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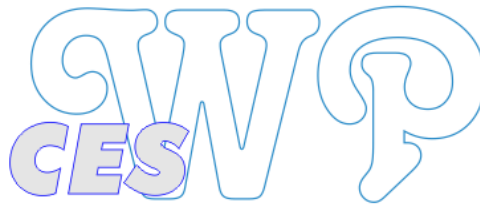
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French Press on the Romanian and Bulgarian Presidency of the European Union

Antoanela-Paula MUREȘAN*

Abstract

Bulgaria and Romania joined the European Union in 2007. For both of them, the taking over of the rotating presidency of the Council of the European Union has represented a crucial moment. Two former communist countries, east-central countries, have been in charge of the Council of the European Union. The article attempts to present some perception of the French press on the presidencies of these two countries, which has engendered a series of results indicating a subjectively different approach towards the Romanian and the Bulgarian presidencies of the Council of the EU. While the former has been regarded from a critical standpoint in the light of the internal political context, a more constructive view has been adopted in the case of the latter.

Keywords: European Union, Romania, Bulgaria, Presidency of the Council of the European Union

Introduction

The press is considered to be the fourth power in the state. And like any power, it has a tremendous influence, especially in the 21st century, a century of information and information consumption. Thanks to our digital technologies and internet access, we are now permanently connected to all news – i.e. the latest information. This paper aims to present the French journalists' perception of the presidency of Romania and Bulgaria of the EU Council. We have turned to five French national journals, La Croix, Le Parisien, Est Républicain, Le Monde and Les Échos, which allotted press articles before the taking over of the rotating presidencies of the two countries. The five have been picked so as to benefit from a representative spectrum of the French press, from the standpoint of the political ideologies favoured, but also because they pertain to the traditional, reputable segment of French media. They also have a reputation for covering international subjects in a comprehensive manner. The topic is important at present because of the emphasis made in current research on the fake news phenomenon, but also because the reflection in western media of the course of European integration in East-Central European countries needs to be checked for bias. In fact, the

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manner in which the French press has reflected significant events in matters of European affairs from countries such as Romania and Bulgaria has at times been somewhat controversial and, given the influence it may have on public opinion, we consider our case study on the important matter of the presidency of the Council to be welcome. The reputable press is expected to be objective, thorough in its research and informative, especially in a founding member state of the European Union, but its degree of understanding of European affairs in the former communist states is, in our view, questionable. Numerous political discourses and even some political parties in France have made a point of resorting to exaggerated criticism of Romanian realities, for instance, even before the country's integration into the Union, which has taken its toll on the diplomatic ties between the two countries and the image of Romanians working in France. For the first time in history, Romania (much like Bulgaria), has had the task of taking over the rotational presidency of the Council of the European Union, which should be a matter of national pride, but comes with great responsibility and expectations of a political, as well as a symbolic nature. These are some of the arguments that favour the study of the topic our research tackles. From a methodological point of view, we shall use a quantitative-comparative analysis, evaluating the themes discussed in the editorials, and a comparison between journalists' opinions on the presidencies of Romania and Bulgaria. Text analysis is the predominant method, as certified in literature by a number of prominent scholars (Kuckartz, 2000; Roberts, 1997; Titscher and Jenner, 2000).

1. The Council of the European Union. A few general remarks.

The bases of the Council of the European Union were laid in 1950, with the negotiations for establishing the European Coal and Steel Community (ECSC) Treaty (Eur-lex, 2019). Back then, four institutions were created, one of which was the Special Council of Ministers. Since its creation, it has suffered modifications in terms of denomination, structure, functions, attributes, so as to correspond to changing contexts. Originally, its role was to represent and coordinate the national governments and policies of the ECSC Member States. Following the signing of the Treaty of Rome of 1957, two other special councils were created, one for each of the two newly established communities - the European Economic Community and EURATOM (or the European Atomic Energy Community). Subsequently, upon signing the Brussels Treaty of 1965 (Eur-lex, 2009) and its entry into force in 1967, it was decided to replace the three existing councils with one, able to serve all three European communities. In the Treaty of Maastricht of 1992, the denomination was that of Council of the European Union but, in the Treaty of Lisbon of 2007, the name of the institution is simply the Council (Eur-lex, 2009). The Council is seen as the voice of the Member States, an institution that represents

their interests by adopting together with the European Parliament the legislation and coordinating European policies.

The Council represents the governments of the Member States of the European Union. It is composed of one representative at the ministerial level of each Member State, empowered to engage the government of the Member State which it represents and to exercise the right to vote (Art. 16/2). Consequently, there are no permanent members. (As long as they are ministers in their countries, they participate in the meetings). Depending on the topic discussed, the ministers of each Member State participate in meetings without fixed dates (every 1-3-4 months, depending on the 10 Configurations). The Council of the EU is a single legal entity, but it meets in 10 different 'configurations', depending on the subject being discussed (Council of the EU, 2019). These 10 configurations are:

- Agriculture and Fisheries Council
- Competitiveness Council
- Education, Youth, Culture and Sport Council
- Employment, Social Policy, Health and Consumer Affairs Council
- Environment Council
- Transport, Telecommunications and Energy Council
- Economic and Financial Affairs Council
- Foreign Affairs Council
- General Affairs Council
- Justice and Home Affairs Council

Although there are no differences between them, *three configurations deserve an outline: The General Affairs Council, The Foreign Affairs Council and the Economic and Financial Affairs Council* (Neill, 2017, p. 166), due to their activities.

Within the Council, each Member State shall hold the rotating presidency for a period of six months. The Member States holding the Presidency work together in groups of three, called Trios. *The Trios system, in fact, commenced in 2007 after the reform of the Council's rules of procedures. The Lisbon Treaty merely finalized this change.* (Bache *et al.*, 2015, p. 265) The Trio sets long-term goals and formulates a common program addressing major issues over a period of 18 months. Each member country prepares its own agenda for six months in what is called the *priorities*.

The presidency is responsible for driving forward the Council's work on EU legislation, ensuring the continuity of the EU's agenda, orderly legislative processes and cooperation among member states. The presidency has two main tasks, giving evidence of neutrality: planning and chairing meetings in the Council and its preparatory bodies, and representing the Council in relations with the other EU institutions. The presidency works in close coordination with the President of the

European Council and with the High Representative of the Union for Foreign Affairs and Security Policy. Responding basically to policies that affect our daily lives, the Council, due to the Lisbon Treaty, has the following functions: policy and lawmaker, meaning that it is stipulated in the Treaty that it negotiates and adopts EU legislation (TEU art. 16/1), together with the European Parliament, on the basis of proposals submitted by the European Commission, and coordinates EU countries' policies; negotiator - the Council shall frame the common foreign and security policy and take the necessary decisions for defining and implementing it on the basis of the general guidelines and strategic lines defined by the European Council (TEU, art. 26/2). It concludes agreements between EU and other countries or international organizations. *The Council shall authorize the opening of negotiations, adopt negotiating directives, authorize the signing of agreements and conclude them* and it adopts the budget. The European Parliament and the Council, acting in accordance with a special legislative procedure, shall establish the Union's annual budget (TFEU, art. 207 and 218).

The ministers of the country holding the presidency preside over the meetings of the 10 configurations, except for the Foreign Affairs Council, which is always chaired by the same person - the High Representative for Foreign Affairs and Security Policy.

In terms of its hierarchical structure, the Council is made up of: ministers who meet in the ten Configurations, COREPER or “Committee of Permanent Representatives of the Governments of the Member States to the European Union”, an organ composed of experts from national administrations specialized in a particular subject and their assistants, and “Council preparatory bodies” composed of around 150 committee and working parties.

The particularity of the Council is that it is made up of national government members that have to decide at international level. When attempting to achieve a rational institutional balance that promotes the values of the European Union, the Council along with the Commission and the Parliament represent the *Institutional Trio* of the European Union.

2. Analysis of journals

The context of our analysis is somewhat thorny for Romania, as it was for Bulgaria, upon its taking over of the Presidency of the Council. From an EU-centred perspective, it revolves around the rise in populism and a wave of anti-European feelings taking ever stronger roots in countries from the so-called New Europe, chiefly Poland and Hungary. As for Romania and, to a lesser extent, Bulgaria, while Eurosceptic voices barely make it to the eyes of the media, let alone the offices of government, conflicts with EU institutions and perceived abuse in matters of justice and, notably, human rights, have been reported of late. The stakes appear to pertain to at least two paramount

subjects, one of which is the control of the justice system, often camouflaged in the form of an alleged reform, while the other is the management of European funds. While the presidency of the Council does not make a country almighty in European affairs, it is certain that it endows it with a power of influence that is worthy of being studied from the standpoint of its ability to influence the European agenda. Hence, the press plays an important role in informing on the progress, agenda and eventual slips of a presidency.

The first article we shall comment on was published in *Est Républicain*, written by Aurélien Poivret (with AFP) (2019). The title is an open, incentive-based question, formulated in such a manner as to suggest a negative answer: *Can Romania preside over the European Union?*

The editorial underlines the challenges that Romania is likely to face during the presidency. These are chiefly related to Brexit and EP elections. Although Romania has been since its accession to the EU, in 2007, a Europhile country, in recent months, because of the Social Democratic government, the relationship between Bucharest and Brussels has become tense: *Romania takes the presidency of the European Union with a government that today frontally opposes Brussels.*

The judicial reforms proposed by the government are seen by the representatives in Brussels as a measure that enables corrupt Romanian politicians to evade prison, especially the leader of the Social Democratic Party, Liviu Dragnea: *Brussels believes that the justice reform project prepared in Bucharest is only intended to provide amnesty for elected and close officials of the Social Democratic Party in power (PSD) worried about corruption cases... Liviu Dragnea, former Prime Minister (sic!) already convicted for electoral fraud.* On the other hand, the Romanian government considers that these measures are only intended to correct the abuses of certain magistrates and prosecutors who are accused of having set up a "parallel state". President Klaus Iohannis is often seen as a Europhile, who fights against corrupt politicians, the only one who can genuinely represent Romania outside its borders.

Romania is also presented in economic and demographic terms, mentioning that the standard of living of Romanians is amongst the lowest within the EU: *The average gross wage is 970 euros, making it one of the poorest countries of the twenty-eight. (Since the fall of the communist regime in 1989, about 4 million Romanians have gone abroad to live, or 20% of its population).*

Romania's priorities during its mandate are presented extremely succinctly with reference to the webpage of the Presidency made by the Romanian Government. These pertain to *Europe of Convergence*, cohesion in Europe, the development of the EU's *social dimension*, *more attention to migration issues*, *Europe as a global player* and *Europe of common values*.

Liviu Dragnea and Florin Iordache, vice-president of the Chamber of Deputies, are the most outspoken voices against the European Commission, considering that Romania has the right to be

independent, to act according to its Constitution and to take its own decisions. *Liviu Dragnea, who is still considered the strongman of Romania, has described the European Commission as "unfair"...* *The vice-president of the Chamber of Deputies, Florin Iordache, also a member of PSD, was even clearer, adding the gesture to the word.*

The desire of Bucharest to protect its corrupt politicians, the tensions with Brussels on judicial reform, and cohesion as a priority are the main ideas of the article. *At the end of the Romanian presidency, the European Union could have changed its face.*

We shall deal with two articles published in *Le Monde* about Bulgaria's and Romania's presidencies. The first article is assumed by Cécile Ducourtieux (2018), while the article on Romania is assumed by a collective team.

The title of the first article is an educational one, dwelling on the social-economic condition of Bulgaria: *Bulgaria, the poorest of European countries, takes the rotating presidency of the EU.*

The challenges that Sofia has to face are related to finding an optimal solution to the issue of migrants and to the second phase in the negotiation process on Brexit. For Bulgaria, it is the first time that it has held the rotating presidency of the Union in the 10 years since it became a member of the EU. Therefore, without experience in this area, the European Commission helped it, by "lending" 40 officials to cope with the demands of the presidency. *For six months, the Bulgarian officials will be responsible in Brussels for organizing the European ministerial meetings, setting the agendas and working on the formation of consensus.*

Bulgaria's agenda is considered to be loaded and delicate due to the issues it should solve. In the last two years, Europe has been facing an extremely serious problem which has basically led to the shaping of two totally different opinions on the matter of migration. The countries of the former communist bloc reject the idea of "quotas", as this would affect the sovereign decisions of the Member States. This is the point of view of the Polish prime minister, shared by his Hungarian counterpart, Ludovic Orban. On the other hand, three countries, Italy, Sweden and Germany, believe that the Eastern European countries should grant material or logistical support to the issue of migrants. *Its most complicated task will probably be to reach an agreement on a subject that has deeply divided Europe in the last two years: migration.*

The role that Bulgaria must assume within the Presidency is one of neutrality, a difficult position to achieve, because before the crisis, in 2015, the position of the Bulgarian prime minister was more similar to that of the Hungarian leader than to that of Angela Merkel. Another important issue in this discussion is the fact that Bulgaria has a common frontier with Turkey of about 250 km.

Another extremely important challenge for Bulgaria is linked to the second phase of negotiating the Brexit agreement. The difficulty lies in the stubbornness of the British prime minister, Theresa

May, to offer the best trade deal, meaning not leaving the EU's internal market and customs union: *Prime minister Theresa May continues to promise her fellow citizens the best possible trade deal with the EU, while defending an exit from the internal market and the customs union, which will take a considerable toll on British economic actors.*

The multiannual financial framework, i.e. the Union's budget for 2021-2027, also represents a heavy stone test for Sofia. Due to the fact that Britain no longer contributes to the Union's budget, it will face a decrease of 10 billion euros a year. France and Germany aim to condition the distribution of funds on the existence of the rule of law, aimed directly at the "illiberal" excesses in Poland and Hungary.

With a GDP per capita nine times lower than Luxembourg's, Bulgaria hoped, much like Romania, to obtain the country's passport for the Schengen area. This is a major goal that the Bulgarian commissioner, Marya Gabriel, always emphasises: *It is an injustice that cannot last.*

According to the article, neither Bulgaria nor Romania deserved accession to the European Union: *The two states entered the EU through the small door because they were deemed insufficiently prepared.*

Sofia faced three major issues that require annual monitoring by the European Commission in order to observe progress/regressions. These were: corruption, organized crime and reform of the judiciary system. *In a report dated January 2017, the Commission regretted that "the fight against corruption is the sector where Bulgaria has made the least progress in ten years".*

Although the President of the European Commission, Juncker, in 2017, offered support for Bulgaria's entry into the Schengen area, this was hard to achieve because unanimity was needed in the Council. Bulgaria did not prove its fight against corruption even though the president of Bulgaria, Roumen Radev, was personally involved in it.

A loaded agenda - a battle over the budget, negotiations on Brexit, with a divided Europe on "quotas" for Member States on migrants, being closely monitored by the Commission, but with the strong support of Juncker to obtain the passport for the Schengen area, such were the challenges that Bulgaria had to answer.

The title of the second article from *Le Monde* (2019) is informative, but with a negative meaning *Worrying anti-European drifts in Bucharest.*

The relationship between Romania and Brussels is one of distrust, and the attacks on the rule of law in Romania have been increasing. These represent the central points of the *Le Monde* journalist reporting on the Romanian presidency. *The government in Bucharest has not yet fully understood what it means to preside over the countries of the European Union.* The words of Jean-Claude Juncker, President of the European Commission, give an idea of the worrying atmosphere in which Romania took over its first rotating presidency of the EU on Tuesday, 1st January.

According to the article, the Social Democratic Party's goal since winning the 2016 elections has been to launch *a huge offensive* against Romanian justice for the party leader, Liviu Dragnea, *the strong man of the Romanian power* to evade prison and become Prime Minister. In addition, the Romanian leader is on the edge of copying the model of Poland and Hungary of weakening the rule of law. Romania will have the difficult task to determine whether it will sign up on the agenda of the European Council (sic!) the procedure against the two countries mentioned above: *but Bucharest will have to decide in the next few months whether to include on the agenda of the European Council the procedure of sanctions against Warsaw and Budapest for undermining the independence of the judiciary.*

As stated in the article, PSD managed to increase the number of Eurosceptics through a speech that poor and rural Romania accepted and resonated with, while Romania's rich urban areas became apathetic and no longer eager to protest: *In a country so deeply pro-European, PSD has managed to advance Euroscepticism by targeting Brussels.* The cliché used by several personalities of PSD, in their favour, is that of the *influence of the foreigners*. The editorialists' perspective refers to the fact that the European Commission is careful not to activate *Article 7, which punishes states trampling their institutions*, (Hungary and Poland being examples of this particular situation) because it does not want to take drastic measures or to add other countries onto this list. In this regard, the European Commission uses all the instruments it has at its disposal in order to make countries respect its decisions. Consequently, it turned to the European Court of Justice in the case of Poland and for Romania's cases of corruption. Liviu Dragnea is given as an example for a fraud of 21 million euros' worth of European funds, which the European Commission's anti-fraud services brought to the knowledge of the Romanian justice.

A polarized Romania between urban and rural, increasing Eurosceptic discourses, corruption of the political leaders, these are the fundamentals that the article emphasizes with regard to Romania's presidency.

Derek Perrotte (2017) assumes the article on *Les Echos* concerning Bulgaria's presidency. The title informs about the priorities put forward by Bulgaria: *New President of the European Union, Bulgaria wants to help the Balkans.*

Bulgaria's priority is to help Balkan countries and provide a *safe, stable and solidary Europe*. European unity is another priority assumed by Bulgaria. Bulgaria primarily wants European *security with a focus on strengthening border control*. The author's opinion is that during the presidency, Bulgaria will have a limited role, because it is a small country which does not have the necessary force to promote great changes. Other European political personalities will make the rules, amongst whom we find Donald Tusk, the President of the European Council, together with the leaders of large countries, and will decide on matters of Brexit and the Eurozone. The author considers that although

the main priority is the relationship with Western Balkans countries in order to stop Russia's influence in the area, there will be no new EU members during the Bulgarian Presidency.

On the contrary, Estonia, the country from which Bulgaria took over the presidency, succeeded in meeting the goals it had set at the beginning of its agenda, in terms of the digital economy, climate, external borders or detached work, proving that a small county can make important changes during its presidency, which it is not the case of Bulgaria.

A rotating presidency without stakes, a limited role, no new memberships, western Balkan countries as priority, these were the leitmotifs of Bulgaria's presidency that the article brought to the forefront.

It is the same journalist (Perrotte, 2019) that writes about Romania, too. The title expresses the point of view of the author: *Romania takes over EU Presidency amid tensions with Brussels*.

Romania is starting the presidency in a period when three major events will occur: Brexit, the discussions about the EU budget and the European Parliament elections. Meanwhile, inside the country, the anti-Brussels speech is becoming more and more powerful: *the Romanian government is multiplying Eurosceptic declarations...*

Although when it entered the EU and in the years that followed Romania was a Europhile country, lately it has met with a certain authoritarian drift as the leader of the Social Democratic Party, Liviu Dragnea, considers that Brussels leads an *unfair policy* towards Romania, denying it *the right to have its own opinions*.

The tensions between Bucharest and Brussels started from the disagreement on the reform of the legal system. Brussels accuses Bucharest of failing the rule of law, citing two other countries, Poland and Hungary, which have confronted this issue. The author considers corruption to be generalized in Romania: *According to the European institutions, the manoeuvres of power undermine the fight against corruption, which is endemic to the country*. If Romania changes its legislation according to the desire of the Social Democratic Party, the EU may consider that Romania would no longer be credible at European level. *Tension could rise again as Bucharest says it is determined to adopt an amnesty decree that Brussels calls a red line*. The tense internal situation between President Klaus Iohannis and the leftist government does little but to aggravate the context of the presidency, so that the latter cannot have an innovative or ambitious agenda: *Romania will also find it difficult to speak with one voice as the coexistence between the left-wing majority and the centre-right president Klaus Iohannis, a convinced Europhile, is complex*. The journalist believes that Romania will finalize the current EU dossiers, but nothing more. The disbelief in Romania's ability to have an ambitious presidency is summed up by Juncker, who believes that Romania is not fully capable of assuming the presidency. The author's perspective regarding the negotiations on the EU budget for 2021-2027 is

that Romania will postpone the discussions, although he mentioned that it was the country in Europe with the greatest economic growth. (6.9% in 2017).

Authoritarian drifts, the tense internal cohabitation between the president and the government, generalized corruption in the country, attempts to change the judicial system to save corrupt politicians, the irrelevant agenda of the EU presidency characterize Romania's presidency at the beginning of 2019, according to journalist Derek Perrote.

With regard to the article published in *Le Parisien*, journalist Philippe Martinat (2019) opted for an ironic, suggestive headline: *Romania, another puzzle for Europe*.

The author considers that given the fact that Romania has taken over the EU presidency, another issue is added to the two extremely important ones, Brexit and the European Parliament elections. In his opinion, Romania, although a Europhile country at first, due to Social Democratic Party leader Liviu Dragnea, has made a populist and nationalist leap, extremely dangerous for the EU, much like Hungary and Poland. *The strongman of Romania, Liviu Dragnea, head of PSD and president of the Chamber of Deputies, was prevented from becoming prime minister because of his suspended prison sentence for electoral fraud, and has two other corruption trials pending.* PSD - seen as the heir to the Communist Party, does little but to antagonize President Klaus Iohannis, a declared Europhile, and Brussels, because the socialists want to amend the judiciary system in order to have the most corrupt politicians evade prison time. *Dragnea, who keeps pulling the strings in the government, is trying to push through a reform of the judicial system meant to muzzle the judges. Exasperated, the population took massively to the streets.* The internal cohabitation between president Iohannis and the leftist government is seen as a difficult one, leading nowhere.

Since the rule of law is attacked by these attempts, the European Parliament intervened with a resolution urging Romania to abide by this core principle. Moreover, even the President of the European Commission, Jean-Claude Juncker, considers that Romania cannot chair the EU: *The Bucharest government has not yet fully understood what it means to preside over EU countries.* Therefore, the mandate of Romania is seen as a very thorny one, and the Finnish presidency is expected with hope and trust.

With internal issues such as the tumultuous relationship between the President and the government, and the attempts of the socialist government to weaken the state, to which are added European issues - Brexit and the European parliamentary elections - Romania's presidency is seen as a very long one. *In July, Finland will take over. But by then, the six months under the Romanian presidency will be very long.*

The journal *La Croix*, through Agence France Presse (2017), characterizes the status of Bulgaria, both economically and as a member of the EU: *Poor and pro-European, Bulgaria takes over the presidency of the EU*.

Bulgaria's priorities are to build relations between Eastern and Western Europe and find the best solutions to the migration issue. Bulgaria is presented as the poorest country in the European Union. Another negative point is that the country suffers from endemic corruption. Nevertheless, the country has reached a certain level of stability, especially due to its Prime Minister, Boyko Borissov.

The purpose of the Bulgarians during their mandate is to convince European officials that they deserve the passport for entry into the Schengen area and the Eurozone, and consequently to improve the country's image.

Unlike the Visegrad countries (Poland, Czech Republic, Hungary and Slovakia) that have refused immigrants, Sofia has accepted the policy of reallocating refugees as it needs European money, so its attitude will be presented in terms of reconciliation. In this context, the slogan of Bulgarians is *Unity Makes Strength*. Aware of the importance of European funds for the development of their country, Sofia will maintain cordial relations with Brussels officials. The text brings into attention a quotation of a European diplomat who asserts that *Bulgaria is one of the few ex-communist countries in the EU that value European funds, which have provided 66% of its growth since 2007. It does not create difficulties in migration policy*.

Bulgaria's agenda is a busy one: from maintaining good relations with Turkey (*Mr Borissov also calls for improved relations between the EU and Turkey, with which his country shares 259 km of land border*) on the issue of migrants to the support for the Western Balkan countries in terms of EU accession, or the negotiations of the post-Brexit phase. These actions will be conducted under the auspices of reconciliation, Sofia's bet being that of a mediator within the EU. *With this conciliatory attitude, the government of Boyko Borissov sees itself as a mediator on the most difficult subjects*.

Seen as an expert on regional issue, Bulgaria's main goal is to help Western Balkans countries to gain access to the EU. Signs of encouragement from the EU are vital for these countries (Corpădean, 2018, 86-105): *An EU-Balkans summit is scheduled for May. Of the countries of the former Yugoslavia, and Albania, only Serbia and Montenegro have so far entered into accession negotiations with the EU. Bulgaria wants the EU to send signs of encouragement to this region: the progress of rail and road infrastructure projects, as well as the decrease in roaming charges for EU-Balkans telephony would be worthy of concrete progress*.

Endemic corruption, Bulgaria's priorities and agenda are revealed in the article as the main features.

Anouk Helft's title (2018) written for *La Croix* is a negative one, emphasizing from the beginning the helplessness of the Romanian presidency *Romania, a bad student at the helm of the EU*.

The journalist starts the article by quoting the President of the European Commission, who believes that Romania cannot preside over the Council, especially because the socialist government is trying to change the laws on justice. Europe is confronted with two important events: Brexit and the European Parliamentary elections. And as if these had not been enough, the Romanian presidency is also added. *However, the country of Central Europe, when it arrives at the presidency of the Council for the first time, increases the provocations against Brussels, which does not need this in a period when Eurosceptics multiply their attacks.* The relations between Bucharest and Brussels have deteriorated lately because of the PSD government, whose leader, Liviu Dragnea, wants amnesty for the corrupt politicians of PSD, including for himself. As in the other articles, the same worries are observed. *If adopted, this project would allow amnesty and pardon of individuals accused of corruption. The measure is likely to favour prominent members of PSD with a criminal record, including Dragnea himself, and is strongly denounced by the opposition.* The European Parliament reacted to the government's intention to reform the judiciary through a resolution in which it expressed its worries and preoccupations. The Parliament was *very worried about the redrafting of the legislation governing the Romanian judicial system and penal system.* The PSD government considers that Parliament's approach is *unfair* and has transformed European institutions into a target for criticism. Albeit the relations are tense, the journalist believes that the Romanian government will have to defend its image of a democratic state, and in addition, it needs European funds for the country's development. *Romania does not have any interest in quarrelling with the EU in the coming months.* Therefore, it will make a compromise. Brussels will also make a compromise with Romania, as it is unwilling to have tense relations with a state holding the EU presidency. The journalist draws the conclusion, considering that Romania, 30 years after the collapse of Ceausescu's regime, is the most polarized country in Europe. In the same regard, the fracture between a centre-right president, Iohannis, and a socialist government, shows nothing but an ideological and political cleavage between urban and rural Romania.

Deteriorated relations between Bucharest and Brussels, a worrying resolution of the European Parliament against Romania's attempts to weaken the state of law, tense internal relations between the president and the government, Brexit, the European elections, the EU budget for 2021-2027, these are the main leitmotifs on which the journalist has structured the article.

Conclusions

Bulgaria and Romania have benefitted, for the first time since they became members of the European Union, in 2007, from the chance to exercise the rotating presidency of the Council. The

presidency of the EU Council gives countries the opportunity to assert themselves on the international stage, as well as to accumulate image capital.

The editorials written in French national journals that we have focus our analysis on have an informative purpose and are endowed with the power of influence traditionally associated with the French press. A few constants are seen in all the journals analysed with respect to the Romanian presidency. It is thus noted an internal tense political situation between the centre-right president, Klaus Iohannis, a convinced Europhile, and the PSD government, a leftist one, considered to be somewhat anti-European – in the light of the usual approach encountered in the western press, this is not very surprising. Another constant refers to the fact that the PSD government wants to protect its perceivably corrupt politicians (Liviu Dragnea is given as an example in this regard) and for this, it strives to change the laws on justice. This is to some extent a reductionist view, which echoes some voices from the European Commission and the Romanian people, but fails to take into account the position of the Romanian government, often not at all included, against the customs of an unbiased media. According to the articles cited, the phenomenon has resulted in a split between Bucharest and Brussels. Therefore, the journalists consider that this attempt at changing the laws on justice would do nothing but weaken the rule of law, citing in this respect two states that have tried the same thing: Poland and Hungary – albeit without clearly making a case for this parallel. In our opinion, it is quite strange that the priorities and the challenges - the most important aspects of the presidency of a country - of Romania during its mandate (Brexit, the European elections, the negotiations for the 2021-2027 budget) are not discussed in any of the articles, thus leaving an information gap. We have also remarked that two articles contain some terminological inaccuracies (Dragnea is presented as former Prime Minister and the Council of the European Union is mistaken for the European Council).

On Bulgaria's presidency, on the contrary, the constant (two of three articles) makes reference to the priorities assumed, i.e. helping the western Balkans countries to join the European Union. Each article adds other information (from the support offered by the President of the European Commission to join the Schengen area up to the conciliating policy of Sofia concerning the "quotas" on migration issues, from endemic corruption to the fact that their mandate is limited).

The titles of the articles are subjective, reflecting the editorialist's opinions but doing little more. The titles with reference to Romania have a negative, ironic significance, inducing to the reader the idea that Romania will not be able to handle its new position in the European Union. As concerns Bulgaria, the titles express the economic situation of the country (two of three articles) in comparison with the EU Member States, and the third title indicates the priorities during the mandate.

Some articles take the two presidencies individually, others collectively, which is once again indicative of the propensity of the western media to associate Romania and Bulgaria, in the light of

the two undergoing an integration endeavour at the same time, but without drawing convincing parallels in this regard.

Not all of the journals analysed have had editorials about the presidency of both countries, showing that the presidency of Romania stirred up more interest than that of Bulgaria. From the five analysed newspapers, three offered editorial space to Bulgaria and five to Romania.

In conclusion, the leitmotif of the analyses revolves around the idea that the Romanian Presidency stirs many signs of concern, while Bulgaria was treated with more leniency. This is heavily reliant on the perception of the two countries' relations with the European Union at this time, which indicates that the French press, mostly Europhile, echoes this state of affairs, which takes its toll on the quality and completeness of the information it provides to the public.

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China's linkages and leverages in Central and Eastern Europe – a new challenge for EU

Bogdan Lucian CUMPĂNAȘU*

Abstract

Relying on the linkage and leverage theory, the paper aims at reviewing critical issues related to China's economic, cultural and political expansion in EU's Central and Eastern member states. Through the "17+1" format and "One Belt, One Road" initiative, China became an assertive competitor in Europe, acting on a "divide et impera" strategy through bilateral or multilateral negotiations, undermining the EU's cohesion. Also, the European Union is facing a movement of illiberal, nationalist or populist policies that occurred in the former Warsaw Pact countries which are trying to avoid Brussels' norms and therefore they are opened to other alternatives. In order to find out a pattern or relevant arguments for advancing a set of competing hypotheses or scenarios, a structured analytical technique will be applied, respectively "indicators or signposts of change", for the following countries: Bulgaria, Czech Republic, Hungary, Poland, Romania and Slovakia. In this regard, the key indicators will refer to: economic factors, the strength of the civil society, the force of the opposition or of pro-European parties and the degree of Europeanization in the analysed states. Thereby, the article will advance three important questions: 1) Is EU in competition with China and how the confrontation takes place? 2) Which are the EU's countries more likely to strengthen the partnership with China? 3) Which are the EU's own linkages and leverages in its Eastern part and how they can be used for stopping China's advancement? The results will strengthen the idea that China became a real competitive actor, trying to expand in Europe, where the peripheral ex-communist states have been placed in the core of the confrontation. Also, the article will demonstrate that EU facing a real economic rival has the capabilities to stand up and therefore act as an international power.

Keywords: European Union, Central and Eastern Europe, China, leverage, linkage, competition

Introduction

In recent years, European Union (EU) is facing a growing number of multilateral initiatives or bilateral negotiations promoted by important actors of the international system, such as United States of America (USA), Russian Federation or China, pointing out a major swift in the geopolitical architecture, EU's former partners becoming possible competitors.

EU proved that the Union can have divergent interests in relation with:

a) USA:

– JCPOA issue on Iran, Paris Agreement on climate change or North Stream II;

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– Trump’s Doctrine of selective isolationism (You, 2019) and the strategic American policy of providing LNG in Europe.

These misunderstandings determined USA to search for new partners within EU by developing a multilateral format of cooperation, respectively Three Seas Initiative.

b) Russian Federation. After Moscow annexed the Crimean Peninsula, it became obvious that the EU-Russia relations have deteriorated and moved from partnership to competition and could evolve into confrontation (Pop, 2016, p.61). Russia’s interference in influencing the parliamentary or presidential elections deployed in EU’s member states, by financing Eurosceptic parties or spreading fake news, demonstrated Moscow’s objective of dividing the Union. Also, energetic blackmail and maintaining EU’s dependence of Russian gas continue to keep Brussels vulnerable.

c) China. China’s increased economic and political footprint in Europe transformed the Asian state into a systemic rival or economic competitor for Europe, EU being forced to find a new approach in its relations with Beijing (Zeneli, 2019).

It is remarkable that the battle-competition is held in EU’s periphery, the Eastern and Central members being a target for Brussels’ rivals. In fact, these countries have a common communist past and part of them (Poland, Hungary, Czech Republic, Romania) are slipping in illiberal and nationalist republics, criticizing EU and European norms, looking for easy or immediately alternatives, without measuring the long-way risk. It turns that the post-communist countries are transforming into an EU’s Achille’s tendon and as a gate for China’s expansionist interests. Along with economic investments, Beijing is promoting an alternative model of governance and a less transparent use of finance, more attractive for some EU’s leaders that are currently attacking Brussels’ bureaucracy.

Therefore, the article aims at reviewing critical issues related to China’s economic, cultural and political expansion in EU’s Central and Eastern member states and their vulnerabilities to Beijing’s initiatives. In order to combat China’s assertive policies, one of the focuses will be on EU’s own linkages and leverages that can be used for protecting and strengthening Brussels’ cohesion and international power.

1. Theoretical framework

China’s increasing influence in world is related to its pragmatic approach, which “*has elicited strong animosity from western countries*” (Maru, 2013) due to the fact that Beijing’s attractiveness resorts in disrespecting international norms and standards of transparency (Maru, 2013). Therefore, China capitalizes on the corruption existing in states which seek for easy and nontransparent solutions to their own economic and infrastructural deficiencies.

In this regard, a hypothesis is launched: more democratization and Europeanization entails a less influent Beijing. Simultaneously, if the EU's linkages and leverages become stronger, then China's power decreases.

Levitsky and Way's linkage and leverage theory (LLT) is an useful theoretical tool for analyzing the dynamics of China's relations with the post-communist EU countries and separately, Beijing – Brussels statute.

LLT emphasizes the degree of democratization in the analyzed countries through the international influence, pointing out that “*governments in weak states with small, aid-dependent economies are more vulnerable to external pressure than those of larger countries with substantial military and/or economic power*” (Levitsky and Way, 2010, pp. 39-41). “*Leverage thus refers not to the exercise of external pressure, per se, but rather to a country's vulnerability to such pressure*” (Levitsky and Way, 2010, p.40).

According to the LLT, linkages represent a multitude of ties in different sectors (political, economic, social, diplomatic and organizational) and trans-boundary flows of capital goods, services, people and information.

Levitsky and Way refer to the geographic proximity as an important linkage, by favouring interdependence among countries, but also identify 6 dimensions of linkages:

- *economic linkage (flows of trade, investment and credit);*
- *intergovernmental linkage (bilateral diplomatic and military ties as well as participation in alliances and treaties);*
- *technocratic linkage (a country's elite that is educated abroad or has professional ties with universities or institutions from other state);*
- *social linkage (tourism, immigration, refugee flows);*
- *information linkage;*
- *civil society linkage” (Levitsky and Way, 2010, p.44).*

However, LLT has its own limits, confining to a set of quantifiable factors that underline if political regimes democratise or not (Hughes and Sasse, 2016, p. 314), without taking in account other relevant international actors, besides the West. In this article, linkages and leverages will be extended referring to EU-China relations from the perspective of their influence in CEE and determining which LL are stronger: promotion of democratic norms and values or pragmatic economic ties.

At the same time, China's expansion in Central and Eastern Europe (CEE) behaves as a snowballing effect. Beijing's expectations are relying on their successful initiatives in one or more

post-communist European states that will be capable of triggering a comparable favourable situation almost simultaneously in a different country (Huntigton, 1991, p. 33).

2. EU's linkages and leverages in Central Eastern Europe (CEE)

2.1. CEE states in transition – EU as a model of governance

After the fall of Iron Curtain and the removal of the oppressive communist regimes, the former Warsaw Pact members have voluntarily embraced the democratic values, EU being perceived as a model of governance. Hence, the new strategic goal for the post-communist countries had become EU's adherence, for which CEE states were willing to reform and democratize. Therewith, EU political model is represented by democratization and the effects of Europeanization can be applied successfully only on a democratized society (Cumpanasu, 2018, p.188).

Immediately after the collapse of communism, Western linkages rapidly developed in CEE countries by opening trade. Also, the former communist countries experienced a major flow of Occidental investors, media, NGOs, subsidiaries of multinational companies or universities (*Levitsky and Way, 2010, p. 87*). *“Moreover, linkage, geographic proximity, and security concerns motivated an unprecedented degree of Western intervention in the domestic politics and policies of Eastern European states” (Levitsky and Way, 2010, p. 88).*

In this regard, EU represented a fusion of linkages and leverages which permitted democratic conditionality in CEE states consistently and thoroughly, within this context the integration process meant that the reform in post-communist countries would engage in all sectors of public activity and interest (*Levitsky and Way, 2010, p. 88*).

EU promotion of democracy in CEE countries relied on two factors: convergence and conditionality. Before EU accession, convergence, defined as *“a system conformity produced by the spread and acceptance of democratic norms” (Kubicek, 2003, p.12)*, was a powerful tool in the post-communist countries. CEE states were discovering once again the common cultural legacy with Western Europe, part of the new elites were educated beyond the Iron Curtain or were Europhiles, the euro-vibrant civil society became to gain a more important role in the state's foreign and internal policies, while a successful economy meant open trade with EU.

In addition, conditionality expresses literary persuasion in adopting a given policy, by offering *carrots and sticks*. EU is not the only actor which uses these tool, other actors are doing as well, but is important to determine *“whether and under what conditions can conditionality actually work?” (Kubicek, 2003, p.17).*

2.2. CEE in EU – From Europeanization to illiberalism

Kubicek points out 4 important factors of conditionality: “*sizable carrots*” (powerful incentives offered by external actors), “*real sticks*” (the external actor is able to offer strong incentives), “*lack of alternatives*” (states are dependent by one or a limited amount of international actors) and “*transnational networks*” (Kubicek, 2003, p. 20).

After the former communist countries managed to obtain EU's membership, the most important carrot was consumed. Furthermore, EU's real stick, the trigger of Article 7 of the Lisbon Treaty, a mechanism intended for deterring member states from shifting off democratic path and European norms and values (Martin, 2018) and considered as a nuclear solution, has proved inefficient.

Poland, Hungary and recently Romania demonstrated that were capable of reversing almost two decades of constant Europeanization, towards a less democratic political turn. Characterized by an oligarchic leading class, with access both to national resources and European funds as well, the illiberal political movements that occurred in the Eastern members of EU challenge the rule of law by: interfering in judicial system, limiting or harming civil society and freedoms, controlling media and even crushing protest movements (Romania-Insider, 2018).

EU's major security threats, such as illegal immigration from MENA, economic crisis, major terrorist attacks in Western Europe and an aggressive Russia in East weakened the Union and favored populist and anti-European political movements to gain power.

Also, a dynamic multilateral world brought new powerful actors in Europe, and therefore the post-communist states faced new alternatives. The model of authoritarian governance, implemented with success in East (Russian Federation, China and Turkey) is tenting for the countries where EU's linkages and leverages become weaker.

Therefore, EU realized the importance of its own cohesion, and in the context of the Romanian Presidency of the Council of the European Union, the Sibiu Declaration, released after the Informal Summit of Heads of State or Government of the EU, pointed out a major swift in Europe's strategic goals, respectively strengthening EU's unity. Hence, the message urge for: “*defending one Europe – from East to West, from North to South because in the past millions of people fought for their freedom and for unity and brought down the Iron Curtain, which had divided Europe for decades; looking for join solutions; staying united, through thick and thin*” (Council of the European Union, 2019).

3. China's interests in CEE – a new competitor for EU

China's involvement in CEE has raised concerns in Brussels, Beijing's divisive strategy revealed its preference for a fragmented Europe (Pepe, 2017, p. 1). This behavior, completed by an increased political and economic mark in Europe changed EU's approach, China being considered, simultaneously:

- *“a cooperation partner with whom the EU has closely aligned objectives”* (European Commission, 2019, p. 1);
- *“a negotiating partner with whom the EU needs to find a balance of interests”* (European Commission, 2019, p. 1);
- *“an economic competitor in the pursuit of technological leadership”* (European Commission, 2019, p.1);
- *“a systemic rival promoting alternative models of governance”* (European Commission, 2019, p.1).

Therefore, Brussels describes Beijing for the first time as a systematic rival and the trend is to transform China from a strategic partner to a negotiating one. The relations between the two actors are sensible, due to the fact that *“China is the second largest trade partner for the EU, constituting 20 percent of European imports and almost 10 percent of its exports”* (Zeneli, 2017).

China's advance in CEE is characterized by Beijing's different strategic view on Europe, by splitting into *“two distinct zones consisting of the West and the East, based on variances in economic wealth and technological advancement”* (Zeneli, 2016). In this regard, CEE countries are perceived as an opportunity for China to *“leverage its growing economic and political influence with the EU as a whole”* (Zeneli, 2016).

China – CEE cooperation underlines a Beijing's *divide et impera* strategy, by negotiating bilaterally or multilaterally with the post-communist countries, in order to *“acquire national technological and industrial assets while bypassing EU regulations”* (Pepe, 2017, p. 3).

In the same time, together with economic and financial benefits, CEE states are interested to engage a strong relation with China from a strategic point of view, by transforming Beijing as a counterbalance to EU and Russia influence in the zone. Practically, CEE countries that usually promote their individual interest, have now an alternative that strengthens negotiation power in relations with EU and get a solution to Russia's blackmail in energy sector. Moreover, intensifying ties and linkages with China, EU leverages are weakened and EU common objectives are affected.

“17+1” format, part of the Belt and Road Initiative (BRI) promotes cooperation in trade, investment and transportation. BRI has also a geopolitical goal, China intends to become the world economic leader through an integrated transcontinental economic and commercial structure, under Chinese control.

Even though on the short period Chinese investments are attractive, examples of heavily indebted BRI countries to Beijing should concern CEE states. Practically, China is accused of *“leveraging its economic capacity to take control of strategically important infrastructure assets”* (Chan, 2019) and Beijing influence in CEE could use trade, infrastructure and investments to extend its influence on security and politics aspects.

EU measures for combating Chinese expansion in CEE

In the same time, EU perceived China as a competitor and Brussels is acting both internally and externally to limit Chinese influence, by:

- Challenging Beijing in Asia. In September 2018, Brussels launched EU strategy on Connecting Europe and Asia, *“with concrete policy proposals and initiatives, including interoperable transport, energy and digital networks”* (European Commission, 2018, p.1). The EU initiative can be perceived as balancing Chinese BRI, but based on European norms and principles.

- Forcing China to respect international rules. In order to protect its internal competitive market, EU is taking anti-dumping measures, the last European Commission investigations (2017) concluded that the Chinese government interferes with the industry sector, by offering significant state support to the producers (European Commission, 2017).

Therefore, in the EU-China: A Strategic Outlook document, Brussels expresses its will for a balanced relationship with Beijing, based on fair competition and market access by convincing China to make reforms in industrial sector (European Commission, 2019).

- Signing Economic Partnership Agreements with China's rivals. The EU – Japan Economic Partnership Agreement, signed in February 2019, created the largest open trade zone in the world which follows *“to increase the economic growth between the EU and Japan and removes the trade barriers”* (Chamber of Commerce and Industry of Romania, 2019, p. 2). Japan became a partner for EU due to a common support for democratic values and a global trade that respects international norms (Chamber of Commerce and Industry of Romania, 2019).

In conclusion, EU has the instruments to compete with China as a result of being a world commercial power, with a smart trade strategy. Despite numerous challenges, EU search for cohesion and unity and is important to determine the factors that could affect the Union, internally. EU remains committed to democratic norms and values, which continues to represent a powerful linkage within member states. Nonetheless, the selfish and irresponsible attitude of CEE countries could represent an Achile's tendon.

3. EU's countries more likely to strengthen the partnership with China

In this chapter, the statistical data analysis will demonstrate the hypothesis mentioned before: more democratization and Europeanization entails a less influent Beijing.

The indicators that were taken in consideration are related to:

a) linkages and leverages theory, such as economic linkages (Chinese direct investments in EU) and technocratic (the number of Confucius cultural institutes in the analyzed countries);

Data referring to intergovernmental linkage are difficult to explain, due to NATO's membership of CEE states and the inexistence of major shifts in this regard (as happened with the military relations between Russian Federation and Turkey, which represent a real risk to NATO).

Because China's soft power in Europe is projected especially through the cultural linkage, the Confucius institutes representing an important indicator, a real channel for Beijing to export its messages and an efficient tool to cultivate sinophiles.

b) values that define a country as a real democracy or an autocratic one (such as governance accountability, quality of democracy and freedom status), with a liberal or illiberal economy.

The applicability is detailed below (Table 1).

c) internal vulnerability of a country revealed through governance executive capacity. An inefficient or vulnerable state is more likely to make concessions in comparison with a strong actor, in order to gain easy and nontransparent financial support, which eventually could lead the country to a dangerous and instable path.

In this regard, Table 1 contains data related to the following indicators:

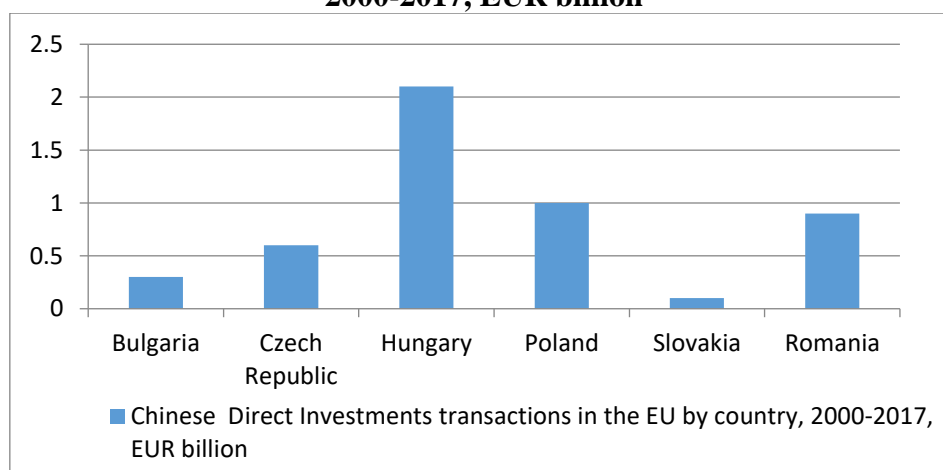
- Economic policies performance (values regarding labor markets, taxes, budgets, research and innovation or global financial system);
- Quality of democracy (electoral process, access to information, civil rights and political liberties, rule of law);
- Governance executive capacity (strategic capacity, inter-ministerial coordination, evidence-based instruments, societal consultation, policy communication, implementation, adaptability);
- Governance executive accountability (citizens' participatory competence, legislative actors' resources, media, parties and interest association);
- Freedom status (freedom rating, political rights, civil liberties).

Table 1. Quality of governance in Central and Eastern European countries

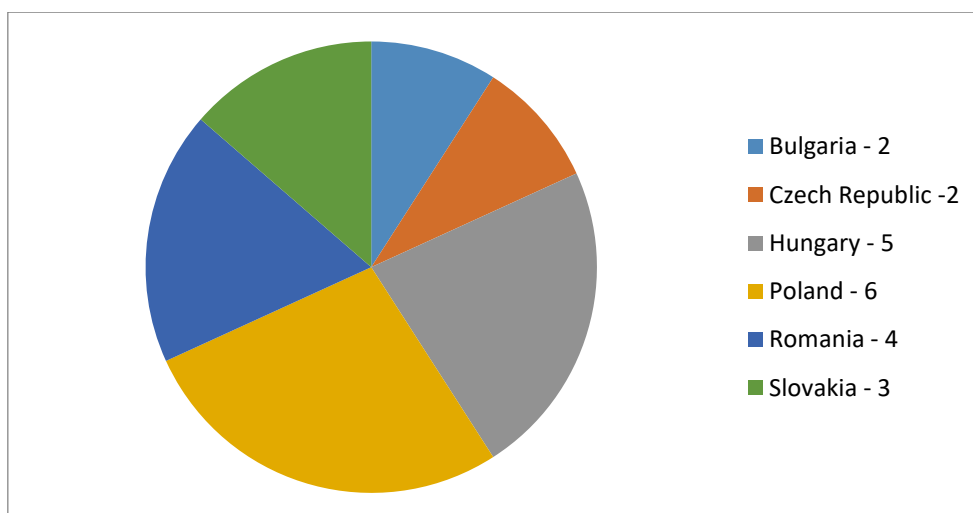
Indicators	Bulgaria	Czech Republic	Hungary	Poland	Slovakia	Romania
Economic policies performance	5,6	6,6	5,1	5,9	5,5	4,9
Quality of democracy	5,7	7,3	3,5	5,3	6,8	5,1
Governance – executive capacity	4,8	5,4	5,0	5,2	5,0	4,3
Governance – executive accountability	5,6	6,6	4,8	5,4	5,4	5,0
Freedom status	80/100	91/100	70/100	84/100	81/100	88/100

Source: Sustainable Governance Indicators Survey (2018) and United Nations Development Programme (2019)

In Figures 1 and 2 data about the Chinese Direct Investments transactions in CEE countries are included, between 2000 and 2017 and the number of Confucius Institutes.

Figure 1. Economic linkages: Chinese Direct Investments transactions in the EU by country, 2000-2017, EUR billion

Source: Hanemann and Huotari (2018)

Figure 2. Cultural linkages: China's Confucius Institutes in CEE - 2018

Source: Statista, 2019

The data from Table 1 is interlinked with the one in Figure 1 and Figure 2, and one conclusion is obvious: countries like Hungary and Poland, with the lowest indicators benefited of substantial Chinese investments. An explanation could be related to the fact that China's inexistent pressure against bribery or on the use of money makes it an attractive loaner for corrupt and illiberal countries. Also, Beijing could become an alternative for these countries if EU would impose conditionalities for accessing the communitarian funds by respecting the rule of law.

In case of Romania, the high Chinese investments could be the result of the generalized corruption and historical good ties with Beijing in the communist period, when Romanian experts in different fields were sent in China. Nowadays, some of them, educated as sinophiles in the communist period are occupying important governmental positions in Bucharest (G4media, 2019) and are trying to favor and promote Chinese interests in Romania.

The pragmatic economic approach of Czech Republic can explain the high Chinese investments. Also, misunderstanding with EU on the sanctions against Russian Federation intensified ties between Prague and other major actors, including China.

Being one of the most corrupt countries in EU, Bulgaria is vulnerable to Beijing's initiatives and as a forecast this state could become the new gate of China in Europe.

Slovakia, the country with the lowest funds from Beijing and consequently the best indicators is an example that China will not invest in strong and stable states where the rule of law is respected.

Related to the Confucius Institutes, the great values for Poland (6) and Romania (4) could be explained the geographical factors, the two countries being the biggest in the Central and Eastern Europe and also have a major strategic relevance for Beijing.

The anomaly is registered for Hungary (5), which demonstrates that Orban's regime is an important partner for Beijing. Therefore, data confirmed that the countries where China's indicators had the biggest rating (HU, PL, RO) are in fact the same states with the lowest values of economic policies performance (HU, RO), quality of democracy (HU, RO, PL), governance executive capacity (RO, HU), governance executive accountability (HU, RO, PL) and freedom status (HU).

In conclusion, the countries more likely to strengthen the partnership with China are influenced by the level of democratization and Europeanization; more critics are addressed to EU, more bridges are constructed with Beijing. Nonetheless, against two of these countries, Hungary and Poland, EU triggered Article 7. The case of Hungary is special due to the fact that this state represents the EU's weak link and is the most vulnerable to China's expansion in CEE. Also, Budapest has remarked by repeatedly contesting Brussels and governmentally promoting an illiberal movement.

Conclusion

EU's commercial power offered Brussels a great opportunity to act as a competitive global actor, especially in the economic field. EU's approach as a promoter of fair, transparent and innovative business, with respect for democratic norms and values represented a real soft power instrument and attracted powerful like-minded actors, such as Japan, Canada and even Mercosur region. Therefore, EU successfully managed to capitalize on its assets by expanding its competitive market in the world.

Brussels' new paradigm was integrated in 2016, in the EU's Foreign and Security Policy Global Strategy, by envisaging that:

- “EU will promote a rules-based global order with multilateralism as its key principle and the United Nations at its core” (European Union External Action, 2016, p. 8);
- “EU will engage with others” (European Union External Action, 2016, p. 8);
- “EU will be a responsible global stakeholder (...) we will work with core partners, like-minded countries and regional groupings. We will deepen our partnership with civil society and the private sector as key players in a networked world” (European Union External Action, 2016, p. 8).

This attitude also brought powerful competitors for Brussels which clearly demonstrated that they follow to limit EU's power and to access EU's know-how in different domains. The easiest way to stop EU's great economic power was to affect its own cohesion and unity and therefore, the CEE countries became a target. Characterised by a post-communist transition, corruption, populism and being more vulnerable to external factors than the Western states, but in the same time part of EU's market and administrative structures, CEE countries are attractive to Brussels' competitors.

Lately, EU demonstrated that the Union became mature and realised the threats which challenge Brussels' power in a more competitive and aggressive international stage. Therefore, the efforts for democratising the CEE countries need to continue and a more Europeanization, interdependent and interconnected Europe could defeat the populist movements and illiberal policies. EU still has sufficient *carrots* both for its members and also for the vicinity, but is important how to use and advertise them.

In conclusion, CEE countries cannot strive in a competitive world without EU, CEE countries still need reforms and also CEE countries should realise their great importance and potential by using them in favour of the Union, strengthening and not weakening Brussels'.

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Aspects regarding human capital and its influence on the competitiveness of firms in the European Union

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Abstract

Human capital represents the source of competitive advantage of a firm. The importance of human capital is acknowledged by firms. However, in an increasingly complex and turbulent environment many organizations face a lot of issues regarding the attraction, retaining and development of their most valuable asset. The approach chosen to solve above mentioned issues influences the competitiveness of the firm. The goal of the paper is to analyse the level and extent of theoretical research regarding the influence of human capital on the competitiveness of the firms, as well as issues related to firms' human capital development. Moreover, the paper presents the results of studies conducted in different European countries (comprising United Kingdom, Ireland, Netherlands and Sweden) regarding the relationship between investment in employee training and the effects on company performance. It elucidates that training generates positive effects on sales, value added, productivity, net profitability etc. Although the link between investment in human capital and company's performances is evident, the reciprocal connection – between companies' investment activities and skills of employees was pointed out.

Keywords: human capital, general training, specific training, firm's knowledge, company performance

Introduction

The aim of the paper is to point out the influence of investments in human capital on company performance, the correlation between human capital development and firm's competitiveness, to analyse the practices applied in human capital reporting, to identify how the perception of skill gaps influences the activity of European firms.

Human capital represents a specific resource of the firm, comprising the knowledge, skills and expertise of the employees. Human capital is perceived based on different dimensions and examined according to their influence on firm performance. Human capital is regarded as the intangible resources embedded in individuals and comprising the stock of competencies, knowledge, skills, expertise, and connections that individuals gain through education and experience (Becker, 1993).

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Employee training, as a tool in developing firm's human capital, is analysed through its effects on building skills and competencies on the one hand, and generating higher productivity, wage increase and innovation on the other hand. Training of employees orients towards both general knowledge and firm –specific knowledge. Firm – specific knowledge can reduce personnel turnover, raise productivity, allow implementation of specific managerial practices, generate innovations etc.

A large number of studies in the field tend to emphasize the relationship between human capital and innovation activity of the firm. Competitive advantage realized through human capital may be sustained, even if some of the knowledge is imitable, because human capital provides continuing superiority in the rate of knowledge creation and cost reduction over the life of a product and across multiple generations of products (Hatch and Dyer, 2004, p. 1157).

Human capital valuation represents a point of interest for many firms, since human capital is a strategic resource in gaining competitive advantage. For a firm to sustain its competitive advantage, the resources must also be inimitable and non-substitutable, to prevent rivals from replicating them. Thus, human capital, especially, the firm –specific one, is the most valuable resource of competitive advantage. Specific human capital is typically the product of individual learning and, in turn, enhances ongoing learning within the firm. Thus, human capital may be costly to imitate because it is firm-specific.

The resources – based view of the firm seeks to explain sustained differences in firm performance by identifying differences in firm resources. A firm with resources that are valuable and rare may generate a competitive advantage over its rivals, resulting in superior financial performance. (Hatch and Dyer, 2004) The stock of human capital in a firm comes from its employee selection, development, and use (Koch and McGrath, 1996; Snell and Dean, 1992). Firm-specific human capital is a resource that is fundamental to knowledge creation through learning by doing and is not readily expropriated by rival firms (Hitt *et al.*, 2001). To the degree that internal development results in human capital that is firm-specific, the human capital will be inimitable because rivals will not be able to put the human capital to the same firm-specific use (Klein *et al.*, 1978; Mahoney and Pandian, 1992). In addition to trying to generate advantage through the acquisition of superior human resources, firms may attempt to develop the human resources through investments in training. As training builds firm-specific human capital it speeds the rate at which human resources learn their duties, thereby improving their productivity (Hatch and Dyer, 2004, p. 1158). The human capital embodied in newly hired employees is not firm-specific, so firms work to develop the employees, making investments in specialized human capital that will improve their productivity (Hatch and Dyer, 2004, p. 1158). As training builds firm-specific human capital it speeds the rate at which human resources learn their duties, thereby improving their productivity (Hatch and Dyer, 2004, p. 1158). Thus, Hatch and Dyer (2004), concentrate on mechanisms of firm-specific human capital developing

through internal investment in the training of employees, including the process of learning by doing, and the competitive advantage that it creates.

1. Practices applied in human capital reporting

To measure the value of human capital is possible when there are quantifiable and specific data provided by firms.

In an increasingly complex and turbulent environment many organizations do not know the value of their most valuable asset, human capital [...] finding an effective way to record and report human capital issues will help firms identify critical sources of value, which in turn should allow them to better manage their human capital effectively to gain competitive advantage (McCracken et al., 2017, p. 138-139).

These researchers had undertaken a study on human capital reporting in the United Kingdom, concluding that most of the companies included in the study have been increasing their human capital reporting, and were doing more than simply fulfilling their statutory duties in this regard – they choose to make it in a narrative form, too, for the issues that cannot be directly quantified.

The companies in this study reported strongly in areas of employee training, health and safety, career development and employee leadership, succession planning. The results also show that analysed companies are moving away from wider intellectual capital disclosures to focus more on human resources issues. Additionally, metrics were employed to monitor employee engagement initiatives, and examples of these metrics included average sick days per employee, training hours per full-time employee and the percentage of employees in the appraisal process. Although human capital issues such as entrepreneurship, innovation, and employee wellbeing have increased in prominence, this contrasts significantly with more widely reported items such as expertise, employee training and health and safety, which demonstrated more modest increases. (McCracken et al., 2017, p. 138-139).

A study performed by Bryl and Truskolaski (2017) revealed that enterprises from developed nations report more complete data regarding human capital than companies from transition economies. The extent of human capital reporting and the quality of information is influenced also by two important factors: the size of the company and the industry.

Human capital data are more available to the general public in the sector of production and services in Germany, whereas in Poland the most disclosed human capital information belonged to companies from energy and mining industry. In the meantime, larger firms disclosed more

information on human capital compared to smaller economic entities, that were reluctant to provide the information to the general public.

2. Human capital development in relation to firm's competitiveness

Özer and Çam (2016) provided studies related to the role of human capital in firm valuation, with results suggesting that human capital indicators, that were used to capture the “other information” in firm valuation, can, actually, reveal the significant part of the unexplained variation in firm values. Therefore, human capital can be considered as value relevant to market participants due to the significant relationship with the market value of a security, because of this reason the public disclosure of these human capital indicators is important in making business valuation decisions. Market participants treat human capital indicators, especially personnel expenses, as a value-creating investment and therefore human capital related information needs to be reported in financial statements. In the meantime, management should make appropriate resources planning on compensation policies to create and manage human assets more effectively and efficiently and also to maximize firm's long- term competitiveness in the global market (Özer and Çam, 2016, p.176).

As Crook *et al.* (2011) state, firms possessing valuable resources, that others cannot easily duplicate or substitute for, will outperform competitors lacking such resources (Crook *et al.* 2011). Because investments in firm-specific resources can represent a source of enhancing capabilities, there are increasing requirements for firms to manage and govern these capabilities effectively, so that realized economic value creation can be achieved by firm-specific human capital. Firm-specific human capital is valuable because it helps employees make decisions that are congruent with a firm's unique strategy, organizational context, and competitive environment. Moreover, it is not easily transferred and applied in other firms, and this makes it difficult for employees to demand compensation that is commensurate with their full value to the firm (Crook *et al.* 2011, p. 444).

Mahoney and Kor (2015) emphasize that firm-specific human capital development is a co-production generated through investments, made both by the firm and its employees. However, the appropriation hazard can cause employees to refrain from making such investments. Rewards and safeguards provided by the firm have the potential to encourage and shelter those individuals incurring risk by choosing to co-deploy their time, energy and personal capital in building firm-specific assets and competencies and in developing collective social capital and trust with the firm's internal and external stakeholders (Mahoney and Kor, 2015, p. 301).

Approaching the resource-based view of the firm, Wang *et al.* (2007) emphasize the role of firm-specific resources, especially firm-specific knowledge resources, for enabling a firm to gain and

sustain competitive advantage. Since the deployment of firm-specific knowledge frequently requires key employees to make specialized human capital investments that are not easily transferable to other settings, employees with foresight may be reluctant to make these specialized investments. The appropriate use of the economic-based governance mechanism of granting employee stock ownership and a relationship-based governance mechanism of building firm-employee relationships can mitigate this underinvestment problem. The increased use of these governance mechanisms strengthens the relationship between the level of firm-specific knowledge and a firm's economic performance (Wang *et al.*, 2007, p. 36).

Almeida and Carneiro (2008) analysed the return on investments in human capital. The results of their analysis have shown that it is not possible to read the returns to firm investments in human capital from the coefficient on training in a regression of productivity on training. Data on direct costs is essential for computing meaningful estimates of the internal rate of return to these investments. The returns for firms providing training are substantial – between 6,7% and 8,6% increase in productivity (Almeida and Carneiro, 2008, p. 105).

Khan and Quaddus (2018) focused on dimensions of human capital and firm performance in a micro-firm context. Researchers have repeatedly recommended that human capital resources and capabilities can be a source of a firm's superior performance and success. As they stated, human capital can be perceived based on different dimensions and examined according to their influence on firm performance (Khan and Quaddus, 2018, p. 2). The researchers identified two groups of factors which can assist in the micro-firm's human capital measurement – demographic (education or explicit knowledge, experience, skills and age range of employees) and psychographic (tacit knowledge, extraordinary commitment, and voluntary labour). The model Khan and Quaddus (2018) suggested is based on the assumption that both demographic and psychographic factors positively influence micro-firm performance; demographic factors positively influence the psychographic factors, while psychographic factors mediate the relationship between demographic factors and firm performance (Khan and Quaddus, 2018, pp. 3-4).

The relationship between investments in human capital and the company's productivity was analysed not only in the case of micro-firms, but also in the case of small and medium enterprise (SME) internationalization process (Inkelinx *et al.*, 2016). As it stated by the researchers, an important element in the process of SME internationalization is the attraction and retention of key employees with prior export experience or knowledge about specific markets (Inkelinx *et al.*, 2016, p. 354). Their findings suggested that for small firms following an accelerated pattern of internationalization, higher productivity levels, which derived from investments in employee human capital, were critical. Companies that extend their international activity in an accelerated rhythm,

tend to be present in capital and skill intensive industries, where firms have specialized knowledge, and are exporting that knowledge in the form of unique products or services. However, the results were different in case of companies that extended their international activity in a gradual rhythm. Since this type of internationalizing firms access nearby markets, and, consequently, these firms do not need superior productivity levels in order to start exporting, they appeared to be less interested in investing in human capital or other intangible assets.

Other studies (Kianto *et al.*, 2017) related to knowledge-based human resources management practices, intellectual capital, and innovation activity in the firm have shown that knowledge-based HRM practices impacts a firm's intellectual capital, producing higher innovation performance; knowledge-based HRM practices impact structural and relational capital partially through human capital, and human capital affects innovation performance by enhancing structural and relational capital (Kianto *et al.*, 2017, p. 11).

Skaggs *et al.* (2004) emphasize the relation between strategic positioning in a firm (service customization, customer contact and customer co-production) and investments in human capital. When an organization standardizes its production processes, it reduces the cognitive demands placed upon employees involved in the production process. This, in turn, reduces the organization's need to invest heavily in developing and selecting human capital. As customer-employees' contact increases, organizations demand higher levels of human capital, in order to deal with the heightened information flows and variability resulting from this increased interaction. In a service firm, investments in human capital add to the level of organizational competitive advantage, for they create a resource that allows the firm to better cope with the potential uncertainty customers bring to the service environment (Skaggs *et al.*, 2004, p. 94).

3. The influence of investments in human capital on company performance – case of European firms

Those companies that make full use of the knowledge assets are considered to be the market leaders. The innovations, technological change and other factors affecting the growth rate and the capability to withstand strong competition have a strong impact on the total turnover or the market share in the line of business are linked with the knowledge (Kassay, 2013, p.135).

In order to perform on a competitive market a firm needs to constantly update its knowledge. The question that arises is the extent to which investment in employee training generates firm's performances.

Studies on results of training revealed that the benefit of enterprise-related training is high, both in terms of productivity and wage effects. Average productivity growth following training was found to be 16 %, while average wage growth was 3.3 % (Groot, 1999).

According to the results of studies training generates substantial gains for employers in terms of influence on sales growth (evidence from studies on Irish firms) (Barrett and O'Connell, 1999), on value added (evidence from studies on 94 British industries over 12 years) (Dearden *et al.*, 2000), on productivity (evidence from studies on 479 Dutch firms) (Groot, 1999), on net profitability (evidence from studies on a Swedish case study of programmers) (Hansson, 2004), value added, return on capital employed (evidence from studies on French firm-level data) (d'Arcimoles, 1997), on stock market return and sales per employee (evidence from studies on 314 US firms) (Bassi *et al.*, 2001).

Formal training courses have more impact on productivity than informal training. Specific investments are more significant for company performances in case of start-ups, while investment in general training proves to have more impact in case of companies that exist for a longer period.

General training functions as an insurance against personnel turnover, therefore firms should invest in general training and they should safeguard joint investments in specific training. (Glick and Feuer, 1994). Specific knowledge provides benefits to the firm by restraining personnel mobility, since the greater the extent of specific knowledge applied in the work of a certain firm, in a certain sphere, the greater are the expenses of the firm to hire a new employee instead of an old one. Firms use back-loaded compensation schemes that induce costs for individuals who change employer. Back-loaded compensations are defined as increasing wages with seniority over and above productivity increases.

The delay in training effects has also been an object of the study. It has been determined that the effects of training emerge one to two years after the training period, so they should be measured after at least one year from the point of the investment and, eventually, over a longer time horizon (according to the results based on French data and on Swedish information) (Hansson, 2004).

In the knowledge-based economy, investment in training and human resources management practices are prerequisites of innovation and are necessary to realize the productivity potential of new information or advanced manufacturing technologies. There is a multiple relationship between innovation patterns of the firms, innovation performance and training investment.

A distinctive feature of innovative firms is an elaborate human resource strategy materialized in innovative compensation packages and associated with a combination between frequent formal and informal training, continuous over time.

Innovative firms offer a close link to research institutions, thus enhancing innovation capacity. They rely on a highly qualified workforce and are more dependent on employees' abilities and competences in generating profit (Leiponen, 1996). In the meantime, skills shortage is a severe

obstacle to innovation. Studies show that firms owners' technical education and their prior working experiences, in addition to the technical skills of the workforce, have a significant effect on innovative capability. Thus, the proportion of higher educated employees in innovative firms is associated with profitability, meaning higher net profit margin, higher value added, an increase of revenues to cost ratio. (Hansson, 2004)

Investments in training generate substantial gains for firms even if employees can use this training in other firms. The evidence that employers' profit from training investments comes from different countries including United Kingdom, Ireland, the Netherlands and Sweden. The main findings on the impact of human capital on company performance are listed below:

- *United Kingdom* – Training has a positive impact on productivity and wages, with a twice as large effect on productivity. Formal training has larger impact on productivity than informal training.
- *Ireland* – General training has a positive impact on productivity, specific training has no impact.
- *Netherlands* – As the result of the training, average productivity registered a growth about 4-5 times larger than wage growth. Weak connection between who contributes to training investment and who benefits from the training.
- *Sweden* – The impact of training on wage is significant. The skills and competences of the individual are significantly related to profitability. In IT firms an increase in educational level leads to productivity growth (Hansson, 2004).

4. Perceive of skill gaps in European firms

The appropriate quantitative and qualitative structure of the firm's personnel is crucial for a right and judicious capacity utilization. Investment into human capital needs longer time to generate a return and its result is difficult to measure. Besides, another issue arises – retaining of employees that attended trainings and developed firm-specific knowledge. Emigration of skilled personnel, higher staff fluctuation are phenomena that lead to aggravation of the problem of the lack of firm-specific knowledge. Evidence of correlation between companies' investment activities and skills of employees was pointed out.

The EIB Group Survey on Investment and Investment Finance (EIBIS), performed in 2017, has shown that limited availability of skills is considered to be a problem by firms of different size (both large and small) and from different sectors (manufacturing, construction, infrastructure and the service sector). In the meantime, companies that are oriented towards a more innovative activity, as

well as companies that export their products abroad, tend to perceive a deeper lack of skills in their human capital.

Technological change seriously affects the quality of human capital. The spread of digital technologies increases the perception of skills lack, since these technologies require completely new qualifications. Companies may be reluctant to new technologies, if there is a fear that human resources will lack appropriate skills to implement these technologies. Introducing new technologies into the production process requires better technological and organizational skills, better understanding and knowledge.

Firms operating above capacity tend to be most concerned about the availability of skills. Thus, as the volume of activity of the firm increases its managerial staff may experience a greater lack of skills.

Perceptions of lack of skills is seen as an impediment to investment by 69% of firms in the infrastructure and services sectors, 75% - in construction and 77% - in manufacturing. Limited availability of skills is considered to be the main concern of the largest corporations, replacing uncertainty as the most frequently named obstacle to investment.

Firms that prioritize higher education and professional training consider the skills being an obstacle to investment. In the meantime, results of the study show that limited availability of staff with the right skills often is a more pressing concern for younger firms. Those firms that expect their investment to result in additional employment tend to see limited availability of the right skills as an impediment more frequently, potentially anticipating hiring difficulties. While concerns about skill gaps and shortages are prevalent among firms in the EU, they are particularly pronounced for countries in Central Eastern and South-Eastern Europe, representing an impediment for innovation-led growth model. In case firms face problems to hire and keep talented specialists this may affect the whole economy and slow down the generation of innovations. Thus, arises a need for developing entrepreneurial policies to keep staff at the working place and stimulate share of knowledge and skills. We consider this issue to be a distinct area for further research.

Conclusions

Human capital is a strategic resource in gaining competitive advantage. In this regard, firm's specific knowledge represents an inimitable asset. Human capital valuation is a matter of interest for many firms.

The results of studies performed on companies from UK, Poland and Germany show that companies undertake efforts to evaluate human capital in areas like employee training, health and safety, career development etc. UK companies are moving away from wider intellectual capital

disclosures to focus more on human resources issues. Human capital data are more available to the general public in the sector of production and services in Germany, whereas in Poland the most disclosed human capital information belonged to companies from energy and mining industry. The effects of education or skills/competence on company performance are generally more difficult to establish, as these factors accumulate and form the human capital stock.

Results of studies from specialized literature suggest that there are two groups of factors which can assist in the micro-firm's human capital measurement – demographic (education or explicit knowledge, experience, skills and age range of employees) and psychographic (tacit knowledge, extraordinary commitment, and voluntary labour).

Human capital and its training have a direct impact on firm's performance, the effects of education, skills and competences generate a change in such indicators as productivity, sales, profit, wages and innovations. A significant effect of training is the increase in wage, due to increased productivity.

Firms can extract profit both from prior education and general training investments, as well as from specific training. The benefits from the mentioned types of trainings depend on the specific nature of the firm's activity. As training builds firm-specific human capital, it speeds the rate at which human resources learn their duties, thereby improving their productivity. Firm-specific human capital is valuable because it helps employees make decisions that are congruent with firm's unique strategy, organizational context, and competitive environment, especially in case of services with a high level of customization. Technological change has a significant impact on the firms' requests regarding quality of human capital.

Perceptions of lack of skills is seen as an impediment to investment by 69% of firms in the infrastructure and services sectors, 75% - in construction and 77% - in manufacturing. Larger firms are more concerned of lack of specific skills.

Investing in human capital presents different patterns in case of companies that internationalize faster – they need specialized knowledge, in contrast to firms that extend their international activity slower – these companies are less interested in developing their human capital.

Competencies and skills which are partly reflected in educational attainment and work experience influence the capabilities to learn and innovate. Innovative human resource management practices and investing in employee training tend to be associated with positive company performance.

The deployment of firm-specific knowledge frequently requires key employees to make specialized human capital investments, to prevent fluctuation of staff and loss of investment into

training, thus, specialized mechanisms should be developed like employee stock ownership and a relationship-based governance of the company.

Undertaken study of the existing researches on issues related to firms' human capital reveal the main directions towards which this subject requires a deeper and more complex analysis in further researches.

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The effects of work stress and trust in managers on employee turnover intentions

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Abstract

Employee turnover is detrimental for the general performance of any company, thus the factors that enhance employees' intentions to leave their company should be identified and addressed. The present study examined the impact of work stress and employees' trust in managers in this respect. Work stress was conceptualized through three inter-related dimensions, workload, low rewards and overcommitment, which we expected to affect also employees' trust in their managers. The study was performed on a sample of Romanian employees from several work-sectors. Results show that all three dimensions of work stress are positively related to turnover intentions, and that employees' perceptions of low rewards and their overcommitment negatively affect their trust in managers. Moreover, the latter emerged as a protective-factor against turnover intentions. Overall, this pattern of findings indicates a significant influence of work stress on turnover intentions, which's partially mediated by its undermining effect on employees' trust in their managers.

Keywords: turnover intentions, work-stress, trust in managers

Introduction

As employees represent an essential resource for any company, turnover is a negative phenomenon that can incur important costs for the organization in recruiting and training new staff (Price, 1977; Staw, 1980). Moreover, past studies revealed that employee turnover negatively impacts the overall organizational performance. For instance, a meta-analytic review of the research on this topic found a significant negative relationship between employee turnover and organizational performance (Hancock *et al.*, 2013). The detrimental influence of employee turnover emerged as higher in certain types of companies, such as midsize organizations, and relative to certain types of employees.

Previous research on the determinants of turnover generally found that employees' decisions to quit the company stem from their perceptions of the current and future working conditions as being dissatisfying (Davy *et al.*, 1997; Sverke *et al.*, 2002). These perceptions lower employee loyalty towards their company and generate exit considerations, further leading to active behaviors of looking for an alternative workplace (Sverke and Goslinga, 2003). In what regards the actual specific factors

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that contribute to such perceptions of the working conditions, research has pointed out several distinct dimensions of work experience. Generally, employees who are less satisfied with their job, their pay and with their promotional chances, who are less committed to their work team and to their organization and who perceive that their company distributes rewards among employees in an unjust manner are more prone to quit (Griffeth *et al.*, 2000). An important area that impacts employee exit consideration is the management practices that are used in the company, as the same meta-analysis performed by Griffeth *et al.* (2000) found that the degree of leader-member exchange and participative management is negatively related to employee turnover, because they contribute to a working climate that is positively perceived by employees as being supportive for their job behaviors and workload.

One of the aims of this paper is to examine this general relationship between employee perceptions of their managers and turnover by focusing on one of the subjective dimensions associated to these perceptions, namely employees' trust in their managers. Generally, trust can be defined as the belief in the other person's credibility and benevolence (Larzelere and Huston, 1980; Doney and Cannon, 1997), and involves positive expectations concerning the other's future behaviors (Lewicki *et al.*, 1998). In the organizational context, vertical trust (i.e. employee trust in managers) has been found to be associated to positive outcomes, such as cooperation and work performance (Morgan and Hunt, 1994; Rich, 1997), and to have a positive impact on organizational processes (Krot and Lewicka, 2012). Similarly, employees who perceive their manager as honest and reliable are generally more satisfied with their job (Sgro *et al.*, 1980; Rich, 1997). These findings support our assumption that trust in managers is negatively related to employee intention to quit the company.

The present study also examines the influence of another potential factor of employee turnover, namely work stress, which often represents a major source of overall dissatisfaction with one's job and working conditions. Work stress occurs when the employee appraises his resources as exceeded by the requirements of his job (Lazarus, 1999; Urien Angulo and Osca, 2012). According to one of the dominant theoretical models in this area, namely the model of effort-reward imbalance (Siegrist, 1996), work stress depends on three dimensions of the relationship between the employee and the organization. The first dimension is that of the effort demanded by the job, in terms of workload, pressure and responsibility. The second refers to the rewards that the employee receives from the company for these efforts, in terms of respect, fair treatment, security and promotion opportunities. High costs (i.e. high levels of required effort) and low rewards favor the instilment of negative emotions, one of which being work stress. The third dimension is overcommitment, referring to one's inability to withdraw from work obligations and the feeling that job requirements are overwhelming.

Generally, work stress has been shown to lead to negative consequences in several organizational and personal areas. On the organizational side, work stress undermines job performance and generates negative work behaviors and attitudes (Barling *et al.*, 2005). On the personal side, work stress is associated to the feeling of overconsumption of energy, which can lead over time to burnout (Crawford *et al.*, 2010). Employee burnout represents an occupational disease stemming from chronic work stress and entailing depersonalization, emotional exhaustion, and feelings of reduced personal accomplishment (Maslach and Jackson, 1981). Consequently, prolonged work stress and burnout are associated to increased turnover intentions (Urien Angulo and Osca, 2012; Tziner *et al.*, 2015), which represent a manner in which employees aim to protect themselves from the sources of current stress and to preserve their resources by looking for another job opportunity elsewhere (Moreno-Jiménez *et al.*, 2012).

In the more general framework of work stress proposed by the model of effort–reward imbalance (Siegrist, 1996), work stress might also impact the degree of trust that employees have in their managers. All the three dimensions of stress described by this model can be directly impacted by managerial decisions. Managers usually have a considerable influence on the process of resource allocation (through performance evaluations and promotions, for instance) among employees, thus on the rewards that the latter receive for their efforts (Knoll and Gill, 2011). They are also responsible for work assignments, consequently influencing the degree of effort required from their employees and the potential overcommitment that could be instilled when job requirements exceed personal resources.

The present paper aims to examine the relationships between work stress, trust in managers and turnover intentions in a sample of Romanian employees. In line with the arguments above, we hypothesize that all the three dimensions of work stress, namely effort, low rewards and overcommitment contribute to employee turnover intentions. Moreover, we presume that these relationships are mediated by employees' trust in their managers. Specifically, we hypothesize that high levels of effort, low rewards and high overcommitment lower employees' trust in their managers, which further increase their turnover intentions.

Methodology

Participants and procedure

We distributed 290 surveys to employees in 14 companies located in the Iasi County, Romania. The surveys were anonymous, and confidentiality was ensured. 256 surveys were returned. In the final sample, 141 employees (55%) were men; mean age was 35 years. According to the criterion of

the work sector: 70 (24.6%) in the banking sector, 40 (16.1%) in the health sector, 51 (17.9%) in the industrial sector, 26 (9.1%) in the private school sector, 70 (24.6%) in the sales sector, 22 (7.7%) in private consulting

Instruments

Turnover intention was assessed with a 3-item scale (Bluedorn, 1982) that refers to employees' perceived cognitions (e.g. "I often think about quitting") and prospects (e.g. "I will probably look for a job next year") about quitting their current company. Respondents are required to rate their agreement with each item on a 5-point response scale with 1 = "Strongly Disagree" and 5 = "Strongly Agree". Higher overall scores indicate high turnover intentions.

Trust in managers was assessed with the 6-item scale developed by Cook and Wall (1980), which appraises two dimensions of trust, namely employees' faith in the trustworthy intentions of their managers (e.g. "Our management would be quite prepared to gain advantage by deceiving the workers"), and employee confidence in the ability of their managers (e.g. "Our firm has a poor future unless it can attract better managers"). The scale has been used to assess trust in managers in other research across several countries (e.g. Puffer, 1987). Respondents are required to rate their agreement with each item on a 7-point response scale with 1 = "Strongly Disagree" and 7 = "Strongly Agree". Higher overall scores indicate higher trust in managers.

Work stress was investigated through the effort – reward imbalance scale (Siegrist *et al.*, 2004), which addresses work stress through the theoretical model of effort–reward imbalance (Siegrist, 1996). The scale includes 23 items on three dimensions. The first is workload, addressed by six items (e.g. "I have constant time pressure due to a heavy work load"). The second is reward, which, in turn, taps three varieties of rewards that employees can receive from their organization, namely esteem (five items, e.g. "I receive the respect I deserve from my superiors"), job promotion (four items, e.g. "Considering all my efforts and achievements, my work prospects are adequate") and job security (two items, e.g. "My job security is poor"). The third dimension is overcommitment, addressed by six items (e.g. "Work rarely lets me go, it is still on my mind when I go to bed"). Respondents are required to rate their agreement with each item on a 5-point response scale with 1 = "Strongly Disagree" and 5 = "Strongly Agree". The scores on the reward dimension were reversed, so that higher overall scores on the instrument indicate higher work stress.

Data analysis

Firstly, we assessed the internal consistency of our research instruments through their mean inter-item correlations, computed in SPSS 20.0 (see Table 1). Secondly, we computed the Pearson correlations between variables (see Table 1). Thirdly, we assessed the adequacy of the proposed causal model between the four variables of the research design, through structural equation modeling in AMOS 18.0. This approach allows the estimation of the statistical adequacy of a complex model, through several indexes (Byrne, 2001), as well as the changes in the relationships included in the model that would improve its adequacy, (i.e., Modification Indexes). In order to evaluate the goodness-of-fit of the model, we used the following indexes: the chi-square statistic, the Goodness of Fit Index (GFI), the Comparative Fit Index (CFI), the adjusted goodness-of-fit statistic (AGFI) and the Root Mean Square Error of Approximation (RMSEA).

Results

Table 1 presents the descriptive statistics for all the scales used in the study, and also the inter-item correlations of each instrument and the Pearson correlations between the scales. The inter-item correlations indicate that all scales have satisfactory internal consistency. The pattern of correlations corresponds with our hypotheses, with employees' intention to quit significantly and positively related to the three dimensions of work stress and negatively to their trust in managers, the latter being also negatively related to workload, low rewards and overcommitment.

Table 1. Means, standard deviations, internal consistency and Pearson correlations between variables

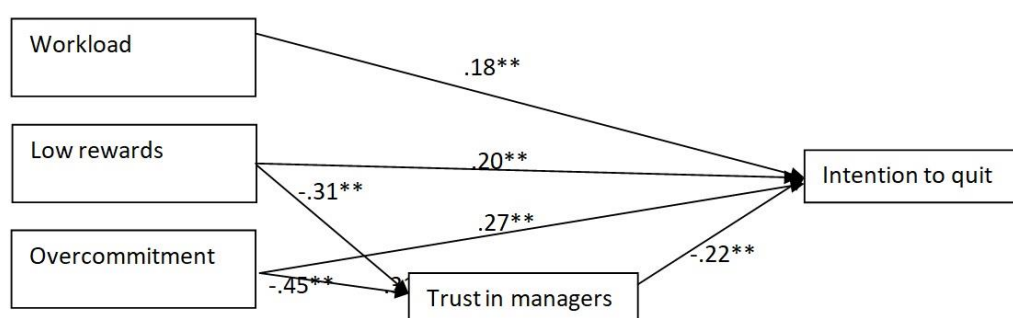
	Mean (SD)	Mean inter-item correlation	2	3	4	5
1. Workload	3.3 (1.12)	0.25	0.28	0.31	-0.27	0.41
2. Low rewards	3.44 (1.03)	0.30	1.00	0.25	-0.34	0.42
3. Overcommitment	3.22 (1.04)	0.32		1.00	-0.43	0.51
4. Trust in managers	4.15 (1.27)	0.27			1.00	-0.52
5. Intention to quit	2.44 (1.00)	0.31				1.00

Note: all correlations are significant at $p < 0.01$

Next, we used the structural equation approach to assess whether the hypothesized model of relationships between these variables, which includes causal effects on distributive and procedural justice on pay satisfaction, as well as of the latter on work motivation, has an adequate fit to the data. The indexes of model fit resulted from the analysis of this model suggest a modest fit of the model to the data: $\chi^2_3 = 74.25$, $p < 0.01$; CFI = 0.74, AGFI = 0.54, GFI = 0.91; RMSEA = 0.30 (with a 90%

confidence interval 0.25 – 0.37). The parameters of the model estimates indicated that one of the relationships in the model, namely the influence of the *workload* dimension of the effort–reward imbalance scale on trust in managers, is not statistically significant ($b = -0.11$; $p = 0.1 > 0.05$). Since such weak relationships affect the overall fit of the models tested through structural equation modeling, we eliminated this influence and re-tested the model. The second set of results show an improved degree of model fit: $\chi^2_4 = 76.93$, $p < 0.01$; CFI = 0.75, AGFI = 0.66, GFI = 0.91; RMSEA = 0.26 (with a 90% confidence interval 0.21 – 0.32), but still below acceptable levels according to the statistical guidelines in this area (Byrne, 2001). Next, we analyzed the modification indexes in order to check whether the statistical adequacy of the model could be increased by adding certain relationships. The modification indexes indicated that model fit can be improved by adding direct causal relationships from all the three dimensions of the effort–reward imbalance scale to the final variable in the model, namely intention to quit, besides those mediated by trust in managers. We re-specified the model by adding this influence and re-analyzed its model fit. The indexes generated by this step of the data analysis were: $\chi^2_1 = 2.64$, $p = 0.10 > 0.05$; CFI = 0.99, AGFI = 0.94, GFI = 0.99; RMSEA = 0.08 (with a 90% confidence interval 0.00 – 0.21). They indicate an adequate fit to the data, and no additional modifications that would increase model fit. All the regression weights between variables were significant at the 0.05 level. Figure 1 presents the strength of the influences between variables through the unstandardized regression weights of the influences in the model.

Figure 1. The unstandardized regression weights of the effects in the final model ($p < 0.001$)**



Discussion

Previous investigations revealed that employee turnover affects the performance of the organization as a whole, especially when those who decide to leave hold key positions within the company and/or are among the high performers (Hancock *et al.*, 2013; Holtom *et al.*, 2005), and also leads to significant costs in training and recruiting the new human resources hired to replace the

leavers (Staw, 1980). Consequently, the topic of the determinants of turnover intentions is of great importance in the current competitive economy. Our research focused on the potential effects of two such determinants that stem from employees' subjective appraisals of their work and management. Albeit they refer to different areas of work-related perceptions, namely stress and trust in management, they were found to have significant relationships and to consistently impact employees' turnover intentions. Specifically, the three dimensions of work stress emerged as significantly fostering turnover intentions; moreover, in case of two of these dimensions, i.e. low rewards and overcommitment, this influence was partially mediated by employees' trust in managers: they negatively impact vertical trust, which further undermines employees' attachment to the company, thus increasing their intentions to quit.

The relationship between work stress generally and turnover intentions is in line with other influences of the former on various work behaviours and attitudes that were highlighted by previous research (Barling, Kelloway, and Frone, 2005). Employees who reach a high level of work stress are feel an intense dissatisfaction with their current work, which not only generates negative attitudes and behaviors towards their job and organization, but also makes them more prone to quit the company. One of the theoretical frameworks that directly addresses this relationship is the Conservation of Resources Theory (Hobfoll, 2001), which states that one of the fundamental employees' needs is to preserve, renew and enhance their resources that they are require to invest in their work. When job demands threaten this personal balance of resources, employees experience work stress, which motivates the respective employee to consider leaving their present work and to search for an alternative workplace that would be less taxing on their resources (Moreno-Jiménez *et al.*, 2012). This influence of work stress on turnover intentions, previously tested especially within Western organizations, emerged as significant also in our Romanian sample. Moreover, all the three components of work stress that were addressed by our research (i.e. workload, low rewards and overcommitment) emerged as significant factors of turnover intentions. Further studies should examine the specificities of the stress factors that are more detrimental to Romanian employees' loyalty to their company among those highlighted by the research on companies in other countries.

Our results also support the hypothesis of the negative relationship between trust in managers and turnover intentions. Thus, they indicate that employees' trust in managers is a significant factor that prevents their considerations to leave the company; on the other side, employees whose trust in their superiors has been undermined are more prone to actively look for alternative job opportunities. This confirms the important role of vertical trust in organizations, as a general condition for internal work processes to properly develop (Krot and Lewicka, 2012; Bennis and Nanus, 1985). In what regards employee turnover, lack of trust in managers has a negative effect on cooperation and work

performance (Rich, 1997), as well as on job satisfaction (Sgro *et al.*, 1980), thus making employees more prone to feel unfit to their current job and consequently to consider leaving the company.

The pattern of results emerged in our research also indicates a negative effect of work stress on employee trust in managers. The conceptualization and measurement of work stress that we adopted also allowed us to highlight the dimensions of this subjective state that have the highest impact on vertical trust. In this respect, we found that two components of work stress are especially detrimental for employees' trust in their managers, namely low rewards and overcommitment. The first connection has been already delineated in the theory of effort–reward imbalance (Siegrist, 1996) through which work stress was defined and measured in the present research. Specifically, according to this model, an important determinant of work stress is employee's perception that the rewards allocated by the company for one's input are too low, at least when appraised against the amount of resources that the respective employee is expected to invest in his/her work. Such feelings of being rewarded unfairly not only generate stress, but also undermine employee attitudes towards the sources of this unfair treatment, i.e. managers. Our results confirm this assumption by highlighting a negative influence of this component of work stress on employees' trust in managers. Moreover, managers are responsible not only for the process and criteria of rewards allocation, but also for the employees' workload, as they are expected to set deadlines, and distribute tasks and required effort among employees in manner that would minimize their physiological and psychological work strain. Consequently, they are the first in line to be blamed when job requirements start to exceed personal resources. Our results confirm this line of reasoning, by showing that employees who perceive that they over commit to their work have lower trust in their managers than the others.

Among the limitations to this research, it should be noted that we did not test or control the effect of certain important variables, such as work sector. Further studies could examine the relationships between work stress, vertical trust and employee turnover intentions in specific economic sectors, since it is likely that this pattern of influence would vary according to the nature of the specific work tasks that employees are expected to perform. Cross-cultural studies could also compare the impact of work stress on vertical trust and turnover intentions in companies from different countries, thus examining the importance of local work culture in what regards the effects of work stress. Another limitation of the current study is that it was performed in a transversal and correlational fashion, which cannot attest the causal relationships inferred between its variables. We also used turnover intentions as a proxy for actual turnover, in line with other studies in the same area (e.g. Lo, 2015) and with research results that suggest that employees' intentions to leave the company are the best predictor for actual turnover decisions (Steel 2002). Nevertheless, since there also may be significant differences between the two, a more comprehensive research on the effects of work

stress and vertical trust could focus on the comparison between employees who decided to leave the company and those who have remained.

Conclusions

The study findings suggest that work stress has a detrimental effect on employees' loyalty to their company, as they increase their turnover intentions. While this influence emerged as significant from all the three components of work stress, i.e. workload, low rewards and overcommitment, we also found a parallel effect mediated by vertical trust: employee perceptions that they are under-rewarded for their efforts and their overcommitment undermine their trust in managers, which further enhances their turnover intentions. Overall, the results stress the importance of designing and implementing organizational policies aiming to reduce stress in the workplace. They also recommend that managerial decisions that affect workload and the distribution of rewards among staff are fully explained to employees in order to counteract all factors that could undermine their vertical trust. Several limitations of the study should be also noted (i.e. its transversal nature and the lack of control of certain potentially important factors). Further research should investigate in more detail and in a more systematic fashion the specific factors of work stress that affect the Romanian employees, and that are particularly detrimental for their trust in managers and for their loyalty to their organizations.

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Exploring the consumer profile of students. An economic approach

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Abstract

The study presents the main features of consumer behavior patterns from an economic perspective (Marshallian, Pavlovian, Freudian, Veblenian, and Hobbesian models). Based upon the qualitative analyses (which have used the information from two focus groups and the student's statement related to the importance of various categories of expenditure, valued on a 5-step scale) and quantitative analyses (which aimed the actual student allocations per expenditure category), the consumer profile of the students learning in the city of Iasi was achieved. The results of the qualitative research reveal that the student's consumer behavior profile corresponds to the Freudian model (based upon attitudes, the intensity of needs, opinions and motivations), and the results of the quantitative analysis reveal that the student's consumer behavior profile corresponds to the Veblenian model (based upon the desire to obtain a certain prestige rather than the motivation to satisfy needs). The study confirms the results of previous research, according to which the rationality of decisions to meet individual needs is strongly influenced by circumstances.

Keywords: students, consumer behavior, consumption needs, utility, behavior patterns

Introduction

The economic psychology studies have revealed that the consumption demand of individuals (and students) is based not only upon needs, but also on their wishes, expectations and aspirations (Morar and Pizmas, 2001). The neo-classics (V. Pareto, J. Hicks, G. Debreu, M. Allais) have argued that identical goods have different economic utility for different people, given the intensity of needs, the quantity consumed, the sacrifice made for obtaining the goods, the consumption habits and the environment (Iancu, 1993). But by confronting *the desirable* with *the possible*, the consumer does not only consider his preferences or desires; he is also obliged to take into account *the budgetary constraint* (the limit imposed on the consumer's choice of the size of his income and the price level). From the economic viewpoint, *the usefulness* of a good is defined as *its ability to satisfy a need or desire*. As consumers, the students aim to maximize the satisfaction by using the limited resources they have at their disposal; in other words, they seek to maximize the economic utility, based upon the hedonistic principle.

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The literature shows that the Theory of Planned Behavior is frequently used in the prediction of consumer behavior (Švecová and Odehnalová, 2019); this theory is based upon the assumption that the consumer will behave in a specific way if he is motivated by a specific intention (Dowd and Burke, 2013). The most important determinants of consumer behavior are the personal attitude, the subjective norms and the conscious control of behavior (Zagata, 2012). The personal attitude is appreciated to the extent to which the consumer believes the goods are providing the greatest satisfaction/utility. When the consumer behavior is influenced by family, friends, colleagues, etc. (who believes that a certain behavior is correct), subjective norms come into play (Chen, 2007). The conscious control of behavior is the most important determinant of consumption, encompassing moral, social and environmental aspects.

The study aims to explain how the students allocate their financial resources for the acquisition of different categories of goods and services thus: maximizing their satisfaction, complying with subjective norms, and consciously demonstrating the control of the consumer behavior. The ultimate goal is to frame the consumption behavior of students into one of the fundamental patterns of behavior. In this respect, the study is structured as follows: after a short review of the literature, the research methodology is presented; the following sections present the results, conclusions, limits and directions of future research.

1. Review of literature on consumer behavior

Defining the consumer behavior has as its starting point the exchanges between human beings (with a direct reference to the seller and the buyer) that satisfy each other's interests. The concern for the optimal satisfaction of their own interests and needs dynamizes both consumer and producer behaviors. Achieving the maximum satisfaction from the consumption of goods and services purchased with limited resources defines the steady-state of the consumer.

The consumer behavior has been a concern for scientists; the first concerned were the economists who tried to describe its mechanism. Thus, *fundamental models* have emerged from the viewpoint of different scientific disciplines. The following models bearing the names of their authors are referenced in the literature (Kotler, 1965; Baker, 2001): the Marshallian model; the Pavlovian model; the Freudian model; the Veblenian model; the Hobbesian model (see the table 1).

According to Marshall's model, consumers are looking to buy those goods that give them the most utility/satisfaction, which is valued according to their tastes, desires, expectations and also to the relative commodity prices (the relative price of a good is an expression of the price according to the prices of other goods). Utility describes how the product responds to a need (Barbu *et al*, 2018).

The purchase process has a range of input variables (price, quantity, availability, service, style, options and image) and output variables (choice of product, brand name, dealer, quantity and purchase frequency). Starting from Marshall's foundation, the modern utility theory has developed stating that an economically rational individual centered on maximizing utility/satisfaction, carefully calculates the consequences of each acquisition decision.

Table 1. Highlights on patterns of consumption behavior

Models	Presentation of models
The Marshallian model Alfred Marshall (economist) founded the marginal analysis.	The purchasing decisions are the result of conscious and rational economic calculations. Peculiarities: - the satisfaction of needs is hierarchized by consumers starting from the notion of "marginal utility"; - the only variable that influences the consumer is the price (the other variables are considered to be constant); - the intensity of needs, attitudes, opinions, and motivations are taken into account.
The Pavlovian model Ivan Pavlov (physiologist and psychologist) studied the conditional reflex phenomenon.	The purchasing decisions as well as their materialization in the acquisition of goods and services is determined by impulse, suggestion, reaction and recurrence. The subconscious, the perception, the influence of some people are ignored.
The Freudian model Sigmund Freud (neuropsychiatrist) replaces the political/religious/economic person with the psychological man.	The purchasing decisions are determined by the consumer's motivational aspects (the attitude and opinion). The following indices are highlighted: the direction of attitude (neutral, negative or positive); the force of the attitude (measurable by scales); the centrality of attitude in the structure of the subject; the emergence of the attitude connected with two elements, namely: the demands of the individual's development environment and the opportunity of the attitude. The opinion (closely related to the concept of attitude) is the verbal expression of the attitude.
The Veblenian model Thorstein Veblen (economist) analyzed the relationship between consumption and the wealth of society.	The model is based upon the ostentatious consumption theory. The study of the consumer behavior is based on the desire to obtain a certain prestige and not on the motivation imposed by the satisfaction of needs.
The Hobbesian model Thomas Hobbes (philosopher) defined the human nature as a form of self-interest cooperation.	The behavioral aspects of the consumer are treated from an organizational viewpoint. The decision to purchase goods and services (irrespective of the individual's attachment to the organization he or she belongs to) is influenced by the consumer's aspirations, competence and training, respectively, of his or her value scale.

Source: Processing by Kotler (1965)

The Pavlovian model is based upon the assumption that certain behaviors (including the purchase behavior) can be learned by repetition or conditioning. The extrapolation of the Pavlovian economy model is based on four pillars (*drive, cue, response, and reinforcement*): impulse = "drive" (need, motivation, aspiration that induces an action), suggestion = "cue" (the result of the action of some weaker stimuli), reaction = "response" (as a suggestion effect) and recidivism = "*reinforcement*" (consolidating a reaction if the consumer experiences were as expected).

The Freudian model of consumer behavior is focused upon the primary biological and cultural impulses of consumers; it addresses the attitude (positive/neutral/negative, scalable, centered on the subject) as a variable that interferes between reason and action.

The Veblenian model focuses upon the understanding of both the individual determinants and the contextual factors of consumption of goods that confer a certain status. A socio-psychological model is considered in which consumer behavior is analyzed from the perspective of the desire to achieve certain prestige and motivation imposed by the satisfaction of needs. Veblen noted that sometimes people buy for reasons beyond the practical nature; by virtue of a "conspicuous consumption" people purchase goods that do not have additional utility or functionality but confer a certain status or highlight a particular socio-economic position. The developers (Currid-Halkett *et al.*, 2019) of the Veblenian model have defined two forms of consumption: *conspicuous consumption* (consumption of *visible luxury goods* in order to highlight status) and *inconspicuous consumption* (such as education, gardening and travel, retirement insurance) (Currid-Halkett, 2017).

The Hobbesian model deals with the problem of understanding the social world in economic terms; its logic is based on the "descriptions of macro-level social arrangements and individual-level motivation and action" (Broni *et al.*, 2013). According to Hobbes, although the human nature leads to pathological desires that create enemies, co-ordination and co-operation are possible in a "state of nature".

This is the context in which the Hobessian model focuses on organizational behavioral aspects of the consumer (firms, institutions, organizations). The decision to purchase goods and services necessary to the organization is influenced by the consumer's aspirations, competence and professional training, by his own value scale, no matter how strong his attachment to the organization is.

3. The research methodology

The starting point of the research was the organization of two focus groups to identify the main aspects of student consumption behavior. The objectives were: a) to learn the perception of students about the importance of certain expenses, b) to find the monetary allocations for the main categories of expenditures identified; c) finding the sources of income for which the previously identified expenses are covered.

The second stage of the research was the development of a questionnaire to collect information in order to assess the consumption behavior of students. The first part of the questionnaire was centered on the discovery of opinions at the declarative level, as the students were invited to appreciate (on a five-step scale: not important, less important, relatively important, important, very

important) the importance of the different incomes they receive and the different expenses which they make for the purchase of goods and services found in their consumer list.

The second part of the questionnaire aimed to quantify the amount of financial allocations for purchasing the most representative consumer goods (identified in the focus group). After a prior validation, the printed questionnaire was applied to 150 respondents.

The questionnaires accepted for processing were 147. The structure of the sample was as follows: a) 52% are under the age of 20; 48% are in the 20-25 age groups; b) 38% females, 62% males; c) 74% study in the technical field, 26% in the humanities and social sciences field; d) 52% do not have scholarships, 48% have scholarships (merit/study/social scholarship); e) 92% are enrolled in undergraduate study programs, 8% in master studies; f) 37% are first year students, 35% in the second year students, 12% in the third year students, 16% in the final year students; g) 54% come from urban areas, 45% from rural areas.

4. Research results and discussions

Based upon the focus groups, the following sources of income for students were identified: scholarships, salary incomes, pensions (survivors' or private pensions), amounts received from parents or other family members and loans (from colleagues, friends, specialized institutions). Based on the questionnaires, as a weighted arithmetic mean, the average monthly income of a student (RON 916, respectively, EURO 195) was identified. The consumption combination that ensures the satisfaction of the student residing in the city of Iasi in compliance with the budgetary constraint is shown in Table 2.

The same focus groups identified the most important student expenses (materialized in the consumption of goods and/or services): accommodation, food, clothing (clothing and footwear), beauty (hairdressing/cosmetics – perfume/make-up, manicure products), spending on leisure time activities (clubs, discos, shows), telecommunications (mobile telephony, mobile data/internet), teaching materials and services (books, magazines, scans and editing), local and inter-county transportation, medical products and services, household products (for the maintenance of accommodation, clothing, etc.), products for body hygiene (shampoo, soap, bath sprays, creams), tobacco products, coffee products and alcoholic beverages.

Table 2. Income sources and the average monthly income of the student

No.	Sources of income	Average amounts RON (€)	Total RON (€)
1	Income from scholarships (grant scholarship / merit scholarship, social scholarships)	275 (€ 58)	916 (€ 195)
2	Income from parents (monthly transfers)	410 (€ 87)	
3	Income from relatives (monthly transfers)	84 (€ 18)	
4	Revenues from salaries (monthly achievements)	121 (€ 26)	
5	Pensions (heirs' pension – monthly payments)	26 (€ 6)	

Source: own processing

The analysis of the *accommodation* expenditure reveals that 56% of respondents (82 students) rate this expenditure as "important" and "very important"; however, out of the 147 students, only 6 allocate more than RON 500 (€ 106) per month for this expense. The conclusion we can draw is that at the declarative level students regard it as a "very important" expense, but at the level of the amount, the average allocation is RON 159 (€ 34) per month from an average monthly income of RON 916 (€ 195). *The expenditure on food*: 76% of respondents (112 students) appreciate this expenditure as "important" and "very important"; only 18 students allocate more than RON 500 per month for food. Similarly, the other categories of expenditure were also analyzed (Table 3).

Table 3. The synthesis of research results

Consumption / Consumption expenditure	Number of students assigned according to									
	The level of importance assigned to the categories of expenditure					The actual monetary allocations for expenditure categories				
	1*	2*	3*	4*	5*	0	0-200	201-500	501-800	over 800
Food	14	7	14	25	87	3	55	71	15	3
Accommodation	22	14	19	25	67	36	70	35	5	1
Didactic materials	5	11	48	36	47	8	56	58	11	14
Housekeeping / cleaning	11	23	43	23	47	12	63	51	13	8
Clothing	7	18	46	31	45	9	50	63	13	12
Telecommunications	13	17	48	24	45	19	68	42	12	6
Spare time activities	12	23	38	37	37	6	75	52	8	6
Personal hygiene	7	12	34	19	75	3	40	72	21	11
Human medicine	18	23	36	33	37	33	53	44	12	5
Transportation	21	27	25	37	37	17	81	28	15	6
Beauty products and services	18	25	38	36	30	45	57	34	4	7
Coffee	61	20	32	11	23	59	57	20	8	3
Tobacco	88	15	15	11	18	95	27	12	9	4
Alcoholic beverages	79	35	15	12	6	69	47	18	8	5

* 1 – not important, 2 – less important, 3 – relatively important, 4 – important, 5 – very important

Source: own processing

In the table 3 there are summarized the students' responses for each stage/step of the scale. An important aspect which we have identified (noted in the above details) is that most of the students consider food, personal hygiene and accommodation as being very important. However, comparing

the two sections of the table, it is noted that there are major differences between the importance attributed to consumption and the actual monetary allocations.

In order to obtain more conclusive results, we determined the weighted arithmetic average of the student's responses. The weighting was determined by taking into account the level of importance assigned to each category of expenditure for consumer goods/services. The weighted average according to the level of importance attributed to consumption (at the declarative level) indicates that the students put in their priorities the consumption related to meeting the following needs: food, personal hygiene, didactic materials, accommodation and clothing. Instead, the same indicator determined by the amount of allocations for each consumption category sets another priority order for students; the consumption of goods / services is placed on the first three places to meet the following needs: personal hygiene, clothing and didactic activity (Table 4).

Table 4. The order of importance of consumption and consumption allocations

No.	Consumption	Weighted average according to the level of importance assigned	No.	Consumption expenditure	Weighted average according to the amount of monetary allocations
1	Food	4.12	1	Personal hygiene	2.98
2	Personal hygiene	3.97	2	Clothing	2.79
3	Didactic materials	3.74	3	Didactic materials	2.78
4	Accommodation	3.69	4	Food	2.73
5	Clothing	3.61	5	Housekeeping/cleaning	2.61
6	Housekeeping/cleaning	3.49	6	Spare time activities	2.54
7	Telecommunications	3.48	7	Telecommunications	2.44
8	Spare time activities	3.44	8	Transportation	2.4
9	Human medicine	3.33	9	Human medicine	2.34
10	Transportation	3.29	10	Beauty (products, services)	2.12
11	Beauty (products, services)	3.24	11	Accommodation	2.08
12	Coffee	2.42	12	Coffee	1.9
13	Tobacco	2.02	13	Alcoholic beverages	1.86
14	Alcoholic beverages	1.85	14	Tobacco	1.64

Source: own processing

The conclusion that we draw is that at the declarative level students demonstrate rationality, because their options correspond to the pyramid of needs. According to the pyramid of needs, the basic physiological needs (water, food and shelter) are placed at the base. The analysis of students' priorities in terms of monetary allocations to meet needs (in the context of budget constraints) no longer corresponds to the standard pyramid of needs; priority is given to purchases that meet the need for social recognition.

In the standard model of Maslow's pyramid, the individual, after satisfying their physiological, security and affiliation needs, they become interested in success and recognition (to strengthen the

self-esteem). At the level of the analyzed sample, the order of priority changes (Table 5). The focus is obvious on the remark at the level of the student community through: the attention they pay to the body hygiene; the way they get dressed; the attention they pay to the didactic activity.

Table 5. Weighting of allocations (of student's average income)

	Personal hygiene products	Clothing and footwear	Products / services for didactic purposes	Food	Cleaning products	Spare time	Telecommunications
%	11.2%	9.8%	9.7%	9.1%	8.4%	7.7%	7.4%
	Transportation	Medicine	Beauty	Accommodation	Coffee	Beverages	Tobacco
%	7.0%	7.0%	5.6%	5.0%	4.4%	4.4%	3.5%

Source: own processing

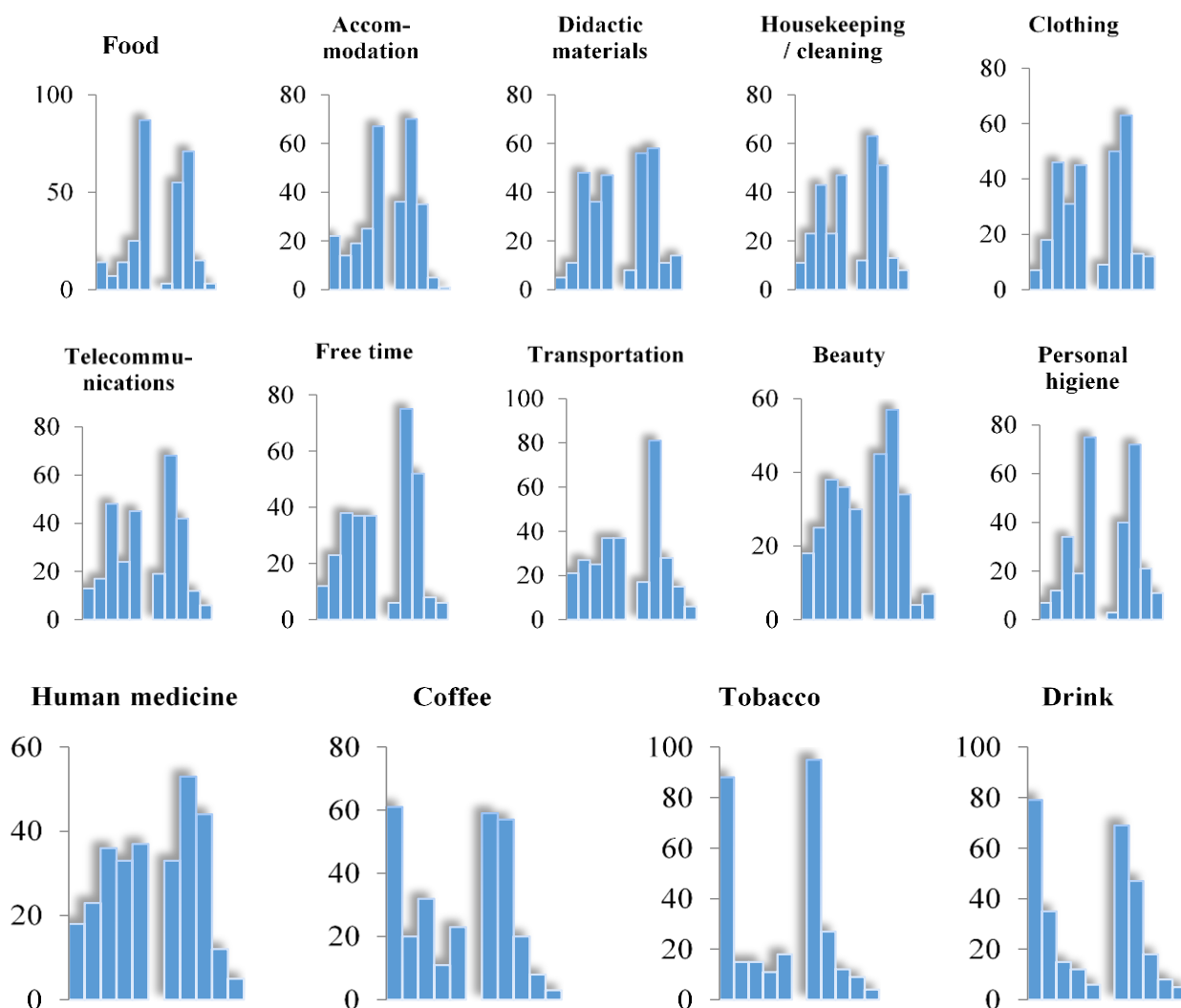
Student consumption behavior cannot be associated with the Marshallian model for the following reasons: not all students make conscious economic calculations (their purchases are based on impulse, attitude, opinion, environment/entourage); their consumption decisions are based on the absolute price of the products; relative prices are not as important as long as the purchases are made on the money received from their parents (and not on the income obtained from their own work).

The identification of the impulse as a motivating factor of the consumption was not enough to associate the student's consumption behavior with the Pavlovian model. Recurrence was not noticed as a common landmark in the analysis. Student consumption behavior are far from being mature. Frequent changes in lifestyle, freedom of decision, to choose or to do / not to do something are factors that can hardly admit recidivism in the student's behavior.

Neither does the Hobbesian model fit the profile of the analyzed consumers. Two out of three pillars on which this model is built (consumer competence and professional training) are just under consolidation. Studentship is the period in which professional and transversal competences are formed, skills and experiences are acquired.

The analysis at the level of each category of consumption (in terms of the assigned importance levels and the monetary allocations made) complements the student profile from the standpoint of the autonomous consumer (Figure 1). The diagrams in Figure 1 highlight the contrast between the student's statement on the importance of certain consumption (indicating rationality in the hierarchy of consumption needs) and the actual purchases made by students.

The first set of bars of each chart shows the number of students in terms of the level of importance attributed to a need; the second set of bars renders the student assignment according to the amounts allocated to meet the same need.

Figure 1. The student consumer profile

Source: own processing.

The highest level of data homogeneity (appreciated through the minimum differences between the level of importance attributed to a consumer goods category and the amounts involved for the purchase of these goods) can be seen in the last two diagrams in Figure 1. Table 6 provides the arguments this observation is based on.

Table 6. Evidences of data homogeneity/heterogeneity

Goods	Students' appraisals – homogeneity									
	1*	RON 0	2*	RON 0-200	3*	RON 201-500	4*	RON 501-800	5*	RON over 800
Tobacco	88	95	15	27	15	12	11	9	18	4
Alcoholic beverages	79	69	35	47	15	18	12	8	6	5

Goods	Students' appraisals – heterogeneity									
	1*	RON 0	2*	RON 0-200	3*	RON 201-500	4*	RON 501-800	5*	RON over 800
Accommodation	22	36	14	70	19	35	25	4	67	1
Food	14	3	7	55	14	71	25	15	87	3
Beauty	18	45	25	57	38	34	36	4	30	7
Telecommunications	13	19	17	68	48	42	24	12	45	6

* 1 – not important, 2 – less important, 3 – relatively important, 4 – important, 5 – very important

Source: own processing.

The lowest level of data homogeneity is recorded in the following consumption categories: accommodation, food, beauty products and services and telecommunication.

Conclusions

According to the *qualitative* analysis (based upon the student's statement on the importance of different categories of expenses associated with satisfying certain needs, appreciated on a 5-step scale), the research reveals a consumption behavior that corresponds to Maslow's needs-based pyramid. In these coordinates, the research revealed that the student's consumption behavior profile corresponds to the Freudian model (based upon attitudes, intensity of needs, opinions and motivations). Within the focus groups, students have shown more responsibility and rationality in analyzing their consumption behavior. They mentioned that their consumption decisions are based, first of all, on the attributes of the products that satisfy utilitarian needs (food, personal hygiene, accommodation, teaching materials). The same attitude was also observed when they were invited to assign a level of importance to different categories of consumption.

According to the *quantitative* analysis (based upon the student's actual allocations for each category of expenditure), the research reveals that the student's consumption behavior profile no longer observes the principles underlying the construction of the hierarchy of needs. The student consumption behavior it seems to be rather based upon the desire to achieve a certain prestige and not on the motivation imposed by the satisfying of needs. This is the reason why the student behavior has been also associated with the Veblenian model. The explaining of the consumer behavior is based upon contextual factors of consumption of goods (especially the *conspicuous consumption*, which

provides the subject a certain status/prestige. In other words, students buy for reasons that go beyond economic rationality just to become "visible" and stand out at the community level.

The results of the research did not provide enough clues to allow the consumption behavior of students to be associated with the other models (Marshallian, Pavlovian, Hobbessian). Based on logical deductions, we identified a number of potential arguments: the absence of opportunity costs does not justify performing economic calculations to identify the best alternative (the incomes of the students come from the parents, and does not imply a sacrifice for obtaining them); impulse (as motivational factor) is not followed by relapse; ongoing/still in progress acquisitions for professional competences and skills.

The consumption combination that ensures the satisfaction of the student who resides in the city of Iasi, while observing the budget constraint, reveals that the most important amount is allocated to hygiene spending (11.2% of the monthly income) and the smallest allocation is for tobacco (3.5% of the monthly income of the student).

Limits and future directions of research. For the increase of the results' representativeness, we are considering the extensive and intensive development of the research. The extensive development is aimed at increasing the number of student's respondents (a sample widening). The intensive development aims at identifying the main determinants of consumption and the development of correlation and regression analysis.

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The trend of the Romanian migration flow explained by means of statistical models

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Abstract

Over time, the migration phenomenon developed an interdependence relationship with economic development, political stability and social factors. Starting from this context, this paper aims at studying the Romanian emigration flow according to the country of destination between 1990-2016 and the way in which the gross domestic product per capita (GDP) influenced this emigration flow between 2008-2016. The initial hypothesis was that only certain countries were priority targets of the Romanian emigration flow. In our scientific approach we used EUROSTAT and TEMPO databases. In the first part of the paper we used cluster analyzes to confirm that only certain countries are priority destinations, and in the second part we included a multiple linear regression model to find out if the gross domestic product of the country affects in any way the decision to emigrate.

Keywords: Romanian emigration flow, emigration countries, statistical model.

Introduction

The migration phenomenon has an impact on the European Union as a whole, but also on the Member States. Against this backdrop, policies have emerged addressing the challenges that migration has confronted lately, related to integration into the labour market, respect for migrants' rights, and the fight against illegal migration.

Migration is a phenomenon with positive effects on the economies of the involved countries, i.e.: coverage with specialized workforce in recipient countries; coverage of money needs in the countries of departure; a demographic balance that has emerged as a result of an aging population, especially of in the developed countries.

Okolski (2004), studying the migration processes in the Central and Eastern European countries, notices the existence of several types of migration: migration for settlement (family

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reunification, ethnic criteria); circulatory migration; migration for asylum or involving refugees; transit migration; spatial mobility; migration for work, studies and professional development.

The situation of emigration in Romania is similar to that of Central and Eastern Europe countries. Immediately after the fall of communism, the number of people who emigrated was very large and most of them belonged to the minority ethnic groups. Then, an important definitive migration occurred until 2000, after which the emigration caused by the economic factors was the most common (Ghețău, 2007)

Regarding the Romanian migration after the fall of communism in 1989, Daminescu (2013) describes three phases of this phenomenon:

- the first phase (1990-1994) was marked by a short-term movement to the neighbouring countries;
- the second phase (1994-2000) caused by searching for a job, under the pressure of the economic crisis;
- the third migration phase, which began in 2002, after the elimination of entry visas to the Schengen area.

Between 1990-1994, five were the destinations preferred by Romanians: Israel, Turkey, Hungary, Italy and Germany. In 1995 the Romanian started migrating mostly to Italy and Spain (Dida, 2013). If we refer to the emigration from Romania, it is not a surprise that the target countries with the largest volume of immigrants are Spain and Italy because language affinity is an advantage, all three languages having Latin roots. Spain was a difficult target for immigrants due to the difficulty of obtaining the visa (in 1992 Spain becomes a member of the Schengen Area); on the other hand, a particular opportunity was offered by the 1992 Barcelona Olympics. Beyond the undeniable importance in the field of sports that such an event naturally generates, there is also the less discussed reality of the clandestine migration for work in the Kingdom of Spain. As regards the legal status of the migrants (not only for Spain but also for other destinations), the request of political asylum was facilitated by the turbulent events in Romania during the 1990s when the "communist reflexes" inherited in 50 years of "red history", and later the miner's actions, caused major prejudice to the country's image. However, this could be used precisely to request political asylum (coordinator Sandu, 2006). Between 2000 and 2010, the Romanian emigration corridors to Italy and Spain ranked among the top ten international migration corridors. Suci (2010) shows that between 2006 and 2007, the number of Romanians living in Spain and Italy has doubled, from almost 800 thousand people in 2006 to 1.75 million in 2007. The OCDE report: "Talent Abroad: A Review of Romanian Emigrants", published in 2019, shows that after 2007 the global economic crisis caused the decrease of Romanian emigration, which resumed its upward trend, with the migration flow increasing by 60% between

2009 and 2016. Three European countries "absorbed" 62% of the total Romanian emigrants. Italy ranks first, with over 1 million people. Germany comes second, with 680 thousand people, followed by Spain with 573 thousand people. According to OECD, the relocation of Romanians to EU countries lead to a decrease of the population from 22.4 million in 2000 to 19.5 million in 2018. Thus, in Romania emigration became a major social-economic phenomenon. Moreover, an IMF study (2016) indicates that, in the absence of emigration, Romania would have had a 10% increase in real GDP, and the difference of per capita income between Romania and EU member countries would have been reduced by 6.5%.

The purpose of this research is to study the Romanian migration flow according to the country of destination during 1990-2016 and the way in which it was influenced by the GDP between 2008-2016. Starting from the hypothesis that only some countries were the "priority" targets of the Romanian migration flow, we confirm the reality of the Romanian migration volume, however not for all the countries considered in the statistical model, but only for a single destination - Spain.

By showing that Italy, Spain and Germany are the destinations preferred by the emigrating Romanian citizens, this paper may find its utility by giving the aforementioned countries the motivation to model the migration laws so as to encourage a connection that favours the improvement of the transnational flow. Thus, the concerned parties from the said countries can take measures to eliminate the negative effects of social capital, by avoiding the closure of Romanians within the immigrant community and by encouraging the emergence of transnational communities. Transnational communities are already a strong challenge for the traditional ideas of belonging to the nation state.

1. Literature Review

Classical migration theories of the Sixteenth and Eighteenth centuries were dominated by mercantilism, which claimed that national economic policy was aimed at accumulating monetary reserves through a positive balance of trade, especially of finished products, and stimulated emigration towards colonies.

Adam Smith (1723-1790) investigated migration, claiming the need to break down barriers between states, populations and capital movements (Smith, 1785). The first to state migration laws was Ernst Georg Ravenstein (1834-1913) who quoted 7 migration laws and stressed that migration was driven by the "push/pull" process, i.e. unfavourable conditions in a region causing migratory flows to favourable conditions in another region. Starting from Ravenstein's ideas, most researchers have delivered migration theories that are derivations of his theories. John Hicks, winner of the Nobel Prize in 1932, said that "the differences in net economic benefits, mainly wage differences, are the

main causes of migration" (translation p.76). By his statement, Hicks laid the foundations for neoclassical migration theory preparing the way for modern analysis of the migration phenomenon. Neoclassical theories of the 1970s laid the foundations for international migration theory (Massey *et al.*, 1993), considering the individual as the cause of the migration phenomenon. Neoclassical economic theory, developed by Larry A. Sjaastad (1934-2012), articulates the relationship between the migrant and human capital investment, with reference to the costs and benefits of migration (Sjaastad, 1962). Sociologist Andr  Gunder Frank (1929-2005), developing the theory of dependency, states that the global economy is not equal for all countries because the poor countries are subordinated to the rich ones, the former being attributed the production of raw materials with low added value, while industrial production, with high-added value belongs to rich countries. While in neoclassical theory migration reduces real wage disparities between regions, in Keynesian theory, migration reduces unemployment disparities (Jennissen, 2007, pp. 411-436).

Everet Lee (1917-2007) has developed hypotheses about the volume of migration, defining migration, according to migrants' characteristics, as a permanent / semi-permanent change of residence (Lee, 1966, p. 49). In the last 10-15 years, international entities such as OECD, IOM, and IMF, have become interested in the volume and effects of migration on development. For many researchers, the analysis of the relationship between migration and development has resulted in studies that explain the link between remittances and the economic growth of migrants' countries of origin. (Carling, 2014) The interest in studying the phenomenon of Romanian migration has increased along with the magnitude of the migration captured by the official statistics. Investigations were carried out on the Romanian migration phenomenon, including: 2007 (Metro Media Transilvania) study on social, working and living conditions of Romanians in Italy (coord. by D ncu), 2008 (CURS Bucharest) captures the migration phenomenon in Spain and Italy (coord. by Abraham), 2010 (Italian Foundation Caritas) studies Romanian migration to Italy, 2011 (Soros Foundation) captures the migration of Romanian medical staff.

According to Martinez-Vela (2001), migration is a mechanism that ensures the transmission of capitalist-type economic relations from a central core of economies (developed economies) to semi-peripheral and peripheral countries (underdeveloped and developing economies). There are push factors that favour migration and pull factors in the destination economy, which convince individuals to leave their home countries in search of a higher standard of living. Starting from these push and pull factors, migration was analyzed by the literature by means of gravitational models. These gravitational models are practical descriptions of the random utility model (Grogger and Hanson, 2011; Ortega and Peri, 2013; Beine and Parsons, 2015) that compare the utility of a person living in the country of origin, with the utility of the same person living in another country. Gravitational models have also begun to be used

to forecast future migration flows, as part of demographic forecasts (LeSage and Pace, 2008). Kim *et al.* (2010) developed a model that attempts to identify who loses and who wins in the migration process between the countries of origin and the recipient countries, defined as East and West, by using three production factors: skilled labour, unskilled labour, material capital.

This theory suggests that the effects of migration on GDP per capita in the receiving country/country of destination depend on the disparities between the skills of the natives and immigrants, the effects of scale and the responsiveness of the production factors and outputs markets (Fry, 2014). Lalonde and Tope (1997) use an econometric model that shows how migrants have a modest influence on the labour market in the recipient countries, but they can influence tax earnings (Collado *et al.*, 2004)

The research developed by Holland (2011) aims at evaluating the macroeconomic impact of migration both in the country of origin and in the receiving country, but also at highlighting the destination of the migration flows. The study shows that for receiving countries the impact of migration on GDP is low. Another study (Manole *et al.*, 2017) targeting EU-28 countries shows that migration has a significant positive impact on economic development: an increase of 100,000 migrants leads to an average GDP growth per inhabitant of the receiving country by 0.838% compared to the EU-28 average.

2. Research methodology

Studies on emigration are based on the idea that most of the factors determining emigration are the result of the differences of economic development between the departure and the destination area. At present, within the EU, official emigration does not entirely capture the phenomenon of emigration, there being a number of emigrants that are not registered in the official statistics. There are difficulties in estimating the stock of migrants (i.e. the number of people who, at one point, have their habitual residence abroad for a period of at least 12 months), difficulties generated by the complexity of the migration phenomenon, but also by the limited availability of data sources referring to migrants.

For official statistics, INS measures annual migrant and immigrant flows in accordance with the definitions for long-term international migration.

The annual migrant flows represent the number of people who change their residence from the territory of Romania to the territory of another state, for a period of 12 months and over (INS, Experimental Statistics- Exploratory study on migration stocks, 2019).

According to the same study, the emigrant flow estimated for a certain year includes people who leave the country and do not return to Romania for at least 12 months (in the case of Romanian

citizens, these people are still recorded within the Romanian population based on their address, as they have their domicile in Romania, but they are excluded from the resident population).

The aim of this paper is to identify the main destination countries preferred by Romanian emigrants. Using public data on the total number of definitive Romanian emigrants, retrieved from the TEMPO database, we propose a model of cluster analysis per country of destination of the Romanian emigrants, in two variants:

- for the period between 1991-2000;
- for the period between 2001-2006;
- for the period between 2007-2016;

combined with an analysis of GDP values per capita, from the main destination countries of the Romanian migratory flow during the said periods.

We started with a method which involves dividing the statistical units into groups called clusters, based on the Euclidean distance, because the TEMPO database variables are numerically continuous.

We chose the cluster analysis as we consider that this can be a tool that aims at reducing sets of objects or variables to a smaller number of information entities, which are clusters (Ionescu, 2015).

The software package we used was SPSS, and it offers three different clustering methods: K-means clustering, hierarchical clustering and two-step clustering. We opted for two-step clustering because the Two-Step Cluster analysis in SPSS is a scalable method that was designed to cope with large data sets, thus extending the facilities offered by the other grouping methods: K-means, respectively hierarchical clustering. In this method, the data set is covered only once and both quantitative and categorical (ordinal) variables can be used. The name Two - Step comes from the 2 steps that must be fulfilled:

- Pre-clustering of cases (instances) into several sub-clusters.
- Clustering of the subgroups resulted during the previous step into a desired number of groups.

The method also allows the automatic selection of the number of groups.

The proposed cluster analysis model is based on the volume of Romanian migrants towards the following 9 different destinations, of which 7 are European (Israel is assimilated as an European destination) and 2 are non-European (Canada and the United States of America), as follows: 1) Austria, 2) Canada, 3) France, 4) Germany, 5) Greece, 6) Israel, 7) Italy, 8) Spain (dates only between 2001 and 2006), 9) USA.

The choice of the 9 countries is explained by the fact that the aforementioned database includes only these destination states. The group of states includes three destinations in the Mediterranean area, the Romance language and culture of which resemble the Romania's ones (Italy, Spain, France);

two areas less preferred by the flow of Romanian migrants, where German language is spoken (Austria and Germany); and three extra-European destinations (of which one is more famous - Israel - based on ethnic affinities and an emigration flow prior to 1989, when the Jewish population migrated from Romania to Israel, and the other two destinations famous for the restricted access based on visa).

In the case of the database used by us, data regarding Spain could only be obtained starting from 2001. Therefore, for the specified period, the clusters will be considered in two distinct time periods: a) 1991-2000, when only 8 destinations are considered and b) 2001 – 2006, and c) 2007-2016, when all 9 destinations are considered. The assumption of the creation of a certain number of clusters is applied, differentiated, for each time interval. In order to compare the average values of the number of emigrants in destination countries, a cluster analysis is performed, which aims, at the level of the variables used, at restricting their number, in order to keep only the essential data. The categories of information that will be obtained starting from the initial variables (of the continuous variables type), as they are reproduced in the INS-TEMPO_POP_309D Source, will contain entities with similar characteristics, without imposing, a priori, a predetermined number of such categories, usually called clusters. As we will work with a number of people that are emigrants, we will take into account the average values. However, the number of clusters will be allowed to be constantly different from 1, based on the considerations below, so in some cases no more than 3 clusters are allowed. The use of the Euclidean distance for measuring the distance between the statistical units, when taking into account continuous numerical variables, is the most recommended method (Cumatrencu, 2007).

The final part of the study shows the research of the influence of the real GDP variable per capita of the destination country on the number of Romanian emigrants, using the EUROSTAT database. We applied a Pearson correlation model, followed by the discussion of the corresponding linear regression model. Our starting point was the hypothesis that the destination countries, priority targets of Romanian emigrants, were France, Germany, Italy, and Spain, for the period 2007-2016.

The reason for the selection of this target group of predictors is related to the affinities of language and culture for France, Italy and Spain and the existence of a migratory flow to a central European destination (Germany), preferred by people with above-average school education (usually university tertiary education)

For the period under study, the averages and the standard deviations for real GDP per capita from the 4 mentioned countries (Spain, France, Italy, Germany) are shown in table 1.

Table 1. Descriptive Statistics

	Mean	Std. Deviation	N
Spain	23011.11	797.566	10
France	31177.78	446.592	10
Italy	26311.11	904.771	10
Germany	33222.22	1261.723	10

Source: own representation

3. Results

3.1. Studying the volume of the migration flow from Romania during 1991-2000

The 1991-2000 decade, concerning Romania, is the period of slow transition from the centralized to the market economy, of price liberalization (as per the governmental decisions taken in 1991). The decrease of the standard of living is a harsh reality of the period, over which the post-communist political evolutions overlapped.

During the last decade of the twentieth century, also, the first democratic change took place, by elections, regarding the state authorities (1992, 1996). Based on the preliminary considerations regarding the selection of the target countries for the migrants from Romania, the creation of 3 clusters is allowed.

Table 2 - The values of the mean and standard deviation for the period 1991-2000 for the number of definitive migrants on the mentioned destinations

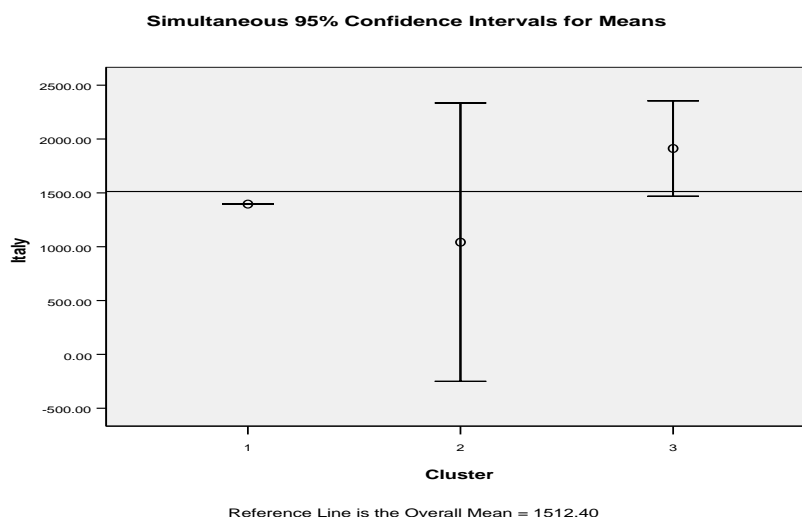
		Cluster			
		1	2	3	Combined
Austria	Mean	4630.00	1575.50	1190.60	1688.50
	Std. Deviation	.	1199.85	757.26	1356.29
Canada	Mean	1661.00	1666.50	2240.60	1953.00
	Std. Deviation	.	178.21	217.02	351.32
France	Mean	1512.00	913.75	1283.40	1158.40
	Std. Deviation	.	236.10	562.51	456.49
Germany	Mean	20001.00	7484.25	5479.80	7733.70
	Std. Deviation	.	4723.92	2583.37	5474.97
Greece	Mean	354.00	131.00	268.60	222.10
	Std. Deviation	.	62.10	56.70	97.66
Israel	Mean	519.00	382.50	456.80	433.30
	Std. Deviation	.	69.00	103.23	92.70
Italy	Mean	1396.00	1042.00	1912.00	1512.40
	Std. Deviation	.	532.41	250.32	557.58
USA	Mean	5770.00	1702.25	2785.00	2650.40
	Std. Deviation	.	638.88	322.64	1293.54

Source: own representation

Table 2 shows the mean and standard deviation values for the clusters created for the 1991-2000 period and the average values for this period. The 3 clusters have the following percentages of the total statistical units (years of the reference period): 10%; 2) 40%; 3) 50%, so basically, only 2 of the 3 created clusters count. In the destination countries, the average values are compared with the "overall mean" value, which covers the entire 10-year period, reported in the "combined" column. Thus, Germany has an average of 20001 migrants in cluster 1 (only in 1991, the year in which the effects of the transition from a totalitarian regime to a democratic one were acutely felt), and the overall mean is 7733. In the other 2 years of the period under study, the volume of migration to Germany is much lower: 7484, and 5479, respectively. This country has the largest imbalance between the migratory volumes over the time periods during the last decade of the last century. In terms of comparing the values of the standard deviations, Germany records, for clusters 2 and 3, the most heterogeneous situations, as opposed to Israel, also due to the number of migrants which is relatively low in absolute values. In contrast, Italy's clusters means are very close and matching the overall mean: mean (1/2/3 / overall) = 1396/1042/1912/1512.

Next, the average confidence intervals for the 3 clusters are represented, in the case of the "number of immigrants in Italy" variable.

Figure 1. The confidence interval of the population means for each cluster in the case of the volume of emigration to Italy

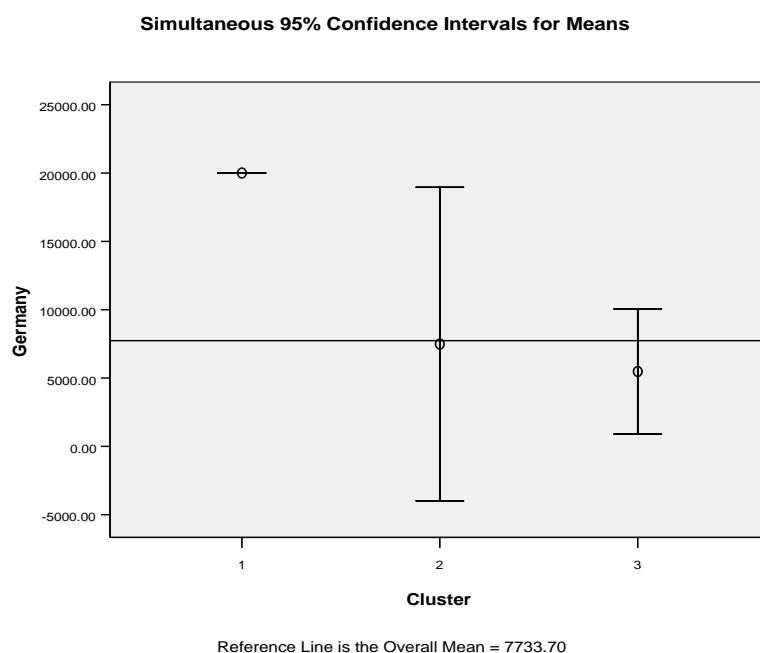


Source: own representation

It is noticeable that, although relatively close, the average values on the clusters that matter, the second and the third, differ significantly between them (they are on both sides of the overall mean

value), so according to the migratory volume, Italy contributes significantly to this grouping, at the division into clusters of the statistical units in this study.

Figure 2. The confidence interval of the population means for each cluster in the case of the volume of emigration to Germany

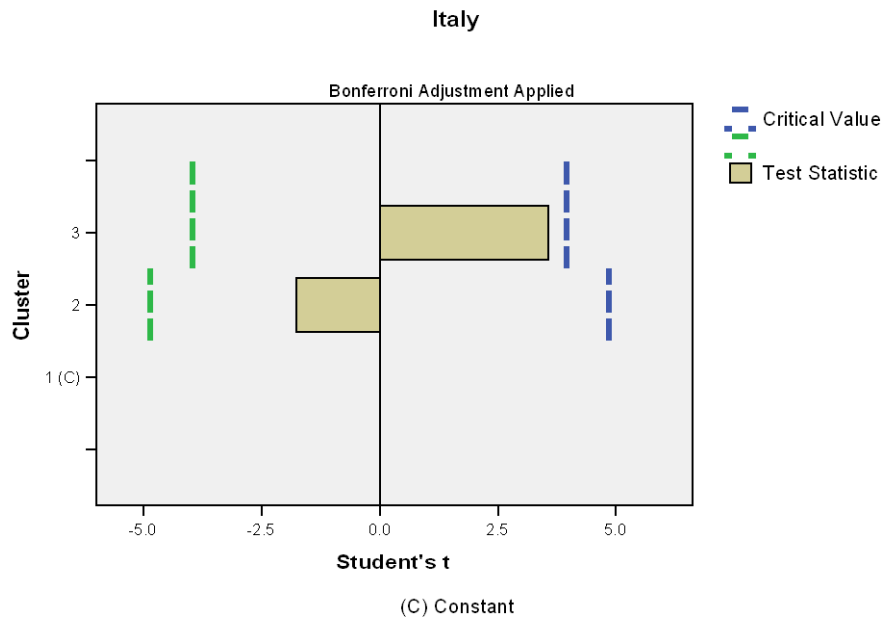


Source: own representation

It is noticeable that, although relatively close, the average values on the clusters that matter, the second and the third, differ significantly between them (they are on the same side of the overall mean value), so Germany does not contribute significantly to this grouping, according to the migratory volume, at the division into clusters of the statistical units in this study. The migration flow to this country has been continuous, but with very different values, throughout the period after 1990 and until 2000.

Next, the average differences for the 3 clusters are represented, in the case of the variable “number of immigrants in Italy”.

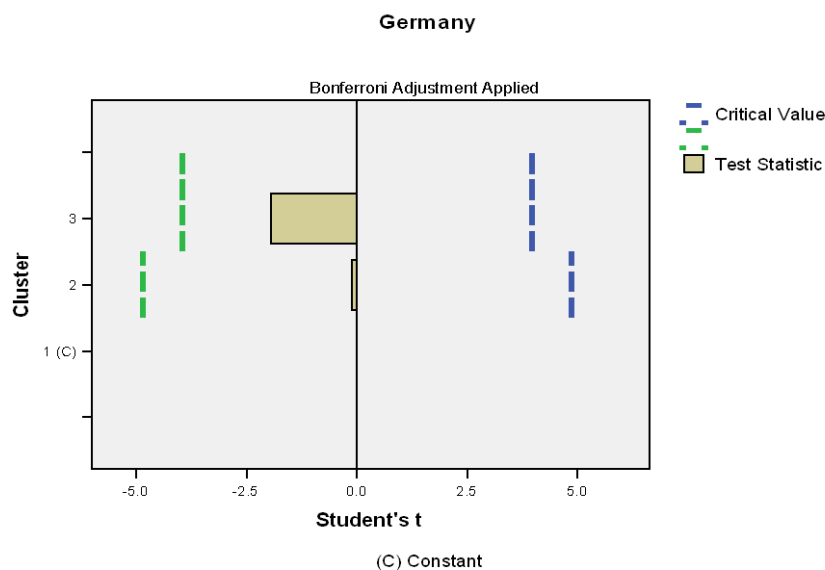
Figure 3. Testing the differences between the mean volume of migration to Italy and the mean statistical migrant population



Source: own representation

If it had reached the critical threshold t_{critic} , the average number of migrants corresponding only to cluster 3 would have been significant. Even so, this mean is the closest to the critical t , of all the 8 random variables.

Figure 4. Testing the differences between the mean volume of migration to Germany and the mean statistical migrant population



Source: own representation

Compared to the previous figure, the average number of migrants corresponding to cluster 3 and not only is far from significant.

3.2. Studying the volume of the migration flow from Romania during 2001-2006

This approach starts with the presentation of the means and standard deviations for the 3 clusters.

Table 3. The values of the mean and standard deviation for the period 2001-2006 for the number of definitive migrants on the mentioned destinations

		Cluster			
		1	2	3	Combined
Austria	Mean	167.00	293.00	454.75	379.83
	Std. Deviation	.	.	107.96	148.50
Canada	Mean	2483.00	1437.00	1441.00	1614.00
	Std. Deviation	.	.	177.63	447.41
France	Mean	463.00	233.00	411.50	390.33
	Std. Deviation	.	.	90.37	106.14
Germany	Mean	854.00	1305.00	2487.75	2018.33
	Std. Deviation	.	.	523.64	844.81
Greece	Mean	105.00	60.00	102.25	95.67
	Std. Deviation	.	.	29.65	28.88
Israel	Mean	279.00	106.00	110.25	137.67
	Std. Deviation	.	.	44.65	77.41
Italy	Mean	1486.00	1317.00	2680.00	2253.83
	Std. Deviation	.	.	574.13	797.82
USA	Mean	1876.00	1356.00	1930.50	1825.67
	Std. Deviation	.	.	169.89	265.96

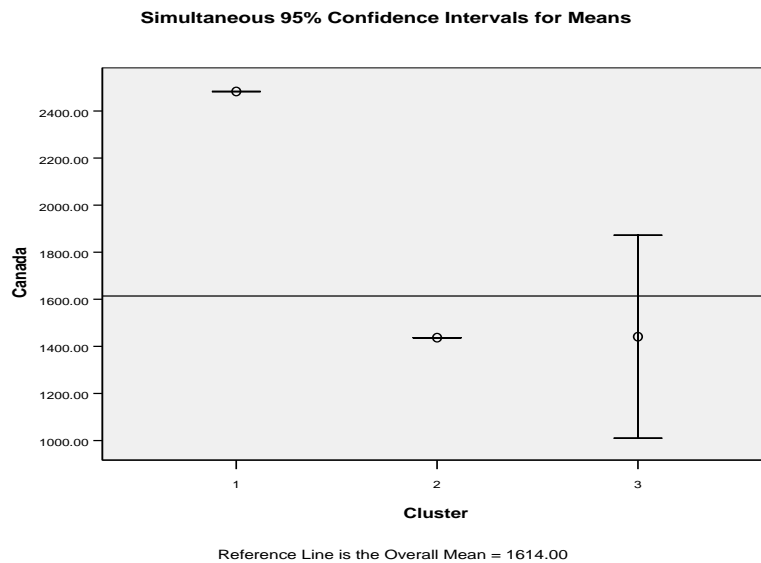
Source: own representation

Table 3 shows the mean and standard deviation values for the clusters created for the 2001-2006 period and the average values for this period. The 3 clusters have the following percentages of the total statistical units (years of the reference period): 1 year of 6, i.e. 16.7%; 2) 1 year of 6, i.e. 16.7%; 3) 4 years of 6, i.e. 66.6%;, thus, basically, 1 of the 3 created clusters counts.

The period under study revolves around the first major reconfiguration of Romania at European and Euro-Atlantic level, respectively the accession to NATO, which allowed Romania to build stronger transatlantic relations with the 2 states on the North American continent. Later, on January 1, 2007, Romania became a member of the EU.

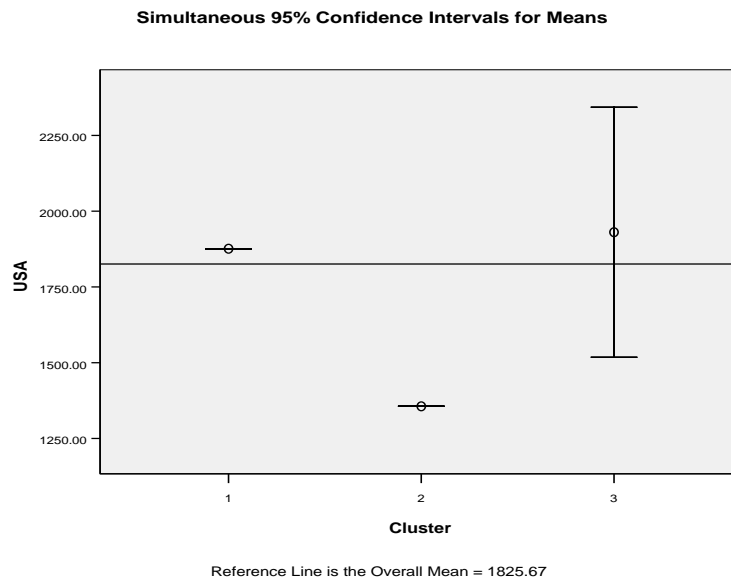
The confidence interval of the population means for each cluster in the case of the volume of emigration to North America is shown in Figure 5a and 5b.

Figure 5a. The confidence interval of the population means for each cluster in the case of the volume of emigration to Canada



Source: own representation

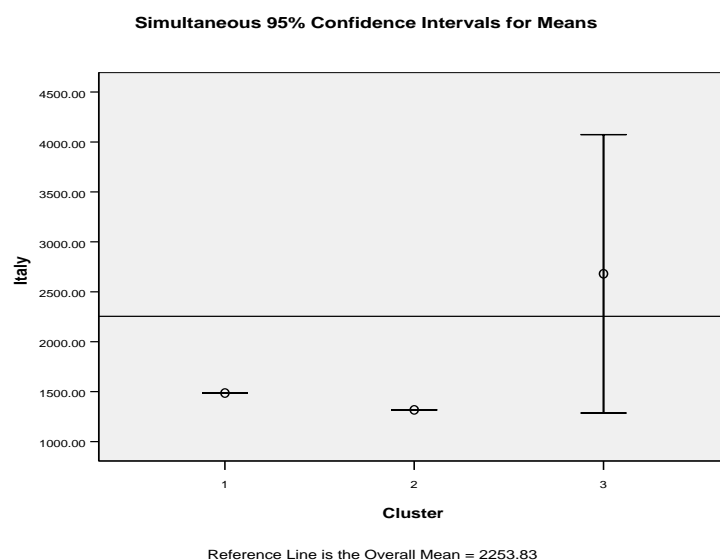
Fig.5b. The confidence interval of the population means for each cluster in the case of the volume of emigration to USA



Source: own representation

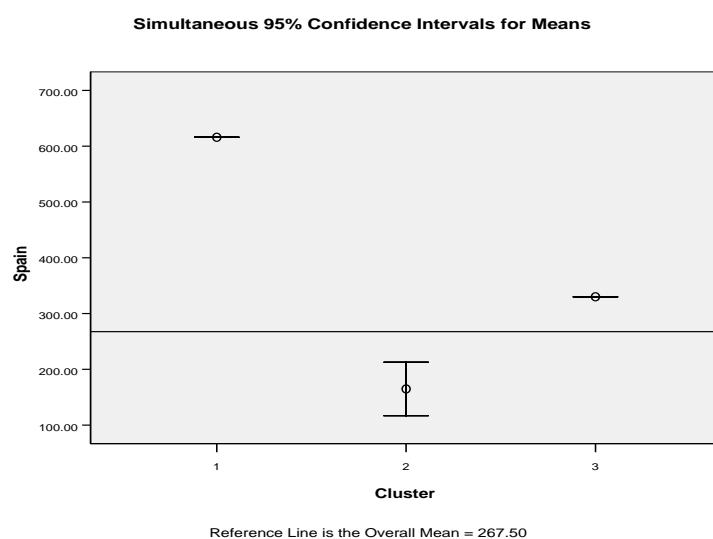
The trend difference corresponding to cluster 3 is noticeable, i.e. the last 4 years: a constant maintenance of the mean volume of migrants to Canada, under the value “overall mean”, whereas, in the case of the US, there is a significant increase of the respective mean for cluster 3.

Figure 6a. The confidence interval of the population means for each cluster in the case of the volume of migration to Italy.



Source: own representation

Fig.6b. The confidence interval of the population means for each cluster in the case of the volume of migration to Spain.



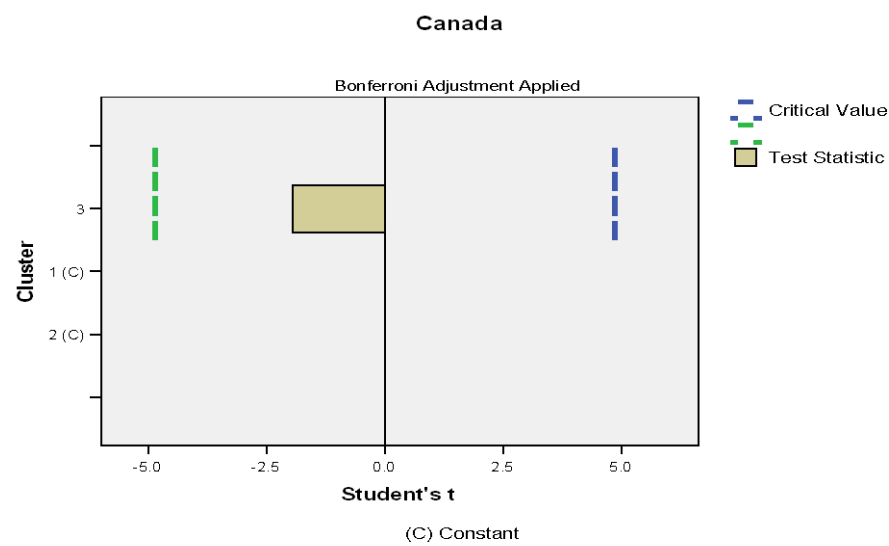
Source: own representation

By comparing figure 6a and 6b we can spot the difference of trend corresponding to cluster 3, i.e. the last 4 years of the period under study:

- 1) the value for Italy as destination is constant, followed by a significant increase over the "overall mean" value;
- 2) the value for Spain as destination is decreasing in cluster 2, followed by an increase, both significant.

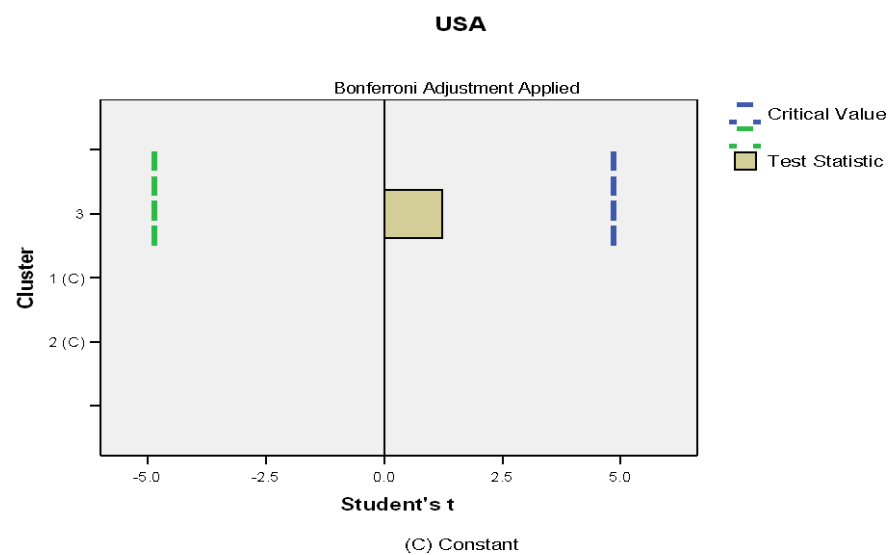
Next, the mean differences for the 3 clusters are represented, in the case of the variable “number of immigrants in Canada and USA”.

Figure 7a. Testing the differences between the mean volume of migration to Canada and the mean statistical migrant population



Source: own representation

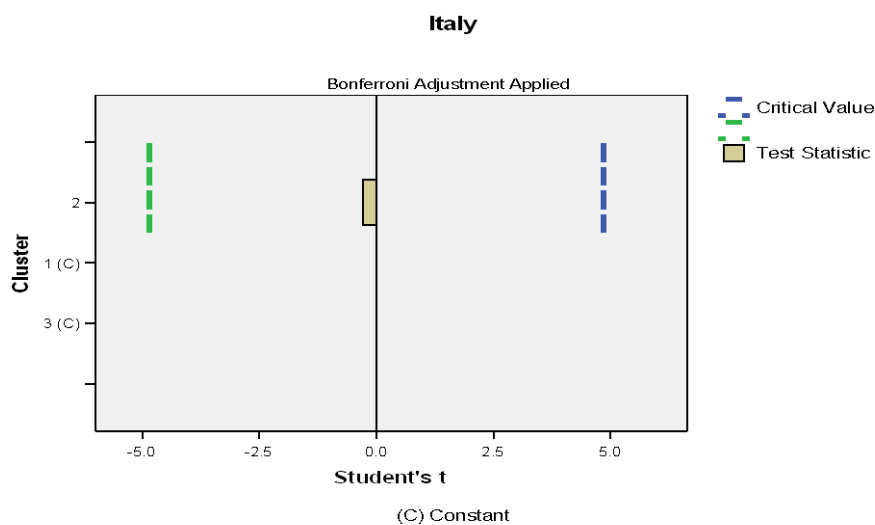
Figure 7b. Testing the differences between the mean volume of migration to USA and the mean statistical migrant population



Source: own representation

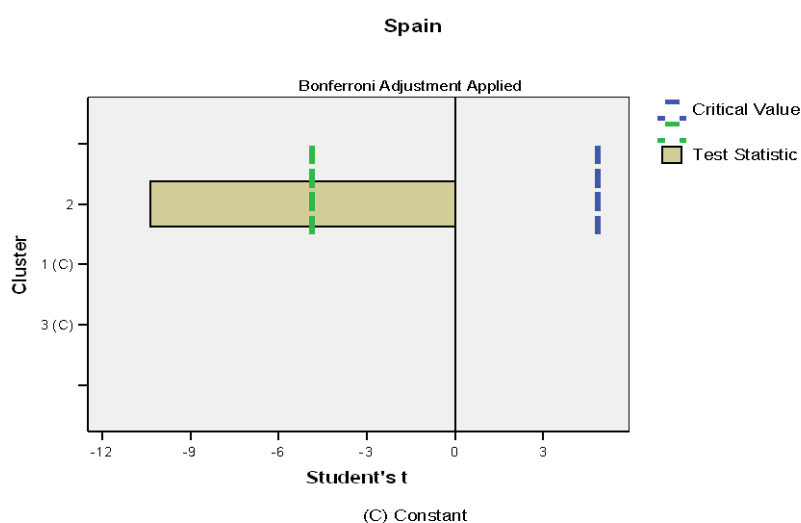
Next, the mean differences for the 3 clusters are represented, in the case of the variable “number of immigrants for Italy and Spain”.

Figure 8a. Testing the differences between the mean volume of migration to Italy and the mean statistical migrant population



Source: own representation

Figure 8b. Testing the differences between the mean volume of migration to Spain and the mean statistical migrant population



Source: own representation

Reaching the critical threshold t_{critic} , the mean number of migrants corresponding to cluster 2 - only for Spain - is significantly different from the mean of the whole population. This is the only mean in the study that exceeds the critical threshold t , of all the 9 random variables.

3.3. Studying the volume of the migration flow from Romania during 2007-2016

This period includes the year when Romania joined the EU, as well as a sufficiently extended post-joining period. Approximately the same countries were taken into consideration so as to cover

the European destination areas. No migratory flow values have been identified for non-European destinations. Having the same working hypotheses as for the periods 1991-2000 and 2001-2006, 3 clusters are obtained, according to tables 4 and 5.

Table 4. The distribution of the 10 years of the period under study into clusters created for 2007-2016

		N	% of Combined	% of Total
Cluster	1	2	20.0%	20.0%
	2	7	70.0%	70.0%
	3	1	10.0%	10.0%
	Combined	10	100.0%	100.0%
Total		10		100.0%

Source: own representation

Cluster 2 includes 7 of the 10 years and its weight is the most significant compared to the other 2 clusters (70%)

Table 5. The values of the mean and standard deviation for 2007-2016 for the number of definitive migrants to the specified destinations

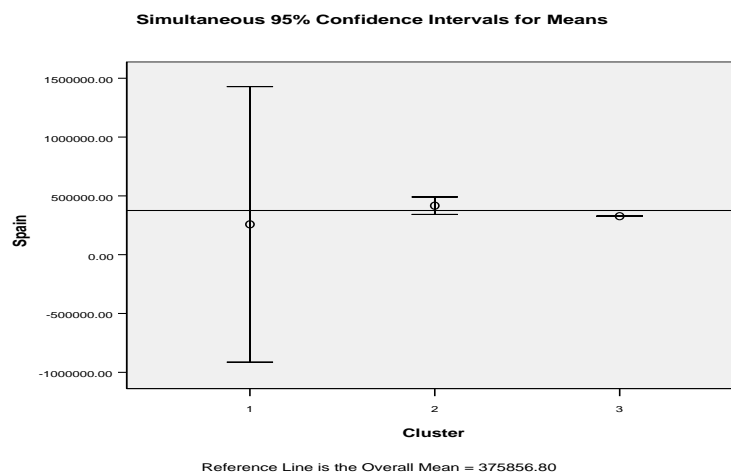
		Cluster			
		1	2	3	Combined
Germany	Mean	687371.50	279827.86	533762	386730.00
	Std. Deviation	71442.53	41339.01	.	181886.11
Ireland	Mean	56987.00	75349.14	62056	70347.40
	Std. Deviation	12652.97	6153.30	.	10478.26
Greece	Mean	41722.00	93724.86	106535	84605.30
	Std. Deviation	1869.59	30083.06	.	33622.86
Spain	Mean	257748.50	416535.14	327325	375856.80
	Std. Deviation	43393.02	59722.58	.	85062.88
France	Mean	230075.00	275168.14	309805	269613.20
	Std. Deviation	13747.57	24470.07	.	31161.98
Italy	Mean	66030.00	108151.86	157065	104618.80
	Std. Deviation	21095.82	28562.85	.	35207.68
Austria	Mean	50730.50	53165.00	64428	53804.40
	Std. Deviation	1177.33	1886.26	.	4181.36
United Kingdom	Mean	372397.00	330658.00	340440	339984.00
	Std. Deviation	77513.05	23403.46	.	36522.20

Source: own representation

The structure of the used database shows small differences as particular examples of destination states, as opposed to the other 2 previous periods to which the cluster analysis is applied.

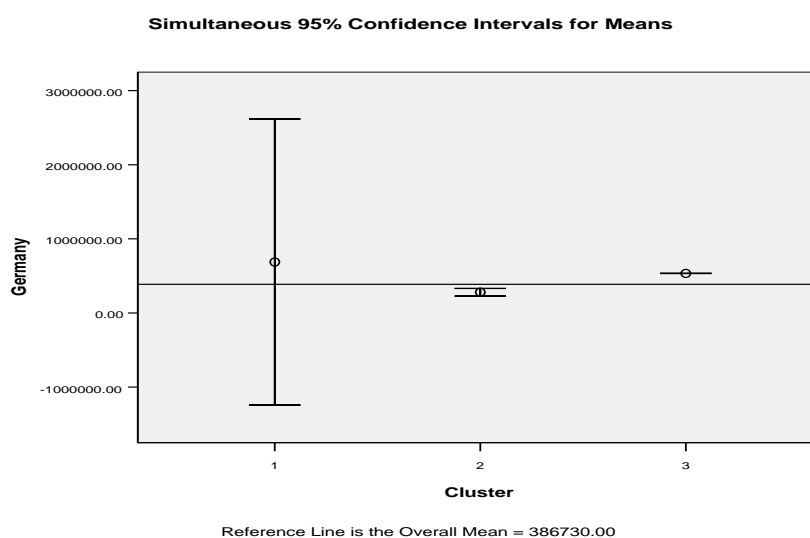
Figures 9 and 10 capture the confidence intervals of the mean population as clusters in the case of the migration volume with the destinations Spain and Germany.

Figure 9. The confidence interval of the population mean for each cluster in the case of the volume of migration to Spain 2007 - 2016



Source: own representation

Figure 10. The confidence interval of the population mean for each cluster in the case of the volume of migration to Germany 2007 - 2016

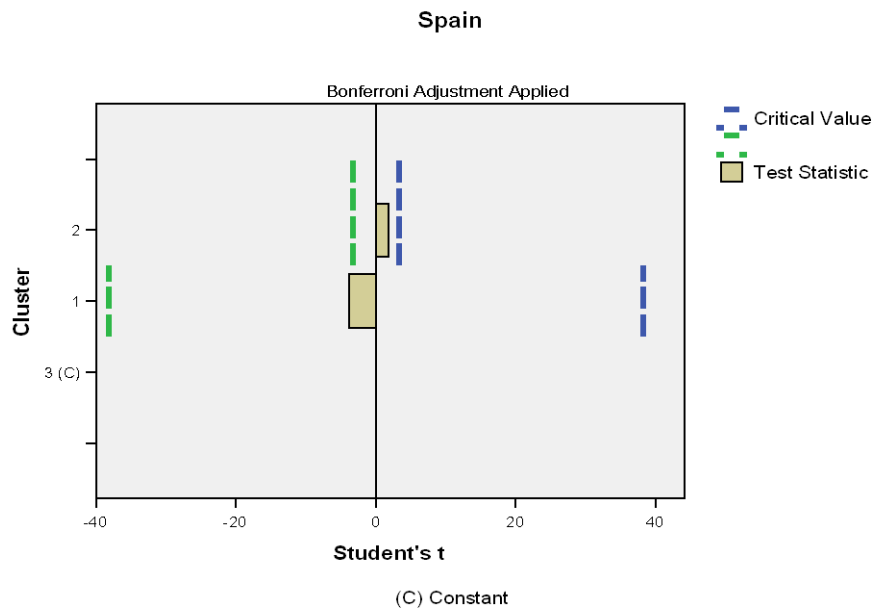


Source: own representation

Comparing figures 9 and 10, as opposed to the previous periods, it is found that the profile of the confidence intervals regarding the number of immigrants between the 2 destinations that were clearly different, now these differences have disappeared: clusters 2 and 3, i.e. the last 8 of the 10 years of the period under study look extremely similar for both countries of destination.

Next, comparing figure 11 and 12, the differences between the mean volume of migration per given destination in the case of Spain and Germany are investigated.

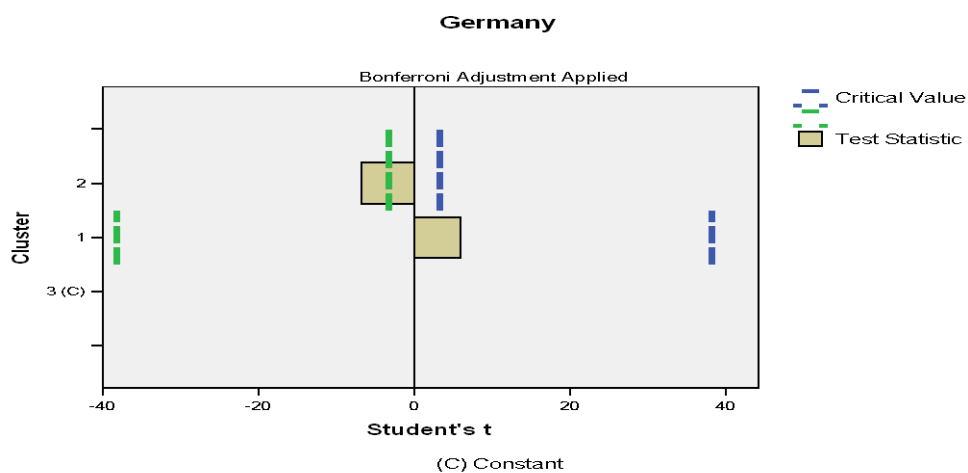
Figure 11. Testing the differences between the mean volume of migration to Spain and the mean statistical migrant population irrespectively of the destination 2007-2016



Source: own representation

The t-test value, in the case of cluster 2, is close to the critical value of t, but without reaching it.

Figure 12. Testing the differences between the mean volume of migration to Germany and the mean statistical migrant population irrespectively of the destination 2007-2016



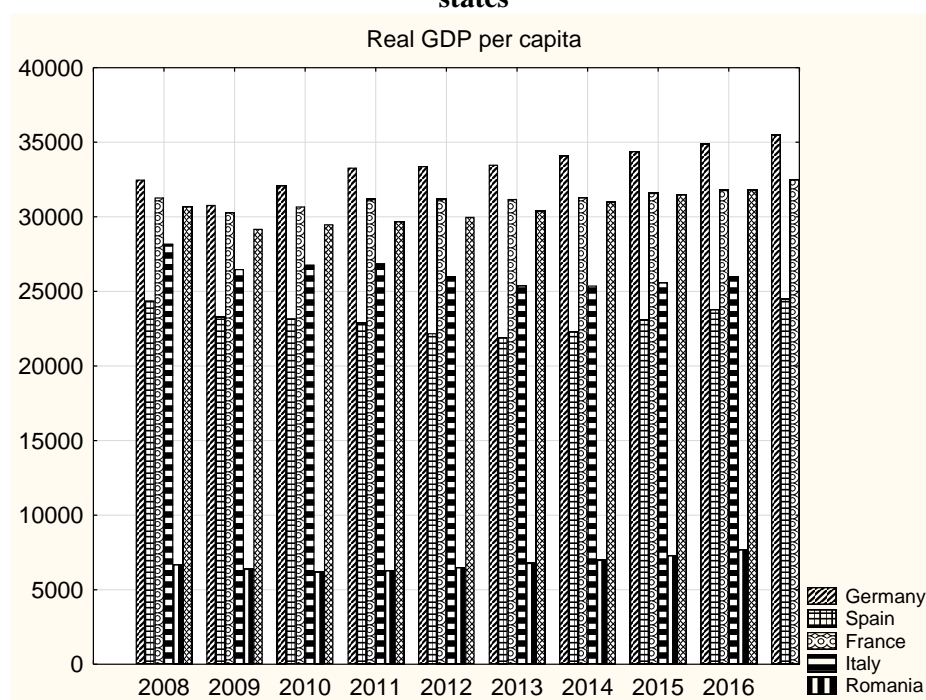
Source: own representation

In figure 12, Germany is the only destination in the group of countries chosen for immigration between 2007-2016. In the case of cluster 2, there is a statistically significant difference regarding this country compared to the "overall mean" value, an aspect that will be confirmed, in the case of Germany, by the correlation and regression models discussed at the end.

3.4. Research on the influence of the gross domestic product (GDP) per capita, from the Western European countries, on the number of emigrants from Romania to the EU countries in the period 2008-2016

It is obvious that the values of GDP per capita are significantly lower in Romania as opposed to the western European states chosen as immigration destinations. This is illustrated in fig. 13. We are looking for a regression model that can "link" the variable "the number of migrants from Romania for the respective destination" to the "real GDP per capita" values of the respective destination countries.

Figure 13 - Comparison of the real GDP Euro per capita values for Romania and 5 western European states



Source: own representation using data from Eurostat data

The 4 destination countries have per capita GDP values that are close to each other, but each one is very different from that of Romania's.

Correlation is the first step in establishing a link between two variables, followed by regression, which represents a "formalization" of the respective link, in the form of a linear equation represented as $y = a * x + b$ or nonlinear, following other type of nonlinear equations. The significance of the quantities in the expression $y = a * x + b$ is shown below: y = dependent variable (criterion); x = independent variable (predictor), "*" - the sign of multiplication; a = slope of the straight line; b = ordinate at the origin

Germany and Spain are chosen as destination countries. It will be demonstrated that only in the case of the first country there is a statistically significant influence

Table 6. Regression linear models reflecting the influence of the predictor “country_of_destination_GDP” on the variable-criterion “number of Romanian emigrants” between 2008-2016 in the case of Germany as a country of destination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
6.1-Germany				
1	.697 ^a	.485	.412	573.113

a. Predictors: (Constant), Germany_GDP

Model	Sum of Squares	df	Mean Square	F	Sig.
6.2-Germany					
1 Regression	2166993.125	1	2166993.125	6.597	.037 ^b
Residual	2299210.875	7	328458.696		
Total	4466204.000	8			

a. Dependent Variable: Germany-number of Romanian emigrants

b. Predictors: (Constant), Germany_real GDP per capita

Source: own representation

In the case of emigration to Germany, the regression model is validated by the corresponding ANOVA test ($p < 0.05$, which is a favourable result of the research hypotheses), and the R^2 value is small. A percentage of 48% of the variant of the criterion is explained by the predictor, i.e. a somewhat satisfactory value.

Next, we refer to the same type of data in the case of Spain.

Table 7. Regression linear models reflecting the influence of the predictor “country_of_destination_GDP” on the variable-criterion “number of Romanian emigrants” between 2008-2016 in the case of Spain as country of destination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
7.1-Spain				
1	.536 ^a	.288	.186	1758.991

a. Predictors: (Constant), Spain_GDP

Model	Sum of Squares	df	Mean Square	F	Sig.
7.2-Spain					
1 Regression	8747137.683	1	8747137.683	2,827	.137 ^b
Residual	21658333.872	7	3094047.696		
Total	30405471.556	8			

a. Dependent Variable: Spain

b. Predictors: (Constant), Spain_GDP

Source: own representation

In the case of emigration to Spain, the regression model is not validated by the corresponding ANOVA test ($p > 0.05$, which is not a favourable result), and the R^2 value is too small. Only 28% of the variant of the criterion is explained by the predictor, i.e. a non-satisfactory value.

Conclusions

The objective of our research was to study the volume of the Romanian migration flow between 1990-2016 according to the country of destination, and the way in which the real gross domestic product (GDP) per capita of the countries of destination between 2008-2016 could have influenced this migration flow. We have chosen the period 2008-2016 in order to eliminate the influence of Romania's becoming a EU member state in 2007; such influence was felt through the differences between the 2 time periods upon which the cluster analysis was applied by comparison. A questionable aspect of the study is given by the selection of the sample of countries, imposed by the availability of official data, which only cover the official emigration, resulting in an underestimation of the reality of the migration phenomenon.

We started from the first hypothesis that certain countries were primary targets of the Romanian migration flow. The cluster analysis was used in this respect. This analysis confirmed, for two large periods of time (1991-2000 and 2001-2006, both before Romania's accession to the EU), specific differences, depending on the time (year) of reference and the migration destination. In the first period, the migration to Italy as destination country was predominant, while, for the second period, the migration to Spain as destination country became the most important, without ignoring other destinations from the Francophone area (France, Belgium) or German-speaking countries (Austria, Germany). In fact, at present, Spain and Italy also have the largest Romanian communities formed after 1990, when the migratory phenomenon of the Romanian population in Western European countries began. Moreover, in Castellon area, and in isolated areas of Italy, there are cases of ethnic Romanians, who had arrived in those places time ago, and who are elected in the executive or legislative local bodies.

As for the second hypothesis regarding whether and how the real gross domestic product (GDP) per capita of the countries of destination, during the period 2008-2016, could have influenced the number of emigrants from Romania in the respective destinations, it was pointed out that, only in the case of Germany, the real variable GDP per capita significantly influences the number of emigrants to that specific destination. This result is not a failure in itself, because a variable such as real GDP per capita has, intrinsically, many other latent variables, impossible or very difficult to detect from the INS or Eurostat databases, which are, by their nature, built on large and very large samples; it

would have been almost impossible to conduct a survey against the background of the migratory economic-social phenomenon, which remains a sensitive topic at present. It would have been simplistic, even if attractive, to assign such a predictor role to the GDP.

In this context, the path can be opened to a new study that can investigate how the law in Italy or Spain, the "holders" of the largest number of compatriots established there, manages to develop social security systems, to integrate migrants socially and economically, and to harmonize the individual relations with the collective ones. If we look to the opposite direction, in the conditions in which there is an acute crisis of labour force in the fields of activity in which those who left after 1990 work abroad, one can suggest punctual or general solutions regarding the way in which Romania, through its central and local authorities, can stimulate the repatriation of the migrants.

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The European Investigation Order - an instrument of cooperation for a stronger European Union

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Abstract

The paper starts with an introduction of previous European instruments concerning cooperation in criminal matters, moving towards the presentation of European Investigation Order as regulated by the 2014/41/EU Directive. It then analysis the implementation of this instrument in Romania by Law 302/2004 on international judicial cooperation in criminal matters using a comparative method with reference to Austria, Latvia and Sweden. The paper gives some examples from Romanian jurisprudence involving European Investigation Orders. In the end, after presenting some of the disadvantages that may arise from executing an European Investigation Order, such as the costs that may burden the executing state, the paper ends in an optimistic tone concluding that the EIO seems to be a very useful tool for practitioners as it sets time limits and permits direct transmission of requests being faster and easier to execute.

Keywords: European Investigation Order, cooperation in criminal matters, Romania

Introduction

According to Article 82(1) of the Treaty on the Functioning of the European Union (TFEU), judicial cooperation in criminal matters in the Union is based on the principle of mutual recognition of judgments and judicial decisions. Ten years after Tampere, the European Council, adopted the Stockholm Programme, which called for a comprehensive system for obtaining evidence in cases with a cross-border dimension, noting that the existing instruments in this area represented a fragmentary regime. Consequently, the idea of a new instrument to replace all the existing instruments in the matter, to cover as far as possible all types of evidence, containing time-limits for enforcement and limiting as far as possible the grounds for refusal, was born.

Thus, the Directive 2014/41/EU referring to a single instrument called the European Investigation Order (EIO) was adopted. From the very beginning, it becomes clear, as one reads the preamble of the Directive, that the instrument cannot be used as a unique tool, though. The preamble explains the necessity of EIO, an instrument which comes to complete the Council Framework

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Decision 2003/577/JHA (Council of the European Union, 2003) which is restricted to the freezing phase and also Council Framework Decision 2008/978/JHA (Council of the European Union, 2008) which was limited (and later on repealed in January 2016). Though the EIO establishes a single regime for obtaining evidence, additional rules are sometimes necessary for certain types of investigative measures, as for example the temporary transfer of persons held in custody, hearing by video or telephone conference, obtaining of information related to bank accounts or banking transactions, controlled deliveries or covert investigations. Furthermore, the preamble notices that since the EIO Directive, by virtue of its scope, deals with provisional measures only with a view to gathering evidence, it might be the case, that some other provisional measures referring to other scope than gathering evidence (as for example with a view to confiscation), to occur during the criminal proceedings. Therefore, it is very important to maintain a smooth relationship between the various instruments applicable in this field. The coexistence of EIO with other instruments is possible taking into account the flexibility of the traditional system of mutual legal assistance established by Convention of 29 May 2000 on Mutual Assistance in Criminal Matters between the Member States of the European Union and its Protocols. After the Convention, more mutual recognition-based instruments were adopted (Council Framework Decision 2002/584/JHA of 13 June 2002 on the European Arrest Warrant and the surrender procedures between Member States, Council Framework Decision 2009/299/JHA of 26 February 2009 amending Framework Decisions 2002/584/JHA, 2005/214/JHA, 2006/783/JHA, 2008/909/JHA and 2008/947/JHA, thereby enhancing the procedural rights of persons and fostering the application of the principle of mutual recognition to decisions rendered in the absence of the person concerned at the trial, Council Framework Decision 2005/214/JHA of 24 February 2005 on the application of the principle of mutual recognition to financial penalties, Council Framework Decision 2006/783/JHA of 6 October 2006 on the application of the principle of mutual recognition to confiscation orders, Council Framework Decision 2008/909/JHA of 27 November 2008 on the application of the principle of mutual recognition to judgments in criminal matters imposing custodial sentences or measures involving deprivation of liberty for the purposes of their enforcement, Council Framework Decision 2008/947/JHA of 27 November 2008 on the application of the principle of mutual recognition to judgments and probation decisions with a view to the supervision of probation measures and alternative sanctions, Council Framework Decision 2009/315/JHA of 26 February 2009 on the organisation and content of exchange of information extracted from the criminal record between Member States, Council Framework Decision 2009/829/JHA of 23 October 2009 for supervision measures, Council Framework Decision 2009/948/JHA of 30 November 2009 for conflicts of jurisdiction, or Directive 2011/99/EU of 13 December 2011 on the European Protection Order).

We observe that by the time the EIO Directive was issued, a significant number of instruments already existed in the area of cooperation in criminal matters.

1. The European Investigation Order

The definition of the EIO is foreseen by the very first article of the Directive, according to which it is a judicial decision issued or validated by a judicial authority of a Member State (MS) to have one or several specific investigative measure(s) carried out in another MS to obtain evidence (European Parliament, 2014 - Directive 2014/41/EU, Article 1, para 1). The EIO may also be issued for obtaining evidence that is already in the possession of the competent authorities of the executing state. The order may be requested by the authorities ex officio or at the request of the suspected or accused person, personally or by a lawyer in his behalf.

According to Article 2 of the Directive, the `issuing State` means the MS in which the EIO is issued, while the `executing State` means the MS executing the EIO, in which the investigative measure is to be carried out. Furthermore, the `issuing authority` means a judge, a court or a public prosecutor or any other competent authority in criminal proceedings, while the `executing authority` means an authority having competence to recognise an EIO and ensure its execution.

The scope of the EIO is to obtain any investigative measure with the exception of the setting up of a joint investigation team and the gathering of evidence within such a team, as the latter is regulated by Council Framework Decision 2002/465/JHA. The measures may be obtained in criminal proceedings or in proceedings brought by administrative bodies in particular in criminal matters, or in any other proceedings brought by judicial authorities for infringements of the rule of law for which a legal person may be held liable or punished in the issuing state.

Necessity and proportionality are two of the conditions to be met in order for an EIO to be issued. They have to be balanced taking into account the rights of the suspected or accused person. Another condition is that the investigative measure could have been ordered under the same conditions in a similar domestic case.

The request for an EIO must be made in a written form and transmitted directly to the executing authority by the issuing authority or through a central authority. It may be transmitted also via the telecommunication system of the European Judicial Network.¹

Unless the executing authority invokes a ground for non-recognition or non-execution or one of the grounds for postponement, it must recognise the EIO without any other formality, and execute the investigative measure. The EIO must be transmitted in accordance with the EIO Directive, though.

¹ As set up by Council Joint Action 98/428/JHA of 29 June 1998.

In some cases, the executing authority may have recourse to an investigative measure, other than that provided for in the EIO. Article 11 of the Directive provides for the grounds for non-recognition or non-execution. For example, an EIO may be refused if there is an immunity or a privilege under the law of the executing state which makes it impossible to execute the EIO or there are rules on determination and limitation of criminal liability relating to freedom of the press and freedom of expression in other media (Art. 11 (1)(a)). Another ground of refusal is the infringement of the *ne bis in idem* principle (Art. 11 (1)(d)) or if the execution of the EIO would harm essential national security interests (Art. 11 (1)(b)). Other situations are taken into account by Article 11, as well. The execution of the EIO may be postponed if its execution might prejudice an on-going criminal investigation or prosecution or if the objects, documents or data concerned are already being used in other proceedings (Article 15).

The Directive foresees a time limit of 30 days to decide on the recognition or execution of the EIO but in some cases, the deadline might be shorter, depending on the circumstances. The investigative measure must be executed no later than 90 days after the decision of execution. In case the deadline cannot be respected, the issuing authority must be informed.

After the EIO is executed, the executing authority must transfer the obtained evidence to the issuing authority. According to Article 14 of the Directive, the substantial reasons for issuing an EIO may be challenged only in an action brought in the issuing State.

The costs involved by the execution of an EIO are to be beard by the executing State, unless they are extremely high, in which case, the issuing State may bear a part of the costs, or may decide to withdraw the request for the EIO.

The EIO Directive further provides for specific provisions for certain investigative measures, as for example temporary transfer to the issuing or executing state of persons held in custody, hearing by videoconference or other audio-visual transmission or by telephone conference, information on bank and other financial accounts or operations, covert investigations or investigative measures implying the gathering of evidence in real time, continuously and over a certain period of time. A chapter is dedicated to the interception of telecommunications.

In some cases, an EIO may be used for provisional measures, to prevent the destruction, transformation, removal, transfer or disposal of an object that may be used as evidence. In such cases the decision on executing the request has to be issued in 24 hours.

2. The implementation of the European Investigation Order in Romania. Some comparative aspects concerning Austria, Latvia and Sweden²

In Romania, Law 302/2004 (Romanian Parliament, 2011) on international judicial cooperation in criminal matters was amended and supplemented by Law 236/2017 (Official Journal of Romania, 2017) in order to transpose the EIO Directive. When acting as an issuing State, only Romanian judicial authorities have competence, namely the competent Prosecutor's Office during the investigation phase or the competent court in the trial phase. No administrative authority has competence, as it is not considered investigating authority in criminal proceedings. Some investigative measures such as, surveillance methods including wire-tapping of communications or of any type of remote communications, accessing a computer system, obtaining data regarding the financial transactions of persons, use of undercover investigators and informants, controlled deliveries, etc., cannot be decided by a prosecutor, but only by a Judge of rights and liberties during the investigative phase or a Judge during the trial phase.

In Sweden and Austria, the issuing authorities are public prosecutors and courts while in Latvia, at the pre-trial stage, the competent authority is represented by the person who directs the proceedings. If the case is under investigation, the issuing authority is an investigator and only in exceptional cases, a public prosecutor. If the case is already under criminal prosecution, then the public prosecutor is the issuing authority. If the case is in the trial stage, the judge who leads the trial acts as an issuing authority (European Judicial Network, 2018). The same rules apply when these countries are executing states. In Romania and Sweden the executing authorities are the competent Prosecutors (during pre-trial phase) and courts (during trial phase). In Latvia, during pre-trial phase, the executing authority is the Prosecutor General's Office but also Latvian State Police, if there is no prosecution yet. If the case is under the trial phase, the first instance courts depending on jurisdiction are executing authorities.

In Sweden, only prosecutors and courts are receiving authorities, while in Romania, also the direct contact is the rule, sometimes, the Central Authority may also receive an EIO. During the pre-trial phase the Central Authority is the Public Ministry. Depending on the crimes involved, there might be two special divisions (National Anti-Corruption Directorate - NACD, International Judicial Cooperation Unit – for serious corruption offences, or Directorate for Investigation of Organized Crime and Terrorism - DIOCT, International Judicial Cooperation Unit – for organized crime and

² The choice of comparing the implementation of the EIO in Romania with Austria, Latvia, and Sweden comes from the opportunity which the author had to participate in an international event organized by the Academy of European Law, in Riga, Latvia on 21-22 February 2019. The event, called 'Applying the European Investigation Order', had speakers from the selected Member States.

terrorism offences) or the Prosecutor's Office attached to the High Court of Cassation and Justice – POHCCJ - , International Judicial Cooperation Unit – for other crimes. During the trial-phase the Central Authority is the Ministry of Justice, Directorate for International Law and Judicial Cooperation, Division for International Judicial Cooperation in criminal matters.

In Latvia, during the trial phase, the Central Authority is the Ministry of Justice, while during the pre-trial phase, the Central Authority is either Prosecutor General's Office, either the Latvian State Police, depending on the stage of the investigation. Unlike Romania or Latvia, Sweden has not appointed a Central Authority. In Austria, the direct transmission of requests is the rule but in cases of serious economic crime or corruption, a Central/Specific Authority (WKStA) is involved (Kmetec, 2019).

In urgent cases all the three states may decide to receive EIO requests by e-mail. English might be accepted, though the executing authorities might ask for a translation into the national language. In regular matters, the accepted language is Latvian in Latvia, Romanian, English or French in Romania and Swedish in Sweden.

Some other particularity concerning Romanian or Austrian legislation involving an EIO is that it does not foresee for a telephone conference, but only for videoconference in specific cases. Also, an interesting situation might arise when Romania acts as an issuing state. If the evidence is obtained during the pre-trial phase and transferred to Romania, another judge will analyse the evidence, namely the Judge of the Preliminary Chamber if the case is sent to trial. The Preliminary Chamber is a middle phase between the pre-trial and the trial phase. The keyword during this phase is `legality` of acts, measures and evidence which took place or were administrated until that moment. In our opinion, we believe that in some cases we might have a double or even a triple control of the evidence. For example, if during the pre-trial phase the Romanian prosecutor needs a house search in another country, the measure has to be requested to a Judge of Rights and Liberties. If the judge gives the authorization, the request for an EIO involving the house search may be made. If in the executing country the house search needs to be authorized by a judge, then we have the second control. If after the house search the evidence obtained is transferred to Romania and the case is sent to trial, then the obtained evidence is to be analysed by the Judge of the Preliminary Chamber, which leads to the third control.

3. Romanian Jurisprudence concerning European Investigation Order

Only one year after the entrance into force of the EIO Directive in Romania, and the order seems to be a very useful tool in the matter. According to the Report of the Prosecutor's Office attached to the High Court of Cassation and Justice for 2018, the cooperation was faster due to the

EIO (Ministerul Public, 2018a, p.70). In 2018 there were 434 EIO cases (Ministerul Public, 2018a, p.76) that the POHCCJ dealt with, while DIOCT acted in 165 cases as an executing authority and in 514 cases as an issuing authority (Ministerul Public, 2018b, p.86). The investigative measures were diverse, from interception of communications until obtaining of financial data, house search, witness interrogation or transfer of documents (p. 77, 82). The NACD dealt also with EIOs, in 45 cases as an issuing authority and in 9 cases as an executing authority (p. 81).

For the purpose of this paper, we looked into the jurisprudence which is open to the public and also into the press releases issued by the DIOCT. Even though according to the cited Reports, Romania acted in more situations as an issuing state than executing state, the information we could rely the research on, was more about executing an EIO than issuing it. The identified executing requests were granted or sent to the competent authorities. We did not identify any rejected requests.

For example, in one situation, The Court of First Instance of Cluj Napoca declined its competence and sent the request of the Dutch prosecution for the hearing of one person who was investigated in The Netherlands, to the Office of the Prosecutor near the Court of First Instance of Cluj Napoca. It based its decision on the arguments that since the case was in the pre-trial phase in the issuing state, then the measure should be executed by a prosecutor and not by a court (Court of First Instance of Cluj Napoca, 2018). In another case, the Court of Appeal of Timisoara declined its competence to a lower court, the Tribunal of Caras-Severin, based on the fact that the crimes involved were not of its competence according to Romanian law. In this specific case, the issuing authority was the Jury Court of Napoli which requested the Romanian Court to hold a videoconference with more persons, who were accused of human trafficking and constitution of an organized group, or were witnesses of these crimes as well as victims of the crimes. All of these persons were located in Romania (Court of appeals of Timisoara, 2018).

In another case, The Court of Appeal of Targu-Mures sent the request to the Ministry of Justice because after the exchange of communications with the issuing authority, the Court of First Instance Avenida, Spain, it clarified that the case was not a criminal but a civil one. At first, the Romanian Court did not understand the nature of the request and it engaged in further communication with the Court in Spain to better understand. After an exchange of information, the judge understood that there was a criminal investigation in Spain concerning a Romanian citizen, who ended. As his hearing was necessary for a claim of damages, the Court sent the request to the Ministry of Justice which was the Central Authority according to the rules concerning international cooperation in civil matters (Court of Appeals of Targu-Mures, 2019).

An EIO was granted by the DIOCT at the request of the Prosecutor's Office of Napoli and more documents concerning a Romanian citizen investigated for human trafficking and participation to an

organized crime group, were translated from Romanian to Italian and sent to the issuing state (Suceava Tribunal, 2019). In another case, the Court of First Instance of Satu Mare granted an EIO at the request of the Office of the Prosecutor from Budapest, and provided the issuing state with more data concerning the economic activity of a Romanian firm (Court of First Instance of Satu Mare, 2018).

Based on the DIOCT`s press releases we identified more situations when Romania acted as an executing state and one situation as an issuing state. When acting as an executing state, Romanian authorities cooperated with other states` authorities in particular for house searches (DIOCT, 2018/2019).³ As an issuing state, Romania asked the Italian authorities for information concerning bank accounts, incomes, real estates transactions, the history of a particular firm and data concerning its employees (DIOCT, 2019).⁴

Conclusions

The EIO seems to be a very useful tool for practitioners as it sets time limits and permits direct transmission of requests. Still, even if it was meant as a single evidence gathering instrument, in reality it provides for more fragmentation. The MLA instruments continue to apply in parallel with the EIO as it is not clear what are `the corresponding` articles of other instruments that the EIO Directive replaces (Vermeulen, 2019).

It was also criticized for placing unrealistic burden upon executing Member State because all the measures are obligatory, appealing to self-restraint only or because the costs are borne by the executing state, as a general rule. Indeed, the costs might be a problem. As one of the Prosecutor mentioned in an interview (Ene Dogioiu, 2019), sometimes because of the lack of funds, the foreign authorities are informed that the EIO cannot be executed. According to the EIO Directive, the issuing state may have to bear the costs only if they are extremely high (the EIO Directive Para. 23, Article 21), otherwise, the executing state should bear the costs. In such case, there should be negotiations between the two authorities which might lead to withdrawal of the request or to keeping it but on the issuing state`s expense. The Directive does not foresee a solution for the situation when even if the costs are not extremely high, the executing state has no budget for them, or the budget is too low and cannot afford to execute the order.

Nevertheless, in Romania, after only one year of implementation of the EIO Directive, the number of joint investigation teams decreased from 24 in 2017 to 15 in 2018. According to the

³ DIOCT press releases from 12.08.2018, 14.06.2018, 19.04.2019, 12.06.2019, <https://www.diicot.ro/cautare?searchword=ordin%20european%20ancheta&searchphrase=all&limit=20>

⁴ DIOCT press release from 06.09.2019, <https://www.diicot.ro/mass-media/2452-comunicat-de-presa2-06-09-2019>

POHCCJ one of the reasons is the use of EIOS which are faster and easier to execute. The same conclusion appears in the DIOCT Report for year 2018.

Only the future work of the judges and prosecutors is to show the real advantages or disadvantages, if any, of the EIOS and what is their impact on the substantive and procedural rights of the persons involved in the investigative process.

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Quo vadis, European Union?

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Abstract

The general objective pursued through this research is to map out the main perspectives on the future of the European Union in the new legislature elected following the May 2019 elections, with regard to the main attitudes and preferences shaping the European citizens' agenda for the 2019 EU elections. We aim to illustrate and interpret the main trends at European and national level, providing a better understanding of how citizens relate to the main challenges faced by the European Union. The secondary objective of the research is to highlight the impact of the rise of populism and extremism on the results of the elections organized in the 28 Member States.

Keywords: European elections, Eurobarometer Survey, European values, the Future of Europe, European crisis

Introduction

The European Union is by no means a perfect construction from the point of view of cooperation and efficiency. The many crises have undoubtedly shed light on the imperfections and limits of the Union, the divergent and sometimes contradictory interests of the Member States in relation to different policies, as well as different solutions to solving problems in the European space. However, despite the tensions that have arisen between Member States over the years, the European Union has succeeded in finding consensus and mitigating the negative impact of economic, social and political crises by supporting each Member State on the road to economic, social and political progress.

The Membership of the European Union was, on the one hand, the collective effort of the Member States to manage the different challenges, as well as the effort to identify a common direction that corresponds to the different interests of the Member States. On the other hand, European construction has generated advantages for each member state, both from an economic point of view, facilitating through the Single Market the free exchange necessary for economic and social development (Boltho and Eichengreen, 2008; Crespo-Cuaresma, Ritzberger-Grünwald and Silgoner,

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2008; Camposab, Coricellicd and Morettie, 2019), reducing the barriers represented by cultural and ethnic stereotypes, by gender or by age, by promoting a wide range of policies and programs to combat discrimination in the European area (Ziller, 2014). Last but not least, the European Union has contributed to the democratization of the Member States, providing real support especially to the countries of Eastern Europe freed from the yoke of the communist regime (Lane, 2007).

In this article, we aim to map out the main perspectives on the future of the European Union in the new legislature elected following the May 2019. Our approach sets out to identify the impact that the rise of populism and extremism had on the results of the elections organized in the 28 Member States for the appointment of Members of the European Parliament. We analyse these results in relation to those obtained in the 2014 elections, as well as in relation to the perception of European citizens towards the main topics on the agenda of the European Union.

Our initial hypothesis captures the prevalence of national themes in voters' choices, which is why the rise of the populist and extremist candidates was determined by the erosion of traditional parties, simultaneously with the exploitation of the voters' dissatisfaction at the local level. In this context, the debate on the future of the European Union has come to a standstill, in the absence of promoting transnational issues in the electoral campaign. In addition, the division of the political spectrum in the new legislature limits the prospects of forming a majority that will support and promote the reform project of the European Union. Even though the interest of voters was high in the May 2019 European elections, in this article we aim to identify the level of fragmentation of the electorate in relation to their positioning against the support of anti-European candidates.

Through the internalization of European values and principles, a different lifestyle has emerged in the European space, where citizens have converged around the European goals of achieving a high standard of living (Foret and Calligaro, 2019). From an abstract and bureaucratic entity, in time - even though the size of European bureaucracy has expanded over the past decades - the European Union has gained an essential dimension that has allowed it to continue and grow despite the obstacles it has met. The European construction has become a concrete identity in the lives of European citizens.

From the most developed communities to the least-developed territorial administrative units, regardless of the needs and expectations of the citizens of the Member States, the European Union managed to make its presence felt through the adopted economic, social and political policies and programs. The European Union has thus become the only credible option that has the resources to provide the Member States with the additional capacity to protect the safety and freedom of citizens. Although the difference in pace and intensity can be observed throughout the history of the European construction, we must not neglect that they have not led to the integration process of state actors with

a lower integration rate. On the contrary, there were sectoral policies aimed exclusively at reducing the economic, social and political gap, designed to support disadvantaged communities.

1. The crisis of legitimacy of the European Parliament

The turnout for the election of MEPs has fallen to a European level from 61.99% (in the 1979 EU-9 parliamentary elections) to 42.61% (in the 2014, EU-28 European Parliament elections) (European Parliament, “Results of the 2014 European elections”). The eradication of traditional parties and the lack of legitimacy of European institutions have facilitated the rise of populism and Euroscepticism, which have led the European Union to a moment of impasse over the future of the European project. The migration crisis and the outflow of the UK from the EU and Euratom are the most recent examples that have highlighted the consequences of challenging EU values and principles.

The Union’s reform must take into account the changing faces of the surrounding reality. By better targeting the Union’s energies and resources, Member States and European institutions must cooperate to promote the European ethos. European citizens must once again look with confidence in Europe as a solution to the main challenges we face. Peace on the continent, the free movement of people, capital and services, as well as the transnational solidarity to manage crises and challenges cannot be capitalized in the absence of a constant dialogue between citizens and European institutions.

For the first time, the May 2019 elections took place in a context marked by the need to shape the future of the European Union, responding to the political, social and economic challenges faced by the Union and the Member States. The Brexit referendum, the struggle to secure Eastern border, terrorism, the economic crisis are the main new challenges that are shaking the political foundations of the EU (Bauböck, 2019; Carrapico, Niehuss and Berthélémy, 2019; Foret and Calligaro, 2018; Bakardjieva Engelbrekt, Bremberg, Michalski and Oxelheim, 2019; Costa, 2019). At the same time, the identity and the role of the EU citizens are in crisis (Dinan, Nugent and Paterson, 2017, pp. 1-16.), because the European liberal values which consolidated the democracy in this region are challenged on the one hand by the decline of the role of the traditional political parties and on the other hand, by the rise of populism in many of the EU member states (Müller, 2016, pp. 9-25; Mudde and Rovira Kaltwasser, 2015, pp. 329-355).

The European Parliament’s elections are shaped by the need to adopt a direction on the future of European construction, responding to the expectations and needs of European citizens. The outcome of the election will reflect not only the way the Union will follow, but also the European citizens’ trust in the European project. The future of the European Union is jeopardized by a different

speed of will in terms of following the European path of the Member States. The short-term domestic political stance influences the will of the Member States to be part of the European Union's construction. The temptation to use the "EXIT" option to obtain domestic political capital is the real challenge facing the European Union at this time.

An important aspect is the organization of 2019 Presidential elections in five Member States (Ireland, Slovakia, Lithuania, Romania and Croatia) and legislative elections in eleven Member States (Slovenia, Sweden, Latvia, Luxembourg, Denmark, Greece, Poland and Portugal), which is why the campaign for the European elections are strongly anchored in the domestic political landscape ("Daybook: Future International and National Events 2019"; Joannin, 2018, pp. 1-9; Koerner, 2018, pp. 1-16.).

The results of 2019 European elections are also a test for European political families, electoral campaign and voter options giving us an answer on the lessons they have learned to combat misinformation and choosing European values. The role of the Union is also under discussion, but these reforms eventually translate into the skills that European political parties and institutions succeed in rebuilding citizens' confidence, acting effectively and transparently to ensure safety and development throughout the Union.

2. Eurobarometer Survey of the European Parliament⁵

At European level, according to the last Eurobarometer of the European Parliament (Eurobarometer Survey 89.2 of the European Parliament. A Public Opinion Monitoring Study, May 2018), the dominant trend is in favor of recognizing the importance of the European construction: for the first time, more than two-thirds of respondents appreciate the affiliation with the European project, while the "majority of Europeans think their voice counts in the EU" (Eurobarometer Survey 89.2, p. 7). These results confirm that the UK referendum has been a "wakeup call" for citizens of other EU Member States since the second half of 2016 (Eurobarometer Survey 89.2). *The Spitzenkandidaten process* is perceived by 61% of the respondents as "as important cornerstone of democratic life in the EU" (Eurobarometer Survey 89.2), while security and immigration are the main topics that European citizens are interested in (Eurobarometer Survey 89.2, p. 8). The citizens' agenda also includes issues such as prosperity and well-being, the fight against terrorism and the fight against youth unemployment (Eurobarometer Survey 89.2). Instead, only 32% of respondents believe that the

⁵ Published in Negoită, C. and Costea, V.A. (2019), "Why European values matters? A Cross-sectional Study on the Attitudes and Preferences of the Romanian citizens towards 2019 EU elections", *Polis, Revistă de Științe Politice*, Vol VII, No. 1 (23), December 2018 – February 2019, pp. 175-188.

promotion of human rights and democracy, together with European social protection, should be among the issues debated in the European elections campaign, which took place from 23rd to 26th May 2019 in the 27 EU Member States (Eurobarometer Survey 89.2).

Despite the challenges that have made the EU resilience difficult, the results of the Eurobarometer reflect the attachment of European citizens to the political and economic model that is the foundation of the European construction (Eurobarometer Survey 89.2). However, 38% of respondents believe that the emergence of new parties could pose a threat to democracy (between 2013 and 2018 more than 70 new parties and alliances have appeared in EU Member States) (Eurobarometer Survey 89.2). Another worrying aspect is the low level of political knowledge for respondents (only 32% of them know that European elections will be held in 2019, even if 50% said that they are interested in these elections) (Eurobarometer Survey 89.2, p. 9). Looking at these results, we wonder how much *Eurobarometer Survey* remains a tool that faithfully identifies the respondents' opinions and attitudes. We must not neglect the underlying causes of the spiral of silence, a phenomenon that causes respondents not to express their dissatisfaction (Noelle-Neumann, 1974, pp. 43–51; Noelle-Neumann, 1986).

Reporting the citizens of the Member States to European elections they will be influenced, first of all, by their perception of the democratic mechanisms that the EU offers. In countries like Denmark, Sweden, Netherlands or Germany, the high level of confidence in participation in the decision-making process is a major premise for participating in European elections. With the exception of Netherlands, the other three states had a 50% voting rate in 2014 at the European elections (average European level of 42.61%) (Eurobarometer Survey 89.2, p. 64).

At the level of the Member States, the citizens' agenda for European elections differs according to national context, predominantly those issues that have had a direct impact on the living standards. Thus, in countries such as Hungary, Malta or Italy, the main theme of interest is immigration, while for respondents in Croatia, Greece and Cyprus campaigns against youth unemployment is the issue that should be prioritized during the election (Eurobarometer Survey 89.2, p. 35). However, we should draw attention to the fact that the fight against terrorism is the main concern of citizens from Czech Republic and Finland, while fighting climate change and protecting the environment is the main team of interest for respondents in Denmark, Sweden and Netherlands (Eurobarometer Survey 89.2, p. 35).

The citizens' agenda is also influenced by the level of information available to people. The relevant example is that in countries such as France, Latvia or Portugal where the share of respondents who correctly indicated the date of the European elections was below 25%, although between 32% and 47% of the citizens of these countries declared to be very interested in the elections to the

European Parliament (Eurobarometer Survey 89.2, p. 67). A special case is represented by Czech Republic, where 79% of respondents declare themselves totally “not interested” to take part in European elections, which is why the voting rate is expected to be still very low (in May 2014, the level of participation was 18.20%) (Eurobarometer Survey 89.2, p. 64).

3. More or less Europe in the campaign for European elections

With the exception of the debate on 15 May 2019, broadcast live on over 35 TV channels and over 60 on-line platforms, attended by the six *Spitzenkandidaten* (European Parliament, May 16, 2019), the debate on the European Union has moved second, the campaigns in the Member States presenting a strong national specificity. On the one hand, the failure to adopt transnational lists has increased the importance of national lists, with the EU discourse being divided according to the campaign strategy used by political parties in each Member State in the context of poor communication with the political groups in the European Parliament. On the other hand, the weak articulation of a European political agenda, that would have been capable of marginalizing „local” issues, has illustrated the diversity and the multitude of notional themes that prevailed among the citizens’ choices.

While in Germany the CO2 tax and the Internet upload filters were the main subjects of the electoral campaign (Riegert, May 6, 2019; Riegert, May 25, 2019), overlapping the aggressive and violent messages promoted by AfD (Alternative für Deutschland) (*DW.com*, April 26, 2019), the anti-migrant discourse and the salvation of Christianity impregnated a strong nationalistic hue to the Hungarian campaign ((Riegert, May 6, 2019; Riegert, May 25, 2019). Instead, in Poland, sex and religion were the main themes invoked in the campaign by political parties (Davies, May 22, 2019).

Another important moment was the Informal Summit in Sibiu on May 9, 2019, which was addressed in the electoral key. At this Summit, the Heads of State and Government did not address the sensitive issues posed by the challenges that made it hard cooperation and solidarity between Member States and EU institutions. Participants’ efforts were centered on the electoral campaign, the only objective for this Summit was not to affect the electoral campaign. Specifically, in the Preamble of The Sibiu Declaration (European Council, “The Sibiu Declaration”, May 9, 2019), the emphasis is placed on the forthcoming elections to the European Parliament, while in the Joint Call for Europe, the 21 signatory heads of state stressed that “our common European future that is on the ballot” (Presidential Administration, “Joint Call for Europe ahead of the European elections in May 2019”, May 9, 2019).

The call for a single Europe, solidarity in difficult times, and the protection of democracy and the rule of law is undoubtedly a necessary reaffirmation of the values and principles underpinning the European Union. It is not enough, however, because during this period the Member States and EU institutions need a common (re)definition of these values and principles. In other words, the EU needs a consensus that each actor understands the same thing when it talks about cooperation, solidarity, democracy and the rule of law without bringing national or partisan nuances or interpretations.

The Sibiu Summit was seen as a moment for the main actors to catch their breaths. The sensitive talks will be resumed after Brexit's actual concretization at the following Summits organized by Finland and Croatia. The hot topic will most likely be to condition the access of European funds to the respect for the rule of law in the context of the strict adoption of the new Multiannual Financial Framework.

4. The EU's democratic resilience

Elections of the European Parliament have generated numerous surprises at European level, both in terms of the record-breaking presence in the ballot box (50.97% participation average) and in the results of populist, extremist and Eurosceptic parties (especially in France, Italy, Great Britain, Germany and the Netherlands) (European Parliament, "2019 European election results").

Overall, the results need to be analyzed in relation to the ability of Member States to guarantee the organization of free and fair European election (European Commission, *Communication*, Brussels, 12.9.2018, COM(2018) 637 final), the democratic resilience of the European Union ("Resilience is the ability of an individual, a household, a community, a country or a region to withstand, to adapt, and to quickly recover from stresses and shocks." See *Communication from the Commission to the European Parliament and the Council, The Eu Approach to Resilience: Learning from Food Security Crises*, Brussels, 3.10.2012 COM(2012) 586 final; Council of the European Union, 2013, May 28; European Commission, 2013, June 19; Joseph, 2018; Burnell. and Calvert, 1999) being tested in the run-up to the electoral ballot in the 28 Member States (European Commission, September 2018), which signalled the need for awareness of threats and the transparency of the democratic process:

"European citizens should be able to vote with a full understanding of the political choices they have. This entails more awareness of threats and more transparency in our political process. An open public sphere, secure in its protection from undue influence, ensures a level playing

field for political campaigning and electoral processes the public can trust” (European Commission, September 2018).

Space for mobilization, the online environment is also an area of misinformation and radicalization, and the user is at the same time a victim of such attacks, eroding the resilience of democratic systems. The aggressive campaign carried out by populist and extremist political candidates and political parties in the online world, along with the misinformation promoted by other electoral competitors, did not purport to inform voters, while in most Member States the debate on the EU came second. The internal battles between the parties and the dispute around some national themes have transformed the Euro-parliamentary elections into an internal confrontation. The EU’s democratic resilience is weakened after these elections, and further actors have gained from the widening of cleavages and stereotypes in the community space.

5. The Phantom of populism haunts the European Union

Even if most news journals presented the results as a good result for pro EU parties (De Sio, Franklin, Russo, 2019), the result of the European elections confirms the erosion of traditional parties, as well as the concerns on the rise of populism, extremism and Euroscepticism. With a single German engine [after the defeat of the En Marche party by the French far-right National Rally (RN-Rassemblement National)] and the need to form conjoining alliances, the decision-making process in the new legislature will be hampered by the rhetoric and opposition from the contestants of the European model.

The final results show a balance between EPP and S&D (separated by 28 mandates), the composition of the European Parliament being characterized by a relative balance between the political groups that obtained between 41 and 74 mandates, out of the total 751 mandates (GUE/NGL, ECR, ID and Greens/EFA) (European Parliament, “2019 European election results”). The Renew Europe group, which has 108 seats in the European Parliament, will very likely play a crucial role in the formation of the new majority (European Parliament, “2019 European election results”). In this context, the national dimension plays an important role, the rhetoric of extremists and populists being an impediment to the articulation of transnational discourse, a hypothesis confirmed by the result of the European elections. In order to have an overview, we present in Table 1 (in Appendix) the most important results obtained at the European elections, on the basis of which we identify the weakening of the traditional parties, at the same time as the ascension of the Euro-skeptic parties.

The French far-right RN (Rassemblement National) won the election in France (final results), outpacing the coalition of LREM + MoDem + A + MRSL. The result is all the more surprising given that the turnout (50.12%) that approached the high waters of the 1994 ballot (52.71%) (European Parliament, “2019 European election results”). However, Le Pen managed to keep the result obtained in the 2014 elections (European Parliament, “2014 European election results”).

In Germany, the right-wing party of Chancellor Angela Merkel, CDU/CSU won of the European elections, while the SPD declined (European Parliament, “2019 European election results”). The Green Party (Bündnis 90 / Die Grünen) doubled its electoral score, reaching 21 seats in the European Parliament’s new parliamentary term (European Parliament, “2019 European election results”), while the far right, represented by AfD (Alternative für Deutschland), gained 4% more, with a total of 11 mandates (European Parliament, “2019 European election results”).

The provocative results in Italy reflect one of the most important Eurosceptic victories after the categorical victory of the right-wing Lega Salvini Premier, headed by Deputy Prime Minister and Interior Minister Matteo Salvini (European Parliament, “2019 European election results”). Democratic center-left party of former prime minister Matteo Renzi placed second (European Parliament, “2019 European election results”). Compared to the 2014 elections, the Partito Democratico has almost halved its electoral score, with the number of MEPs decreasing from 31 to 19. The 5-Star Movement (Movimento Cinque Stelle) seems bound on a downward slope, having achieved 3 mandates less than the 2014 elections.

In the Netherlands, the victory of the PvdA, for which Frans Timmermans has also run, outperforming the VVD led by Prime Minister Mark Rutte, liberated Frans Timmermans from the scenario which would put him in a delicate situation if he had not won the elections in his native country. Beyond the victory gained by the PvdA, the rise of the new extreme right-wing populist FvD is a worrying sign for the EU. Placed on the fourth position, with 3 seats in the new European Parliament (European Parliament, “2019 European election results”), the party led by the charismatic figure Thierry Baudet backs the idea of holding a referendum on the departure from the EU (Kleinpaste, March 28, 2019), following the same rhetoric used by Nigel Farage and Marine Le Pen.

The extreme right FPÖ remained in third position in Austria, even if it gained 2.5% less than in the 2014 elections (European Parliament, “2019 European election results”), but the surprise was the election of the former Austrian Chancellor and Party leader, Heinz Christian Strache, even if he was ranked 42 on the FPÖ list, due to the fact that the electoral system uses the open lists (Mischke, May 27, 2019).

The results of the Czech elections confirmed the victory of the populist ANO movement headed by Czech Prime Minister Andrej Babis. ANO will be represented in the European Parliament by 6 MEPs, while the right-wing ODS (Občanská demokratická strana) has obtained 4 mandates (European Parliament, “2019 European election results”).

In Hungary, however, the victory of the FIDESZ extremist political party is not surprising, but a notable evolution is the erosion of the radical Jobbik nationalist party, while the Democratic Coalition (DK - Demokratikus Koalíció) is firmly on an upward slope, placing the second position (European Parliament, “2019 European election results”).

The Polish Nationalist Party Law and Justice (PiS) won the European elections with 45.38% of votes, as the Coalition Koalicja Europejska, which includes the Civic Platform of the former Prime Minister President of the European Council, Donald Tusk, comes in a not-so-close second with 38.47% of votes (European Parliament, “2019 European election results”). The rise of the PiS is a strong sign of concern, with nationalist rhetoric becoming much stronger in the new legislature.

In the UK, the elections have been somewhat atypical in the context of the Brexit and the election of MEPs for several months. The new party set up by Nigel Farage, Brexit Party, gained 30.75% of the vote, quite literally crushing the ruling Conservative Party who plummeted with only 8.85% of votes (European Parliament, “2019 European election results”), after it had gathered 23.31% in the 2014 elections (European Parliament, “2014 European election results”).

The rise of populism, extremism and euroscepticism takes place in the context of the debate on the relaunch of the European project, the stakes of the European elections being to legitimize the approaches to the future of the European Union. The optimism generated by the high turnout is shaded by the weak results of traditional parties, which will make it difficult to obtain political consensus on the EU's reform policies.

Conclusions

In this article, we identify the impact that the rise of populism and extremism has on the results of the elections organized in the 28 Member States for the appointment of Members of the European Parliament. We set out analyse these results in relation to those obtained in the 2014 elections, as well as with regard to the perception of European citizens towards the main topics on the agenda of the European Union.

We observe that the prevalence of national themes in voters' choices, which is why the rise of the populist and extremist candidates was determined by the erosion of traditional parties, simultaneously with the exploitation of the voters' dissatisfaction at the local level. In this context,

the division of the political spectrum in the new legislature limits the prospects of forming a majority that will support and promote the reform project of the European Union.

The decreasing of the level of cooperation between Member States, the reducing solidarity within the Union, the increasing the development gaps and the different visions between Member States are all factors that will exacerbate the crisis among less developed countries, providing fertile ground for the rise of Euroscepticism and populism in those states. The differences between the Member States and the dismissal of the founding values have divided the EU and have de facto placed the Eastern European states in a position of inferiority - from an economic, political, social point of view - in some areas compared to the other Member States, particularly in areas where cooperation and solidarity between Member States do not work at optimal parameters.

The different speeds of integration, cooperation and solidarity with respect to certain areas have divided Member States into “champions” and “losers”, which has generated the accumulation of experts, investors and capital in “champions” states, because an accelerated integration speed determines a developed and sustainable economic market, an efficient health and education system, a justice system that ensures citizens’ equality in the Member States.

Accepting differentiated treatment in favour of the states with accelerated speeds represents a risk for the rise of populist anti-European parties in vulnerable countries with a low integration rate within certain areas. Replication of the Brexit promoters’ speeches in Eastern European countries pose a risk to European construction. Increasing the development gap will refresh the speeches of the Eurocampaigns in order to punish the Union for its transformation into sub-unions, thereby increasing tensions and cleavages among European construction.

The cleavages developed between fast-growing states and countries developing at moderate speed is a reality within the European Union. Brexit emerged precisely as a result of the use of this electoral cleavage in a populist manner. The strategy was replicated in the Netherlands and France by populist Eurosceptic candidates. The solution is to abandon the strategy of “condemning” Member States to be part of a single category without giving them the opportunity to progress alongside the most developed countries of the Union.

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Appendix

Table 1. European election in 9 Member States. Results by national party

Member State	2019 European election - Results by national party (percentage of votes, seats)		2019 Turnout	2014 European election - Results by national prty (percentage of votes, seats)		2014 Turnout
France	Rassemblement national	(23,31%, 22 seats)	50,12%	Front national	(24,86%, 23 seats)	42,43%
	Coalition Renaissance (La Republique En marche! + MoDem + Agir + Mouvement radical, social et libéral)	(22,41%, 21 seats)		Union pour un Mouvement Populaire	(20,81%, 20 seats)	
	Europe écologie-Les verts	(13,47%, 12 seats)		Parti Socialiste - Parti radical de gauche	(13,98%, 13 seats)	
				Europe Ecologie	(8,95%, 6 seats)	
Germany	Christlich Demokratische Union Deutschlands / Christlich-Soziale Union in Bayern e.V.	(28,90%, 29 seats)	61,38%	Christlich Demokratische Union Deutschlands / Christlich-Soziale Union in Bayern e.V.	(35,30%, 34 seats)	48,10%
	Bündnis 90/Die Grünen	(20,50%, 21 seats)		Sozialdemokratische Partei Deutschlands	(27,30%, 27 seats)	
	Sozialdemokratische Partei Deutschlands	(15,80%, 16 seats)		Bündnis 90/Die Grünen	(10,70%, 11 seats)	
	Alternative für Deutschland	(11,00%, 11 seats)		DIE LINKE	(7,40%, 7 seats)	
	DIE LINKE	(5,50%, 5 seats)		Alternative für Deutschland	(7,10%, 7 seats)	
Italy	Lega Salvini Premier	(34,33%, 28 seats)	54,50%	Partito Democratico	(40,81%, 31 seats)	57,22%
	Partito Democratico (con Siamo Europei)	(22,69%, 19 seats)		Movimento Cinque Stelle	(21,15%, 17 seats)	
	Movimento Cinque Stelle	(17,07%, 14 seats)		Forza Italia	(16,81%, 13 seats)	
	Forza Italia	(8,79%, 6 seats)		Lega Nord	(6,15%, 5 seats)	
	Fratelli d'Italia	(6,46%, 5 seats)		Coalition (Nuovo Centrodestra + Unión de Centro Democrático + Popolari per l'Italia)	(4,38%, 3 seats)	
				L'Altra Europa – Con Tsipras	(4,03%, 3 seats)	
	Coalition La Sinistra (Sinistra italiana + Rifondazione comunista + Altra Europa con Tsipras + Partito del Sud + Transform Itali + Convergenza Socialista)	(1,74%, -)		Fratelli d'Italia - Alleanza Nazionale	(3,66%, -)	
Netherlands	Partij van de Arbeid	(19,01%, 6 seats)	41,93%	Democraten 66	(15,48%, 4 seats)	37,32%
	Volkspartij voor Vrijheid en Democratie	(14,64%, 4 seats)		Christen Democratisch Appèl	(15,18%, 5 seats)	
	Christen-Democratisch Appèl	(12,18%, 4 seats)		Partij voor de Vrijheid	(13,32%, 4 seats)	
	Forum voor Democratie	(10,96%, 3 seats)		Volkspartij voor Vrijheid en Democratie	(12,02%, 3 seats)	

				Partij van de Arbeid	(9,40%, 3 seats)	
Austria	Österreichische Volkspartei	(34,55%, 7 seats)	59,80%	Österreichische Volkspartei	(26,98, 5 seats)	45,39%
	Sozialdemokratische Partei Österreich	(23,89%, 5 seats)		Sozialdemokratische Partei Österreich	(24,09%, 5 seats)	
	Freiheitliche Partei Österreichs	(17,20%, 3 seats)		Freiheitliche Partei Österreichs	(19,72%, 4 seats)	
	Die Grünen - Die Grüne Alternative	(14,08%, 2 seats)		Die Grünen - Die Grüne Alternative	(14,52%, 3 seats)	
Czechia	ANO 2011	(21,18%, 6 seats)	28,72%	ANO 2011	(16,13%, 4 seats)	18,20%
	Občanská demokratická strana	(14,54%, 4 seats)		Coalition TOP 09 + Starostové a nezávislí	(15,95%, 4 seats)	
	Česká pirátská strana	(13,95%, 3 seats)		Česká strana sociálně demokratická	(14,17%, 4 seats)	
	STAROSTOVÉ (STAN) s regionálními partnery a TOP 09	(11,65%, 3 seats)		Komunistická strana Čech a Moravy	(10,98%, 3 seats)	
	Svoboda a přímá demokracie	(9,14%, 2 seats)		Křesťanská a demokratická unie – Československá strana lidová	(9,95%, 3 seats)	
	Křesťanská a demokratická unie – Československá strana lidová	(7,24%, 2 seats)		Česká pirátská strana	(4,78%, -)	
Hungary	Coalition (FIDESZ - Magyar Polgári Szövetség + Kereszténydemokrata Néppárt)	(52,14%, 13 seats)	43,36%	Fidesz - Magyar Polgári Szövetség - Keresztény Demokrata Néppárt	(51,48%, 12 seats)	28,97%
	Demokratikus Koalíció	(16,26%, 4 seats)		Jobbik Magyarországért Mozgalom	(14,67%, 3 seats)	
	Jobbik Magyarországért Mozgalom	(6,44%, 1 seat)		Demokratikus Koalíció	(9,75%, 2 seats)	
Poland	Prawo i Sprawiedliwość	(45,38%, 26 seats)	45,68%	Platforma Obywatelska	(32,13%, 19 seats)	23,83%
	Coalition Koalicja Europejska (Platforma Obywatelska + Polskie Stronnictwo Ludowe + Sojusz Lewicy Demokratycznej + Nowoczesna + Partia Zieloni)	(38,47%, 22 seats)		Prawo i Sprawiedliwość	(31,78%, 19 seats)	
	Wiosna Roberta Biedronia	(6,06%, 3 seats)		Sojusz Lewicy Demokratycznej	(9,44%, 5 seats)	
United Kingdom	Brexit Party	(30,74%, 29 seats)	36,90%	United Kingdom Independence Party	(26,77%, 24 seats)	35,60%
	Liberal Democrats	(19,75%, 16 seats)		Labour Party	(24,74%, 20 seats)	
	Labour Party	(13,72%, 10 seats)		Conservative Party	(23,31%, 19 seats)	
	Green Party	(11,76%, 7 seats)		Green Party	(7,67%, 3 seats)	
	Conservative and Unionist Party	(8,84%, 4 seats)		Liberal Democrats Party	(6,69%, 1 seat)	

Source: European Parliament, “2019 European election results”; European Parliament, “2014 European election results”.