

THE IMPACT OF THE ECONOMIC AND FINANCIAL STABILITY ON INVESTMENTS, INNOVATION PROCESS AND ENTREPRENEURIAL ACTIVITY IN THE EU

Goal of the project

The aim of the project is to analyze the relationship between economic and financial stability on the one hand, and investment, innovation and entrepreneurship on the other hand, with a focus on the EU countries.

Short description of the projects

The economic and financial stability plays an important role in promoting investment, in influencing the entrepreneurs' decisions and in enhancing the national innovativeness capacity. These aspects, extremely important for the European strategy for economic recovery and job creation are not sufficiently explored in the literature, while their empirical investigation is practically inexistent.

Project implemented by

Politehnica University of Timisoara, Management Department

Implementation period

01.10.2015 – 30.09.2017

Main activities

1. We develop the research on three directions:

- we analyze the link between stability and investments, considering the sectorial particularities of the investments' determinants, using FDI and firm-level data.
- we investigate the role of the stability in enhancing the national innovativeness capacity.
- we explore the relationship between the economic stability and the entrepreneurial activity, to see which are the economic sectors where the entrepreneurial decision is sensitive to the evolution of the macroeconomic fundamentals.

2. Manipulation of AMADEUS statistics for firms' financial statements

3. Econometric analyses and generation of results

4. Dissemination of results

Results

Journal articles:

- Albulescu, C.T. and Ianc, N.B. (2016), Fiscal policy, FDI and macroeconomic stabilization, *Review of Economic and Business Studies*, 9(2), 131-146.
- Albulescu, C.T. and Draghici, A. (2016). Entrepreneurial activity and national innovative capacity in selected European countries, *The International Journal of Entrepreneurship and Innovation*, 17(3), 155-172.
- Albulescu, C.T., Tamasila, M. and Taucean, I.M. (2016). Shadow economy, tax policies, institutional weakness and financial stability in selected OECD countries. *Economics Bulletin*, 36(3), 1868-1875.

Conference papers:

- Albulescu, C.T., Miclea, S., Tamasila, M. and Taucean, I.M. (2016), The working capital and liquidity's role in explaining the Italians' firms profitability around the recent financial crisis. *Proceedings of the 5th Review of Management and Economic Engineering International Management Conference*, pp. 129-139.
- Draghici, A., Siakas, K., Albulescu, C.T. (2016), Comparison between entrepreneurship education in Romania and Greece - the case of two higher education institutions, *ERiE 2016 conference*, june 2016, Prague, Czech Republic, pp. 87-98.
- Albulescu, C.T. and Miclea, S. (2016), The interdependence between Italian firms' access to finance and their probability of default, *Proceedings of the MakeLearn and TIIM Joint International Conference*, 25-27 May 2016 Timisoara, Romania, pp. 697-703. (Best Paper Award)
- Albulescu, C.T., Breznik, K. and Dermol, V. (2016), What we understand by financial stability: text analysis with network approach, *Proceedings of the MakeLearn and TIIM Joint International Conference*, 25-27 May 2016 Timisoara, Romania, pp. 943-951.
- Albulescu, C.T., Tamasila, M. and Taucean, I.M. (2016). Entrepreneurship, tax evasion and corruption in Europe, *Procedia - Social and Behavioral Sciences*, 221, pp. 246-253.

Research stages:

- Claudiu Albulescu, University of Poitiers
- Bogdan Ianc, University of Orléans
- Adrian Ionescu, University of Orléans

Applicability and transferability of the results

The findings have practical implications for investment and financial managers of companies operating in different economic fields. The results have also practical implication for authorities, helping them to identify the elements which enhance the investment and the entrepreneurial activity, in order to sustain the economic growth and job creation. Further, relying on a sectorial analysis, the findings give a complete understanding about the determinants of investment and entrepreneurship, specific to each industry.

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Research Centre

Engineering and Management Research Centre

Research Team

Assoc. Prof. Claudiu Albulescu, PhD
Assoc. Prof. Matei Tămășilă, PhD
Lect. Ilie Mihai Tăucean, PhD
Assist. Prof. Șerban Miclea, PhD
PhD student Bogdan Ianc
PhD student Adrian Ionescu
PhD student Simina Suciu

Contact information

Assoc.Prof. Claudiu ALBULESCU, PhD
Faculty of Management in Production and Transportation,
Management Department, Remus Street, no. 14, 300191, Timișoara
Phone: (+40) 256 404 035
Mobile: (+40) 743 089 759
E-mail: claudiu.albulescu@upt.ro
Web: <https://sites.google.com/site/isiaue/>