

The Role of Competitiveness in Economic Security - Understanding the Concept in Romanian Economy

Adina MIHĂESCU 

Faculty of History and Philosophy

Babeș-Bolyai University, Cluj-Napoca

E-mail: adina.mihaescu@ubbcluj.ro

Rezumat: În era globalizării, conexiunile dintre economii și creșterea competiției au făcut din competitivitate un element fundamental pentru supraviețuirea și dezvoltarea companiilor pe piața internațională. Aceasta se manifestă pe mai multe niveluri, atât între state, cât și între economiile lor naționale sau în cadrul companiilor private. Pentru a progresa, statele trebuie să atragă investiții, să crească productivitatea, exporturile și locurile de muncă, și să susțină antreprenoriatul, inovația și dezvoltarea tehnologică. Această situație subliniază importanța unei strategii integrate pentru a promova competitivitatea în toate sectoarele. Astfel, competitivitatea, un atribut esențial al securității economice, depinde atât de decidenții politici și măsurile luate de aceștia, cât și de managementul companiilor din sectorul privat și abilitățile acestora de a se adapta și a evolua în contextul globalizării economiei.

Cuvinte cheie : securitate economică, securitate națională, competitivitate

Abstract: In the era of globalization, the inter-linking of economies and increased competition have made competitiveness a fundamental element for the survival and development of companies in the international marketplace. It manifests itself at several levels, both between countries and between their national economies or within private companies. To make progress, states need to attract investment, increase productivity, exports and jobs, and support entrepreneurship, innovation and technological development. This underlines the importance of an integrated strategy to promote competitiveness across all sectors. Thus, competitiveness, an essential attribute of economic security, depends as much on policy makers and the measures they take as on the management of private sector companies and their ability to adapt and evolve in a globalizing economy.

Keywords: economic security; national security; competitiveness

©2024 Studia UBB Historia. Published by Babeș-Bolyai University.



This work is licensed under a Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License

1. Introduction

It is the World Trade Organization that regulates the behaviour of national governments with regard to international trade in goods and services, sets the rules for global trade, reducing barriers and eliminating discrimination; this organization has no policies on competitiveness, neither on promoting it nor on imposing obligations or restrictions on its members.¹

According to some authors, economies are now in hypercompetition, i.e. a level of excessive competition that creates permanent instability and disruptive changes generated by companies developing offensive strategies to gain market advantage or to increase their performance.²

The existence of a large number of competitors requires the creation of complex strategies for companies, as well as the possibility to adapt them. Paying attention to what is happening in the competitive environment is mandatory, as changes are constant and competition is excessive.

The global economy is a reflection of the hyper-competitiveness of the business environment and companies need to make serious efforts to assess the markets in which they operate and where they meet their competitors.³

Globalization has led to an increase in performance standards, from operational efficiency to productivity, quality or costs, and companies need to be competitive in both domestic and international markets as consumers have easy access to goods and services produced worldwide.⁴

Both globalization and competitiveness are determined by market forces and market changes, and the responsibility for controlling these forces lies on the one hand with private actors and on the other hand with national governments.⁵

The World Economic Forum produces reports on the competitiveness of the world economy. The latest was published in 2020, entitled "The Global Competitiveness Report. How Countries are Performing on the Road to Recovery", and covering topics such as international markets, human capital,

¹ Tran Van Hoa, *Competition Policy and Global Competitiveness in Major Asian Economies: An Overview*, Edward Elgar Publishing, 2003, pp. 14-15.

² Michael A. Hitt et al, *Strategic Management. Competitiveness and Globalisation*, Cengage Learning, 2017, p. 7.

³ *Ibidem*, p. 8.

⁴ *Ibidem*, p. 9.

⁵ Ricardo Ernst, Jerry Haar, *Globalization, Competitiveness and Governability. The Three Disruptive Forces of Business in the 21st Century*, Palgrave Macmillan, 2019, p. 2.

innovation, disruption and resilience.⁶ It presents the issue of competitiveness as a fundamental underpinning of the global economy, but also points to disruptions in some markets that are failing to be productive or competitive, blaming this on a lack of information⁷ and poor resilience. The report explains the importance of opening up economies and the need for innovative policies to reap the benefits of international trade, while limiting internal divisions between regions where world-class firms are located, and supporting regions that suffer as a result of globalisation.⁸

In order to maintain a high level of competitiveness, companies also need legislation, regulation and the involvement of the authorities of the countries from which they originate, as policy makers are obliged to devise measures to manage the domestic economic environment and increase its competitiveness; this can be achieved by increasing the competitiveness of actors operating within the national economy.

Thus, the microeconomic strategies of companies, together with the macroeconomic strategies of the state, must be focused and aligned with the aim of gaining advantages from globalization.⁹

But in addition to private and state economic actors, there are others whose influence is strong in globalization and competitiveness. There are political organizations whose competences transcend state barriers - such as the European Union, the World Bank, the World Trade Organization, etc. - and whose legislation is binding (e.g. anti-dumping law), with implications for markets and able to change the principles of globalization.¹⁰

Non-governmental organizations (e.g. Greenpeace) also have a strong involvement, influencing certain environmental decisions, for example with implications for industries and the economic environment.¹¹

Competitiveness therefore depends on policy-makers, who have to adapt and design, according to the specificities of national economies, measures to increase the level of competitiveness; these depend on variables such as

⁶ World Economic Forum, *The Global Competitiveness Report. How Countries are Performing on the Road to Recovery*, 2020 https://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2020.pdf, accessed on 11.05.2024.

⁷ *Ibidem*, p. 28.

⁸ *Ibidem*, p. 49.

⁹ Ricardo Ernst, Jerry Haar, *op. cit.* pp. 8-9.

¹⁰ *Ibidem*, pp. 9-10.

¹¹ *Ibidem*, p. 10.

macroeconomic structure, geopolitics, resource structure or international relations.¹²

In addition to these factors, competitiveness is in itself an attribute of companies, and their success, progress or failure depends on their strategies. In designing a strategy, account is taken of the economic environment (a stable one that encourages investment and innovation), but also of access to resources (including financial or human resources), sustainability, growth opportunities and the competitive environment.

2. Competitiveness on a European scale

At the level of European policy, competition is upheld and protected, so that Article 85 of the Treaty of Rome (Treaty establishing the European Economic Community) forbids "any concerted practice which has as its object the prevention, restriction or distortion of competition within the common market, and in particular any concerted practice which:

- directly or indirectly fixes selling or purchase prices
- limits or controls production, marketing, technical development or investment
- allocates contracts or sources of supply
- applies unequal treatment to trading partners, thereby placing them at a disadvantage
- makes the conclusion of contracts conditional on the acceptance by the parties of additional services which, by their nature or according to commercial usage, have no connection with the subject-matter of such contracts."¹³

In addition to this regulation, there are others at European Union level, which show a concern to encourage competition and prevent unlawful forms of competition. Competition is considered to be "an essential instrument for achieving a free and dynamic internal market, promoting general economic welfare".¹⁴

The principles of competition, like those of competitiveness, have evolved and changed in recent years due to the accelerated processes of

¹² *Ibidem*, p. 12.

¹³ TRAITÉ instituant la Communauté Économique Européenne et documents annexes, Les règles communes, *LES RÈGLES DE CONCURRENCE*, Article 85, <https://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX:11957E/TXT>, accessed on 11.05.2024.

¹⁴ Parlamentul European, Politica în domeniul concurenței, <https://www.europarl.europa.eu/factsheets/ro/sheet/82/politica-in-domeniul-concurenței> accessed on 01.03.2024.

globalization and political, social and economic interdependencies. The interconnected relationships between national economies and between actors within them (in terms of resources, investment, trade, etc.) are defining for the way the world economy looks today. Interdependencies bring a number of advantages, stimulating economic growth and development, but they can also produce disadvantages through the risks they entail and increased vulnerabilities. They are dealt with on the basis of strategies, which must be implemented by every company.

"Increasing competitiveness can be ensured by implementing the following measures: lowering the cost of production, using alternative energy, increasing labor productivity, using advanced technologies, anti-trust policies, improving the quality of the workforce and in general, the quality of education".¹⁵

Contemporary society is now in the *information age*.¹⁶ Information is therefore an important attribute for the competitiveness of companies, which are increasingly oriented towards obtaining and exploiting information.

Strategic decisions in particular, and strategies in general, are being formed based predominantly on a set of information aimed at maximizing opportunities and success.¹⁷

More important than the information itself is the process of managing it. This refers to "knowing what to do with the information collected, what is important and what is not, what can be discarded and what should be kept, knowing how to make valuable information accessible so that it is not lost".¹⁸

3. Economic security

"Security, in an objective sense, measures the absence of threats to acquired values and, in a subjective sense, the absence of fear that these values should be attacked".¹⁹

The concept of security is an intensively studied one with a multitude of meanings and approaches. At a basic level, we understand security as the absence of dangers, regardless of their nature: personal, national, informational,

¹⁵ *Ibidem*, p. 70.

¹⁶ Michelle Cook, Curtis Cook, *Competitive Intelligence. Create an Intelligent organization and compete to win*, Kogan Page, 2000, p. 1.

¹⁷ Jay Liebovitz, *op. cit.*, p. 22.

¹⁸ George Friedman et.al, *The Intelligence Edge. How to Profit in the Information Age*, Crown Publishers, 1997, p. 2.

¹⁹ Arnold O. Wolfers, „National Security” as an Ambiguous Symbol in Political Science Quarterly, Vol. 67, Nr. 4, 1952, pp. 481-502.

economic, etc. At a macro level, it can be ensured through the implementation of appropriate preventive policies and measures, laws and regulations, technologies and international cooperation, with the ultimate goal of reducing risks and vulnerabilities and creating a stable environment.

3.1. Economic security in Romania: a conceptual framework

The ways of ensuring security differ from one country to another, from one point in time to another. Thus, for Romania, the National Country Defense Strategy (2020-2024) stipulates that, "in order to guarantee a high level of security and prosperity for citizens [...] the Romanian state should make sustained efforts to strengthen the administrative capacity of its institutions, so that they can act in concert to ensure a high-performance, dynamic and competitive economic environment, in terms of investment and entrepreneurship, as well as the financial and budgetary stability of the state; ensuring a predictable, competitive, high-performance and attractive economic environment in terms of investment and entrepreneurship".²⁰ In addition, the action guidelines for the economic dimension concern:

- "Comprehensive development and promotion of policies to ensure the reduction of development gaps between regions of the country;
- Promoting free enterprise and strengthening indigenous capital;
- Protection of public and private property;
- Ensuring the competitive framework and competitiveness by reducing factors that affect the smooth functioning of the business environment;
- Ensuring the transparency of domestic markets and their interconnectedness with external markets, including by expanding strategic partnerships and cooperation in the economic field."²¹

We can therefore observe the importance given by the Romanian state, with a view to the country's defense, not only to military security but also to economic security.

The aim in this respect is to create a competitive environment in which Romanian entrepreneurship and capital are supported to develop, and the aim is to reduce the existing gaps between the country's regions and, at macroeconomic level, to reduce the gaps with competing national economies.

²⁰ Strategia Națională de Apărare a Țării 2020-2024, https://www.presidency.ro/files/userfiles/Documente/Strategia_Nationala_de_Aparare_a_Tarii_2020_2024.pdf accessed on 01.09.2024.

²¹ *Ibidem*.

Economic security is a basic, fundamental component of the national security of states. Along with the disintegration of the USSR and the Communist Bloc, the outlook for the international economy is changing dramatically. Whereas before 1989 we were dealing with two large blocs, the capitalist and the communist, which were fundamentally different and did not engage in significant economic exchanges except within their own borders, the early 1990s brought major changes.

The liberalization of markets (including capital markets), the emergence and development of new markets, the reorganization of customs tariffs, all led to the need to give greater importance to economic security. The interdependence of states now depends on their ability to work together, to trade and to influence each other from an eminently economic perspective. They understand that their security now also depends on their domestic economic environment, their trade relations, but also on the international situation or state of affairs. It is important to note here that one of the early arguments for European integration was the bringing together of the heavy industries - coal, steel, nuclear - and replacing independence with interdependence of states in this regard.

From a different perspective, however, one of the principles of economic security is that we start in any analysis from the premise that economic agents work more competitively in an insecure market. It is understood that in the economic environment we cannot speak of perfect security and equilibrium. So, uncertainty increases competitiveness, stimulates the creative spirit, analytical and forecasting capacities.

The economic environment is the foundation without which a state could not function and without which political, military or social objectives could not be achieved, being an essential factor of sustainable development that ensures the resources and the dynamic balance of the entire national security system. Thus, economic security is reported in terms of economic interests, on the one hand, and risks, threats and vulnerabilities, on the other.

A national economic security system must encompass all the human, administrative, legislative and technological resources of the state, resources that contribute to the development of state power and its elements. The Copenhagen School re-conceptualizes security, giving it, in addition to the traditional military dimension, four other dimensions (sectors): political, economic, societal and environmental.²²

²² Barry Buzan et al. *Securitatea. Un nou cadru de analiză*. CA Publishing, 2011, pp. 48-52.

"The economic sector is rich in objects of reference, from individuals to classes and states, to abstract and complex global market systems"²³. Economic security must therefore be seen as a complex, globalized system, in a relationship of dependence and symbiosis with the other security sectors; it is difficult to define and analyse it independently of them. We can approach economic security from two perspectives: the reporting of states and the reporting of companies on it.

"[...] (F)irms disappear as economic actors and become bankrupt if they do not play the economic game successfully; states cannot disappear"²⁴. From the point of view of the states, economic security is one of the aspects that add up to national security.

Article 1 of Law 51/1991 stipulates that Romania's national security is the "state of legality, equilibrium and social, economic and political stability necessary for the existence and development of the Romanian national state, as a sovereign, unitary, independent and indivisible state, the maintenance of the rule of law and the climate for the unrestricted exercise of the fundamental rights, freedoms and duties of citizens in accordance with the democratic principles and norms established by the Constitution"²⁵.

Economic security is therefore fundamental to the functioning and very existence of states, encompassing a range of institutions and bodies and systems, such as the financial-banking system, the trade, energy, agricultural, industrial, energy, etc.

According to Laurence Martin, "security is the assurance of future well-being"²⁶, and states are therefore concerned with it, ensuring the prerequisites for economic development and growth designed to secure that well-being.

Moreover, economic stability depends on the functionality of its economic structures and can lead to vulnerabilities in relation to other security sectors - a state's military capabilities can be affected by the state of the national economy.

²³ *Ibidem*, p. 148.

²⁴ *Ibidem*, p. 153.

²⁵ Parlamentul României, Legea 51/1991 <https://legislatie.just.ro/Public/DetaliuDocumentAfis/1517> acc. 105.09.2022.

²⁶ Martin, Laurence, *Poate exista securitate națională într-o epocă nesigură?*, 1983, Apud Barry Buzan *op. cit.*, 2011.

The main objectives of the economic security strategy are therefore to ensure the sustainable growth and development of the national economy and to ensure a high standard of living for citizens.

From the point of view of economic agents, economic security is a state of balance and harmony. One of the principles of economic security is the assumption that economic agents operate more competitively in an uncertain market. It goes without saying that in the economic environment we cannot speak of perfect security and equilibrium. So, uncertainty increases competitiveness, stimulates creativity, analytical and forecasting capacities. This leads to prosperity and better living conditions for a country's citizens and ensures a sustainable level of growth for society.

According to Samuel D. Porteous, "economic security is the maintenance of those conditions necessary to encourage the long-term sustenance and improvement of labor and capital productivity and thus a high and rising standard of living for the nation's citizens, including the maintenance of a fair, secure and dynamic business environment conducive to innovation, local and foreign investment and sustainable economic growth"²⁷.

"Security - as a state and as action constitutes the environment for the economy, just as the economy - as potential and activity constitutes the environment for security."²⁸

While for states, economic security implies a reduction (or absence) of vulnerabilities, for private companies this is an elusive goal.

As far as private companies are concerned, economic security is dependent on the creation of new opportunities through cooperation and analysis of market potential, access to scientific knowledge, and a better understanding of the economic, scientific and technological capabilities of competitors and partners.

Each company aims to strengthen its position in the market; obviously the objectives proposed are different, as are the strategies implemented, but the final goal is the same. Businesses are thus obliged to constantly relate themselves to the needs and aspects of the market, to continually self-assess and to anticipate competitors' strategies.

²⁷ Samuel D. Porteous, "Economic Espionage: Issue Rising from Increased Governmental Involvement with Private Sector," *Intelligence and National Security*, Volume 9, 1994, No.4, p. 736.

²⁸ Traian Anastasiei, *Considerații privind corelația dintre securitate și economie*, în volumul seminarului cu participare internațională al Centrului de Studii Strategice de Apărare și Securitate „România - membru al Alianței Nord-Atlantice, 3-4 iunie 2004, Editura UNAp, București, p. 100.

In Dumitru I. Popescu's view, modern management is that which offers a sustainable outlook for the company and plays a decisive role in its development, involving safeguarding the company's ability to generate revenue, maintain profitability and sustain its operations in the long term.²⁹

For companies, economic security means, on the one hand, being able to manage risks (internal or external) and, on the other hand, being able to adapt and innovate. Technological advances are in full swing, as are market fluctuations and consumer demands. The ultimate aim is to develop resilience and to cope with the uncertain environment in which they operate, the ability to adjust and adapt to change. In the digital age, adaptation often means the integration of digital technologies, which are particularly important in gaining competitive advantage.

As mentioned above, economic security is - per se - the foundation of a state's national security, as the capacity of the economy is best able to ensure the country's sovereignty and geopolitical status, independently determine state policy and achieve foreign policy goals. But for the economic environment security is not in itself guaranteed; it must be obtained, maintained and used to achieve objectives.

In an era of globalization, national security issues are interdependent with economic power, even more so than with military capabilities, and the link between the economic and the geopolitical is more than visible, and economic warfare is an integrated part of the economic domain; economics and politics are joining forces in new war scenarios, far removed from traditional military conflicts, scenarios that are becoming more complex and sophisticated with each passing day. In this sense, we find the concept of economic intelligence as a set of coordinated and focused actions, both internally and externally, to investigate, process and distribute information, which is particularly useful in economic decision-making, both for the state and the private business sector, in the context of the challenges that companies face in today's internationalized market.

The need to defend economic interests, on the one hand, and on the other hand the need to gain economic advantages against competitors - at the level of private or state-owned businesses - have been decisive and sufficiently important drivers for the development of powerful economic security instruments at the disposal of national interests and powerful transnational

²⁹ Dumitru I Popescu, *Managementul modern al organizațiilor*, Editura Fundației România de Măine, 2005, pp. 11-16.

companies, which today control and influence the global economic scene, with influence and strategic communication becoming key elements of economic security.

3.2. *Economic security in the Romanian economic framework*

According to the National Bank of Romania, in November 2022, the peak of the inflationary cycle was reached, with an inflation rate of 16.76%.³⁰ According to a report prepared for this purpose, there are increased pressures on the wage costs of enterprises, due to the increase in the minimum wage on the one hand, and on the other hand, there is an oversizing of the aggregate demand surplus in the economy. The same report argues that the war in Ukraine (and the sanctions associated with it) is continuously generating instability and uncertainty and influencing the decisions and confidence of the population and investors.³¹

"In Romania, official statistical data indicated a higher-than-expected resilience of the economy in the fourth quarter of 2022. In contrast, more recent developments, particularly at the sectoral level, seem to point to a slowdown in economic activity in the first half of this year. The assessment reflects, on the one hand, the concomitant moderation in the dynamics of the economies of Europe's trading partners, a key driver of the performance of the local economy, and, on the other hand, the spillovers, with a cumulative constraining impact, of the normalization of monetary policy and the continuation of the fiscal consolidation process, respectively."³²

Uncertainty risks remained severe not only in our country but also globally in the context of the energy crisis, the war in Ukraine and the Covid-19 pandemic, another report published by the NBR shows.³³

"Faced with a war in its immediate vicinity, volatile energy prices and massive investments in clean technologies worldwide, Europe needs to step up its efforts. The Single Market has been our main asset to bring prosperity to citizens and businesses, but also to help us deal with crises such as pandemics, climate change or the economic consequences of Russia's war against Ukraine. We can be proud of this, and we must do all we can to

³⁰ Banca Națională a României, Raport asupra inflației, May 2024. file:///C:/Users/adina/Downloads/RaI%20mai%202023.pdf, accessed on 05.05.2023

³¹ *Ibidem* p. 10.

³² *Ibidem*, p. 11.

³³ Banca Națională a României, *Raportul anual 2021*, file:///C:/Users/adina/Downloads/RAPORT%20ANUAL%202021.pdf, accessed in May 2024

ensure that the Single Market retains and consolidates its strength. We must also make sure that we have administrative and regulatory frameworks that respond to the needs of business. In the future, we will be guided by a set of key performance indicators that can tell us whether Europe's economy is really becoming more productive and competitive. Because only what gets measured gets done."³⁴

As a result of the precarious economic situation caused by the Covid 19 pandemic, the European Union established in early 2020 a recovery plan, entitled Next Generation EU.³⁵ Through it, EU Member States can access funds for recovery and resilience, following a predefined set of rules:

- a) "consistency with country-specific recommendations under the European Semester;
- b) strengthening the growth potential, job creation and economic and social resilience of the Member State;
- c) contributing effectively to the green and digital transition (national plans should allocate at least 37% of the budget to climate and biodiversity and at least 20% more to digital measures)."³⁶

Our country's proposed plan was adopted in October, 2021. According to the Ministry of European Investments and Projects, Romania should be allocated €14.248 billion in the form of grants and approximately €14.935 billion in the form of loans (resulting in a total of €29.2 billion).

The rule laid down in the proposed Regulation (still under negotiation at European level) is that 70% of the grants must be contracted by the end of 2022, with a deadline for accessing the remaining 30% of the grants being December 31, 2023. "In addition, payments for projects to be included in the national recovery and resilience programs must be made by December 2026."³⁷

In line with the principles of good governance, the Ministry of Investment and European Projects organized debates on the changes to the NRRP with the business community, entrepreneurs and NGOs. These were public, and covered a wide range of topics, from bridging the rural-urban divide, to anti-poverty solutions and digitization or economic competitiveness.

³⁴ Ursula von der Leyen, Președinta Comisiei Europene, disurs public, 16.03.2023.

³⁵ Consiliul European, Plan de redresare NGEU, <https://www.consilium.europa.eu/ro/policies/eu-recovery-plan/>, accessed on 05.06.2024.

³⁶ *Ibidem*.

³⁷ Ministerul Investițiilor și Proiectelor Europene, Planul Național de Redresare și Reziliență (PNRR), <https://mfe.gov.ro/pnrr/>, accessed in June 2024.

Thus, we see the term *competitiveness* not only in relation to the private sector and the actors operating within it, but also in relation to the national economy as an important pillar for its recovery and resilience.

Moreover, the European Commission's official website provides for actions to support the building of competitive economies and through this, support for reforms to help the small and medium-sized enterprise sector, boost trade and investment.³⁸

Examples of support:

- "Designing digital one-stop-shop solutions for traders interacting with authorities;
- Developing internationalization strategies for lagging regions to reap the benefits of globalization;
- Analyzing the Member State's regulatory framework, identifying obstacles and determinants of foreign direct investment and trade and strengthening the administrative capacity to attract investment and stimulate trade;
- Developing an action plan for the introduction of artificial intelligence in investment and trade agencies"³⁹

It is important to note the importance that the European Union structures attach to small and medium-sized enterprises in the development of competitive economies, as they are attributed a key role in the structure of the current economic environment; moreover, their importance is also due to the fact that they provide two out of three jobs, at a European level⁴⁰.

"Romania has performed very well in terms of catching up with the EU economic structure in terms of GVA of economic sectors, being the only one to have recorded sustained growth over the last 10 years (compared to Bulgaria, the Czech Republic, Poland and Hungary). The results are all the better as Romania started from a very low level of structural convergence compared to the rest of the countries".⁴¹

However, our country still has important steps to make in the direction of digitalization, decarbonization and circular economy, which are

³⁸ Comisia Europeană, Competitivitate, https://reform-support.ec.europa.eu/what-we-do/competitiveness_ro, acc. 06.06.2024.

³⁹ *Ibidem*.

⁴⁰ *Ibidem*.

⁴¹ Lucian Liviu Albu (coord.), *Impactul aderării României la Uniunea Europeană asupra economiei românești. Analiză sectorială (industrie, agricultură, servicii etc.)*, Institutul European din România, 2018, p. 25.

absolutely essential to build a competitive economy on the European and international plenum.⁴²

The evolution of the digital economy and society is reflected in a general increase in economic efficiency and an improvement in all areas. It is of paramount importance that the progress of the digital society is constantly monitored for a vision of the fulfillment of the pursued strategies."⁴³

In order to determine the level of digitization of an economy, the *DESI* (Digital Economy and Society Index) indicator is used; an analysis made on it reveals that Romania's situation is worrying, compared to the other European Union countries. Thus, the performance of the digital economy is low, being rather at an early stage of this process.⁴⁴

The Romanian Government launched in April 2020 the *National Strategy on the Digital Agenda for Romania*, which adapts to the situation of our country the elements of the Digital Agenda for Europe, one of the seven pilot initiatives of the Europe 2020 Strategy. This strategy defines four areas of action: E-Government, ICT in Education, Culture and Health, ICT in e-Commerce and Broadband and Digital Infrastructure Services.⁴⁵ The implementation of this strategy is expected to lead to total investments of around €2.4 billion, a 13% increase in GDP, 11% more jobs and a 12% reduction in the cost of administration.⁴⁶

"The concrete measures foreseen in the Strategy will lead to:

- Ensuring citizens and organizations access to electronic public services (e-Government services);
- improving internet access by increasing the coverage of high-speed broadband electronic communications networks;
- increasing internet usage;
- promoting e-commerce;
- increasing the number of cross-border electronic public services;
- increasing digital content and developing ICT infrastructures in education, health and culture;

⁴² *Ibidem*, p. 148.

⁴³ Eleonora Tudora, et.al., *Analiza evoluției indicatorilor DESI și SNADR ai societății informaționale*, Romanian Journal of Information Technology and Automatic Control, Vol.30, No.2, 2020, p. 121.

⁴⁴ *Ibidem*, p. 131.

⁴⁵⁴⁵ Guvernul României, *Strategia Națională privind Agenda Digitală pentru România, 2020*, <https://gov.ro/ro/print?modul=sedinte&link=strategia-nationala-privind-agenda-digitala-pentru-romania-2020#null>, accessed on 06.06.2024

⁴⁶ *Ibidem*.

- supporting the growth of ICT sector added value by supporting ICT Research & Development and innovation."⁴⁷

The aim of this strategy is to develop the Romanian economic system, which lags behind other European countries in terms of technologization, in order to make it competitive and to increase the level of adaptability and innovation.

In order to reduce the identified gap with the other European Union countries, Romania must accelerate investment attractiveness, provide predictability, support creative industries, research and development and protect the skilled local workforce.⁴⁸

"From a digital economy and society perspective, Romania ranks marginal in most of the indicators that make up the composite DESI (Digital Economy and Society Index). Romania continues to face significant shortcomings in terms of the development of digital society, economy, education and services. Romania's participation in the Digital Single Market, an opportunity for the Romanian state, entails exposure to certain commercial and technical risks, intellectual property protection requirements, protection against cyber-attacks and protection of electronic identity, including those relating to making payments and exchanging goods or services, and quality assurance."⁴⁹

The EU Digital Agenda Progress Report (EDPR), country profile: Romania, tracks Member States' progress in digitization and is structured in five chapters: connectivity, human capital, internet use, digital inclusion, digital public services. Of these the most problematic are:

- a. human capital, whose digital skills are below the European average, which is the reason why, in 2017, subjects such as ICT or programming were introduced in the middle school curriculum;
- b. integration of digital technology - Romania is in last place among EU countries in terms of the integration of digital technology in business, but there has been progress in the number of companies using social media platforms and SMEs selling online. But companies see technology as an additional investment rather than a condition for business success;

⁴⁷ *Ibidem*.

⁴⁸ Viorel Nicolae Gaftea (coord.), *România și Piața Unică Digitală a Uniunii Europene. Oportunități și provocări*, Institutul European Român, Studii de Strategie și Politici SPOS 2017, p. 10.

⁴⁹ *Ibidem*, p. 13.

c. digital public services - The use of e-Government services is the lowest in Europe, with public administrations facing difficulties in attracting ICT specialists and implementing the necessary programs to digitalize the public sector.⁵⁰

Thus, the awareness of the importance of technological growth and development concerns both the public and private sectors in Romania, as our country needs urgent increases in this field in order to develop the economic environment and make it competitive at European and international level.

4. Conclusions

Economic security is directly influenced by political stability and, as mentioned above, is interdependent with all sectors of state security. It is reflected in regulatory and legislative aspects, as well as in socio-cultural aspects, traditions, education or technological or scientific advances.

Clearly, economic power is not entirely dependent on a state's economic capabilities, but it is strongly influenced by them, from the allocation of resources to their acquisition. Economic security, on the other hand, is also directly influenced by defense capabilities, without which it is difficult to maintain social order and to act to manage the risks and threats that may arise. There is a direct relationship between economic security, the level of performance of an economy and the funds that it can direct to the defense sector, the optimal level of such spending being difficult to calculate and determine on cost-benefit assessments.

In an era of globalization and interdependencies, the creation and implementation of a strategy is mandatory and for economies to develop and evolve, a constant adaptation of the managerial process is necessary.

Competition and competitiveness are standard attributes of today's global economic environment. Competition can, however, be found in a multitude of areas and is not an attribute specific to the economy alone. Competitiveness, on the other hand, cannot be dissociated from economics, as it refers to gaining an advantage over the competition, and can be found both at the macro level of national economies and at the micro level, at the level of companies and their products.

⁵⁰ Raport intermediar privind sectorul digital din UE (EDPR), profil de țară: România, file:///C:/Users/adina/OneDrive/Desktop/edpr-2017_ro_44332.pdf, accessed on 02.06.2024.

Technologizing the Romanian economy can bring a number of competitive advantages. On the one hand, encouraging investors, who are looking for markets with modern infrastructure and highly skilled labor. On the other hand, the implementation of advanced technologies allows companies to improve the efficiency of production processes, leading to an increase in labor productivity. At the same time, technologization in service sectors such as telecommunications, transport and health leads to a better quality of life for citizens and modern technologies can contribute to sustainable development by optimizing resources and reducing environmental impact.

As we have shown above, it is imperative to raise awareness of the need for technological growth and development in both the public and private sectors in Romania, as our country needs urgent growth in this area in order to develop the economic environment and make it competitive at European and international level.

Bibliography

Tran Van Hoa, *Competition Policy and Global Competitiveness in Major Asian Economies: An Overview*, Edward Elgar Publishing, 2003.

Viorel Nicolae Gaftea (coord.), *România și Piața Unică Digitală a Uniunii Europene. Oportunități și provocări*, Institutul European Român, Studii de Strategie și Politici SPOS 2017.

Michael A. Hitt et al, *Strategic Management. Competitiveness and Globalisation*, Cengage Learning, 2017.

Ricardo Ernst, Jerry Haar, *Globalization, Competitiveness and Governability. The Three Disruptive Forces of Business in the 21st Century*, Palgrave Macmillan, 2019.

Michelle Cook, Curtis Cook, *Competitive Intelligence. Create an Intelligent organization and compete to win*, Kogan Page, 2000.

George Friedman et.al, *The Intelligence Edge. How to Profit in the Information Age*, Crown Publishers, 1997.

Arnold O. Wolfers, "National Security" as an Ambiguous Symbol in *Political Science Quarterly*, Vol. 67, Nr. 4, 1952.

Barry Buzan et al. *Securitatea. Un nou cadru de analiză*. CA Publishing, 2011, pp. 48-52.

Samuel D. Porteous, "Economic Espionage: Issue Rising from Increased Governmental Involvement with Private Sector," *Intelligence and National Security*, Volume 9, 1994, No. 4.

Traian Anastasiei, *Considerații privind corelația dintre securitate și economie*, în volumul seminarului cu participare internațională al Centrului de Studii Strategice de Apărare și Securitate „România - membru al Alianței Nord-Atlantice, 3-4 iunie 2004, Editura UNAp, București.

Dumitru I Popescu, *Managementul modern al organizațiilor*, Editura Fundației România de Măine, 2005.

Lucian Liviu Albu (coord.), *Impactul aderării României la Uniunea Europeană asupra economiei românești. Analiză sectorială (industrie, agricultură, servicii etc.)*, Institutul European din România, 2018.

Eleonora Tudora, et.al., *Analiza evoluției indicatorilor DESI și SNADR ai societății informaționale*, Romanian Journal of Information Technology and Automatic Control, Vol.30, No.2, 2020.

Ministerul Investițiilor și Proiectelor Europene, Planul Național de Redresare și Reziliență (PNRR), <https://mfe.gov.ro/pnrr/>, acc. iunie 2024.

Comisia Europeană, Competitivitate, https://reform-support.ec.europa.eu/what-we-do/competitiveness_ro, acc. 06.06.2024.

Consiliul European, Plan de redresare NGEU, <https://www.consilium.europa.eu/ro/policies/eu-recovery-plan/>, acc. 05.06.2024.

Guvernul României, *Strategia Națională privind Agenda Digitală pentru România, 2020*, <https://gov.ro/ro/print?modul=sedinte&link=strategia-nationala-privind-agenda-digitala-pentru-romania-2020#null>, acc. 06.06.2024.

Raport intermediar privind sectorul digital din UE (EDPR), profil de țară: România, file:///C:/Users/adina/OneDrive/Desktop/edpr-2017_ro_44332.pdf accesat la 02.06.2024.

World Economic Forum, *The Global Competitiveness Report. How Countries are Performing on the Road to Recovery, 2020* https://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2020.pdf, acc. 11.05.2024.

Banca Națională a României, Raport asupra inflației, mai 2023. file:///C:/Users/adina/Downloads/RaI%20mai%202023.pdf, acc. 05.07.2024

Parlamentul României, Legea 51/1991 <https://legislatie.just.ro/Public/DetaliuDocumentAfis/1517> acc. 05.09.2024.

Strategia Națională de Apărare a Țării 2020-2024, https://www.presidency.ro/files/userfiles/Documente/Strategia_Nationala_de_Aparare_a_Tarii_2020_2024.pdf acc. 01.09.2024.

Parlamentul European, Politica în domeniul concurenței, <https://www.europarl.europa.eu/factsheets/ro/sheet/82/politica-in-domeniul-concurenteiei> acc. 01.03.2024.

TRAITÉ instituant la Communauté Économique Européenne et documents annexes, Les règles communes, *LES RÈGLES DE CONCURRENCE*, Article 85, <https://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX:11957E/TXT>, acc. 11.05.2024.