



TECHNICAL UNIVERSITY OF MOLDOVA

Faculty of Economic Engineering and Business

BOOK OF ABSTRACTS

The 2nd Economic International Conference

**„COMPETITIVENESS AND SUSTAINABLE
DEVELOPMENT”**



**organized by the
Technical University of Moldova,
Faculty of Economic Engineering and Business
[on-line](#)**

November 20th, 2020

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CONFERENCE PROGRAMME

November 20th

09:30-10:00	Welcome & Registration of participants
10:00-10:15	<p>Opening remarks and Welcoming speeches</p> <p>Larisa BUGAIAN, Vice-rector for Finance and International Relations, Technical University of Moldova</p> <p>Rafael CILOCI, Dean, Faculty of Economic Engineering and Business</p>
10:15-11:45	Plenary Session
11:45-12:00	Coffee Break
12:00-17:00	Sections' Presentations
10:15-11:45	<p>Plenary Session</p> <p>Moderator – Rafael CILOCI, PhD., Assoc.prof., Dean FEEB</p> <p>CIRCULAR ECONOMY: A PERSPECTIVE FOR THE TRANSFORMATION OF RURAL BUILT HERITAGE IN EUROPE</p> <p>Carmen NASTASE, PhD., Prof. „Ștefan cel Mare” University of Suceava, Romania</p> <p>Ancuta LUCACI, PhD., Prof. „Ștefan cel Mare” University of Suceava, Romania</p> <p>Carmen CHASOVSCI, PhD., Prof. „Ștefan cel Mare” University of Suceava, Romania</p> <p>HIGHER EDUCATION LEADERSHIP AND MANAGEMENT COMPETENCES</p> <p>Larisa BUGAIAN, PhD. hab., Prof. Technical University of Moldova, Republic of Moldova</p> <p>RETHINKING THE ECONOMIC AND FINANCIAL CRIME WITHIN THE DIGITAL ECONOMY</p> <p>Monica Violeta ACHIM, PhD. hab., Prof. Babeș-Bolyai University, Cluj-Napoca, Romania</p> <p>DIGITLIZATION AS A CATALYST FOR EFFICIENCY INCREASING OF MOLDOVAN APPAREL COMPANIES</p> <p>Maria GHEORGHȚA, PhD., Prof. Technical University of Moldova, Republic of Moldova</p> <p>TIME TO GO CIRCULAR: CIRCULAR ECONOMY AS A NEW INDUSTRIAL PARADIGM</p> <p>Rodica PERCIUN, PhD. hab., Prof. National Institute for Economic Research, Republic of Moldova</p> <p>Victoria IORDACHE, PhD., Assoc.prof. National Institute for Economic Research, Republic of Moldova</p> <p>INTEGRATING THE CONCEPT OF SUSTAINABILITY INTO THE CLASSROOM USING ONLINE RESOURCES</p> <p>Valerie E. MOCK, PhD., Assoc.prof. Fulbright Specialist, United States of America</p>

Sections' Presentations	
12:00-17:00	Section 1 CIRCULAR ECONOMY: REALITIES, CHALLENGES, TRENDS Moderators: Rafael CILOCI, PhD., Assoc.prof., TUM Victoria IORDACHE, PhD., Assoc.prof., NIER
12:00-17:00	Section 2 MODERN ECONOMIC POLICIES. MARKETING OF XXI-ST CENTURY Moderators: Lilia CHIRIAC, PhD., Assoc.prof., TUM Florin BOGHEAN, PhD., Assoc.prof., „Ștefan cel Mare” University of Suceava, Romania
12:00-17:00	Section 3 DIGITAL ECONOMY: OPPORTUNITIES AND RISKS. INNOVATION AND SUSTAINABILITY Moderators: Cornelia CRUCERESCU, PhD., Assoc.prof., TUM Angela ALBU, PhD., Assoc.prof., „Ștefan cel Mare” University of Suceava, Romania
12:00-17:00	Section 4 MANAGEMENT AND LEADERSHIP. FINANCE & ACCOUNTING Moderators: Rina TURCAN, PhD., Assoc.prof., TUM Mariana LUPAN, PhD., Assoc.prof., „Ștefan cel Mare” University of Suceava, Romania

PLENARY PAPERS

CIRCULAR ECONOMY: A PERSPECTIVE FOR THE TRANSFORMATION OF RURAL BUILT HERITAGE IN EUROPE

Carmen Eugenia NASTASE, PhD., Prof.
„Ștefan cel Mare” University of Suceava, Romania

Ancuța Lucaci, PhD., Assoc.prof.
„Ștefan cel Mare” University of Suceava, Romania

Carmen Chașovschi, PhD., Assoc.prof.
„Ștefan cel Mare” University of Suceava, Romania

Abstract: The purpose of this article is both to explore the significance of the circular economy for the "revival" of the built cultural heritage in rural areas and identify business ideas in the field of the circular economy that can harness this type of heritage. The circular economy includes the creation of sustainable and valuable enterprises, through the identification of innovative solutions and business ideas that can enhance the existing resources. The rural cultural landscape is diverse and characterised by the uniqueness and traditionalism particular to specific rural areas. The cultural built heritage in rural areas provides numerous opportunities for research and capitalization in the field of entrepreneurship. The research methodology used for the accomplishment of the proposed goals was a review of specific literature in the field of the circular economy, an analysis of the establishment of the circular economy in rural areas of Europe, and a proposal of sustainable business ideas that capitalize the cultural heritage built in rural areas. There is evidence that the circular economy is a sustainable solution for creating new businesses that capitalize on the built heritage in rural areas, by using the existing resources. Entrepreneurs can identify new business ideas because rural areas provide various potential. Rural communities should be encouraged to identify new sustainable business models that capitalize on the built cultural heritage, which will benefit both the local business environment and the creation of well-being in rural areas.

Keywords: Circular economy, rural built heritage, Europe, new sustainable business ideas.

HIGHER EDUCATION LEADERSHIP AND MANAGEMENT COMPETENCES

Larisa BUGAIAN, PhD. hab., Prof.
Technical University of Moldova, Republic of Moldova

Abstract. The democratization of society, the transition to a market economy has caused and continues to cause changes both in the entire system of the country and in the activity of higher education institutions (HEIs) in the Republic of Moldova. HEIs are facing major changes in order to carry out the activities characteristic of an educational institution, oriented towards academic and research activities. First, higher requirements are addressed to the leaders and managers of the institution. The literature suggests that the qualities and skills required of such a leader belong to the following areas: Leadership and Management, Resource Management, People Management, Change Management. University autonomy imposes a greater responsibility for university management, which determines a need for better training in the management of the institution as a whole, but also of university subdivisions by increasing the skills needed by leaders and managers of the HEIs. Such training is supported by the Government of the R. Moldova by introducing the action of development of higher education management in the Action Plan of the Government of the Republic of Moldova for the next years 2020-2023.

Keywords: Leadership, Management, Higher education, Competence, Action, Organisational

RETHINKING THE ECONOMIC AND FINANCIAL CRIME WITHIN THE DIGITAL ECONOMY

Monica Violeta ACHIM, PhD. hab., Prof.
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Abstract: The role of technology is to improve the lives of the population and implicitly the business environment. However, the use of modern technologies, in addition to the benefits, leads fraudsters to misuse technology for financial benefits in the form of cybercrime. Understanding the methods of fraudsters used to hide their crimes can help organizations to more effectively detect and prevent similar schemes in the future. Customer fraud, cybercrime, asset misappropriation, corruption and frauds of the financial statements represent the first four types of fraud used by fraudster. Periods of crisis, such as the one generated by the context of the COVID-19 pandemic, create challenges for criminals to find new channels of employment in crime. For example, the COVID-19 pandemic has led to deteriorating working conditions, disruptions in financial markets, accentuating the need for liquidity in companies. Cyber scams, fraud, misinformation and other cybercrime crimes are a growing area as people in isolation spend more time online. This presentation aims to highlight the interconnection between economic and financial crime and the new digital era, the relationship shadow economy & money laundering & cybercrime, top frauds by domain, card fraud losses, profile of fraudster, how to fight against economic and financial crime and many others.

Keywords: customer fraud, crisis, cyber scams, corruption.

DIGITLIZATION AS A CATALYST FOR EFFICIENCY INCREASING OF MOLDOVAN APPAREL COMPANIES

Maria GHEORGHȚA, PhD., Prof.
Technical University of Moldova, Republic of Moldova

Abstract. The Industry 4.0 phenomenon, the fourth industrial revolution, has been successfully implemented in the world for several years. This industry has changed the current industrial paradigm, involving the shift from computerization and automation to the involvement of the Internet of Things and the Internet of Systems in technological and decision-making processes. The pandemic situation created by COVID 19 demonstrated the urgent need to apply digitalization in the apparel industry around the world, as well as in apparel industry companies from the Republic of Moldova. Digitization of pattern design, creation of samples, supply of raw materials and accessories, planning and organizing the production process, sales of finished products, today serves as an important catalyst for increasing the efficiency of apparel companies. This paper presents the areas of application of digitization in garment producers, the effects that can be obtained as well as existing good practices in Moldovan apparel companies.

Keywords: Industry 4.0, industrial revolution, digitalization, pattern design, efficiency increasing.

TIME TO GO CIRCULAR: CIRCULAR ECONOMY AS A NEW INDUSTRIAL PARADIGM**Rodica PERCIUN, PhD. hab., Prof.***National Institute for Economic Research, Republic of Moldova***Victoria IORDACHI, PhD., Assoc. researcher***National Institute for Economic Research, Republic of Moldova*

Abstract: As a result of the spread of technologies of the fourth industrial revolution and the digitalization of the economy, new opportunities are opening up for the development of circular principles of production. The use of digital economy technologies is associated with obtaining positive effects related to the use of raw materials and energy resources. The positive effects are due not only to the rationalization of resource consumption, but also to the implementation of operations to restore and regenerate the natural environment through the use of innovative digital technologies. All this contributes to the formation of a fundamentally new model of the economy, which acquires a restorative and closed character, based on the principle of "take-make-reuse" and being an alternative to the previously dominant linear model based on the principle of "take-make-waste". The article is devoted to defining the role of the circular economy in the transition to the fourth industrial revolution. Also a comparative analysis of linear and circular models of the economy is presented. The practice of introducing the main principles of closed loops in foreign countries is discussed.

Keywords: circular economy, linear model, sustainable development, fourth industrial revolution, green economy.

INTEGRATING THE CONCEPT OF SUSTAINABILITY INTO THE CLASSROOM USING ONLINE RESOURCES**Valerie E. MOCK, PhD., Assoc.prof.***Fulbright Specialist, United States of America*

Abstract: When the United Nations Member States adopted 17 integrated Sustainable Development Goals in 2015, it created a complex set of values that challenged governments, corporations, and non-government organizations. In turn it challenged institutions of higher education to adjust learning content and methodology to prepare their students for the realities of tomorrow. Several authors (for example, Kopnina, 2016; Margarita Jua´rez-Na´jera et al, 2005; and JA Aragon-Correa, et al, 2017) and institutions of higher learning (for example, the Australian Council of Environmental Deans and Directors; Vanderbilt University; and Harvard University) offer guidance in how to incorporate lessons on sustainability into the curriculum. Future leaders with a better understanding of sustainability and its impact on economic, social, and environmental elements will have a competitive advantage over their peers regardless of their career choice.

The purpose of this presentation is to provide examples of resources that may be found online and how they may be used in the classroom whether it is face-to-face or virtual. The examples show a variety of formats, illustrate different industries, represent different geographic and social environments, and provide an illustration of how the author might use the resource. While the emphasis of these examples is on the corporate world, they are easily transferable to public administration and non-governmental organizations.

Keywords: sustainability, industries, public administration, curriculum.

SECTION I

CIRCULAR ECONOMY: REALITIES, CHALLENGES, TRENDS

TRANSITION TO A CIRCULAR ECONOMY: FINANCING INSTRUMENTS

Olga TIMOFEI, PhD., Senior Researcher

National Institute for Economic Research, Republic of Moldova

Abstract: The study of the experiences of developed countries in promoting and applying the principles of the circular economy allowed highlighting specific characteristics for each of them, related to the transition to this model of economy, the main directions of implementation depended on various risks and benefits. Separate interest is given to the financing of circular economy projects. Financial support for the transition to a circular economy including any instruments through which investments are directed exclusively to finance companies or projects in the field of the circular economy. The paper analyze various financial support tools in terms of advantages and disadvantages for circular business projects such as: equity, banking resources, appeals to funds and investors, venture capital, private equity and crowdfunding.

Keywords: circular economy, financial instruments, financing, circular business projects

INTERNATIONAL EXPERIENCE IN IMPLEMENTING THE MECHANISM OF “GREEN” FINANCING FOR SUSTAINABLE DEVELOPMENT OF TRANSPORT AND LOGISTICS SYSTEMS

Natalia TRUSHKINA, PhD., Corr. Member of the Academy of

Economic Sciences of Ukraine, Senior Research

Institute of Industrial Economics of NAS of Ukraine

Abstract: Currently, the “green” modernization of transport and logistics systems in the world is one of the strategic directions for the development of the circular economy. This is due to the fact that transport and logistics activities, on the one hand, have a negative impact on the environment (the third largest in the world in terms of carbon dioxide emissions into the atmosphere), and on the other hand, they have significant potential for implementing the model of “green” growth.

In this regard, modern economic conditions require the implementation of a mechanism for financial support for the transformation of transport and logistics systems using non-traditional sources of financing, including “green” investments.

The purpose of this article is to study and summarize international experience in implementing the mechanism of “green” financing for sustainable development of transport and logistics systems in the context of a circular economy.

To achieve this goal, we used research methods such as analysis and synthesis, comparison, generalization, statistical analysis, expert assessments and surveys, structural and logical.

It should be noted that green investment is defined as financing investments that provide environmental benefits in the broader context of environmentally sustainable development of various economic activities. According to expert estimates, only 1% of global bonds are labelled as “green”. At the same time, 1% of the capital investment of institutional investors belongs to the category of “green” infrastructure assets.

Analysis of the scientific literature shows that today, among researchers and practitioners, there is no single approach to the classification of instruments for financing “green” projects, including in the transport sector. Key instruments of “green” financing for the modernization of transport infrastructure, which are effectively used in different countries of the world, include: “green” bonds (France, Brazil, China); “green” loans, funds of “green” investment funds (France, Switzerland, Great Britain). The analysis of the development of the world markets for “green” bonds, “green” loans and sustainable investment assets is carried out. The features are considered and the distinctive features of the instruments of “green” financing for the development of the transport and logistics system are revealed.

Keywords: circular economy, transport and logistics system, “green” investment, financial instruments, environmental protection, international practice.

DEVELOPMENT OF GREEN ECONOMY IN THE REPUBLIC OF MOLDOVA

Tatiana MANOLE, PhD. hab., Prof.
Technical University of Moldova

Iulita BÎRCA, Scient.researcher
National Institute for Economic Research, Republic of Moldova

Abstract: Sustainable development and the promotion of the green economy are development priorities for the Republic of Moldova. The concept of green economy is promoted in the Republic of Moldova as a model of social and economic development, which must result in economic growth, improvement of welfare and social equity. Such an economy must be low-carbon, resource-efficient and socially inclusive, with a significant reduction in environmental risks and the impact on public health. In this context, assessing the performance of green economic development in the Republic of Moldova must become an integral part of sustainable economic and environmental governance. This article describes the opportunities that provide prerequisites for the successful implementation of green economy principles in the most important sectors of the national economy. In our country, the transition to a green economy will create major economic opportunities. Thus, the main benefits following the transition to the green economy are analyzed. Greening the economy is a new growth factor for the Republic of Moldova, a generator of decent jobs and a key strategy for eradicating poverty. This process can turn many challenges into economic opportunities and prevent negative effects on the environment.

Keywords: circular economy, climate change, green recovery, urban development, carbon emissions.

IMPLEMENTATION OF THE CIRCULAR ECONOMY PRINCIPLES IN THE REPUBLIC OF MOLDOVA

Angela TIMUȘ, PhD., Assoc.researcher
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Victoria IORDACHI, PhD., Assoc.researcher
National Institute for Economic Research, Republic of Moldova

Abstract: Transition towards the circular economy in the European Union is no longer an option, but has become an obligation. By July 2020, all Member States must complete and start implementing their circular economy strategy. The Republic of Moldova is not a member of the EU, but is a member of the EU Eastern Partnership and in accordance with the Joint Action Plan EU-Moldova, which is based on the Partnership and Cooperation Agreement, Republic Moldova needs to reform its policies to build a sustainable economy. So for the Republic of Moldova's transition from the linear to the circular economy is a current issue. This article describes current problems that should be stringently addressed in our country for the successful implementation of circular principles, as well as barriers that impede the transition towards the circular economy. In order to propose relevant solutions on the implementation of circular economy principles in some sectors of the economy, best circular practices from foreign experience of some selected countries were analysed and recommendations of most relevant examples were proposed for our country.

Keywords: circular economy, climate change, sustainable development, national economy, ecosystem, green recovery.

CLOSED CHAIN RATHER THAN CIRCULARITY IN THE SUSTAINABLE ECONOMY

Emil Dinga, PhD., Assoc.prof.
Romanian Academy, Bucharest, Romania

Abstract: Paper approaches a topic rather common in the specialty literature, namely the needed (or even without alternative) circularity of the economic process in the conditions of globalization and of other global challenges (e.g. climate change). More precisely, the purpose of paper is to prove that not the circularity of economy is the key property to ensure on its sustainability, but a more general property, namely the closed chain of the economic flows – inputs, outputs, outcomes, externalities etc. Moreover, paper shows that economic circularity is, in fact a species (i.e. a particular case) of the chain closing, namely a local or temporary (at any rate, a too contextualized) state of a given economic process or system. Finally, paper suggests some conceptual and methodological aimed at to replace the concept of circularity with the one of closed chain.

Keywords: circularity, closed economic chain, economic flows, economy, sustainability

THE CIRCULAR ECONOMY AND INDUSTRY 4.0 CONVERGENCE

Rafael CILOCI, PhD., Assoc.prof.
Technical University of Moldova

Abstract: The modern society is influenced by several challenges such as the degradation of nature, scarcity of natural resources, climate change that have a negative impact on the economy. Thus traditional-linear development is no longer possible, it is necessary to reset the whole process how to do business.

It is necessary to change the basic principles of business to complex ones, that include economic efficiency, but also ecology and sustainability. At the same time, Industrial Revolution 4.0 can provide a lot of technological changes which would contribute to the formation and development of the circular economy. Developing computing capacity, artificial intelligence, the Internet of Things, creating complex, sophisticated software and increasing speed of Internet can improve production processes by using more ordinary and cheaper materials, that are less harmful and can be easily recycled, reduce material costs and energy consumption, develop new businesses by processing waste and recycling goods. In this regard, Government institutions need to create a stimulatory legal-regulatory framework, to adopt quality standards that would take into account the impact on nature, to rebuild economy based on principles of the circular economy, provide incentives as different financial instruments, granting other benefits.

The Republic of Moldova is just at the beginning of these transformations and it is important to adopt proper regulatory legislation. Though we have to underline some deficiencies in the development of the circular economy, the most important are lack of financial resources and that the principles of circular economy are not promoted by the educational system and are not widely accepted as cultural values.

Keywords: circular economy, industry 4.0, digitalization.

POPULATION WELFARE GROWTH AS THE MAIN PURPOSE OF THE CIRCULAR ECONOMY

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Mihail CIOBANU, PhD. stud., scient.researcher

National Institute for Economic Research, Republic of Moldova

Abstract: The circular economy is a model of production and consumption that involves sharing, reusing, repairing, renovating and recycling existing materials and products as much as possible. In this way, the product life cycle is extended. In practice, this involves minimizing waste. When a product reaches the end of its life, the materials from which it is made are kept in the economy whenever possible. They can be used again and again, thus creating additional value.

The ultimate goal of the circular economy is the well-being of the population. The European Union produces more than 2.5 billion tons of waste annually. It is currently updating its waste management legislation to promote the transition to a more sustainable model known as the circular economy.

The circular economy deviates from the traditional, linear economic model, which is based on a take-do-consume-throw model. This model is based on large amounts of cheap, easily accessible materials and energy. Also, part of this model is wear programming - designing a product to have a limited lifespan to encourage consumers to buy a new one. The European Parliament has called for measures to combat this practice. This paper aims to uncover the connection between the population welfare growth and the implementation of circular economy practices.

Keywords: circular economy, population welfare, traditional economic model, production and consumption model, Republic of Moldova, European Union.

INTERNATIONAL EXPERIENCE IN DEVELOPING CIRCULAR ECONOMY-FRIENDLY GOODS AND SERVICES FOR CHILDREN

Mihail CIOBANU, PhD stud., scient.researcher

National Institute for Economic Research, Republic of Moldova

Abstract: Using the traditional linear economy model which follows a "take-make-dispose" process pattern has contributed to numerous issues of ecological, economic and social order, the aggregation of which prompted the development of a new paradigm in the economic system that will focus on the reuse and/or return the waste in the production process - the circular economy, which has a circular process pattern "take-make-use-repair/reuse-recycle/return-make". By implementing this new model and by developing circular economy-friendly goods and services the shortcomings of the traditional linear model can be reduced by creating less pollution, new jobs, reducing the dependence on raw materials supply, stimulating innovations, making changes in the demand.

One of the target groups of the developers of circular economy-friendly goods and services which is very important not only in short-term, but especially in the long-term development of this new model, is the children. The reason behind targeting this group is not only the extension of the customer base by targeting another group of people, but also the developing of a circular economy-friendly mindset in the younger generations, from where stems the purpose of this paper, which is to present the diversity of the goods and services that are oriented towards children and that are developed in the framework of the circular economy paradigm in different world countries.

Keywords: circular economy, goods, services, children, international experience.

FINANCIAL FACILITATION INSTRUMENTS FOR THE TRANSITION TO A CIRCULAR ECONOMY

Cristina UNGUR, PhD., Assoc.prof.

National Institute for Economic Research, Republic of Moldova

Abstract: Developed countries experience, especially those in Europe, in the field of environmental management has shown that the transition to the circular economy requires investment, innovation, political support and the education of green thinking of citizens. To ensure the financial transition to a circular economy, it is necessary to implement economic instruments. In this article, we have analyzed such tools as fiscal incentives, subsidies and other types of financial allocations meant to facilitate, from a financial point of view, the transition to an economic model with minimal waste. As a result, we determined that using of the analyzed instruments has effects on consumer behavior, on public budgets, on enterprises, but also on economic systems in general. Thus, the correct and balanced application of fiscal instruments, both general and product-based, can bring significant long-term benefits, contributing to the creation of a new economy - efficient, harmless and responsible.

Keywords: circular economy, investments, fiscal incentives, subsidies.

CIRCULAR AGRICULTURE DEVELOPMENT IN THE POST-COVID-19 ERA

Andrei TIMUȘ, PhD. stud.

National Institute for Economic Research, Republic of Moldova

Abstract: Agriculture is a proven path to social and economic prosperity. One of the key challenges in the coming decades is to produce enough safe and nutritious food for future generations without exceeding the planetary boundaries even more. Despite the current challenges induced by the Covid pandemics, there are a lot of opportunities that the post-COVID era will offer the agri-food sector. There is a high potential for the agrifood sector to promote and implement circular agriculture as part of an approach to foster the sustainability of the food system in the post-Covid-19 era. The objectives of this study is determining the concept of circular agriculture, as well as documentation of exemplary cases of circular agriculture in foreign practice, that would be usefull for the Republic of Moldova. For the realization fo this objective, the available literature on the circular agriculture and circular economy was studied, as well as reports elaborated by foreign organizations on implementing circular principles in agri-food sector. Abased on the findings from the available literature and successful case studies' evidence, there were formulated conditons for the successful implementation of circular economy principles in the agri-food sector of the Republic of Moldova.

Keywords: circular economy, circular agriculture, agri-food sector, sustainable development, green production.

ANALYSIS OF THE EUROPEAN FRAMEWORK ON THE CIRCULAR ECONOMY

Viorica POPA, PhD., Assoc.researcher

National Institute for Economic Research, Republic of Moldova

Nicolae POPA, Scient.researcher

National Institute for Economic Research, Republic of Moldova

Abstract: In the transition to a more circular economy, monitoring key trends and patterns is essential to understand how the various elements of the circular economy develop over time, to identify Member States' success factors and to assess whether sufficient action has been taken. Thus, the EU Council, based on the results of the monitoring, must be based on setting new priorities for achieving the long-term goal of the circular economy in the future. The crisis caused by Covid-19 mitigates part of the impact of economic activities on the environment and climate. Thus, the transition to a more circular economy could bring benefits such as reducing pressure on the environment, improving security of supply of raw materials, increasing competitiveness, stimulating innovation, stimulating economic growth, creating jobs. The authors in this study analyze the European framework on the circular economy.

Keywords: circular economy, sustainability, measures, production, waste hierarchy.

CIRCULAR ECONOMY AS A NEW INDUSTRIAL PARADIGM

Victoria IORDACHI, PhD., Assoc.researcher

National Institute for Economic Research, Republic of Moldova

Abstract: As a result of the spread of technologies of the fourth industrial revolution and the digitalization of the economy, new opportunities are opening up for the development of circular principles of production. The use of digital economy technologies is associated with obtaining positive effects related to the use of raw materials and energy resources. The positive effects are due not only to the rationalization of resource consumption, but also to the implementation of operations to restore and regenerate the natural environment through the use of innovative digital technologies. All this contributes to the formation of a fundamentally new model of the economy, which acquires a restorative and closed character, based on the principle of "take-make-reuse" and being an alternative to the previously dominant linear model based on the principle of "take-make-waste". The article is devoted to defining the role of the circular economy in the transition to the fourth industrial revolution. Also a comparative analysis of linear and circular models of the economy is presented.

Keywords: eco-design, fourth industrial revolution, green economy, linear model, remanufacturing, recycle, sustainable development.

SECTION II

MODERN ECONOMIC POLICIES. MARKETING OF XXI-ST CENTURY

THE PROS AND CONS OF ONLINE-LEARNING

Svetlana BOGDANOVA, PhD., Univ.lector
Technical University of Moldova

Abstract: With the development of the Internet, it became possible to provide the necessary data from one end of the world to the other. As well as the ability to communicate with other users online and post information on Internet sites, platforms, mobile applications, making information available to everyone. The COVID-19 pandemic has had a huge impact on the development and demand for distance learning using the Internet, television, radio and other technologies that have only partially replaced face-to-face. This situation has affected all countries of the world, including the Republic of Moldova.

On March 11, 2020, the government of the Republic of Moldova closed all educational institutions of all levels. Approximately 434,000 learners from all educational institutions were ordered to switch to online education. Accordingly, a significant part of workers in the education system switched to remote work from home. The pandemic played the role of a kind of stress test and again raised the issue of the “digital divide”, recalling that more than 45% of the population still do not have adequate computer equipment and access to the Internet.

The main question remains whether these changes will be temporary or will remain in remote or mixed work and how this will affect the quality of education in general. For learners in educational institutions and teaching staff, this issue is still fraught with doubt and uncertainty. Since the sudden immersion in distance learning and work has revealed the pros and cons of this system.

Keywords: education, online learning, online, Internet, distance education, COVID-19, teaching staff, learners.

THE CHALLENGES OF THE ECONOMY AND THE IMPACT ON THE ENVIRONMENT

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Abstract: The author treats in this article the essence of some economic models (theories) whose objectives are to increase the wealth of the owners, maximizing their profits. This attitude is a threat to the environment. The ecological situation of the Earth worsened, especially during the industrialization period. This situation required the transition from the traditional economy to the concept of circular economy. The examples of the European Union demonstrate the benefits of waste recycling, both for the economy and for improving the quality of life of people. We believe that COVID-19 is a bad result of people’s attitude towards nature, for which humanity is punished. The fight against the pandemic requires colossal material and valuable resources from governments. Thus, for example, the budget of the Republic of Moldova makes a colossal effort in the form of social costs to help people suffering from this pandemic. Improving the situation would require the imposition and control of manufacturing companies on the use of treatment systems and another general solution would be to educate the population to keep the Earth for the descendants of our descendants.

Keywords: economic theories, profit, waste, recycling, circular economy, pandemic, social cost

BEHAVIOR OF CULTURAL TOURISM CONSUMERS

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Abstract: The article presents the issue of marketing in the field of cultural tourism, addresses specific aspects of consumer behavior of cultural products and services. The intensification of the development of the demand for cultural products and services, as well as the diversity of these types of products and services have favored the assimilation of marketing principles and methods in the promotion of cultural tourism. This fact allows the harmonization of the tourist offer with the cultural needs of the target public, thus achieving the strategic objectives of the tour operators. Investigating the tourist market, the demand and supply of cultural products / services, studying the structure and volume of cultural consumption, systematic research of the needs and expectations of beneficiaries, anticipating or creating new needs, separating the behavioral particularities of tourists who appreciate, cultivate and pass on cultural values, encouraged the implementation of the marketing approach in the activity of travel agencies in general and those in the field of culture in particular. Taking into account the specifics of cultural products and services, of cultural heritage, it is recommended to identify the most relevant methods and techniques of marketing research. These methods ensure the evaluation of the quality and size of the offer, its harmonization with the manifested demand, the study of the motivation and the degree of satisfaction of the consumers of cultural products and services. For the development of cultural tourism, it is recommended to develop and implement marketing strategies related to the specifics of the identified target segments. This experience will have a favorable influence on the promotion of marketing policies in the field of cultural tourism.

Keywords: cultural products and services, cultural needs, cultural heritage.

**THE IMPACT OF TOURISM ON THE EUROPEAN UNION'S ECONOMY UNTIL
THE PANDEMIC PERIOD**

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Abstract: The European Union (EU) is one of the most dynamic and attractive tourist regions in the world with the highest flows of tourists in the world. Tourism activity has an extremely strong impact on the economies of some states (for example: Spain, France, Italy) with significant shares in national GDPs between 11-15%. Given that this activity is most affected by the consequences of the economic crisis caused by the COVID-19 pandemic, the subsequent evolution will be based on a new architecture of types of economic relations. The borders of the pandemic do not coincide with the borders of the states, so everyone is aware that the business will not be done as before. The article analyzes the statistics of the EU tourism economy which has reached, or in other words, the starting line for a new type of relationship, the relaunch of which depends on the managerial, marketing and logistical skills that will use national governments and community authorities. The uncertain and unpredictable situation requires authorities of different levels to resort to the most unusual, diverse and sometimes unpopular methods. The complexity of these measures is also based on the provisions of the Community's tourism policy and the European Employment Strategy of the EU. It also examines some actions and scenarios that are currently being implemented by some state governments, making certain estimates and forecasts.

Keywords: tourism, economic crisis, relationship, policy.

THE IMPACT OF POLICY ON THE PANDEMIC ECONOMY

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Abstract: The new economy, as defined in the current period of socio-economic development, has as its main feature globalization. Thus, during this period, as a result of the appearance and spread of the Covid-19 pandemic, in addition to the great human tragedies caused by this virus, a series of economic and financial problems arose, which is a real challenge for both international bodies and for national institutions. The objective of the research is to identify the main socio-economic changes that have occurred at the international level, but also nationally, on the occasion of this pandemic and highlighting the impact of measures taken by competent bodies. The research method is non-participatory observation, and the data source is the information from authorized sources, but also the literature. The research results aim to highlight the impact of the measures taken so far, worldwide and nationally, on economic and social life. Future research directions include the analysis of the evolution and impact of this pandemic on national and international economic life, as well as the highlighting of measures taken, both locally and internationally, by authorities or other competent bodies, in order to remove the negative consequences generated by this new crisis, to end the pandemic, but also to prevent its recurrence.

Keywords: economic crisis, pandemic, Covid-19, globalization, political interventions.

THE IMPACT OF INTERNATIONALISATION ON EDUCATIONAL PROCESS

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Abstract: The internationalisation of higher education institutions remains one of main issues of their strategies and has a big impact on educational process. There are different approaches to the internationalisation of higher education, that are discussed in the present paper. The pandemic situation, caused by COVID-19 influenced all area of educational process, internationalisation is not an exception. Several studies, done by UE organisations will be analysed in order to show the impact and the future preoccupation in the field of internationalisation. The authors will present a study case based on Technical University of Moldova's experience in the field of internationalisation, made within the Erasmus+ project: Elevate, as well the future vision on internationalisation process in higher education.

Keywords: internationalisation, mobilities, Covid 19, educational process.

THE BENEFITS OF SUSTAINABLE MARKETING FOR THE SUSTAINABLE DEVELOPMENT OF A BUSINESS

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Abstract: Traditional marketing management refers to the planning, organization, implementation and control of marketing resources and programs to meet the desires and needs of consumers, in order to achieve organizational objectives. Sustainable marketing has penetrated deeply into the business plans of all entities, from micro, called and local to corporations pursued in close by whimsical customers eager to partner with a brand that will make a difference in society.

Keywords: Sustainable marketing, planning, marketing programs.

**INTERNATIONAL DIVISION OF LABOR AND INTERNATIONALIZATION
OF ECONOMIC RELATIONS**

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Abstract: In the context of the globalization of the world economy, international economic relations have diversified and taken on new dimensions. As a result, the policy of the nation states in this field has also acquired new valences. Freedom of trade and international specialization are the elements on the basis of which the framework in which economic relations between the countries of the world take place, known as the international division of labor, is formed. In other words, the international division of labor presupposes the relations that are established between the states of the world in the process of developing world production and trade, as well as the role and place of each state in the world circuit of material values. It expresses the relations that are established between the national economies regarding the distribution of economic activities between them and shows the way of insertion, position and place of each country and group of countries in the world economy.

Keywords: division, trade, freedom, world, goods, quality.

REFORM OF ECONOMICAL SYSTEM IN CONDUCTION PANDEMIC OF THE COVID-19

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Abstract: The policies of the economic reforms have been carried out contradictory, inconsistent, fragmentary, anti-scientific. These policy have led to the distortions of economic relations and interests, to the deepening of the crisis, to the increase of vulnerability and social constraints. These problems have worsened the economic recession in the condition of the pandemic COVID-19 and transformed the economy into a vicious crisis.

The article proposes a complex reform of all parts and structures of the economic system through the formation and functioning of an entrepreneurial government for the intensive and sustainable development of the free market economy with fair competition and stable socio-economic growth.

Keywords: economical and social system, reforms, progressive entrepreneurial government.

IMPACT OF SOCIAL MEDIA ON CONSUMER BEHAVIOR

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Abstract: The motivation for choosing the subject of this article found its starting point in the desire to highlight the place and role of social media in economic life, which is the most influenced sphere of marketing development for the 21st century, as well as the evolution of internet business, seen as a support for integrated marketing communication, which has an indispensable impact on aspects of consumer behavior. To get an overview of this concept, the article covers the social media particularities for a business, outlined by the main steps that a business must follow to successfully present in the online environment. Thus, the aim was to highlight the importance of communication between the organization and the customer, which becomes essential for long-term success in an organization, a concept that emerged as a response to the challenges that manifested in business as the development and use of internet and digital technologies, economic activity, overcoming geographical and cultural boundaries through the globalization of business, the need to gain a favorable market position, intensifying competition, differentiating the supply of products and services and using the brand for this purpose. The need for an integrated approach continues with the presentation of communication techniques and tools used to replace traditional marketing with digital marketing, given that digital marketing must be implemented in the age of digital technologies has become a prevalent trend in brand communication and PR strategy international and local. In addition to all this, digital marketing campaigns are becoming more predominant in the online space, therefore, they are gaining in importance and efficiency, as the digital platform grows and develops dizzyingly with a tendency to develop consumer education and culture. This makes consumers feel important and valuable, which increases the degree of trust and loyalty to the brand. Therefore, the online environment has brought new meanings to these notions, being now a combination between producer and consumer. In other words, the digital consumer not only uses certain products, but is actively involved in production processes, influencing the development direction of companies and their marketing and communication strategies.

Keywords: social media, consumer behavior, digital marketing, digital consumer, promotion, brand, business environment.

SECTION III

DIGITAL ECONOMY: OPPORTUNITIES AND RISKS. INNOVATION AND SUSTAINABILITY

TECHNOLOGICAL MODERNIZATION OF INDUSTRIAL ENTERPRISES IN THE DIGITAL ECONOMY

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Abstract: Many industrial enterprises are forced to deal with the challenges caused by the need for innovative and technological development of the economy, considering modern trends and directions for implementing changes in all spheres of life. This is caused by a change in technological structures, which exacerbates the need to modernize industry and the economy. The main goal of the article is to substantiate the conceptual foundations of the modernization of the Russian economy in the context of technological and social transformation caused by the transition to a new technological order. To achieve the goal, the following tasks were solved: 1) a comparative analysis of the modernization term was carried out; 2) the main concepts of modernization development are grouped and the most fully reflecting this process is highlighted - a complex concept; 3) the classification of the main types of modernization was carried out and the need for its technological component was substantiated; 4) a model for the formation of technological modernization has been developed. The study was carried out using methods of comparative, structural-functional, scientometric and statistical analyzes, systemic and integrated approaches. The bases for the formation of technological modernization of industrial enterprises in the form of an appropriate model are formulated. The carried out substantive analysis showed that at present, in connection with the transition of many countries to a new technological mode, domestic industrial enterprises need to carry out technological modernization in order to increase their strategic technological competitiveness.

Keywords: technological revolution, technological order, modernization, modernization development concepts, types of enterprises modernization, technological modernization.

INFORMATION FLOW REGARDING INVOICES AND OUTSTANDING BENEFICIARIES IN AN “ACCESS” APPLICATION

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Abstract: The importance and contemporaneity of the theme are yielded by the increase in the complexity of actions undergone by the economic agents in the context of the development and diversification information instruments aimed at observing the invoice collection pattern and the calculation of work productivity used to manage economic, social and institutional variables in view of fulfilling the organizational objectives. All these evolutions force to re-imagine the strategic role of the information softwares at the organizational level. Together with the human resource they are considered the main competitive advantage modern organizations benefit from. This work consists of the methodology and sequential algorithm to create an information app which can be used to track outstanding invoices by any economic agent. The conclusions drawn from this work emphasize the importance of a proper use of the designed app in the tracking and collection activity in regard to outstanding invoices, generating improvements of the financial flows and turnover increase.

Keywords: data base, management, decision, overdue invoices, information system.

THE IMPORTANCE OF USING INFORMATION AND COMMUNICATION TECHNOLOGY IN IMPROVING THE QUALITY OF UNIVERSITY EDUCATION IN ORDER TO REACH SUSTAINABLE DEVELOPMENT

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Israel

Abstract: The study aims to identify what information and communication technology is, the quality of university education, and highlight the importance of using information and communication technology in raising the quality of education.

Most universities, in light of the spread of the Corona virus (Covid -19), are trying to switch to the use of technology and the application of distance education, in order to face the forces of international competition in the field of education, as good education brings many advantages to achieving sustainable development, and students have many resources and libraries. This was difficult for them to visit to browse its different books, so the main question of the study is: What is the importance of using communication technology in improving the quality of university education? The study found that information technology works to increase the spread of education, increase the quality of education, reduce the cost of education, continuous improvement of the teacher and the student, and the development of educational methods as a result of the use of AI for learning, and accordingly, communication technology plays a major role in raising and increasing the quality of education in order to achieve greater Utilizing the outputs of highly qualified education that serve the community and promote it for the sustainable development of society as a whole.

Keywords: quality education, information and communication technology, higher education.

BUCOVINA'S HERITAGE TOURISM AND ENTREPRENEURIAL TOURISM AT CROSSROADS DURING TURBULENT TIMES

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Abstract: Heritage tourism of Bucovina region from Romania is passing through a decisive period for its' survival, influenced by the rural-urban exodus, disappearance of traditional heritage, economic crises and even social crises. These factors influence a wide range of areas and stakeholders, from local communities, local entrepreneurs in tourism and their families, local administration and economy and cultural heritage preservation. A recovery of the tourism sector during these challenging period deals with safety procedures and confidence increase regarding the COVID-19 pandemic, capacity of digitalization and transparency of entrepreneurs, awareness campaigns regarding the beauty and importance of local heritage, stat aid schemes, national to local strategies. This study addresses the public (tourists, press, online influencers) perspective on Bucovina's heritage tourism in the last period of time, using web scraping as a tool for extracting data from internet websites dealing with tourism. Based on these results, we are exploring solutions to develop policies, strategies and initiatives to sustain the entrepreneurial tourism in these troubled times. Our study can represent a starting point for understanding the impact factors of heritage tourism in Bucovina, the evolution of public perspective in the current economic and social context at large, the tourism digital economy and also on possible solutions for dealing with this evolution.

Keywords: Bucovina, heritage, tourism, rural entrepreneurship, web scraping.

COOPERATION FOR SUSTAINABLE INDUSTRIAL DEVELOPMENT IN THE LIGHT OF EUROPEAN POLICIES

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Abstract: According to the Brundtland Report, sustainable development aims to find "a path of development that will sustain human progress not only in a few places and for a few years, but for the entire planet and the distant future." The European Union's objectives and priorities on sustainable growth are rejected by the 17 SDGs and 169 targets of the 2030 Agenda, which represents a change in the paradigm of international development cooperation policies. A competitive industry has been and is fundamental to sustainable development with an important role to play in combating climate change, increasing resource efficiency, security of supply, including primary and secondary raw materials, technological development, technology transfer and exploitation of research, innovation, digitalisation and investments, aiming at a leading position of European industry worldwide in key areas of the economy, such as key generic technologies. The current state of development of industry and logistics is determined by concepts such as competence and interaction, which is manifested in the coordination of material flows and skills in a succession of companies connected by a value chain. Cooperation for sustainable industrial development has been reflected in several official documents of the European Union, such as Europe 2020; A sustainable future for Europe: the European Union's response to the 2030 Agenda; Vision on European Industry 2030; European Green Agreement; The new industrial strategy for Europe. This research is an analysis of various cooperation mechanisms contributing to sustainable development such as: industrial ecosystems, smart clusters, technology platforms or hubs, public-private partnerships, industrial alliances, cooperation for circular economy.

Keywords: sustainable industrial development, cooperation, European policies, industrial ecosystem, smart clusters, technology platforms or hubs, public-private partnership, industrial alliances.

THE ROLE OF INNOVATION IN THE FOUNDATION OF DEVELOPMENT STRATEGIES: A COMPARATIVE ANALYSIS

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Abstract: Contemporary society is characterized by a sustained development in all areas, and the interconnection of countries in different geographical areas that have different cultures and are divergent, is a paradox today. In recent decades, one of the main features of the development of the global economy is the strengthening of transnationalization processes. The emphasis is no longer on strategies for the development of the national economy, but the emphasis is on the global economic future. From this perspective, the major problem of the global economy is to reduce the gap between the expectations regarding the constant increase of productivity, implicitly of benefits, and the increase of the resource deficit, which imposes the need to maximize the efficiency of their use. Economic reality highlights that innovation, scientific research and the use of advanced technologies play an important role in closing the gap, as well as in substantiating sustainable economic development strategies. It is recognized that innovation generates a higher level of "return" compared to attracting additional resources, and the comparative analysis presented in this paper highlights that research and development funding is the way forward. Creativity and innovation allow organizations to anticipate change, to create and develop new technologies, new products, to use new operational methods and especially to substantiate optimal development strategies.

Keywords: innovation, research and development, economic growth, economic efficiency, development strategies.

PERSPECTIVES OF THE TRANSITION TO THE DIGITAL ECONOMY IN EU**Angela ALBU, PhD., Assoc.prof.***„Ștefan cel Mare” University of Suceava, Romania***Maria Sabina ALBU, Master student***„Ștefan cel Mare” University of Suceava, Romania*

Abstract: The Fourth Industrial Revolution or Industry 4.0 refers, in simple terms, to the way in which the technologies like artificial intelligence, autonomous vehicles, augmented reality and the internet of things are merging with the physical life of the people all around the globe. This new “era” is expected to transform the economies, employment and even the society in which we live today in a revolutionary way.

The digital economy is very different in comparison to the traditional one and it is the result of the accelerated evolution of telecommunications, internet and electronics, and their integration in our everyday life. This arising economy is favoring the development of a new type of business, i.e. e-business. The process of the transformation of the actual economy in a digital one needs a set of favorable factors and a period of time, named period of transition.

In this context, it is necessary to understand and to assess how advanced the transition process is in each EU country so that to be able to create and implement the suitable strategies who will lead to the digital economy. At EU level it was create an index - Digital Economy and Society Index (DESI) – with the aim to measure the progress of EU countries towards a digital economy and society.

Our paper presents this index and make a comparative analysis of its evolution during the last 5 years. The results show an intens preoccupation of all EU countries for the improvement of the sectors considered in the calculation of DESI and the progress made by some states in this field.

Keywords: digital economy, Industry 4.0, Digital Economy and Society Index, digital skills, e-business.

THE CONTRIBUTION OF INTEGRATED REPORTING IN DETERMINING THE PERFORMANCE AND VALUE OF A SUSTAINABLE ORGANIZATION**Camelia MIHALCIUC, PhD., Assoc.prof.***„Ștefan cel Mare” University of Suceava, Romania*

Abstract: In the current business environment, financial reporting has become insufficient in terms of information, which is caused by the increasing information needs of stakeholders. In this context, an integrated reporting modality has emerged thanks to the International Integrated Reporting Council (IIRC), where the information presented is both financial and non-financial information, such reporting being called “Integrated Reporting”. Thus, starting from this consideration, the main objective of the paper aims at the main aspects that lead to the presentation of the benefits of implementing integrated reporting in organizations, through the ability to understand, in a more complete way, the "real" performance of a sustainable organization. The essential elements contained in an integrated reporting concern the capital, the business model and the process of creating and maintaining value, this reporting must be integrated in the strategy and vision of the organization, allowing through the transparency of these integrated reports the observation of all aspects led to the results obtained by the organization, as well as providing information on the role of the organization in society and the context in which it operates, the image of the organization being complete. The purpose of this paper is to highlight the importance and role assigned to integrated reporting in measuring the performance of a sustainable organization, by making it easier to understand the cause and effect of the link between financial performance and sustainability by stakeholders.

Keywords: sustainable organization, financial reporting, non-financial reporting, corporate reporting, value creation, business model, real performance.

THE EVOLUTION OF ICT-SECTOR IN REPUBLIC OF MOLDOVA**Carolina TIMCO, PhD., Assoc.prof.***Technical University of Moldova*

Abstract: The ICT industry is the result of convergence of Informational Technology and Communication Technology. Is one of industries that assure the infrastructure of a country and assure the development and the growth of the national economy. Is a sector that create its own value and contribute to the creation of added value in other fields. In the present paper the author will analyse the evolution of the ICT-sector in Moldova, governmental policies in the field and the impact of IT-parc on the creation of value in the Moldavian economy.

Keyword: informational technologies, communication, evolution, ICT-policy, infrastructure.

AN ANALYSIS OF THE ABSORPTION OF EUROPEAN FUNDS AND IMPORTANCE FOR THE SUSTAINABLE DEVELOPMENT**Carmen NASTASE, PhD., Prof.***„Ștefan cel Mare” University of Suceava, Romania***Mihai POPESCU, PhD., Assoc.prof.***„Ștefan cel Mare” University of Suceava, Romania***Liliana CHIHAIA, PhD., Lecturer***„Ștefan cel Mare” University of Suceava, Romania*

Abstract: The absorption of European funds is representing a phenomenon with strong implications in the European area, on the one hand, and within Romania’s capacity to access these funds, on the other hand. The capacity of absorption is “a variable which is manifesting under different forms in the member states”, thing which determined the need to identify some individual solutions, designed and applied according to the specific needs of each country in regard to the removal of obstacles and of absorption difficulties of European money. The access of European funds results in the implementation of these funds, which contributes to regional development. The objective of this research is to evaluate the capacity of absorption in the area of funds demand, to identify the means of improving the capacity of absorption, the analysis of the identified theoretical aspects and their implementation at a practical level. Another research direction was represented by the analysis of the impact brought by the implementation of the projects conducted from the European funds over the sustainable development, the planning and implementation of the projects, the EU payments towards Romania and the achievements and national level, so that it would be possible to create a strong correlation between the availability of funds and the needs of the public investments. The research’s results demonstrate that the absorption of the European funds is an elemental request posed by the development of the society in the context of European integration and by the development of the local autonomy as an insurance for the success of the local community development.

Keywords: absorption of European funds, capacity of absorption, implementation of European projects, regional development, Romania.

SOCIAL JUSTICE – ANCHOR OF ECONOMIC SUSTAINABILITY**Gabriela-Mariana IONESCU, PhD., Assoc.prof.***School of Advanced Studies of the Romanian Academy, Bucharest, Romania*

Abstract: Paper examines an extra-economic and institutional factor which increasingly seems to condition and help the economic process to gain sufficient sustainability. It argues that, alongside the internal sustainability properties of the very economic system (like circularity, replication of inputs and so on) non-economic factors could be of importance to ensure that sustainability character of the economy. One of the most relevant such a factor is shown be social justice, understood as fair distribution and redistribution of the economic product (GDP) inside the society (not only among direct contributors to GDP obtaining). In this context, one of the pillars of social justice is discussed and put into connection with the economic sustainability, namely the principles of difference in handling the economic inequality which is, most probably, the crucial factor blocking the economic sustainability generally.

Keywords: circularity, economic sustainability, principle of difference, social justice, sustainability.

**DIGITAL ECONOMY. THE CONVERSION OF TRADITIONAL ECONOMY
AS A CONSEQUENCE OF THE ICT INNOVATIONS****Alexandra UNGUREANU, PhD., Assoc.prof.***„Ștefan cel Mare” University of Suceava, Romania*

Abstract: The ability of the global economy to compete and evolve in the 21 century increasingly depends on the innovative and efficient use of information and communication technologies (ICT). Over the last decade, digitalization has improved decision-making in the global business ecosystem in a variety of contexts, and recent advances in technology transformed the business models in a way that reshapes the economic actors' interaction with business activities. The emergent conversion of the traditional economy is changing as automation tools, process standardization, and reuse of goods along with cloud computing technology shape the global economy towards digitalization, arising the concern to ensure the development of ICT proficiency in all sectors of the economy in order to create economic balance, avoiding a potential crisis based on the innovation deficit. The speed of digital transformation in the business environment will directly affect the models of economic growth and social development in the future. The present technological revolution is a valid indicator of the civilization progress of the 21st century and the digital transformation requires a improved association of organizational e-leadership skills, innovation and business development based on business intelligence concepts. Therefore, the reduction of e-leadership skills can be a competitive disadvantage for the industry and a constraint on potential growth. From these considerations, the aim of the paper is to examine the diffusion of business intelligence elements in the global economy, providing examples of business models that have emerged as a result of digitalization improvement, and contributes to an overview of the main features of the digital economy that have emerged in these business models. Using a methodology based on the systematic review of the literature and global analysis regarding the topic, the paper presents a framework of the role that digitalization performs in the global economy transition from analog to digital configuration.

Keywords: digitalization, technology, business, economy.

ADVANCING SUSTAINABLE DEVELOPMENT THROUGH ENVIRONMENTAL COMMITMENT OF APPAREL PRODUCERS OF MOLDOVA

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Abstract: The development models of apparel producers must focus on the integration of environmental aspects, based on sustainable growth. In this article, the authors propose to empower producers to adopt the environmental commitment by establishing environmental policy and strategies within an environmental management system. Therefore, these commitments should be among the priorities of long-term development business strategies to ensure increased efficiency, nature protection and the achievement of sustainability goals. Environmental actions are essential in creating the image of a responsible producer concerned with the quality of life of future generations.

Keywords: sustainability, environmental management system, corporate ecology, policy, commitment.

CORPORATE SUSTAINABILITY IN TIMES OF CRISIS

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Abstract: Corporate sustainability is an intensely analyzed concept in the literature worldwide, in terms of social, environmental and economic impact. The applicability of the concept on small and medium enterprises is low and there is need to adapt it to these companies, especially in the context of the crisis generated by COVID-19. It presents a synthesis of specialized concepts, which are applicable to small and medium-sized companies, and which can be taken over and implemented by this types of companies. This paper analyzes the problems that have arisen at the company level, such as the suspension / reduction / ceasing of total or partial activity, problems related to supply, sales and delivery, problems questioning the existence of the company, as well as its short, medium and long-term sustainability. At the end of the paper, proposals are generated to support the sustainable development of small and medium-sized companies, in the epidemiological context generated by COVID-19.

Keywords: sustainability, crisis, suspension, company.

AGROINDUSTRIAL SECTOR – VALUE CHAINS AND SUSTAINABLE DEVELOPMENT**Svetlana ARPINTE***Technical University of Moldova*

Abstract: Economic growth is the source of sustained increases in material living standards over long time. Analyzing the context of the external environment, the changes that happen in state structures of Republic of Moldova, have an inevitable impact on agricultural producers. With the creation of the Ministry of Agriculture, Regional Development and Environment, changes occur in the development of sectoral policies. Moldova's agricultural sector contributes significantly to the country's economy, despite rather uneven results amid slow and highly variable economic growth.

National and regional trends. The problem analysis denoted farmer's gaps in the agricultural sector to achieve a sustainable development:

a) Policy deficiency for enabling a fair environment in which business-oriented smallholders and young farmers have a fair chance to establish viable farms.

b) The lack of policies setting incentives to introducing sustainable agricultural practices based on high yielding locally adapted varieties, integrated pest management, efficient soil and water management and the integration of crops, pastures and livestock.

c) Limited access to financing. Despite a modest increase of agricultural lending in recent years, farms remain poorly financed.

d) The agricultural education and research system in Moldova is outdated and do not correspond with the skills and knowledge required by the market.

e) Lack of competent management and lack of knowledge of improved production techniques. Producers do not implement production techniques that can improve the quality of their produce.

f) The post-harvest process requires improvement.

Keywords: agriculture, policy, farms, management, financing.

TRENDS IN THE FORMATION OF THE URBAN TRANSPORT ENVIRONMENT**Diana DOHOTARU, Univ.lect.***Technical University of Moldova*

Abstract: Globalization is an inevitable phenomenon in human history, in which the world becomes more interconnected as a result of exchange of goods and products, information, knowledge and cultural values. However, in recent decades, the pace of this global integration has become much faster and more impressive due to unprecedented advances in areas such as technology, communications, science, transport and industry. Although globalization accelerates human development and is a consequence of it, it is not a process that is easy to adapt and that creates serious problems and difficulties. Such a rapid pace of the change can become threatening, and most countries try to control or manage it. The latest wave of globalization, which took place in 1980, resulted from a combination of advances in transport and communications technologies, along with the actions of large developing countries that sought to attract foreign investment by opening their economies to an international trade.

Keywords: integration, transport, globalization, technologies.

SECTION IV

**MANAGEMENT AND LEADERSHIP.
FINANCE & ACCOUNTING**

THE ROLE OF INTERNAL AUDIT IN CORPORATE GOVERNANCE TO SUBSTANTIATE THE DECISION

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Abstract: Apart from the available research in the field, which is mainly based on quantitative data, the present study uses a wide range of qualitative data in order to detect certain more profound attitudes in the relationship between internal auditing and stakeholders. Investors may wish to provide assurance about the objectives and consultancy on risks and control. An internal audit function that has been allocated the appropriate resources can provide such assurance and consultancy. The internal audit function would supplement the management of the activities on a high level, by providing independent and objective assurance measures directed at the efficiency of the organisation's governing processes, at the effectiveness of the management of all types of risks and determine whether the internal control processes are, indeed, operative in managing risks at a level that is considered acceptable.

Keywords: internal audit, corporate governance, management, risk management, internal control

RISK ANALYSIS IN THE MANAGEMENT OF CONSTRUCTION INVESTMENT PROJECTS

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Abstract: Effective Construction Investment Projects (CIP) contribute to sustainable economic development. Evaluation of the CIP aggregate risk index as a fundamental indicator is among the most topical issues in the Project management. Justification of the effectiveness of CIP related to the development of potentially dangerous territories in Moldova requires consideration of the regional geological conditions. On the terrain of Moldova, the greatest danger is the following geo-environmental processes: landslides, seismic phenomena, river and gully erosion, flooding and waterlogging, subsidence, karst suffusion, subsidence, swelling and shrinkage, anthropogenic processes. It should be noted the ineffective assessment of geocological risks, taking into account natural and difficult technogenic conditions. Despite numerous studies of uncertainty and risk, there is no adequate unified methodology for assessing these phenomena within the CIP evaluation. Analysis of traditional methods for assessing CIP under conditions of uncertainty and risk testifies to their theoretical significance, but unfortunately, in some cases – limited practical applicability due to the following reason: the mechanism for qualitative and quantitative risk analysis is not sufficiently standardized. Traditional methods (discount rate adjustment, method of proper equivalents, scenario modeling, building decision trees, Monte-Carlo simulation, etc.) are limited due to many simplifying model prerequisites, especially in the long-term CIP management. It is advisable to create a comprehensive risk-management model to improve the efficiency of CIP management under risk conditions. This model should be based on scenario modeling, as well as cumulative construction of the discount rate, taking into account the risk-free basis, inflationary expectations, and the weighted average risk level.

Keywords: construction investment projects; project management; risk analysis; geocological risks; risk-management model.

INFLUENCE OF RISK MANAGEMENT SYSTEMS AND METHODS ON THE EFFECTIVENESS OF THE ENTERPRISE

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Abstract: Modern enterprises strive to protect themselves from financial losses, but with the constant impact of a changing external environment, the problem of identifying risks and eliminating them is quite acute. It has been empirically proven that enterprises that actively apply risk management methods are more successful. Evaluation and management of risks from the moment of establishment of an enterprise directly affects the efficiency of activities and its competitiveness.

Implementation of a risk management system in enterprises contributes to a deeper understanding of the impact of risk management practices on business; reducing potential damage to property; improving relationships with customers, employees, suppliers and contractors; reduce the risk associated with liability to third parties; achievement of the goals and objectives of small business; increase the transparency of financial management; ensuring safe working conditions for employees; minimization of losses; improve on-the-job training; improved control at the enterprise; compliance with relevant legal requirements and regulations, as well as international standards.

There are a sufficient number of risk management methods at the enterprise, but the management needs to properly organize the process of their application in practice, choose those that will be suitable for the method of building a control system for them, monitoring, in structure, in the form of determining risks, in characteristics, in terms of how the personnel will react to the introduction of certain methods, what international acts will underlie. Thus, the creation of a universal risk management mechanism at the enterprise is relevant and in demand in current conditions. The development of a mechanism for risk management in an enterprise is undoubtedly possible, but it is necessary to take into account individual characteristics, such as the form of management, type of activity, peculiarities of functioning, etc. The purpose of the study is to form a universal approach to risk management at an enterprise based on a review of various methods that can minimize their negative impact. At present, it is the integrated approach of risk management based on the systematization of activities that prevails.

Keywords: risk management, effectiveness, methods, evaluation, enterprise.

ISSUES OF IMPROVEMENT OF ACCOUNTING THEORY AND PRACTICE OF ACCOUNTING

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Abstract: A deep characteristic of accounting accounts is given, their structure and close relationship with each other, with the elements of the accounting method and its objects, are revealed. The next important changes to the Moldovan Accounts Plan, which came into force and are subject to mandatory use from 2020, are presented in detail. These changes are critically examined and the mistakes made at the same time are shown, which hinder the knowledge and study of an important economic discipline and science. Also introduced and substantiated proposals for the improvement and use of accounting accounts in modern theory and practice of economic management.

Keywords: grouping method, two-sided tables, account elements, their debit, credits, balances, turnovers and subaccounts.

MODELING COMPETENCIES FROM THE PERSPECTIVE OF TALENT MANAGEMENT**Ecaterina CHIȚU, PhD. student***„Alexandru Ioan Cuza” University, Iasi, Romania***Marian RUSSO, PhD. student, Univ. assist.***„Petre Andrei” University, Iasi, Romania*

Abstract: Competence is a concept commonly used by both researchers and practitioners to describe performance. The use of competency models was created to describe the selection processes, identify the training needs or succession planning. Skills are the basis of talent management.

Talent management is considered to be a method that allows organizations to respond to the requirements associated with increased competencies. Competencies serve the basis of any integrated talent management strategy and facilitate the connection between the business strategy and the talent management philosophy of an organization.

Skills modeling gives talent leaders the information they need to design a clear and efficient talent management program.

Therefore, the purpose of this paper is to highlight the way in which the modeling of competences is achieved through talent management.

The research methodology is based on a qualitative approach, on the analysis of the specialized literature and on online documents such as: the sites of companies, employees' forums, press articles, etc.

Thus, talent management models the competencies by preparing the employees for the necessary expertise and by helping them grow with the organization. Modeling skills from a talent management perspective starts with an effective program to help the employee establish themselves in the new role, to be offered ample opportunities to improve skills and competences, while allowing growth through counseling, coaching, mentoring and job rotation schemes. At the same time, the talent management development directive offers training and development opportunities through several learning channels for employees to acquire additional skills, knowledge, competencies, etc., thus building a higher performing workforce.

Keywords: Talent Management, Competence, Modeling.

MECHANISM OF FINANCIAL AND CREDIT SUPPORT OF ENTREPRENEURIAL ACTIVITIES**Kononenko Z. A., PhD., Assoc.prof.***Poltava state agrarian Academy, Ukraine***Kuzmenko O. K., PhD., Assoc.prof.***Poltava University of Economics and Trade, Ukraine***Pylypenko K. A., DSc.***Poltava State Agrarian Academy, Ukraine*

Abstract: The problematic aspects of the financial and credit mechanism of business activity are considered. Some factors of formation of financial interrelations at the micro level and their interaction at the macro level are investigated. The problem areas of entrepreneurship are emphasized. The systemic factors of sources of financial resources in the business sector are generalized. Attention is paid to the need to develop and improve the financial subsystem of entrepreneurial activity. Peculiarities of supporting potential innovative implementation are investigated.

Keywords: resources, assets, financial mechanism, financial flows, financial condition, entrepreneurship, financial support, business activity, financial assistance, financial and economic relations.

WAYS TO EVALUATE AND MEASURE THE PERFORMANCE OF THE INTERNAL AUDIT FUNCTION THROUGH BALANCE SCORECARD

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Abstract: This study examines existing approaches in the academic literature concerning the concept of company performance. Performance is important in any activity. After analyzing the existing opinions the article mostly clarifies the significance of performance: capacity, productivity, adaptability, flexibility, turnover, environmental control, production costs; level of achievement of objectives; efficiency and effectiveness of the economic entity; value creation. Organization have a very important role in our daily lives and this therefore performing organizations is a key element for the development of society. A management tool that brings an improvement over traditional planning and management system that incorporates control by other than financial instruments is Balanced Scorecard. Balanced Scorecard remove the lack of a systematic process for implementation and obtaining feedback as respects the strategy. Management processes built around a Balanced scorecard permit alignment and focusing action on long-term strategy.

Keywords: balance scorecard, performance management, intern audit

HYBRID PROJECT PLANNING AND CONTROL MODELS

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Abstract: The analysis of project planning methods, Gantt chart, Cyclogram, matrix and network chart, their advantages and disadvantages generated the hypothesis that it may be a new model that would lack the disadvantages of the Network Matrix and Chart. The Gantt Chart and the Cyclogram are simple models and are applied after the optimizations made with the help of the Matrix and the Network Chart. The Matrix has the great advantage of solving the problem of optimizing the order of inclusion of sectors in the chain and in this way, of reducing the duration of projects with non-rhythmic processes by 20-25%.

The Matrix does not explicitly reflect the technological and organizational conditions between activities and is a difficult model to formalize for the automated calculation of resources. The Network chart reflects these dependencies and can be used for automated resource planning, including time. For the planning of projects with non-rhythmic chains, a hybrid planning model based on the Matrix and the Network Graph is examined. The model has the advantages of the Matrix, namely the possibility of reducing the critical path based on determining the optimal combination of inclusion of sectors in the chain. The model has the advantage of the Network Chart to perform computer-assisted resource allocation and control. The effectiveness of the models is demonstrated by simulating the durations of the activities. The procedures for calculating the Network Chart necessarily provide for fictitious activities. This is a disadvantage of the Network Chart because it increases the volume and complexity of the calculations and requires additional time to master the algorithm. It is demonstrated that the hybrid model can be developed without fictitious activities using the Network Graph with information about node activities. The new model is called MAG, Matrix and Network Graph. The formulas for calculating the time parameters, including the critical path, are reflected. Examples are provided for calculating projects with non-rhythmic processes in at least two sectors.

Keywords: Project planning tools, Gantt chart, Cyclogram, Matrix, Network chart, critical path, time reserve, minimum and maximum start time, minimum and maximum completion time, hybrid model, MAG chart, fictitious activity, duration execution.

DEDUCTION OF VAT ON INVESTMENT COSTS IN CASE OF ABANDONMENT OF THE PROJECT

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Abstract: The legal provisions regarding the right to deduct VAT are provided in art. 145 and art. 146 of Law no. 571/2003 on the Fiscal Code (Fiscal Code 2003) and art. 297 and 299 of Law no. 227/2015 on the Fiscal Code (Fiscal Code 2015).

The provisions of point 67 par. (1) of the Methodological Norms for the application of the Fiscal Code 2015 establish the birth of the right to deduct VAT in the event of a taxable person who intends, confirmed by objective evidence, to start an economic activity independently, within the meaning of art. 4 of the Sixth Directive, the equivalent of art. 269, para. (2) of the Fiscal Code, and which records expenses for this purpose.

However, by reference to the provisions of point 67 par. (17) of the Methodological Rules, the right to deduct VAT remains acquired when the taxable person has never used the goods and services purchased for the purpose of carrying out taxable operations only when the abandonment of the project was due to objective reasons which could not be anticipated or controlled and not dependent on his will.

The jurisprudence of the CJEU has established in case C-110/94 Inzo, case C-37/95 Ghent Coal Terminal NV or case C - 257/11, SC Gran Via Moinesti SRL that in the absence of fraudulent or abusive circumstances and subject to possible regularizations in accordance with the conditions laid down in Article 185 of Directive 2006/112, the right to deduct, once born, remains acquired even where the economic activity in question has not given rise to taxable transactions.

In connection with the inconsistency of the Methodological Norms with the jurisprudence of the CJEU, we note the need to formulate preliminary questions to resolve this issue of interpretation of the VAT Directive.

Keywords: Fiscal Code, deduct VAT, economic activity, taxable person

CURRENT ISSUES OF THE HUMAN RESOURCE SELECTION PROCESS IN RAIL TRANSPORT

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Abstract: A correct forecast of the necessary personnel is required to be permanently correlated with the foreseeable changes of the environment - the conditions of the market, of the economy, of the competition, of the technology and of the finances. Due to the instability of the current economic environment, railway companies are determined to organize in a new way, looking for management methods through which they can control a context of crisis, which disturb existing theories. An important feature of all modern approaches is the idea that all human resources must be mobilized to achieve organizational goals. The importance and topicality of this topic are given by rethinking the strategic role of human resources at the level of organizations, people being considered the main competitive advantage they have. These developments increase the importance of recruitment and selection as a determining factor in ensuring the need for human resources.

Keywords: selection, recruitment, rail transport, human resources.

SALARY – AN IMPORTANT TOOL FOR ENSURING SUSTAINABLE DEVELOPMENT AND ECONOMIC GROWTH

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Abstract: One of the main indicators that determines the living standard of the population, the degree of happiness of the people and has an indispensable direct impact on the economic and social development of the country is the level of labour remuneration. As a result of the discrepancies between the level of labour remuneration and the minimum consumption basket of the population, which varies considerably from one country to another, there are multiple socio-economic effects with negative impact that stimulate population migration, a phenomenon largely due to the globalization process.

The main purpose of this article is to compare the dynamics and variation of the average wage in the Republic of Moldova with the countries of the European Union, the focus being on the comparative analysis of the situation regarding the remuneration of work in Romania.

The research involves a theoretical-methodological analysis of the salary as the main form of population income, being consulted the works of various famous scientists in the field. As research methods, there are used the methods of statistical analysis, synthesis, multiple regression and investigation of cause and effect, the application which allows drawing conclusions extensive and well founded as regards the level of remuneration and identifying solutions and priority areas. The results can be taken into account in order to increase the living standard of the population, ensure the economic and social development of the country and reduce the negative effects achieved as a result of discrepancies in the level of remuneration.

The originality and practical relevance of the research consists in identifying and highlighting the salary discrepancies between cross-border areas and European Union countries and there are argued soundly the resulting problems and practical solutions to recover the economic and social situation.

Keywords: salary, average monthly wage, GDP per capita, happiness score, migration.

IMPACT OF THE ECONOMIC SITUATION IN THE REPUBLIC OF MOLDOVA ON THE FINANCIAL CONDITION OF ECONOMIC ENTITIES

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Abstract: Under the conditions of the market economy, the activity of any enterprise is subject to the influence of the level and dynamics of macroeconomic indicators of the country: GDP, inflation, state budget, money supply, bank interest rates, overdue debts, investments into fixed capital, etc. How successfully a company manages its financial activities, including cash flows, ultimately determines its financial stability and ability to further develop in the long term. For this purpose, in the current operating environment, the development of effective methods of cash flow management may serve as a measure to reduce the negative impact of external factors. This method guarantees control over the company's activity and allows for independent financing of current needs without attracting external creditors. Thus, prerequisites are created for the transition to a new quality of economic development.

The work analyzes the key indicators of the national economy of the Republic of Moldova in recent years and provides conclusions about the favorable conditions for Moldovan business under pressure from the external environment.

Keywords: business management, cash flow management, economic development of the country, financial condition of business entities.

RETHINKING THE SME'S ECONOMIC MODEL AT THE RELAUNCHING

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Abstract: According to the BPCE (Banque Populaire Caisse d'Épargne) Observatory, 75.000 companies (99% of SMEs with less than 250 employees) are sold each year in France. This figure is more worrying as 1.2 million jobs are at stake. The relaunching of the SME is both a macroeconomic and a microeconomic problem. Unlike big companies, the human factor, namely preparation or the complexity of the operation, is the main creating difficulties in selling SMEs. During the company transfer, it is necessary to pay attention not only to sale assets, but also to transfer the managing structure. Beyond the financing of the relaunching, there is therefore the problem of governance of the new structure: the new strategic vision, cultural changes, the departure of employees, the disappearance of customers and other partners, all difficulties specific to the concept of proxemia.

While relaunching an activity can often be less risky than creating it ex-nihilo, the new values introduced by the acquirer lead to believe that maintaining the activity in its original form is no longer possible. Business continuity requires a revision, a pivoting of the business model, that is, a redefinition of how to generate value for the customer, how to generate revenue, and how to distribute wealth among partners. Through an appropriate methodology and the use of tools that have ensured the success of many start-ups, we will be able to lead the takeover in its process of change.

Keywords: entrepreneurship, relaunching, business-model.

THE USE OF MACHINE LEARNING TECHNIQUES IN ACCOUNTING. A SURVEY

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Abstract: Machine learning (ML) is a subset of artificial Intelligence (AI) that studies systems that can learn and continuously improve the abilities through generalization in an autonomous manner. ML is presently all around us, almost every facet of our digital and real life is embedding some ML related content. Customer recommendation systems, customer behavior prediction, fraud detection, speech recognition, image recognition, black & white movies colorization, accounting fraud detection are just some examples of the vast range of applications in which ML is involved. The techniques that this paper investigates are mainly focused on the use of neural networks in accounting and finance research fields. An artificial neural network is modelling the brain ability of learning intricate patterns from the information presented at its inputs using elementary interconnected units, named neurons, grouped in layers and trained by means of a learning algorithm. The performance of the network depends on many factors like the number of layers, the number of each neurons in each layer, the learning algorithm, activation functions, to name just a few of them. Machine learning algorithms have already started to replace humans in jobs that require document's processing and decision making. This evolution will continue in the future and some processes now requiring human expertise will become fully automated due to the use of ML techniques and algorithms.

Keyword: artificial intelligence, accounting, neural networks.

MEAL VOUCHERS – MOTIVATING FACTOR FOR EMPLOYEES IN THE REPUBLIC OF MOLDOVA

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Abstract: Meal vouchers are an individual food allowance granted by the employer to the employee. The granting of meal vouchers in the Republic of Moldova is optional and is regulated by the Law on Meal Vouchers No. 166 of 21.09.2017 and the Government Decision approving the Regulation on the modus operandi of meal vouchers No. 227 from 12.03.2018. The basic economic and motivational advantages of meal vouchers, as a method of increasing the salary are: it is an income for employees from which no medical insurance contributions are calculated and no income tax from salary; the expenditures on meal vouchers incurred by the employer is deductible for tax purposes and their nominal value is not a taxable subject with value added tax.

The amount saved by companies by accepting meal vouchers as a method of raising wages is considerable, as a result many companies have resorted to this method. By the end, the employees of the enterprises benefit, because they receive a salary supplement in the form of meal vouchers, which can only be used for the purchase of food.

Meal vouchers are not only a benefit that promotes employee nutrition, but also a mechanism that contributes to a cycle of economic growth at the country level, because: meal vouchers contribute to the fight against the informal economy; they contribute to a significant increase in the purchasing power of citizens, especially those on low wages and thereby contribute to local and national economic development; meal vouchers help to improve employees' working conditions, as nutrition is one of the pillars of workers' health, contributing actively to their productivity.

Keywords: meal vouchers, motivation, enterprise.

ISSUES REGARDING THE CONCEPT OF BANKRUPTCY IN THE CORPORATE SECTOR

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Abstract: The problem of the bankruptcy term definition has a significant importance in the field of the management theory and practice, internal planning and control of the enterprise. The study of different approaches regarding the bankruptcy concept is characterised by a large variety of theoretical and applicative definitions. It is impossible to formulate some recommendations of bankruptcy analysis or/and assessment in corporate sector without knowing the justified essence of bankruptcy concept. In the work hereby, some aspects of the concept of bankruptcy in the corporate sector has been elaborated, approved and proposed for use, generated by the intent to increase the efficacy of the whole process in the field. To achieve the purpose of the research, the dialectical method with its inherent processes was used. The presence of these aspects of scientific investigation gives the article originality and update.

Keywords: bankruptcy, insolvency, corporate sector, solvency, risk.

TRENDS TO UPDATE ACCOUNTING AND MANAGEMENT INSTRUMENTS IN PANDEMIC CRISIS CONDITIONS

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Abstract: The economy of the Republic of Moldova is enduring the deepest crisis in the last 20 years. The relevant authorities note the economic downturn in some areas, such as internal trade, manufacturing, transport and storage, construction, and services. The pandemic crisis has also forced a reduction in population consumption. These and other indicators emphasize the need for a government-wide strategy at both the macro and micro levels. According to the Ministry of Economy and Infrastructure, in 2021 the economy will enter a phase of gradual recovery, ensuring a positive trend. These measures will support SMEs and will certainly mitigate the negative effects on entrepreneurship. The managerial-accounting field is a decisive one to find methods to recover the negative and disastrous results of the economic entities. This process involves activities to identify, assess, systematize and cover damage as a result of the global pandemic crisis. The managerial tools used for these purposes require close efficiency of both the methods used and the content, as well as the maximum use of basic and additional digital tools and software. Distance activities also require a new approach to accounting and broadening the field of accounting, being combined and interacted with technological and digital tools. In this context, the demand for specialists in the managerial-accounting field combined with the IT field is increasing. UTM has started training such a specialist, but at the current stage this trend is becoming more stringent. E-commerce, distance services, new programs and products increase the complexity of both managerial-accounting activity, and of training institutions for specialists in "new" fields of activity, both real and virtual.

Keywords: impact assessment, remote accounting methods, government support, managerial tools, negative impact mitigation.

ASPECTS OF ECONOMIC AND ACCOUNTING ENVIRONMENTAL COSTS

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Abstract: Sustainable development is the need for accountability and education for environmental protection, and this is reflected in the evolution of environmental policy, a policy aimed at substantiating, developing and implementing tools and programs to stimulate the concerns of businesses to prevent or limit environmental imbalances, for their involvement in environmental protection actions, complementary to the existing legislative framework. The increasing imbalance of the relationship between economy and environment urges a rethinking of the relations between the economic activity of entities and the environment, the formation of ecological awareness, the development of environmental economics, which has as an integral part the record of environmental costs. This requires a knowledge of additional information related to the environment, such as legislation and regulations governing ecological reporting and accounting, which unfortunately even so far, those relating to environmental accounting are not developed. The development of an environmental cost accounting methodology will ensure for a long time economic growth of enterprises, but also a change in the entire economic and social system.

Keywords: sustainable development, environmental policies, economic instruments, environmental accounting, environmental protection costs.

THE IMPACT OF THE PANDEMIC ON ENTREPRENEURSHIP IN RURAL AREAS IN ROMANIA

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Abstract: Tourism is among the sectors most affected by the COVID-19 pandemic. According to the United Nations World Tourism Organization, 100% of the world's tourist destinations had introduced temporary travel restrictions in response to the pandemic, 75% of which completely banned international tourism.

The EU tourism sector contributes 9.5% of EU gross domestic product, represents 11.2% of jobs in the EU and has almost 3 million businesses, 90% of which are SMEs.

Rural entrepreneurship is very important to be saved because mobilizes resources to cover an unsatisfied demand for market, has the ability to create or build something out of nothing, is the process by which value is created from the realization of a unique resource package to use an opportunity. Nevertheless the tourism sector faces a series of challenges and in this context most EU member states are introducing economic assistance packages that would also cover tourism sectors too.

Keywords: tourism sector, rural entrepreneurship, rural areas

ON THE UPDATED MODEL OF GLOBAL IMBALANCES SYNERGY

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Abstract: In 2013, following the synthesis of theories related to the mechanisms of international economic and financial crises, the authors Kovalev and Paseko developed the Model of global imbalance synergy, which substantiates the idea of generating economic and financial crisis situations globally by manifesting the chain of different imbalances. The model starts from global monetary and demographic imbalances, which determine the imbalances between real and financial sector of global economy, as well as real and market values of transnational companies. Together they all lead to imbalances in the distribution of global wealth in industrially developed and developing countries, as well as imbalance between consumption and income in industrially developed countries. Studies in this area have demonstrated the viability and usefulness of this model. The current situation tends to make some clarifications in this model. First of all, it is about the onset of a pro-cyclical economic crisis in 2018, against the background of which in 2020 an economic crisis of a pandemic nature began. Secondly, the latter tends to exacerbate global imbalances, which may ultimately trigger a global financial crisis. The situation is exacerbated by global trade conflicts with negative consequences, continued currency clashes and inflated financial bubbles. This situation requires urgent remedial actions at the global level.

Keywords: synergy, companies, wealth, viability.

HUMAN RESOURCES MANAGEMENT IN TIMES OF CRISIS

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Abstract: The year 2020 came with new challenges for individuals, companies and public institutions. The COVID-19 pandemic imposed a change in the way of thinking, organization and action at the global level, in order to overcome obstacles of financial, legislative, procedural or organizational nature. The economic crisis felt by the business environment just started, and companies must understand the need to formulate and implement specific strategies related to management, human resources, supply chain, source of financing, etc. This paper aims to present solutions for efficient management of human resources within companies, in order to cope with the problems generated by COVID-19, based on the analysis of the current situation in Romania, such as: temporary / complete cessation of activity, transfer of employees to telework, providing sources of funding to cover current costs, evaluation of employee work, etc. At the end, proposals are made to support the activity of human resources specialists in crisis situations, especially the type generated by Covid-19 context, when the mobility and interaction of human resources is limited.

Keywords: change, obstacles, environment, resources.

**THE RELATIONSHIP BETWEEN CORRUPTION, SHADOW ECONOMY
AND HAPPINESS. SURVEY ON ROMANIA**

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Abstract: In this paper we address the issue related to the level of happiness in relation to acts of corruption and shadow economy in Romania. From our survey conducted on a sample of 101 respondents from Romania, we find that Romanian people does not link happiness to material issues in particular, but rather they see it as a consequence of having a families, professional and spiritual fulfilment, while money and property are last in this ranking. The average income that would make the respondents happy is on average 5,223 lei, an amount that they consider necessary to cover the needs of basis and activities that influence their development. Our findings reveal that the most corruption practices encountered in the public institutions refer to receiving money and gifts for services to which people are entitled followed by receiving money and gifts to favour someone. However, corruption and shadow economy are not perceived as very relevant in fully influencing the level of happiness they perceive.

Keywords: happiness, money, corruption, economy.

FINANCIAL LEVERAGE IN THE CONTEXT OF ENTERPRISE DEVELOPMENT**Tatiana ZAVAŢKI, PhD.***Trade Co-operative University of Moldova***Elena FUIOR, PhD., Prof.***Trade Co-operative University of Moldova***Inga ZUGRAV, PhD.***Trade Co-operative University of Moldova***Corina CUŞNIR, PhD.,***Trade Co-operative University of Moldova*

Abstract: Modern economic development, globalization and the process of purposeful management of economic activities are associated with predicting the consequences of the implementation of management decisions by modeling a controlled process. Effective financial management of enterprises directly determines its sustainable functioning and development. A variety of financial instruments are used in corporate finance management. Leverage is a specific financial instrument, the economic nature of which is not sufficiently researched and is ambiguous for practical application.

A prerequisite for financial policy is to maintain profitability at a level consistent with the cost of capital and financial risk. This circumstance determines the possibility and rationality of using the financial leverage mechanism in the practice of financial management of companies, since it is it that allows us to trace the relationship between profitability indicators and the structure of funding sources. The formation of the optimal structure of the capital of enterprises is a strategic priority of the theory of corporate finance. In this regard, most scientific works consider leverage as an activity tool that characterizes the use of borrowed funds by companies. In general terms, leverage can be represented as a process of managing the assets and liabilities of an enterprise aimed at increasing profits. This is a certain factor, a small change in which can lead to a significant change in effective indicators, give the so-called leverage effect. In this regard, the work investigates the main variables affecting the size and structure of sources of capital formation of an enterprise, such as: industry, size, age and growth prospects of the enterprise, profitability and liquidity of assets, the impact of business and foreign exchange risk, interest coverage ratio, share of tangible assets, collateral value of assets or tangibility of assets.

Considered the modern concepts of leverage and its place in the financial management of companies, as a self-regulating system, is specified. The proposed financial mechanism of financial management based on financial leverage.

Thus, the use of financial leverage in management can bring significant economic benefits. Planning a long-term level of development, areas of activity, capital structure, resources and other indicators using leverage will allow an enterprise to be much more likely to realize its goals, reduce risks, and ensure its growth and business continuity. Moreover, leverage allows you to optimize the capital structure according to the criterion of maximizing the level of projected profitability.

Keywords: enterprise, financial leverage, capital, management, variables, optimization.

DESIGN THINKING METHODOLOGY AS MODERN MANAGERIAL TOOLS

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Abstract: Design Thinking is an innovative, creative and human-centered process and way of thinking that allows collaborative work in multidisciplinary teams to generate user-oriented products, services or experiences. Due to its ability to enhance creativity and innovation based on the application of empathy, flexibility and iteration approaches, the methodology is applied beyond the initial scope of design in engineering, technology, business. The present paper has as objective to present and to argue that present methodology can be considered as a managerial method aimed to solve specific problems of the enterprise.

Keywords: Design thinking methodology, method, management

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