

FREEDOM CHOICE OF THE ROMANIAN ENTERPRISES TO CORPORATE RESPONSIBILITY & SUSTAINABILITY COMPETITIVENESS

Constantinescu Lucretia Mariana

Valahia University of Târgoviște, Romania

E-mail : maractinescu@gmail.com

Motto: "Leaders need deep-seated personal beliefs and value allied to considerable management skills"

Ross Tieman, Financial Times, 2010

The declared aim of this paper is to be an attempt to analyze the opinions regarding the corporate sustainability and responsibility that's providing to formulate a combination of diagnosis and prognosis, assessing the past and present conditions of corporate responsibility and the way ahead by the investors of the Romanian economy during the last economic recession crisis years.

Keywords: corporate responsibility; competitive key goals; SECI model; Business Intelligence.

1. Introduction

All most organizations are holding fast in their commitment to sustainability as a business imperative, despite the decelerating effect of the business recession, and various systemic issues and the leaders interviewed by Echo Research and International Business Leaders Forum, partners in elaborating of "A World in Trust Report" tell that they face challenges that call for their and their people's strongest determination and ingenuity. But equally they feel pride in the great distance they have advanced down the corporate responsibility road over the last 10 to 15 years. A core finding is that leaders see a major benefit of sustainable behavior to be its capacity to inspire trust. One of the best examples, to be taken into consideration, could be Milton Friedman, which considered his major work "Capitalism and Freedom" as theoretical one, and the work "Freedom to Choice" as less theoretical.

The freedom of choice may be considered on idea: "for an individual, to pick x out of state of affairs K which contains other possibilities isn't the same as to be forced to get from a state L where x it's the only available option. This is because irrespective of which opinion the agent considers as the best, availability of opportunities reflects a certain degree of freedom for the decision maker which is impaired if the extent of option contracts, even if the most preferred alternative remains available" (Țicovschi, V.A., 2009).

Mrowka, J.& Malawski, A. (2005) consider two distinct approaches into literature: firstly, non-preference focus to quantity.

In the frame of the actual thinking system of reference, of individualist, respectively collectivist vision of development of the society, the last crisis years should produce, by deeper reflection radical reforms. (Țicovschi, V.A., 2009).

2. Problem formulation

Starting with the Lisbon summit in 2000, Corporate Social Responsibility (CSR) in Europe has become a main concern, as a result of the set goals: *maintenance of a sustainable economic growth, greater social cohesion and a more competitive knowledge-based economy overall*. Since the private sector plays a major role in achieving these objectives, the European Council particularly stressed out the social responsibility of companies.

CSR is an emergence concept that has provided the changes into society and the business strategy of the companies since the beginning of XXI Century and its supposed new responsibilities to the company/organization. The CSR proposes to identify, understand and improve the balance between entrepreneurship and ethical practices in business.

By this reason CSR concept took a global dimension and, in fact, a growing number of European

companies not only to develop their activities in several countries gaining profit due to the opening of markets. Globalization and trade relations, investment and sustainable development have become key points in the business strategy for social responsibility. Knowledge of the issues and concerns related to this concept will promote the investments that will develop cooperation and technology transfer between the countries of the world (Constantinescu, L.M., 2012).

Peering into a crystal ball, the opinions of echo-leaders market presented in "A Word in Trust Report" see:

- Greater technical competition in the market place to optimal sustainable solutions
- The natural environment as a fulcrum on which the future is balanced
- Natural resources and raw materials coming under price pressure, but paradoxically spurring inventiveness
- Partnering and partnership across NGOs, public sector and competitors driving far-reaching innovative solutions to the wider benefit of civil society & environment

Faced with these many challenges and opportunities, the companies are positioning them selves as major force to positive climate changes, indeed to the point where sustainability is being welcome as a listing requirement for the enterprises.

CSR European Forum (2004) established by the European Commission initiative defines CSR as "*a concept whereby companies integrate, voluntarily, social and ecological aspects into their business operations and into interaction with their stakeholders. CSR is complementary to specific approaches to ensure greater social and environmental performance and shouldn't be seen as a substitute or a legislative commission of the responsibilities of public companies, which are still mainly in regard to governments*"¹².

To guide the companies to implement a CSR vision, the EU has also developed a set of principles that addresses two relationship dimensions between company and community: *an internal dimension and an external dimension*, too, accompanied by the recommendations to integrate these principles in their codes of conduct and report on how they have applied.

As following the "Green Paper" published by European Commission in 2001 it's promoting a CSR framework in Europe In 2006, the European Commission published "*Implementing the partnership for growth and jobs: making Europe a pole of excellence on CSR*", and launched the European Alliance on CSR. In 2007, a summary of CSR policies to the EU-27 member states has been released. In 2008, CSR Europe launched the "European Toolbox for a Competitive and Responsible Europe", that includes information and advice to help the companies and their stakeholders address socio-economic and environmental challenges and integrate CSR into mainstream business practice (CSR Europe, 2010a).

The main goal of the European Union strategy to develop a CSR vision by the European enterprises is those to become "the most competitive and dynamic economic system of the world, capable of sustaining economic development through job more and better jobs and greater social cohesion". This policy has, also, identified the eight priority areas to European Union actions: awareness and exchange of good practices, support of multi-stakeholder engagements, cooperation within EU member countries, consumer information and transparency, research, education, small and medium enterprises and also an international dimension of CSR.

2.1. Poll and Polls opinions regarding the CSR implementation vision into Romanian enterprises during the last crisis years into European context

Ten years after first appearing on the European Union agenda, CSR has become a well-established concept "*whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis*".

This approach is expected to support smart, sustainable and inclusive growth as stated in the Europe 2020 Strategy. Indeed, CSR was adopted by ever more companies, investors and business schools in the first decade of the 21st century, while civil society, academia and the media, also became increasingly familiar with the topic. It's particularly in the wake of the financial and economic crisis that broke in 2008 that CSR is more relevant than ever as calls for more responsible business are heard and rebuilding trust is a top priority among businesses in the Western world.

The new "**Europe 2020 Strategy**" developed a vision about the solutions how the EU can be turned into a smart, sustainable and inclusive economy delivering high levels of employment, productivity

¹ Final Resultants and Recommendation of European Multi-Stakeholder Forum to Corporate Social Responsibility, 2004, p.4

and social cohesion and CSR is identified as a key element in ensuring long-term employee and consumer trust.

The economic recession started in 2008 into Western world, it was due to abusive reforms adopted by the governments of the European ex-socialist countries among many of them there are, today, the EU member countries at the beginning of the 1st decade of this century which have led to large budget deficits and to a bankrupt banking system and the negative effects were soon extended to other areas of the economic activity, such as industry, trade, services.

As attend the statistics of the International Monetary Fund (IMF) to the end of 2011, Romania is situated into top countries with the lowest economic performance between EU27 and it has been exceed by Bulgaria, the country which registered the lowest economic growth of the countries acceding to the EU after 2002 (see chart 1 & 2).

Chart 1. Unemployment rate of the ex socialist states, UE members between 2009-2011

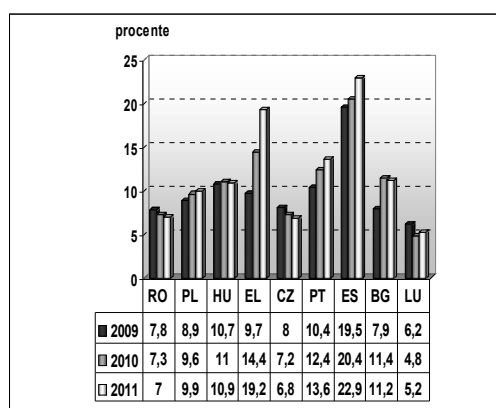
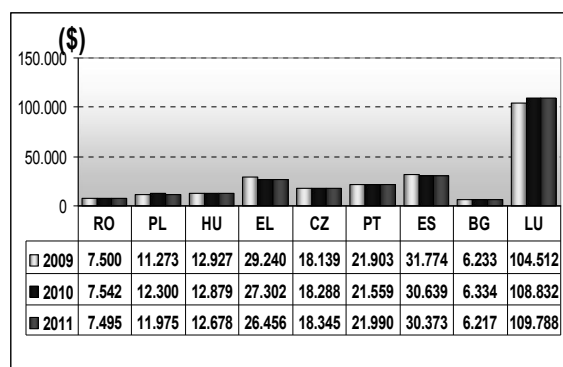


Chart 2 GDP/habitant in the ex socialist states of UE between 2009-2011

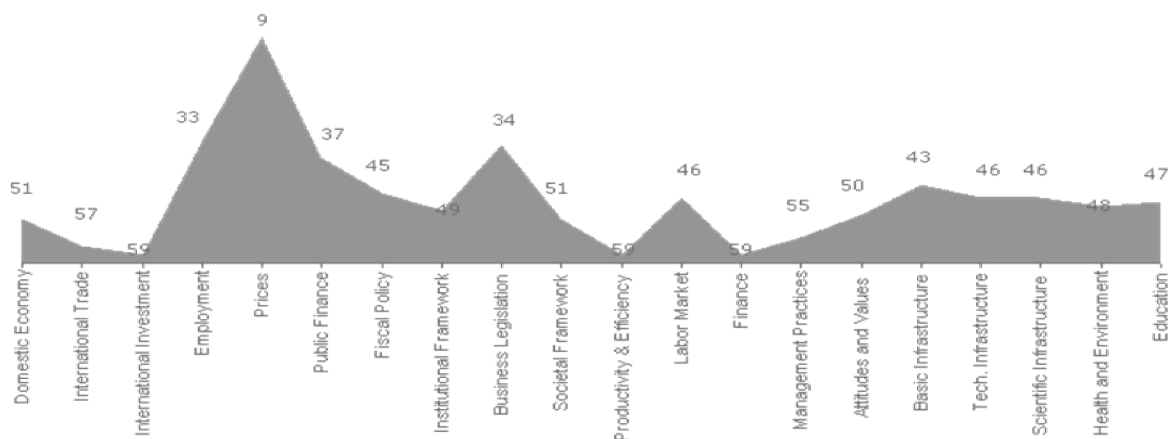


Source: IMF Eurostat, 2011

After October 2008, when the international crisis provided the first effects in Romania, the companies are facing with economical-financial unprecedented difficulties of gravity and the economic recession raises many problems to society in general and the average consumer in particular. The economic recession of Romania during the last years may mean a significant deterioration into living standards, the rise of unemployment and decreasing of funds.

According to the IMD World Competitiveness Yearbook conducted by International Institute to Management Development of Switzerland, the competitiveness landscape of Romania in 2013 years it design in figure 1.

Figure 1. Romania Competitiveness Landscape during 2013 year



Source : <https://www.worldcompetitiveness.com/OnLine/App/Index.htm> open 10.11.2013

Compared to last year, Romania has climbed 4 places, ahead of countries such as Slovenia, South Africa, Jordan, Argentina, Bulgaria, Greece, Ukraine and Croatia. In our opinion this situation is a result of our country's progress on each of the four factors of competitiveness. At government efficiency, Romania dropped one place from 2009, ranking 50, I grew up 10 places to infrastructure in 2010 compared to 2009, peaking at number 43, and in terms of business efficiency have increased 13 seats, up from number 56 in 2009 ranked 49 (2010).

According to the authors of this Yearbook, the strengths of business concerns in particular the progress made by Romanian companies regarding their concern for customer satisfaction to an adequate remuneration for services and personnel management functions, which leads to a wage level comparable to that of other EU countries.

Employee training is also a priority for many Romanian companies. Add to this the concern of companies to attract specialists, and a generally positive business environment in the globalize economy. To attend the "Freedom to choice ideas" on long term saving by developing and using technologies, with the aim to generate indirect economies we asked to leader makers which have an affirmative response to indicate the sectors where they promoted a model oriented focus to the quality of life improvement.

Its can be noted several mains sectors of production and services¹³:

- Environment (47.37%) – to remove the accumulated pollution of water, air, soil and to provide practice action-items motivated by incentives, like: large space of actions to the state-private partnership at the national level, availability of EU funds;
- Educational services (12.5%);
- Cultural heritage and cultural services (8.33%);
- Just a little number of companies (2.1%) stated to support the orphan children and people with disabilities

We observed that a small number of the companies are preoccupied to large employment and opportunities to manpower conversion, the Human Rights (4.2%) and Consumer protection..

The Social Responsibility aria to the programs' implementation in Romania is characterized by a disparity widened. The information's analyze obtained by us from the interviewed enterprises emphasized mainly the SRC actions attend the urban area (34.04%), followed by rural areas with only 9.75%, even for the rural areas these programs are needed useful.

2.2. Romania racking of the Europe area by Legatum Prosperity Index during 2011

The 2011 Legatum Rapport provides a detailed assessment on the level of existing wealth in the world. These factors are including: economic fundamentals, entrepreneurship and opportunities, democratic institutions, education, health, safety and security, government, personal freedom and social capital. Together, the factors of prosperity are likely to increase the economy and to improve the lives of ordinary consumers.

The Legatum Prosperity Index defines prosperity as both wealth and wellbeing, and finds that the most prosperous nations in the world are not necessarily those that have only a high GDP, but are those that also have happy, healthy, and free citizens. Each of the sub-indexes provides us with two important analyses: first, an economic assessment, and second, an assessment of a country's subjective wellbeing, or happiness

The Legatum Prosperity Index™ assesses 110 countries, accounting for over 90 percent of the world's population, and is based on 89 different variables, each of which has a demonstrated effect on economic growth or on personal wellbeing and the Index consists of 8 sub-indexes, each of which represents a fundamental aspect of prosperity:

1. **Economy** - Stable and growing economies increase per capita income and promote the overall wellbeing of its citizens.
2. **Entrepreneurship & Opportunity (E&O)** - A strong entrepreneurial climate in which citizens can pursue new ideas and opportunities for improving their lives leads to higher levels of income and wellbeing.
3. **Governance** - Well-governed societies enjoy national economic growth and citizen wellbeing.
4. **Education** - Education is a building block for prosperous societies.
5. **Health** - A strong healthcare infrastructure in which citizens are able to enjoy good physical and mental health leads to higher levels of income and wellbeing.

¹³ Results of our marketing qualitative research during mars 2012 on the 50 enterprises Poll opinion; we choose the enterprises located, especially into the South Muntenia region of Romania..

6. **Safety & Security** - Societies plagued by threats to national security and personal safety cannot foster growth in average levels of income or wellbeing.
7. **Personal Freedom** - When citizens enjoy their rights to expression, belief, organisation, and personal autonomy in a society welcoming of diversity, their country enjoys higher levels of income and social wellbeing.
8. **Social Capital** - Social networks and the cohesion that a society experiences when people trust one another have a direct effect on the prosperity of a country.

An synthetically analyze by the Legatum Prosperity Index™ of Romania compared with Bulgaria and Hungary as follow the 2011 Legatum Report (p.58) is illustrated by the charts 3&4 (information on <http://www.prosperity.com/rankings.aspx>)

Chart 3. Romania vs. Bulgaria Index™



Chart 4. Romania vs. Hungary Index™



Source: Legatum Rapport, 2012

- During 2011 year, Western European countries all place in the top 30 of the Index with the exception of Greece, which ranks 40th. Four of the top seven places in the 2011 Prosperity Index are occupied by Nordic countries, with Norway and Denmark placing first and second respectively. The Central and Eastern European countries are more scattered, ranging from Slovenia at 22nd to Moldova at 79th place.
- The five year average GDP growth rate of 4% year-on-year from 2005 to 2009 is above average, although Romania's foreign direct investment performance, as measured by both net inflows and volatility, places this country slightly below average, at 66th, globally. However, it places close to global averages on most measures of its foundation for growth.
- Our country lies 55th in the world for physical capital available to workers, indicating that productivity is moderate, and 41st with respect to the proportion of its exports originating in high-tech sectors..
- Romania has a moderate level of innovation. The country places in the top 30 countries on the Index with respect to royalty receipts and the proportion of its exports that come from the ICT sector. R&D expenditure as a proportion of gross domestic product only places 50th, internationally.
- The overall climate for entrepreneurship is relatively good. Business start-up costs are the 27th lowest, globally, and more than three quarters of Romanians consider their local area a good place to start a business.
- Access to technology is also good overall, with 118 mobile phones per 100 people. The provision of internet bandwidth places the Romania in the top 20 countries, although the number of secure internet servers per capita was less impressive, placing 50th, overall, suggesting some weaknesses in the infrastructure for business. Romania places 34th in the Index with respect to equality of economic development across different socio-economic groups, but this doesn't translate to a social mobility: the proportion of citizens who feel that hard work brings adequate rewards is the lowest¹⁴ of any country.

¹⁴ Data taken from the Gallup World Poll

- The domestic market is below average in size, Romania placing 49th on this variable. Of more concern is the banking system: over 15% of its total loans are non-performing, and the country places 103rd of the world for trust in its financial institutions.
- "Social capital¹⁵" – Romania ranked 103rd place. The country was 59th in the world for donations to charity but fell within the bottom 10 countries with respect to levels of formal volunteering. The proportion of people who had helped a stranger in the month prior to the 2010 survey was 38%, placing the country 82nd on this variable. Roughly seven out of 10 Romanians said they could count on a friend or relative for help in times of need, which places the country just 103rd in the Index, on this variable. The conclusion by Legatum Report of 2011 is that Romania has poor social cohesion.

3. Problem solution

Policymakers are struggling to find ways to manage the present economic challenges while preparing their economies to perform well in an increasingly complex global landscape. Given the extensive and necessary short-term efforts related to addressing the most pressing fiscal concerns, it remains critical for countries to establish the fundamentals underpinning economic growth and development for the longer term.

World Economic Forum attend **the competitiveness** as "*a set of institutions, policies, and factors that determine the level of productivity of a country*" and the Global Competitiveness Report, 2011–2012 it comes out amid multiple challenges to the global economy.

After a number of difficult years, a recovery from the economic crisis is tentatively emerging, although it has been very unequally distributed: much of the developing world is still seeing relatively strong growth, despite some risk of overheating, while most advanced economies continue to experience sluggish recovery, persistent unemployment, and financial vulnerability, with no clear horizon for improvement.

The concept of competitiveness thus involves static and dynamic components: although the productivity of a country determines its ability to sustain a high *level* of income, it is also one of the central determinants of its returns to investment, which is one of the key factors explaining an *economy's growth potential*.

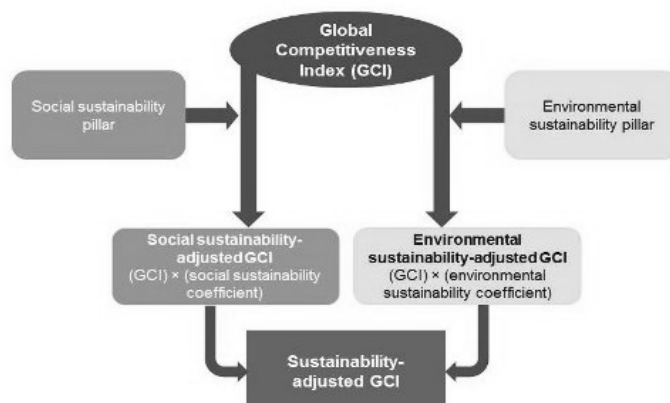
During the recent crisis years, increasing environmental and social concerns have started to change the way we look at economic development. Throughout the second half of the 20th century, data showed that increasing productivity and economic growth went hand in hand with better and improving living conditions.

The need to better understand the relationship between economic competitiveness and social and environmental sustainability has been revealed by events such as the "Arab Spring", the rise of unemployment in many advanced economies – particularly among the young and less skilled population –, increasing income inequalities and social unrest in rapidly-growing economies as well as by increasing pressure on natural resources or the high levels of pollution.

Since 2005, World Economic Forum has based its competitiveness analysis on the Global Competitiveness Index (GCI) that's a comprehensive tool to measure the microeconomic and macroeconomic foundations of national competitiveness.

In 2011, Forum has embarked on a major effort to deepen understanding of how sustainability relates to competitiveness and what this means for the development path of economies. It's a new measure that aims to assess "*the set of institutions, policies and factors that make a nation remain productive over the longer term while ensuring social and environmental sustainability*"-measures not only the propensity to prosper and grow, but also integrates the notion of "*quality growth*", taking into account environmental stewardship and social sustainability". A conceptual representation of this framework is presented in the figure 2.

¹⁵ The Social Capital sub-index measures countries' performances in two areas: social cohesion and engagement, as well as community and family networks. Sub-Index Score. Own Calculations . Data are from 2011.

Figure 2. The sustainability global competitiveness pillars

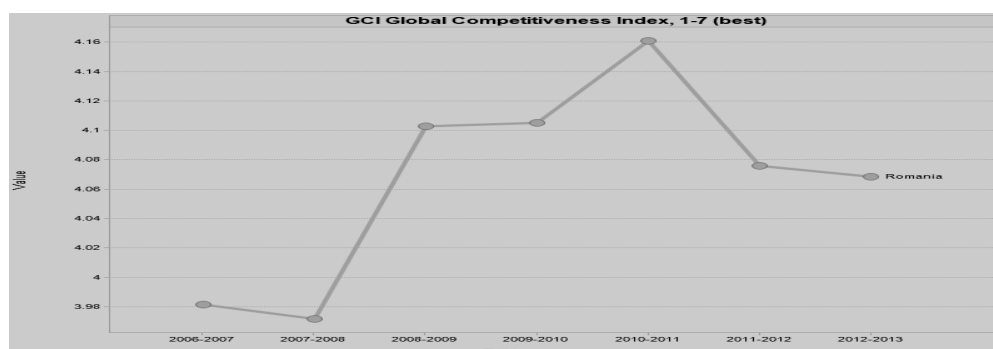
This innovative approach highlighting the competitiveness importance as the key indicator of prosperity adjusted by **two pillars** (information on <http://www.weforum.org/>):

- **The social sustainability pillar** that measures “a set of institutions, policies and factors that enable all members of society to experience the best possible health, participation and security; and to maximize their potential to contribute to and benefit from the economic prosperity of the country in which they live”;
- **The environmental sustainability pillar** which measures “the institutions, policies and factors to ensure an efficient management of resources to enable prosperity for present and future generations”.

Recent developments reinforce the observation that economic growth is unequally distributed and highlight the shift of balance of economic activity and it's coming out at a time of re – emerging uncertainty into global economy.

To 2012 the International Monetary Fund projected an economic growth at 4.3% -4.5%. In this context, policymakers across all regions are facing difficult economic management challenges. After closing the output gap and reducing the excess capacity generated during the crisis, emerging and developing countries are benefiting from buoyant internal demand, although they are now facing inflationary pressures caused by rising commodity prices.

A competitive economy of Romania must have in place elements driving the productivity enhancements that support high incomes and that, at the same time, ensure that the mechanisms enabling solid economic performance going into the future are in position (chart 5).

Chart 5. Global Competitiveness Index™ evolution of Romania between 2007-2012

Source: Global Competitiveness Report, 2011-2012

3.1 Sustainability competitiveness sources to the Romanian enterprises on the global market

The recent advances in the economic information are becoming central to the socio-economic development process. Information technology offers new ways of exchanging information, and transacting business, changes the nature of the financial and other service sectors and provides efficient means of using the human and institutional capabilities of countries in both the public and private sectors. The world is rapidly moving towards knowledge-based economic structures and information societies, which

comprise networks of individuals, firms and countries that are linked electronically and in interdependent relationships.

To be a competitive enterprise in the modern services economy must innovate necessary continually. The Industries and companies that formerly were in comfortably protected, slowly evolving markets are being swept into accelerated change. In an increasingly modern services economy, the information technology is the one key source to competitiveness and growth by the companies and countries, also.

The Romanian enterprises must become more competitive based on knowledge, rather than on the basis of natural endowments or low labor costs. It's becoming increasingly apparent that the role of the traditional sources of comparative advantage (a large labor force and abundant natural resources) to provide an international competitiveness (see table.1)

Table 1. Global Competitiveness rank of Romania into Euro-Mediterranean area

Years / Economies	GCI score			GCI rank international			Rank Euro- Mediterranean countries
	2004	2008	2004- 2008	2004	2008	2004- 2008	2004- 2008
Finland	5.95	5,5	5,5	1	6	3	1
Sweden	5.72	5,53	5,53	3	4	4	2
Germany	5.28	5,46	5,46	13	7	9	4
France	4.92	5,22	5,22	27	16	22	9
Luxemburg	4.95	4,85	4,85	26	25	25	12
Estonie	5.08	4,67	4,67	20	32	26	13
Czech Republic	4.55	4,62	4,62	40	33	34	16
Slovenia	4.75	4,5	4,5	33	42	35	17
Tunisie	4.51	4,58	4,58	42	36	36	18
Latvia	4.57	4,45	4,45	36	44	40	19
Slovenia	4.43	4,4	4,4	43	46	41	20
Chypres	4.56	4,53	4,53	38	40	42	21
Letonia	4.43	4,26	4,26	44	54	44	23
Italia	4.27	4,35	4,35	47	49	47	26
Poland	3.98	4,28	4,28	60	53	53	28
Turky	3.82	4,15	4,15	66	63	61	29
Maroc	4.06	4,08	4,08	56	73	68	31
Romania	3.86	4,1	4,1	63	68	69	32
Bulgaria	3.98	4,03	4,03	59	76	70	33
Algeria	3.67	3,71	3,71	71	99	81	35

Source: Neffati, M., Constantinescu, L.M., Chebira, B., 2009, p.162.

To be competitive for a company must be reengineering the own organizational comportment to provide an organization focus to knowledge creation.

Products, released from the knowledge-creation process, become static, while the firm rushes into the future. With knowledge in its various manifestations as the increasing arbiter of value, innovation (i.e., new knowledge creation) has become the key goal on the global marketplace.

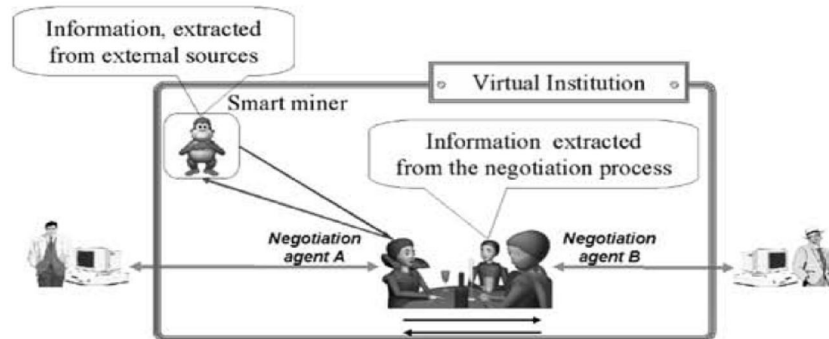
The innovation has to contribute to successful production, assimilation and exploitation of novelty in the economic and social spheres. Innovation has to propagate into technology, in system architecture, in the end services, their financing and in the industrial organization. Innovation should finally contribute to shortened product, improve quality and decreased the service cost to user communities.

Economic Intelligence Model

Informational innovation requires the continuity need to learning and also requires ability to access knowledge. By De Meyer and Garg (2005), innovation designs *"an economically successful introduction of a new technology or a new existing technologies combination to order to a drastic change into the value offered to their customers"*. To explore new developments and have more opportunity to competitiveness in the area of knowledge-based economy, the organization/government should catalyses more beneficial creation and sharing of information.

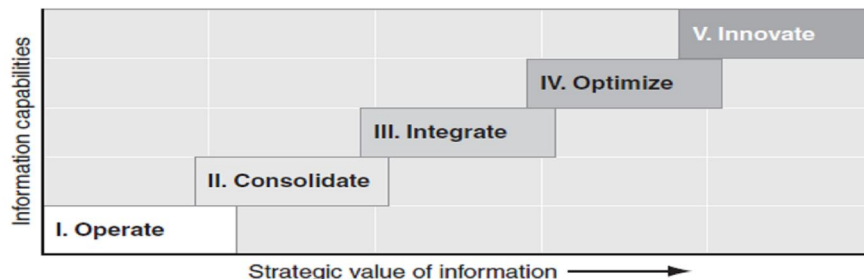
During the tech boom, the business press often ran articles about the next big thing from business-to-consumer (**B2C**) to peer-to-peer (**P2P**) to business-to-business (**B2B**) strategies (see fig.3)

Figure 3. Creation of Information: peer-to-peer process



The five levels of the Information Evolution Model (IEM) - *operate, consolidate, integrate, optimize, and innovate* - are all milestone in an organization's evolution in the use of information as a strategic corporate asset for the better decision making. Figure 3 describes the freedom choice of the organizations to use the information to advance the business during the future short- and long-term business objectives. The Use of this model offers the company a competitive advantage, like how enterprise-wide intelligence enables better decision making to keep up with the competition or gain a competitive edge in the marketplace

Figure 4. The Informational Evolution Model levels



Source: V.Danciu, 2009, p.181

According to Nonaka, knowledge is created into a process where tacit knowledge is socially shared and converted into explicit knowledge and explicit knowledge is combined with existing explicit knowledge and converted back into tacit form where it guides action. Nonaka called these different **model of knowledge conversion as SECI model** (see fig.5): *socialization - S; externalization-E; combination-C; internalization-I* (Nonaka, I., Toshihiro Nishiguchi, 2001).

To explain SECI model (see fig.5), Shavinina keeps in touch eleven points that are involving the dynamic interaction between the four modes of knowledge conversion: **socialization, externalization, combination, and internalization of knowledge as following** (Shavinina, L., 2003):

▪ **Socialization - from tacit to tacit (face-to-face), Shearing and creating tacit knowledge through direct experience :**

1. Walking around inside the company
2. Walking around out Side the companies
3. Accumulation tacite knowledge
4. Transferrine of tacit knowledge

▪ **Externalization - from tacit to explicit (peer-to-peer), Articulating tacit knowledge through dialogue and reflection to::**

5. Articulation tacit knowledge
6. Translation tacit knowledge

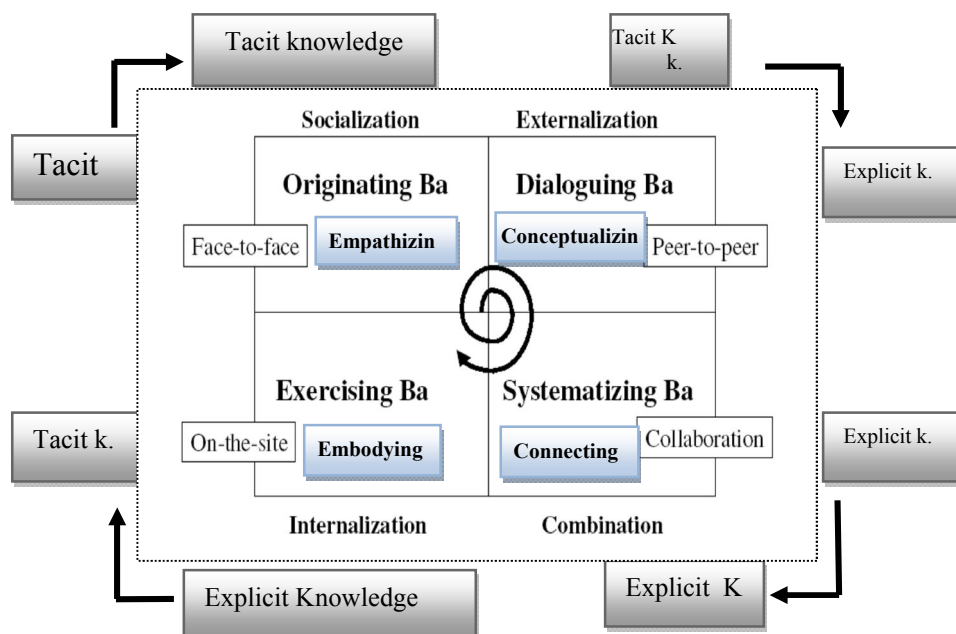
1. Combination - from explicit to explicit (collaboration), Systematizing and applying explicit knowledge and information:

7. Gathering and interacting explicit knowledge
8. Transferring and diffusing explicit knowledge
9. Promoting explicit knowledge

2. Internalization - from explicit to tacit (on-the-site), learning and acquiring new tacit knowledge in practice:

10. Embodying explicit knowledge through action and practice
11. Use simulation and experiments

Figure 5. Model of knowledge conversion called SECI Model



Source: Vriens, D., 2008, adopted by Constantinescu, L.M., 2011, p.185.

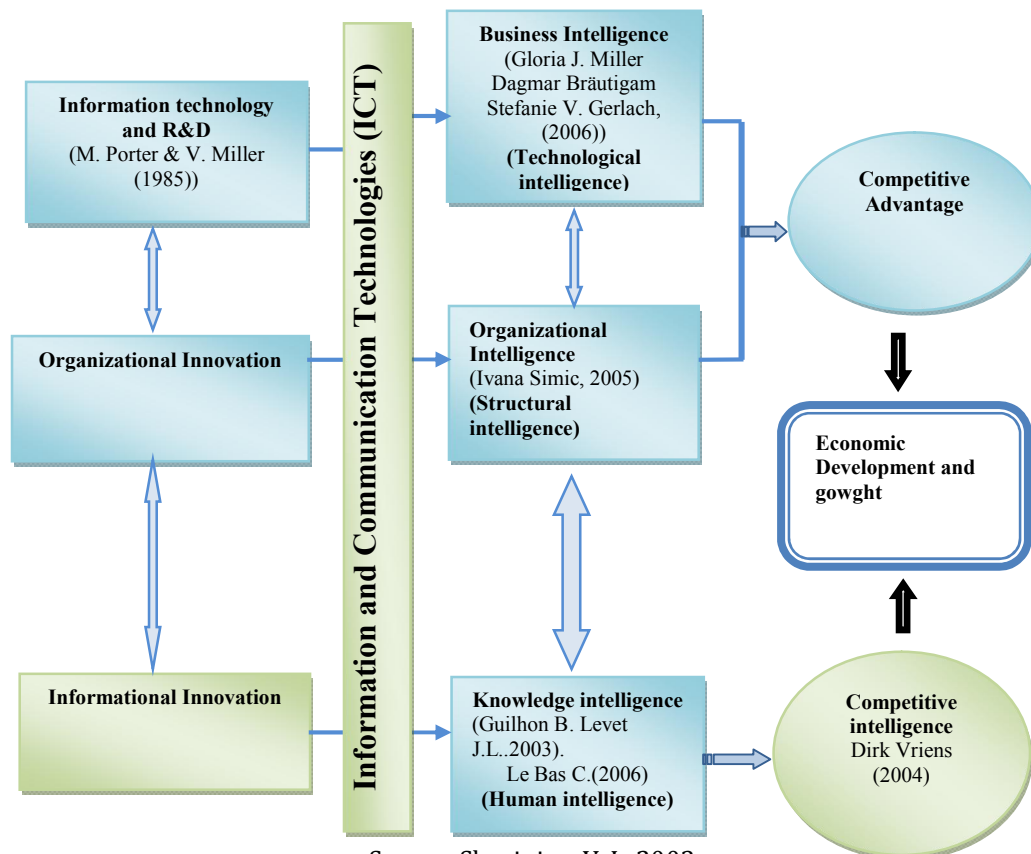
During the recent years, knowledge is a source to sustainable competitive advantage. Knowledge is certainly a crucial resource to create value for the next generation of society, industries and companies. Many companies still seem to remain locked in the phase of building efficient and effective information technology (IT) systems when they try to "manage knowledge."

The New Economic Intelligence Model

Into the new service economy moving into new markets provides many opportunities but also multiple challenges. For example, moving into global markets increases incentives for innovation and improved opportunities to earn returns on innovation because of the expanded marketplace. In the new flat world, characterized by international economic openness, common market and international diffusion of information and communication technologies (ICT), competition between countries is increasing and the search for competitive advantage and competitive intelligence are the only solution to keep these market parts and economic growth and development in an area of knowledge-based economy.

The main important sources of competitive advantage developed in the literature of economic growth are *Business intelligence, Organizational intelligence, Knowledge intelligence and Competitive intelligence*. Information is the crucial resource for effective innovation that produces the competitive intelligence which is a result of business, organizational and knowledge intelligence as a consequence of use of ICT.

Figure 6. Economic Intelligence Model



Source: Shavinina, V. L, 2003

Into Economic Intelligent Model (see fig.5), ICT offers many opportunities to support (and sometimes carry out parts of) intelligence activities. To make sure that these activities can be carried out properly, an organization should attend into this intelligent model, ICT offers many opportunities to support (and sometimes carry out parts of) intelligence activities.

To make available these activities, an organization should ensure/design a so-called "*Intelligence Infrastructure*" that's enclosing : (i) a *technological intelligence*, comprising the ICT applications and ICT infrastructure that can be used to support the (stages in the) intelligence cycle; (ii) a *structural intelligence*, referring to the definition and allocation of competitive intelligence tasks and responsibilities; (iii) a *human resources intelligence*, which has to do with selecting, training and motivating personnel that should perform the intelligence activities (Berthold, D., 2006)

Since 1985, Michael Porter and Millar have been asked two main questions:

- "How information revolution is transforming the nature of competition?"
- How information provide a competitive advantage?"

ICT plays a major role in innovation process - ICT is the technology area with the highest rate of innovation as measured by patents granted. Among other things, the high rate of patenting in this area points to the many changes in ICT hardware and software that are needed to use ICT effectively. ICT is enabling many of the changes in the economy and the innovation process that help make other economic sectors more innovative. ICT has helped to break down the natural monopoly character of services such as telecommunication. This has enabled regulatory reform, fostered productivity growth and made these services more tradable, so that investment in innovation has increased and they have become more innovative. ICT is a key technology for speeding up the innovation process and reducing cycle times, resulting in a closer link between business strategies and performance. ICT has fostered greater networking in the economy, as it has facilitated outsourcing and co-operation beyond the firm. It also appears to be a major driver of the globalization process. ICT makes possible faster diffusion of codified knowledge and ideas within and across borders. ICT has played, also, an important role in making science more efficient and linking it more closely to business.

4. Conclusions

The financial and economic crisis during the last years oblige the nations and regions to attend the solutions in according to reality of their business environment, characterized by the internal and international uncertainly, risks and a fragile macroeconomic equilibrium.

Finally, the regional competitiveness on domestic and international markets provide the Romanian enterprises to understand the nature and location of their strategic advantage competitive sources that show their abilities to performance on the markets and can place them into "win-win position" in competition with the others concurrent companies.

"To be proactive in terms of Corporate Social Responsibility offers a competitive advantage both externally, by protecting the company's reputation as well as internal, employee involvement (Danciu, V., 2009, p.112).

In the modern service economy focus to knowledge and information, the Romanian enterprises must attend a freedom choice of two sustainable sources to their economic growth on long term: **competitive advantages and intelligence.**

The first provides to Organizational Intelligence infrastructure and Business Intelligence services and the second (most important factor) regarding the informational innovation and ICT diffusion as primary source of competitive advantage.

The most important idea provided by the SECI model and developed in this work is to integrate information and knowledge into an economic analysis. These two immaterial economic factors need to be personalized and quantified at a certain price.

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