

The Autochthonous Investments and the Business Environment

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Abstract

The importance of the national, autochthonous capital, cannot be underestimated, as maintaining over a long period a mixed structure of the economy, by the coexistence of the private sector in the process of getting established, exclusively represented by small and medium companies, with a state or mixed sector at the level of the large economic units subject, at this turn, of successive and difficult formulas of privatization, was not of the kind to concede, at the overall national economy, that positive trend presumed by the reform process.

Key words: *capital, investment, production, population, trend*

1. Autochthonous investments

So far, extended discussions were made about the mode in which the foreign capital investments have been made in our country. Further on, we shall approach some aspects concerning the drawing of the autochthonous investments.

At the beginning, the Romanian capital, the autochthonous one, was insignificant because of lack of financial means and of the impossibility for certain individuals or juridical persons to participate to projects, either independently or in collaboration with outside commercial companies.

The former „social parts” (about 38 milliard lei at the level of the 1990, namely about five milliard US dollars) passed automatically from the production sphere (as financing source), to the consumption sphere.

This transfer has been achieved on the ground of lack of productive activity and of stocks of products needed by the population, which had a double negative effect: first of all, the funds meant to development diminished and, secondly, a surplus of monetary mass has been generated, without cover in goods and services at the level of prices of the year 1990.

The social parts existing in 1990 could have been transformed in shares, making thus the embryo of the privatization in Romania¹. Simultaneously, in this

¹ Mădălina Gabriela ANGHEL – Aspecte generale privind produsele structurate în România, International Symposium “Romania – Measures to Avoid the Failure of the Markets”, Editura Artifex, 2011, pg. 73-79

way, the inflation in our country would have not been stimulated by the unbalancing of the ratio between the reduced volume of goods and services, on one side, and the excessively high monetary mass available with the population on short term, at the respective moment, on the other side.

In this context, the legislation referring to the commercial companies, although positive in its essence, couldn't do but generate the framework for making conspicuous the free initiative and the mechanisms of the market economy which, however, in the absence of a real and substantial autochthonous capital, could not generate far-reaching developments.

As the time elapsed and under the impact of certain steps of economic and fiscal policy, the large economic units have been de-capitalized and depreciated so that their privatization became, irrespectively the forecasted method, hard to achieve or, at the best, achievable under non-efficient terms².

In the privatization process, the issue to apply massively to credits cannot be considered as the national currency is expensive; the real positive interests run by the commercial banks are high while the investments are not in the position to bring in incomes (profits) but within a future period.

It is important that the privatization proces to be finalized starts from the real situation existing on the capital market of Romania now, after being accepted into the European Union.

2. The business environment

Over the transition years, the business environment, although facing a lot of difficulties (among which, the lack of a specific legislation in the field, which characterized the first years, the various practices of state intervention in the economy, the involvement of certain officials in the companies activity, outside their current atributions), the business environment recorded a steady improvement of the economic functioning and access to the market mechanisms. The last years have been marked by some progresses among which to note: the setting up of the unique office in the frame of the chambers of commerce and industry through which, at the territorial level, not only that the duration of setting up and authorizing of the new commercial companies has been shortened (from 90 days to about 20 days) but also the decrease of the setting up taxes (by 40%) has been achieved; the improvement of the legal and institutional framework concerning the investors, which has been completed with the establishment of the Romanian Agency for Foreign Investments; the initiation and implementation of a number of legislative steps meant to support the small and medium companies, out of which

² Anghelache, Gabriela Victoria, Mădălina Gabriela ANGHEL – Efectele crizei economico-financiare asupra pieței de capital din țara noastră, Simpozionul Științific Internațional „Efecte și soluții pentru criza economico-financiară”, Editura Artifex, București, 2009, pg. 174 – 177, ISBN 978-973-7631-63-3

the most significant consists of the decrease to zero of the tax on profit in case this is re-invested.

For the foreign investors coming to Romania, a series of incentives have been secured, meant to contribute to the improvement of the economic development of the country, mainly to the speeding up of the industrialization of the un-favoured regions and to the development of the small and medium companies³.

At the end of the year 2013, over 124 thousand companies were enlisted with the National Office of the Commerce Register, as entries during the year.

Most of the recorded companies had as main object of activity the commerce – wholesale or retail – among the total number of active companies. The commercial companies running productive activities, of industrial kind, are to be found within the following domains: foodstuff and beverage industry, light industry, wood processing, metallic constructions and metal products, furniture production, printing houses, polygraph and reproduction of the recordings on supports.

From the point of view of the *size* of the commercial companies, the biggest weight has been held by the small and medium companies, with up to 249 employees.

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³ Mihai Bădulescu, Manole Alexandru, „Analiza datelor multidimensionale pe baza SSRS”, Revista Română de Statistică, București, martie 2008, cod ISSN 1018-046X

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