countries in a given era do not generally correspond with those of the next. Further, the growth gap between states is not large, despite the fact that policy differences continue over long periods. For these reasons, the author emphasizes that national policy does not have much importance. Then, what actually causes large variations in growth? Easterly says these are due to “temporary factors,” such as natural disasters, international lending cycles, and commodity prices.

Not only do national policies not have that much of an effect, but economic growth too does not respond much. Easterly persistently argues that the examination of the history of the sacrifice of the rights of the individual in the name of maximizing national growth suggests only a weak proof for its paying off for individuals.

The reverence for the success story of national growth, according to Easterly, frequently results in granting countries more powers to seek this success. He urges that there be no more suppression of the rights of individual in the name of a national collective pursuit of economic success.

The author brilliantly calls the market an association of problem-solvers. Before getting into his stride in scrutinizing this issue, he asserts that the worst way to solve someone’s problem is to attempt to address this problem oneself. As a better way, he presents markets composed of a wide range of problem-solvers in which we can dedicate ourselves to solving the problems of others and we place full confidence in other people’s addressing our problems. He clearly illustrates the effectiveness of market in solving problems.
with the case of Chung Ju Yung. This founder of the Hyundai group was born in small North Korean village where severe drought persisted and the condition of cultivation is entirely inferior. He suffered from hunger and the low level of subsistence of his family caused by famine. Instead of trying to solve his problems by himself, he decided to participate in the association of problem-solvers, opening an automobile repair shop. He let others solve his problems, while he devoted himself to resolving others’ problem. Finally, he became a winner in the market, benefitting largely from it and with the assistance of multifarious problem-solvers in market.

This advocacy of the problem-solving system is not new. Adam Smith was the first who specifically explained the problem-solving system, and his well-known theory of the invisible hand, indeed, has become the philosophical foundation for the emergence of spontaneous order in the market. Although Smith’s argument is revolutionary, according to the author, it creates a lot of misunderstanding. Most classic defenders of the capitalist system have relied heavily on Adam Smith’s theories. Even though his key concept of the invisible hand became a target of harsh criticism, market proponents bring up The Theory of Moral Sentiment (1759) as an alternative. In line with this, Easterly suggests three significant ideas that make the invisible hand so convincing: 1) The division of labor, 2) gains from specialization, and 3) gains from trade. In this regard, the author presents social payoff and individual rights as the core principles of the most glittering problem-solving system.

Easterly suggests “the people model” to accelerate economic growth, instead of suppressing people, which could cause the infringement of their individual rights. This model emphasizes spontaneous solutions from the bottom and presumes that the number of fresh ideas is proportional to the number of people. In other words, the more population that exists, the more new ideas are created, so we can expect greater production in our market and society.

The author concludes by asking “what must we do to eradicate global poverty?” He suggests that we should care about the rights of the poor, not just about their bad material conditions. By the same token, we should guarantee the rights of the poor, the same way we do the rich. Easterly concludes in a highly provocative way, arguing that it is time to end unequal rights for rich and poor and simultaneously urging people to protest against the government when it tries to deprive the rest of their rights.

This book, however, also has some drawbacks, in spite of the author’s revolutionary and thought-provoking argument. First of all, this is a repetitive work: the author reiterates the essentials of his argument throughout his chapters. He often repeats the same words, concepts, and arguments throughout the book and this defect will eventually make the reader wonder why the author reiterates what he has already mentioned. Secondly, Easterly fails to suggest specific recommendations, focusing too much on the philosophical problems of an authoritarian approach to development. He spends most of his space on the issues around the individual vs. the collective. The book would be much improved if he presented an explicit proposal for future premises for development that will guarantee the rights of the poor. Thirdly, the author’s stance is highly defensive. In other words, he devotes a lot of space defending his argument against future critiques. Sometimes a defensive position is necessary to keep readers from misreading; however this overshoots the mark.

3. Conclusion

Nevertheless, the strengths of the book far outweigh the weaknesses. Easterly’s argument effectively breaks through the stereotype that expert solutions and the technocratic approach are indispensable for solving poverty problem, illuminating several useful examples and taking advantage of visual aids. This book clearly places an importance on the rights of the poor and the marginalized that has been traditionally neglected by
experts in the course of development. I think readers will be easily persuaded and aroused by his convincing logic to conclusions we would never have otherwise considered.

References