Abstract: In economic language, capital is a value that produces value, by using it in production, labor, direct investment, financial placements, etc. Classical theory (Adam Smith, Turgot, David Ricardo) considers capital to be a social production ratio, which is set between owners of means of production and employees, the latter seeing their workforce and knowledge as a commodity in exchange a salary. Marxist theory insists on the subordination of the employed worker to the capitalist, highlighting the inequality of the distribution of income from production: a smaller part for the reproduction of the labor force, ensuring the necessity of subsistence of the employees (human capital) and the other part, the surplus, which allows the remuneration of the other two factors of production: suppliers of raw materials (including land) and owners of capital assets (business initiators). Neoclassical theory (Samuelson) equates capital with labor and land (raw materials) in production analysis, emphasizing that this optimal combination of factors of production depends on the ratio of factor prices: the price of a factor increases relative to the other factors factor prices, the lower the relative amount of this factor used in the optimal combination. So the optimal combination is put to the value of the choice of factors of production. The creation of an enterprise is indispensable preceded by capital accumulation, because capital is formed by the accumulation of savings in the form of investment and the waiver of consumption. Capital accumulation increases the productivity of other factors of production and thus results in higher yields. It is precisely for this reason - Schumpeter says - that capital is included in the balance sheet liability, and the entrepreneur is considered a "typical debtor". In conclusion, capital is the generic name given to a specific production factor and which, according to market requirements (the theory of choice) seeks the best combination to reproduce and gain value. He can embody various forms: material capital, financial, intellectual (research), informational, etc. The human capital itself is in opposition, because it is the other factor - the labor force.

Keywords: capital, investment, production, knowledge, savings

Introduction

Thomas Piketty states that dividing output between earnings and profits, between labor income and capital income has always been the first dimension of the conflict generated by distribution. If the capital-labor ratio generates so many conflicts, it is primarily because of the extreme concentration of capital ownership. In each country, the inequality of assets and capital incomes it generates is always far more powerful than the inequality of wages and labor incomes.

The distribution of wealth has always been a matter of conflict - Piketty argues - this conflict is a social phenomenon that has traversed history and which, today, is a very important topic of discussion in international economic and political environments. From this point of view, Marx's theory confirms that the dynamics of private capital accumulation inevitably leads to an increasing concentration of wealth and power in a few hands, generating social polarization. This problem of wealth distribution will always have a political and conflictual dimension that can only be mitigated by political negotiations.
Capital inequality manifests itself more internally than internationally, bringing in opposition the rich and the poor of every country. Just as geopolitics is global politics, geoeconomics, or the geography of the world, it is another facet of globalization - a planetary phenomenon where multinationals (firms and banks) backed by powerful states make law in world markets. Geoeconomics is the science that studies the competitive battle between geo-economic subjects of different rank (national economies, national and transnational corporations, banks and financial markets) in order to capitalize on and use natural and economic resources. It is based on the premise that the economic space and the market are no longer in line with the boundaries of the state territory, and the world economic space is no longer delineated by the national borders or the geo-economic boundaries. American historian Edward N. Luttwark, who introduced the term geoeconomics as a science, argues that the importance of military power in international affairs should be reduced after the end of the "cold war". Commercial methods must replace military ones.

1. Europe's Relationship with the Rest of the World at the Beginning of the 20th Century
   1.1. General Characteristics

At the beginning of the sec. the 20th century, Europe has a real domination over the world. European colonial empires encompassed enormous territories on other continents, and Europe's economy produced more and more technologically advanced goods than the other economies of the world except the US and Japan. As a result, the languages spoken in Europe had spread to other continents, and the civilization and culture of Europeans had become models for the whole world. For the most part, the 19th and early sec. the twentieth century, British domination was undeniable, thanks to the first industrial revolution that began earlier here. It has imposed the pace of global development. The peak of his power was the Universal Exhibition in London, in 1855, where the British showed the technological and industrial advances to the world.

The British Empire was a colossus, with colonies in all parts of the world, being the first commercial power in the world to control the main international trade lines. London was the world capital of finance, the main financial center, because the British pound was the currency that provided the basis for commercial transactions in the world. The Bank of England had the largest gold reserve, guaranteeing the gold convertibility of the lira worldwide.

Against the backdrop of accelerated growth and industrialization, the Old World was just a memory. There have been two major phenomena that have changed the economic, political and military map of the world, namely: the second industrial revolution and the globalization of capital. The second industrial revolution began with the year 1890, when new technologies are being developed in electric power and the automotive industry, leading to greater productivity and massive investment. New markets are opening up as a result of the development of aeronautics.

Technical progress has allowed widespread use of internal combustion engines and electric power, as well as chemical industry (dyes). Electrified urban transport, electric tramways instead of horse drawn, the first metro (London, Paris, Berlin, Budapest) appear. There are also cars that run in major cities. Technical innovations increase productivity in industry by organizing serial production and, above all, mechanizing operations, leading to increased production of consumer goods and lower prices. The 1900 Universal Paris Exhibition is the New World's messenger through the new technical innovations, including the 324-meter-high Eiffel Tower, whose construction began in 1887. In 1905, the production line (serial) was introduced in Europe, after being systematized in the US by Henry Ford.

Massive investments are being made in the construction of railway networks and traditional industries are being developed in non-capitalized countries such as Romania, such as the oil industry. Trade between the US and Europe is developing for the benefit of both camps. The American power, although impressive, was still regional and less interested in expanding on other continents. America is developing massively inside, and large and profitable investments were based on British, French, and then German. Also during this period, Japan and then Russia, through European investments in the
railways, know a rapid industrialization, the two economies being felt on the economic map of the world. Around 1900, the US industry being more productive than the British industry, stimulated strong European immigration into the US, which has doubled its population, reaching nearly 90 million people.

In 1913, the US became the largest economy in the world, the former colony being overtaken by the metropolis. The Bank of England has limited its gold payments to US investors. At the same time, the Berlin Bank began to fund large rail investments in the Ottoman Empire, until then dominated by London. Germany has become more and more competitive in various markets.

At the same time, although France became a second-rate economic power after 1850, because its colonial empire was less economically profitable, it nevertheless supported large investments in the Tsarist Empire, Italy and Spain.

It is worth mentioning, however, that the second industrial revolution brought to the forefront the USA and Germany, whose economic growth led to the outpacing of British GDP. Germany has pursued a global policy, being determined to conquer British domination. Since 1890 it has launched a naval military program to compete with the Royal Navy, however, a difficult task. In 1900, German industrial products were imposed on the British market, especially in the energy, automobile and chemical industries, where productivity was higher and lower prices. The label "Made in Germany" has become a leit-motive on the British market.

The second major phenomenon of the early 20th century - the globalization of capital - was possible due to the colonial empires still existing: the British, the Austro-Hungarian, the Tsarist and the Ottoman, but especially the intense trade between Europe and the rest world. This process has been accompanied by an unprecedented increase in capital inflows, with investors shaping a world view of their investment. It is a clear difference to the first industrial revolution, when the development of the states was based on a national vision. This time, available capital is exported to emerging markets to promote the development of these economies and provide new opportunities for the exporting country industry.

The multiplier effect resulting from profits from direct investment and trade development was considerable. It has generated a global emulation among various capital, a phenomenon that was suddenly interrupted by the surprise outbreak of the First World War. Europe was divided politically and militarily between the Triple Alliance (Germany, Austria-Hungary and Italy) and Antanta (Great Britain, France and Russia). Even before 1900, European powers divided their hegemony over the countries of Asia and Africa. But the new countries, like Germany and Italy, were pushing for redeployment of areas of influence on the commodity markets and access to raw materials for industry. Colonial empires were more resistant to inertia, being broken by the reality that demanded their rights: national states wanted to become independent, and social movements under the influence of socialist and syndicalist ideas demanded economic and political rights. The tensions related to the rise of nationalism intensify. At the same time, the influence of the Socialist International increases as a result of the creation of the trade unions, the fastest in France and then across Europe.

Bismarck's ideas from 1880, which wanted to hit social movements through democratic reforms, were taken over: social security payments for workers, including retirement, health insurance and compensation in the event of an industrial accident. Bismarck's ideas returned as a boomerang against the system, being backed by the Bolshevik revolution in Russia. However, between 1890-1914 labor law is being implemented in Europe, which leads to the increase of social expenditures, which in 1914 exceed the military expenditures. In the same year, income tax is introduced to support state expenditures.

The ideas of Lenin's exile in Germany, which claimed that wars are inevitable in the monopoly capitalist phase, where rich and powerful states are robbing the world to offer opportunities to their capital, are starting to circulate in western societies: new markets for raw materials and labor, cheap,
but also outlets for their products. And to save the profits of multinationals, powerful states are ready to fight the military. Through these criticisms, Lenin highlights the tension between the Great Powers for the economic hegemony of the world. What Lenin called "imperialism" was, in fact, the policy of multinationals, always yesterday and today, to take on new world markets, supported by the financial and military power of developed countries.

1.2. World War I or Europe from Ecstasy to Agony

Although it was in full economic development, with a GDP that surpassed the British one, however, Germany was afraid of the UK. That is why the German Chancellor was thinking of a project to unify European countries under German economic leadership, hoping, however, that the UK would remain "neutral". Germany was going to attack France and Russia, taking advantage of the instability of the latter and the fact that France, which had large debts, was subjected to massive social movements.

But Germany also had internal problems: social movements under the influence of the socialists, as in France, increased industrial competition and public spending. War was seen as a way to restore national unity and to consolidate the country and, implicitly, the economy. In these circumstances, the "perfidious" Albion strengthened the diplomatic ties with France on the one hand and, on the other hand, promoted discord in the Franco-German relations. Although, indirectly, economic and social factors played an essential role in the war, but the Anglo-German rivalry for the domination of the global economy was the main cause of the war. The integration of national economies into the world economy requires, at the time, the parallel development of international political institutions to bring the Great Powers into dialogue. But the League of Nations, the UN precursor, was only in 1919 after the Paris Peace Conference, which ended the war.

The League of Nations or the League of Nations became, in 1946, at the end of the other World War, the United Nations-based United Nations, based in New York. Europe no longer has political security, and America has given its primacy. Turning to the economic situation, it is worth mentioning that the reduction of the freight transport costs due to the development of the railway network in Europe, as well as the maritime and river transport - has paved the way for the globalization of trade and investment. Also, trade and capital movements enjoyed unprecedented stability and security as a result of the systematization of the gold standard to support convertible currencies. The gold standard provided a guarantee against any currency fluctuations giving stability to the investments, which were trading in pounds sterling. All investments in dollars, francs, brands or rubles could be converted to a fixed value in gold.

However, since the early days of the war, gold convertibility has been suppressed by London banks, which has deeply affected the stability of the international monetary system. The negative effects of the war on world economies and finances were so strong that pre-1914 economic growth rates were reached in Europe only after 1950, except for a brief period of 1925-1929. The First World War came after more than 40 years of peace between the Great Powers, better known from the Franco-Prussian war of 1871, when France was defeated, and the King of Prussia, Wilhelm I, proclaimed German Emperor (after the war ). The architect of Prussia's hegemony over German countries was Chancellor Otto von Bismarck, considered the father of Germany's unification in the nineteenth century. It should also be mentioned that the two Balkan wars of 1912-1913 did not affect Western Europe in any way, neither economically nor military.

1.3. The Great Depression of 1929-1933 or the Decline of Capital

The First World War gave a tough shot to the power of Europe, because the destruction and destruction economic losses have made Europe lose its role as the first financial power of the world in favor of the US. European countries (except Britain) have faced a number of problems in the economy, such as:
1. the disappearance of human and productive resources as a result of the war-related destruction;
2. issuance of uncovered money, as the currencies were no longer convertible;
3. the emergence of speculation on the stock exchange and the chaos of international economic relations;
4. the phenomenon of overproduction occurs as a result of the dramatic drop in demand.

Still, Europe remained an important economic, political and cultural power. States have began to pay more attention to operations carried out by foreign affiliates by which they expanded their production activities abroad as expatriate assets in a growing volume. This has generated intense protectionist practices, especially in the national states emerging from the dismantling of the Austro-Hungarian and Tsarist empires. Until the Second World War, the phenomenon of globalization has intensified, through the internationalization of economic activities, division of labor and markets. American and then European corporations reach maturity by integrating affiliate business into host nation economies. However, it should be noted that the phenomenon of globalization deepens after 1950, when the process of specialization of the subsidiaries of the parent companies is manifested and the intra-firm trade, which replaces the trade between the national states, develops.

The Great Depression or the Great Depression began with the New York stock market crash, a crisis of the capitalist world due to overproduction. It has had devastating effects, both in the developed and the least developed countries, whose economies depended mostly on the export of raw materials. The level of world trade has fallen rapidly, as is the income from labor and capital. All manufacturing, including agriculture and construction, declined because product applications virtually stopped. In most countries, economic recovery programs have been designed and most have gone through various political transformations that have pushed them to the far right or left.

Dictators such as Adolf Hitler came to power in one of the most powerful states and prepared the military political conditions for the outbreak of World War II in 1939. As a result of the crisis, inflation and unemployment have risen rapidly. Many businesses went bankrupt, which led to a drop in production. Also, many banks went bankrupt because people were withdrawing their money. The bank of the Rothschild family, Credit-Anstalt, Austria's largest bank, is bankrupt. Bankruptcy has led to the collapse of other major banks in Austria and Germany. These countries were the great losers of the First World War. Danatbank, Germany's second financial institution, the banks in Amsterdam and Warsaw, followed afterwards. France was the second nation with the largest gold reserves after the US, ahead of the United Kingdom, but did not want to help Germany expecting major war damage. On the other hand, France knew that Germany would never pay for war reparations and tried by any means to recover its money, even occupying the Ruhr Carbon Basin for a while. In order to save Credit Anstald, Austria received minimal aid from the Bank for International Settlements and another amount from the British branch of the Rothschild family, but nothing could be done.

During the crisis, the US and French central banks strengthened their gold reserves, while in Germany, unemployment was raging. That's why the crisis has been so strong and long: Britain's inability to support the need for currency and the US's refusal to stabilize the system. In 1933, Keynes declared: "The decadent but individualist capitalist world, in whose hands we woke up after the First World War, is not a success. She is not smart, she is not beautiful, she is not just ... and she does not bring the promised goodies. In short, we do not like ... but we have nothing to put in his place. " Nouriel Roubini: "And in 1929-1933, and in 2008-2010, real estate and stock market speculations, financial regulation, and a stack of financial innovations have conspired to create an illusory bubble that, when broken, has prepared the scene for the quasi-collapse of the Wall Street financial system, a sharp economic downturn and a world recession."

The 1929, as well as the 2008 disasters were not anomalies - says Roubini, but predictable events. But habit and greed (we say) led to a relaxing attitude on the regulation and supervision of the financial system by the central banks. In the boom period, "the price of an asset is gushing like a rocket, optimists are feverishly trying to justify this overvaluation," no matter what the asset is: shares, dwellings, land, or any valuable property. As credit becomes more and more expensive and more abundant, the asset is much more coveted and it is easier to buy. Demand is rising ... prices are also rising. When the bid for the artificially valued asset exceeds demand, the bubble deflates the need for money for consumption remains, but the prices collapse on that asset. Credit rates are rising, banks stop loans, and borrowers sell their assets at ridiculous prices.
Meanwhile, banks are cutting their credits, triggering liquidity and credit scarcity across the economy. Thus, the financial crisis becomes an economic crisis, through collateral damage caused in the real economy. When each state protects its economy from the effects of the crisis, we witness real trade wars in the form of protectionist customs duties, which leads to a blockade of international trade. French mathematician Louis Bachelier said that an overvalued or undervalued asset can not resist because "the market is a perfect reflection of its fundamental elements." And if asset prices change, often spectacularly, this is a rational and automatic reaction to the emergence of new information. The so-called "efficient markets" have hidden interests behind them.

The American economist Robert Schiller, a professor at the University of Yale, supports the idea that "capitalism is not a system capable of self-regulating and quietly going without being hindered." On the contrary, it is unpredictable. We add, however, that the Keynesian recipe to halt the economic downturns adopted by many governments in the postwar years is just an emergency measure and not a means of economic growth. Alexander Hamilton, a politician, state man and financier, one of the creators of the US Constitution and the first secretary of the US Treasury under the presidency of George Washington, said bankers lead the world by controlling the coin, and the states of the world are subjugated and controlled by their coinage by bankers and the self-defense system. Just one year after Mayer Amschel Rothschild spoke the proverbial words, "Give me control over the banks of a nation and I do not care who makes the laws" - bankers have managed to set up a new private central bank - First Bank of the United States - Prima US Bank or Federal Reserve. Stock market cracks do not happen by chance, they can be predicted - says Roubini. And the central banks play the role of the last lender in the event of an economic crisis.

1.4. World War II or Europe Again in Agony

Among the causes that led to the outbreak of war we recall for the beginning only two:

a) the tendency of the highly industrialized states, but lately to the masses of the world powers Germany, Japan and Italy - to redeploy the world and impose a new world order in the spheres of influence on markets, raw materials and colonies;

b) the expansion of Soviet Communism and the threat of Europeans from a world communist revolution, which determined the policy of tolerance of German arming, which could have been a barrier to the spread of communism in the West of Europe.

At the same time, nationalist and fascist movements have developed and developed in Italy and Germany as a result of the period of global economic instability caused by the Great Depression.

In Germany, the resentment of World War I defeat and the signing of the Versailles Peace (especially Article 231, which provided the so-called "guilty clause"), amplified the belief in the theory of the knife hit applied to at the back of the Great Powers (United Kingdom and France, backed by the US), and propelled the power of the Nazi Party led by Adolf Hitler. The failure of the Franco-British negotiation policy with Hitler to avoid a new war encouraged him to become more secure and to rearm the country.

The signing of the Molotov-Ribbentrop Pact constituted the guarantee for Germany that U.R.S.S. will not react against it for expansion policy. The German-Russian treaty or the non-aggression treaty contained a secret protocol through which the independent states Finland, Estonia, Latvia, Lithuania, Poland and Romania were divided into spheres of influence from the two countries. The Pact was termed "territorial and political rearrangements" in the areas of these countries.

The competition for raw material resources was also the cause of Japan's war in the Pacific, which lacks raw materials for its growing industry. He invaded Manchuria, making plans to conquer the entire Western Pacific. The lack of fuel for the imperial marina has made Japan compete with European colonial powers in Indonesia, but also with China and the US. The German-Russian invasion of Poland and the Anschlus of 1938 (by the annexation of Austria) meant the beginning of the war in Europe. The Italian invasion of Ethiopia and the Japanese attack on the Pacific on the
territories of China and the United States transformed it into a world war. The League of Nations, which relied on the Great Powers, could not do anything concrete. Expansionism was the up-to-date doctrine on the expansion of the territorial base or economic influence of powerful countries, usually accomplished by means of military aggression.

1.5. Economic Situation of Romania in the Second Half of the 19th Century and the First Half of the 20th Century

Until the Peace of Adrianople (1829), the economy of the two Romanian Principalities - Moldova and Wallachia, was oriented towards Constantinople, and the Ottoman monopoly (for centuries) manifested itself by the pre-emption right of the Bosphorus merchants on Romanian products. All products in the Romanian provinces: grains (especially wheat and oats), large cattle, sheep, pastrame, butter, honey, wax, salt and timber were not negotiated, but their prices were imposed by Turkish merchants. Transylvania, as a province of the Habsburg Empire, was administered according to the Vienna rules.

Between the three Romanian Principalities there is a so-called "cross-border" smuggling trade, with the tacit acceptance of reign. Trade with other countries: Russia, Prussia, Poland, as well as with some Italian cities were sporadic in small quantities. The Ottoman monopoly on foreign trade of Moldova and Wallachia constituted an essential cause of the weak capital accumulation and significant changes in agricultural production, such as: the decrease of the interest of the great boyar estates to expand the cultivated areas and increase the yield crops due to low profitability. Corn crops have expanded to the detriment of wheat, as the Turks were not interested in this product. For the same reason, in animal husbandry, the increase in pigs has widened, in contrast to the increase in cattle and sheep, demanded in Constantinople.

That is why, in the Romanian Lands, the transition to capitalism and the consolidation of the national state became slower and much later. The Adrianopol Peace Treaty, which put an end to the Russian-Turkish war, provided that in the Principalities occupied by the Tsarist army, the administration led by General Kiseleff would, according to the boyar's desire, realize administrative regulations that would serve as a basis in the future data to highlight the number of households and animals and, implicitly, the number of tax payers. At the same time, the suppression of the Turkish monopoly on the Romanian products trade and the reintegration of the raions - ports from the Danube (Turnu, Giurgiu and Braila) into the borders of Wallachia. It also provided for the two-year exemption of the Principal from paying taxes to the Porte.

The organic regulations elaborated by the commissions of local native landowners and imposed by the Russian occupation authorities came into force in 1831 in Wallachia and in 1831 in Moldova and represent the first modern constitutional acts (approved by Russia and Turkey). By the Treaty of Paris in 1856, Russia's special privileges in the Romanian Principalities were transferred to the Great Powers group, and Moldova received back South Bessarabia, occupied by the Russians since 1812 on the occasion of the Russian-Turkish war. Additionally, access to the Black Sea was prohibited for all nations' battle ships. The regulations declared the separation of powers in the state, the executive power being entrusted to the ruler, assisted by a government with six departments (internal, executive, justice, finance, cults and army), and the legislative power formally belonged to the Obstestis Assembly, whose task was to vote on the budget.

An important step was the Rural Law of 1864, when 511,896 families with an area of 2,038,640.26 ha were appropriated, with an average of 3.98 ha of family. It has transformed the boyar ownership of the feudal type into a modern, modern property and has declared the free peasant property, stimulating the emergence of capitalist relations in agriculture. By rural law the internal market was broadened, the landowner being directly in touch with the market, and a certain labor force from agriculture (which depended on the boyish estate) was released and went to the cities where they supplied the manufacturing production. During this period, some groups of individuals, established in the Principalities (Italians, Germans, Jews, Armenians), are investing in the economy, and also the foreign industrial goods required for the development of small industries (manufactures).
The establishment of the national monetary system in 1865 (accepted by the Ottoman Gate in 1867) based on the national currency - the leu, divided into 100 bani and based on gold and silver bimetalism - individualizes the Romanian market in Europe, being an act of sovereignty anticipating independence from state of Romania in 1877. The leu was aligned with the monetary system of the Latin Monetary Union, which included France, Italy, Belgium and Switzerland, the law allowing circulation in Romania of the currencies of the respective countries. In 1866, by fixing the customs tariff, the protection and encouragement of the Romanian industry was sought.

There is an institutional modernization of the country, initiated by the reforms of Alexandru Ioan Cuza, continued with the introduction of the national currency in 1865 and then with the establishment in 1880 of the National Bank of Romania which constituted the essential moment in setting the bases of the Romanian banking and monetary system, but also in the development of the national industry.

Although it held the monopoly of the monetary issue, the NBR also played the role of a commercial central bank. The state owned at first one third of the share capital, but in 1901 it was removed from the combination until the First World War, when the NBR was a private bank.

Since the policy of free trade at the end of the nineteenth century was unfortunate for Romania's economic interests, in 1866, the Romanian government adopted a protectionist policy that would protect the internal market from foreign goods penetration by applying a customs tariff for a 600 items. He defended the manufacturing industries (light and food) that were based on raw materials in the country. This was the first step by which we could move to the creation of our own industry. However, the industrialization process in Romania was slow enough in relation to the requirements of the modern state, both due to the competition of foreign products and the insufficiency of domestic capital. The protectionist policy of the Romanian state triggered a customs war with Austria-Hungary between 1886-1893. Between 1882 and 1883, Romania opposes the Austro-Hungarian claims to control trade and navigation on the Danube, and to hold a dominant position in the European Commission of the Danube.

After 1893, Romania experienced an uneven pace of economic development, the first being those sectors that used raw materials in the country and needed lower investment and opportunities for immediate gains.

The attraction of foreign placements was mainly in the form of concessions and state loans. Until 1914, when the First World War began, these two methods penetrated into our country about 4 billion ROL. Due to the burdensome conditions (interest exceeding three times the amount borrowed), Romania partly repaid the loans through new loans, and the difference resumed over the next decades.

Foreign capital has been invested as follows:
- in the food industry (sugar, alcohol);
- forestry (wood, pulp, paper);
- construction materials industry;
- oil industry (extraction and processing);
- gas and electricity.

The first big loan was made during Cuza's time, in 1864, at an English bank in worth about one million pounds, being used to pay landowners compensation following the 1864 land reform, but also for the army's endowment. A new loan was in 1866. After the recognition of state independence in 1878 and the establishment of the NBR in 1880, the Romanian state obtained easier foreign borrowing, with the practice of reconversion loans being necessary for the payment of older loans and interest. At first, these loans were granted to London and Paris, and later, after 1883, by a German consortium in Berlin.
In this way, Romania became economically dependent on foreign capital, especially German, which attracted political dependence through the country's accession to the Triple Alliance in 1883. This massive flow of raw materials and capital across the border has hindered the internal accumulation of capital and, consequently, the economic and social development of Romania.

Romania's external debts increased until 1914 ten times, and 64% of them were to German banks. Meanwhile, the loans were conditional on the concession of some economic activities (oil extraction) or the sale of cigarette paper. However, the loans have mostly served for productive purposes, by building objectives that have increased the national heritage and strengthened the power of the economy: railways, harbors and harbor installations, civil constructions (schools, hospitals, institutions), army endowment Weapons and Battle Techniques in the West.

Also during this period (1880-1903) the port of Constanța (also with German capital, interested in the Danube mouths) is being modernized, which becomes the main commercial gate of Romania. German capital takes the lead on the Romanian market, which will make Romania a transit country for German exports to the Near East. Although trade relations with Germany are the first place, however, Romania's trade balance was negative until 1900 because, on the one hand, we export agricultural products and raw materials in exchange for highly processed industrial products, and, on the other hand, the existence of fierce competition on the European market of similar Russian and American products, which has led to lower prices of agricultural products.

Capital placement was preferential, only in branches where raw materials were: oil. Coal, wood, led to unilateral development of the industry. Romania was, however, an attractive country for capital investments. So it was the world's third oil producing country (1.8 million tonnes a year) compared to the US, (8 million tonnes) and Russia (5 million tonnes); ranks third in the world in corn production, after the US and Brazil; Europe's fourth largest producer of wheat. From the point of view of foreign trade per capita, our country ranks eighth in the world.

In over 150 years of existence, Romania's destiny was linked to oil. Worldwide, in 1857, the Romanian oil industry established three premieres:
1. Romania was the first country in the world with an oil production officially registered in Romania international statistics (275 tons), followed by the US in 1859, Italy in 1860, Canada in 1862 and Russia in 1863;
2. the first commercial oil well was built in Romania, in Lucăcești-Bacau. The pumps used a rudimentary crude oil refining method similar to that used to produce bran in boiler boats with wood rods and drill holes at a depth of 150 m;
3. The first industrial refinery was built in 1956 by the Mehedințeanu brothers, on the outskirts of Ploiești, the installations being made of forged iron by hand. The equipment was commissioned in Germany by Moltrecht. Also in Ploieşti, the construction of the so-called "Gas Factory" begins in the same year.

In 1857, Bucharest was the world's first publicly illuminated city with lamp oil produced in Ploiești (1,000 lamps). The oil was colorless, odorless and burned with a luminous flame of constant intensity and shape, without smoke and without leaving ashes or resin compounds in the wick. In 1880, Romania's oil production reaches 15,900 tons. In 1895, the Romanian state adopts a first law on mines, which opens the way for the entry of foreign capital into the Romanian petroleum industry. Thus, several important Romanian oil companies appear, as follows:
- In 1895, "Steaua Română", with German capital and two years later, was founded buildings in Campina, owing 305 ha of oil fields, the largest and most modern refinery in Europe (initially, 1200 tonnes / day capacity);
- In 1904, the "Romanian-American" company was established as a subsidiary of Rockefeller's American Standard Oil Company;
- In 1905, the company "Sega", with German capital, and "Franco-Romanian", then "Petroliferă Credit", "Concordia" in 1907 and "Astra Romana" in 1910, belonging to the Trust Dutch Royal Schell until 1947.
Romania has been world-renowned with numerous oil engineers, large drilling specialists (over 3,500m), oil rafters, refineries, etc. Since 1900, Romania has been the first country in the world to export gasoline. In the banking sector, four large banks with foreign capital controlled 60.6% of the total bank funds in Romania. These were: the Romanian Bank, the Romanian General Bank, the Commercial Bank and the Marmorosch Blank Bank. In this way, Romania balances its balance of payments due to investments in the exploitation and processing of oil and its products - the oil being the first in the range of exported products, exceeding the grain. For now the country no longer depended solely on agriculture. Oil production for export increased from 250.00 tonnes (in 1900) to 1,800,000 tonnes (in 1910). In the wake of the outbreak of the first worldwide conflagration, foreign investment in Romanian industry was around 80% of the total, with the largest share (over 90%) in the oil, wood and sugar industries, with weaker shares in the textile, pulp and paper and transport.

The Romanian capital was present in the oil industry on the third (after the German and Anglo-American), but the Romanian companies were small, with a poor share, both in production and in refining. Although it remained neutral in the first two years of war, Romania experienced, from the beginning, a strong influence of the state of war on its economic life. The normal economic links with other states have been disrupted or interrupted, which has had multiple repercussions on all branches of activity. However, until 1914, the Romanian industry remained closely related to agriculture, the leading raw material industry being the leading producer. Industrialization was uneven, as key industries and, implicitly, mutually beneficial relationships with agriculture developed slowly.

The country was dependent on the Great Powers for the agricultural products markets, for the external suppliers of manufacturing products, for industry and general consumption. The vast majority of the population depended on the land and lived in agriculture. The lack of interest of large landlords to exploit the estate directly, coupled with the lack of legislative measures limiting the leased land, led to the establishment of large landowner trusts, which took over most of the large agrarian properties around 1900. The large estates of more than 1000 hectares were controlled by lessees in a proportion of 75%. In Moldova, the Fischer brothers controlled 237,000 ha in 10 counties. At the same time, poverty was widespread among the peasantry, and the mortality rate was high due to poor nutrition, sanitation and inadequate social assistance. The founding of popular banks in 1903 and village cooperatives in 1904, as well as some laws in support of agriculture, did not have the expected effect. In agriculture, however, there were 300,000 landless peasants and 423,400 families with small properties (up to 3 hectares), which required a new landing law. Part of this labor force migrated to the city, finding its place in the food and other manufacturing, mining, oil and transport industries as unskilled workers. Around 1914, their number was around 200,000, or 10% of the active population.

The fact that foreign leavers were the majority (54%), many of whom were Jews, gave this economic problem to antisemitic connotations in the 1907 Uprising that came after the 1888 uprising and the 1895 Land Crisis. These events triggered reforms in agriculture, namely: the abolition of the tenant trusts, the creation of the rural house, in 1908, the lease of the state estates by the peasant communities. Since 1906, a new Customs Tariff has been applied in Romania, which ensures a higher level of customs protection (around 25%). This has allowed the move towards concrete measures for the whole of the industry, by stimulating the establishment of industrial enterprises, following two directions:

1) the size of the set up enterprises, a minimum capital of 50,000 lei and a minimum of 25 employees;
2) creating a skilled Romanian labor force within five years, so that 2/3 of the employees to be Romanian citizens and with a high professional qualification.

However, in the general economic context of that period, the capital condition favored mainly foreign capital, which aimed to "penetrate" the big industry. During this period, the first steps were taken in the merging of the banking capital with the industrial capital and the emergence of the financial capital, especially in the oil industry where Romania was attractive from the point of view of foreign investments.
During the First World War, Romania had to provide equipment and supplies to the army, although in the first two years (1914-1916) it declared itself neutral. The Entente Countries gave Romania important financial credits (over £ 22 million from the Bank of England and the Bank of Italy), which allowed it to resist the German financial pressure but also the catastrophic drop in its own import and export in following the blocking of the Bosporus and Dardanelles by the Turks, the allies of the Central Powers (Germany and Austria-Hungary). As a personal effort, the Romanian state borrowed 400 million lei from the NBR.

For agriculture, the main problem was the sale of products on foreign markets, especially during the period of neutrality. Trade on the Danube, controlled by Austro-Hungary. At the same time, we were forced to export in 1905 over ¾ of the products to the Central Powers. Although, after the Great Union of 1918, Great Romania occupies an area of more than 157,146 km² and with a population of nearly 8 million inhabitants, it was only in 1924 that it reached the level of pre-war production. The workforce has fallen by one fifth, with Romania accounting for over 300,000 dead and 700,000 missing or disabled, with a very negative impact on the workforce.

Romanian official losses were estimated at 72 billion lei, but only 31 billion lei were officially recognized. At the same time, Romania was forced to take over a share of the public debt of the former Austro-Hungarian monarchy. Agriculture, however, remained the basic economic branch, going through the largest agrarian reform in the world, when immediately after the war between 1918 and 1921 6 million hectares (65% of the total) were expropriated, so that 1.5 million families have received 3.5 million hectares of arable land and 2.5 million hectares of pastureland. The agricultural power was no longer owned by landowners, but by the peasant landowner.

There were expropriated the domains of the Crown, the Rural House, state institutions, properties belonging to foreigners and absentees. They also expropriated the land of private owners owning over 500 hectares. The expropriated land was not sold directly to the peasant, but leased to the village communities constituted by the central house of co-operation and ownership. During this time, all disputes related to expropriation had to be resolved. In Transylvania, the expropriation was made for the owners, for reasons of public utility, to include the interests of minorities. Expropriation of forests was also contemplated. In 1921 the expropriation was regulated by two legal acts: the Law of July 17, 1921 with the following: Oltenia, Muntenia, Moldavia with Bessarabia and northern Bucovina and Dobrogea (the Old Kingdom) and the Law of 30 July 1921: Transylvania, Banat, Crişana and Maramures.

Unfortunately, after the crisis of 1929-1933, the peasants entered the hands of the money-keepers and the banks, who exploited them mercilessly! Since 1920, a pronounced state interventionism has been highlighted for the preservation of national resources, as is the case in all of Europe. The national currency devalued, and public debt reached worrying odds. Under these conditions, oil was the exchange currency in Romania's foreign trade, bringing the currency to the state. By reforming the mining sub-regime in 1923, according to which the state is the sole owner of petroleum deposits, the government has decided to nationalize Romania's national resources. As early as 1921, the government seized 23 ex-enemy oil companies. Finally, under the pressure of the English and French allies, after rounds of negotiations, Romanian companies take over the majority stake, and the rest is equally divided between French and English. The new mining law, in 1924, stipulated that at least 55-60% of the capital and 75% of the staff of the mixed capital companies should be Romanian.

In 1924 the pre-war oil production level reached 1,851,303 tons. Because of political pressures from outside, since 1926 Romania has had to allow the entry of foreign capital through the so-called "open gates" policy. In 1928, Romania recorded the highest economic growth, remaining a benchmark for the periods that followed. The economic crisis, though late in Romania (at the end of 1929), however, was felt with all its might, when large enterprises started to face financial problems and the unemployment rate grew rapidly. Both the government and the investors considered that Romania would not be touched by the crisis and continued economic policy without taking measures to mitigate the effects of the crisis, including:
- foreign credit has not been available until then;
- counterfeit currency and US dollars appeared;
- over 500 factories went bankrupt, the number of unemployed reaching 60,000;
- agricultural prices have fallen by 60-70% and, implicitly, by the state and the state budget expenditures;
- industry fell by 50%;
- over 2.5 million farmers had credits from banks and guilders, farmers reaching their grain, because it was too expensive to harvest them;
- wheat and oil exports drop by 58%.

At the end of the crisis, in 1933 there were 300,000 unemployed in Romania. For ten years, it was necessary for Romania to recover from the crisis and industrial production to reach the level of 1928. The crisis also hit credit institutions, which, affected by the lack of confidence of their clients, faced withdrawals of foreign capital and domestic deposits. As a result, large bankruptcies occurred: General Bank of Romania, Bank Marmorosch-Blank, Berkovitz Bank. Thus, the Romanian financial system has been affected since 1930 when foreign-owned firms withdrew from the Romanian market in the hope of limiting losses (more than 17 billion lei). He made two state loans of over 20 billion lei: the “Stabilization” loan in 1929 and the “Development” loan in 1931. However, due to the internal and external circumstances of that period with serious disturbances in the international capital movement, a large part of these cash available in convertible currencies came out of the country for the payment of other old debts and the foreign exchange reserve remained uncovered. The living standard has fallen dramatically. Wages have fallen by as much as 63% since 1929, including public employees (whose salaries have been reduced year after year, known as the "sacrificial curves").

The crisis also compromised monetary stability in 1929, leading to the establishment of the NBR monopoly on currency trading and the imposition of an official leu against them in 1932.

It was all oil that allowed Romania to recover after the Great Depression. In 1936, oil production peaked when Romania became the fifth oil exporter in the world, after Venezuela (19 million tonnes), the US (15 million tonnes), Iran (8.5 million tonnes), the Dutch Indies 6.5 million tonnes. Because of oil, Romania's economic growth in the interwar period was 5.5%, one of the largest in the world. The destiny of Romania has coincided with the destiny of oil, and this has done much harm, especially in times of world conflicts. During the Second World War, oil was the first necessity for everyone. Everyone was craving for the Romanian oil, those in the East and of the West also. Their interests met over the Carpathians of Romania. The two world wars gave a decisive blow to the Romanian economy. In 1945, the volume of foreign trade accounted for only 3.8% of the volume of 1938. Those fabulous expenditures related to the preparation of war were those that brought Romania into economic collapse.

In addition to war-related damage, Romania was indebted to external creditors (France and England accounted for 42.2% of the total debt, and after negotiations with creditors, the debt diminished by 45%). But Romania has not received a lion as compensation for war! After the war, Romania did not count on foreign markets.


2.1 Rebuilding Western Europe and Exiting from Agony (1947-1970).

World War II made a decisive blow to Europe's domination of the world. At the end of the war, Europe was in ruins and depended, militarily, politically and economically, on two superpowers from outside the US and the USSR.

Ever since the war, a number of Western European politicians have realized that, in order to restore Europe to the pre-war level, it is necessary to abandon the policy of rivalry and direct confrontation and move to a policy of collaboration and trust. This, as the Cold War practices began to emerge
directly, and Communism was more and more popular in the West, as a result of the propaganda of the Socialist International and of the unions, but also of the economic and social situation.

To this end, the process of European integration was initiated by which several states (at the beginning six) of Western Europe joined and collaborated in various fields, setting the foundations of the European Community, based in Brussels. Over time, the collaboration deepened, capturing all the sides of economic and social life, and at the same time expanded into the EU since 1992 - a global economic and political partner for both the US and Japan, but also for the other areas of the world. During this period, new policies of internationalization of capital and economic activities are being moved, following the redeployment of spheres of influence and markets. Europe has experienced several stages of capital evolution and growth after World War II.

Between 1945 and 1970, it was the period marked by advances in science and technology, as well as a real revolution in multinational management. It was the recovery period of post-war Western Europe, the implementation of joint reforms and the global spread of American corporations, but also the rise of Japanese firms. There was an increased demand for raw materials from the states, which led to the creation of more and more local branches of multinationals that developed intra-company production and trade instead of imports for host countries. At the same time, the role of advanced technologies, leadership techniques and human capital has increased, surpassing the mere advantage of localization.

It is the time when three international economic actors say: multinationals, business partners and host states. Another period 1970-1990, when the share and role of intra-firm trade and specialization increased, amid the intensification of regional integration processes. It is the unprecedented rise of the geocentric character of corporations. The "four actors", the three, plus the states of origin of the multinationals, have begun to control more closely and, at the same time, to direct the political and military activity of the companies. As a result, direct investment flows abroad have increased both in volume and complex structure.

The third period, 1990-2020, is the period when the action of domination of multinational corporations imposed by the globalization of national economies continues. It is the multi-actors period, in addition to the four, when different interest groups, international agencies and organizations, economic alliances, who want to control multinational firms and areas of influence. It is the period when multinationals experience a significant increase in turnover and a diversification of the forms of penetration of global markets (which are no longer external): exports of goods and services are simply capital transfers, license transfers, stock market holdings, acquisitions or takeovers, direct investment. Large investments and exports have focused mainly on developed countries, and the exploitation and processing of primary products - in low-developed countries, where cheap labor is found, tax incentives, permissive legislation.

Today, multinationals and not countries are the first agent of international trade. In this way corporations have changed the structure of production factors in more and more countries as a result of the movement of capital (both physical and human) and technology from one part of the world to another, creating a new asset base production. That's how the top 100 multinational corporations, the largest in the world, have reached about 7% of world GDP.

2.2 Creation of the "Socialist Camp" in Eastern Europe and the Mixture of Agony and Ecstasy Until 1990

After 1945, the world was divided between the two super powers - the US and the USSR - into two areas of political and military influence. After the US launched the Marshal Plan (June 5, 1947) or the European Reconstruction Program, the USSR immediately retaliated and set up in September 1947 the Communist and Communist Party Informational Bureau, declaring the existence of two camps: socialist and capitalist. But the American plan was an economic instrument, while the Soviet was ideology, a political organization. Because the US plan addressed all European countries in order to stop Moscow's influence, the Comintern had the role of boycotting and defying US aid. Unfortunately,
for them, America dominated the world because the US owned 2/3 of the world's largest gold, the world's largest fleet, and was present on all international financial markets.

If the US was a model for Western Europe, the USSR was a model for Eastern Europe, of which eight states, including Romania, had become Moscow's satellites.

In order to subordinate the Communist countries from an economic point of view, the USSR created in 1949 the CAER - the Council for Mutual Economic Assistance, which allowed the participating countries to unleash their products and obtain raw materials from a wider market in conditions of lack of convertible currency. Evidence of exchanges was made by the Soviet ruble, which was not convertible, and they were carried out on model clearing.

Within the socialist camp there were strong divergent views between the two great communist powers: the USSR and China. In China, after the death of Mao Zedong (1976), capitalism in the economy was partially restored and industry, agriculture and technology modernization was initiated. Private businesses have emerged and trade and banking have been liberalized.

Instead, the USSR and the Eastern European countries have seen a sudden economic downturn since the 1960s. At the opposite end, the Western world underwent technical-scientific revolutions knowing economic miracles: German, Italian, and Japanese. The communist system has forced economic development through centralized planning instead of liberalizing the economy.

It was only in 1985 that Mihail Gorbachev launched a vast restructuring policy - perestroika - to reorganize businesses, free initiative, and a performance-based wage policy. But the liberalization did not concern, first of all, the economy (according to the Chinese model) but the political life ("glasnost"), which did not give the expected results.

Popular uprisings for a better life would seriously destabilize the communist system if they were not immediately repressed by the armed force. Examples: June 28-29 1956 in Poland, Poznan, October-November 1956 in Hungary, Budapest, 1968 in Prague, Czechoslovakia. All were snatched in the blood by Soviet troops. In 1961, the Berlin Wall rose to prevent the East German from escaping to the FRG due to poverty.

2.3 Romania - Satellite of Moscow

In the first years of Communist domination, Romania's resources were exploited by the Soviets through Soviet-Soviet joint ventures (SovRom) set up after the end of the war to manage the pay of the huge post-war debt to the USSR, as established by the Paris Peace Treaty at the sum $ 300 million (at 1938), equivalent to about $ 5 billion at current value. The Soviets set up such mixed societies in all countries that had to pay war reparations (including Finland).

Starting with 1964-1965, Romania initiated economic and political actions to increase its independence from the USSR, not without consequences. During this period, the first economic contracts were signed with the Western European countries and the USA in search of the machinery, equipment and equipment necessary for the development of the industry. By the early 1980s, Romania had the fastest rate of industrial development in the entire communist bloc. Forced industrialization has increased Romania's GDP since the 1950s and up to '80 about 20 times. However, forced industrialization, whereby only certain branches of industry had to grow spectacularly (machine building, steel industry, petrochemical industry), led to the neglect of the other branches that provided consumer goods. In agriculture, forced co-operatives and the physical elimination of large landlords had enormous negative effects because the CAPs did not have the expected profitability and the work was not stimulating, being supported only by aberrant slogans.

The energy and steel industries could not be supported only by raw materials from the country (coal) or from the CAER with subsidized products. He turned to the West. In 1978, the oil industry reached 14 million tons of historical production, only the chemical and petrochemical industry needed 32
million tons/year, which in the early 1980s did not come from the USSR but from Iran, Libya and other states. Under these conditions, Romania directly blew negative influences from the oil crisis of 1978 and 1981. In 1975-1982, Romania concluded three co-operation agreements with the IMF, and foreign debt increased more than 20 times, exceeding 30% of GDP (or over $10 billion), and the currency had to be brought from exports, with the leu not convertible. The external debt structure shows that only $1.5 billion was from the IMF, 5.5 billion were borrowed from Western commercial banks, based on the agreement with the IMF. As a result of oil crises, interest rates have risen sharply, and Ceausescu's economic growth rate has been unbearable.

That is why the agreement with the IMF ceases suddenly in 1982 when the country becomes incapacitated for payment, and the IMF refuses to release the third installment provided for in the last agreement for political reasons. It is the moment when Ceausescu decides to fully pay the external debt. In conclusion, we can say that the "golden age" (1965-1980) was indeed a period of development in the country's economy after the robbery in the period 1947-1964 by the Bolsheviks. Ceausescu's demands to get to zero with external debt have put the population at serious constraints. It is the period when major social movements begin, such as the 1997 strikes in the Jiu Valley or in 1987 in Iasi and Brasov, which had no echo in society because they were kept secret.

3. The Fall of Communism or the Ecstasy of Agony
3.1. Political and Economic Resettlement of Western Europe by the Western Model or "Guaranteed Failure"

The Eastern European countries were forced to go through two dramatic experiments: first, building and destroying the market economy, and then returning to the market economy.

The construction of socialism, a policy imposed by Moscow, was an experiment with economic failure and millions of human victims in Poland, Czechoslovakia, East Germany, Hungary, Romania, Bulgaria, the Baltic countries and, more mildly, due to Tito's personality - Yugoslavia and its satellite, Albania. These states have been integrated into an economic space - the CAER - and another political and military one - the Warsaw Treaty. The reversal of the medal, ie the transition from the centralized to the market economy, was the second largest experiment in the history of the world economy requiring, besides the "precious advice" of the IMF, which had to be followed in a timely manner, and a lot of national determination, realism and, above all, good faith.

Unfortunately, the "speech specialists", the missed theorists and the opportunistic bad-voters who made "financial engineers" have made reforms just to be in line with the plans made.

Looking back, we can mention that three categories of reforms were needed, complementing and influencing each other as follows:
1) institutional and structural reforms, namely: creating market-specific institutions, the definition of property and its guarantee, the fiscal reform, the reform of the financial-banking system;
2) economic deregulation and the creation of competitive markets through measures and policies liberalization of prices, exchange rate, foreign trade, external capital flows, especially in the form of FDI;
3) ensuring economic macrostability through restrictive monetary and fiscal policies.

At the same time, the role of the state has been redefined, by restricting its role as the main economic agent and market control, through economic deregulation and the creation of competitive markets. At the same time, the state must be prepared to ensure the supply of collective goods: education, health, national security, internal order, infrastructure, etc. and to act competent to correct market failures.

All of these far-reaching processes required extensive institutional reconstruction and massive structural adjustment in a short time.
In countries where these policies have been linked to each other with the common goal of raising living standards and welfare in general, the process of political democratization has rapidly strengthened and the economic and social costs of the transition have been bearable.

Where there has been syncope in the continuation of reforms and then rhythm breaks and changes in attitudes in tackling the problems, the process has been unduly prolonged, the reforms have been partial and the huge costs. The population suffered the most, and the economy has crashed.

3.2 Extending the EU to the East and Returning Multinationals to the Old Sites

European integration has always been governed by political factors, but the means have always been economic. Until the integration of central and eastern European countries, the Union has gone through three major stages:

1) the formation of the customs union between 1958 and 1968, which led to the abolition of tariffs and quotas in intra-Community trade;
2) the single market program, implemented between 1986 and 1992, which eliminated many (but not all) non-tariff barriers and liberalized the movement of capital and services within the intra-Community area;
3) the creation of the economic and monetary union or the euro area, which has integrated the coins of most member countries and launched the euro (1998-2006) through the ECB.

With the large enlargement to the east of the EU in 2004, when a number of eight former socialist countries joined, with Romania and Bulgaria postponed for 2007, developed EU countries took the opportunity to share the benefits of integration by expanding the influence of capital national strategies on these new integrated economies. The former socialist countries attracted in the sphere of economic and political influence of Western multinationals had to go through the economic reform process to achieve convergence with Western economies. According to IMF monitoring, the fast-track adjustment strategy, previously unknown in the world, was in place, which provided for mass privatization of the economy at a rapid pace.

Poland, Hungary, the Czech Republic, Slovakia, Slovenia have switched to the rapid privatization of the economy, but the economic growth was short and the recovery process was marked by unexpected macroeconomic instabilities. This led the Czech Republic and then Poland to reevaluate the IMF’s fast privatization model.

The better performances of Poland and Hungary have led to the conclusion that the success of the transition depends, above all, on the rapid creation of legal, macroeconomic and microeconomic institutional conditions that will determine the development of the new private sector, including FDI. But the two countries have benefited from the PHARE Program since 1989 from the European Community. In Poland and Hungary, pricing liberalization policies were adopted early, coupled with budgetary constraints and increasing competitive pressure on state-owned enterprises.

The two countries also took into account that public investment can not be replaced by private investment and that European money does not replace national reforms. In the 2007-2013 period, national programs were built so that the activities undertaken to complement each other, ie real operational convergence between operational programs at national and regional levels, allowing for the full absorption of European funds and, implicitly, economic growth. Not the number of privatized enterprises was important (eg Romania) but the quality of privatizations (eg Poland). During this period, Hungary, seeing it does not resist competition in the EU, has developed a safety anchor from 2010 to the East: Russia, Central Asia and China. Ireland, Portugal, Hungary, Greece have signaled that the EU is not a "welfare area" for everyone. Less developed countries will not be able to keep up with the Western European hard core, which has crystallized in half a century of "economic symbiosis" with US support.

The Czech government has focused on selecting an efficient and independent political management that has been properly stimulated to create market value for companies. The example of CEZ, the
largest state-owned company in Central and Eastern Europe, which was listed on the Prague and Warsaw stock exchanges in 1994, but the government still holds 69% of the shares. The company evolved from a net profit of 116.4 million euros (in 1999) to 1.87 billion euros (in 2010). Today, it is one of the largest utility companies operating in Central and Eastern Europe, with a strong presence in our country as well.

Also, the Polish state protects the strategic sectors of the economy, although it no longer has shares in the largest state-owned companies. In 1997, Poland listed the KGHM - the largest mining company in the copper sector and the third silver sector in Europe (about 18,000 employees), at the Warsaw Stock Exchange. Currently, the company is controlled by the government at 31.7%. In 2010, it achieved a record profit of 1.18 billion euros, compared to 1999, almost zero profit.

Romania immobilized by its own helplessness. The transformation of the Romanian economy from a super-centralized state economy into a functioning market economy proved to be a much more complex process than expected and much more complicated than in other countries.

The political leadership of that time considered that the change of political regime would solve the problem. Unfortunately, Ceausescu was not the problem, but the super-centralized economic and political system. That is why the centralized economy was maintained until the end of 1997 in the same socialist ideology, with controlled prices by the authorities and the overburdening of the labor force in mammoth enterprises that did not produce, and the unions did the law, demanding their rights from a state budget because the idea of unemployment is not accepted. In December 1989, Romania had 8 million employees, with an average salary of $ 250, exporting $ 10 billion and a $ 54 billion GDP. After only two years, in 1992, GDP fell threefold, to $ 19 billion, with almost the same number of workers (7.5 million), because less and everybody is claiming rights. The average salary dropped to $ 100 by devaluing the leu. Imports were high because domestic production had fallen, and domestic demand grew. Price liberalization has produced galloping inflation, and the country was near default.

In Romania, the inconsistency of policy decisions adopted and the lack of firmness in financial discipline have led to the deepening of macroeconomic imbalances. Slogans such as "We do not sell our country!" caused great delays in privatizations. Major privatizations began in the late 1990s when new market economy policies were being applied in neighboring countries. A big gap has emerged regarding foreign direct investment between us and the other transition countries in the region (between Poland and Romania the gap was 10 times higher). We were at the end of the list, along with Bulgaria, Latvia and Lithuania. The gradual liberalization of prices until 1998, coupled with the depreciation of the leu and combined with the lack of restructuring in the economy, led to inflation reaching three figures (over 250%). When the NBR's reserves fell below a billion dollars in 1997, the authorities decided to move to drastic economic recovery measures, but the costs were huge. The economic downturn was 16% between 1997 and 1999, which led to a drastic reduction in living standards.

The establishment of the AVAB (Banking Authority) on the recommendation of the World Bank to drain the banking system allowed AVAB to take over the non-performing loans granted by Bancorex, the Agricultural Bank and other banks which subsequently went bankrupt (Credit Bank, Dacia Felix, Bankoop, Investment and Development Bank, etc.) In the account of the credits taken over by AVAB, government securities were issued, transferring them to public debt. The stock market capitalization, which surpassed the $ 1 billion threshold (3.34% of GDP) in 2002, was an oxygen bottle for the economic recovery. The year 1999 is considered the year of economic recovery, when economic growth was even modest (1.8%). After a lost decade, since 2000, exports have been relaxed, which has tripled until 2004. In 2005, the 16% flat tax rate was a new impulse for economic growth. With the large privatizations: SIDEX Galati, Petromidia, then the sale of Petrom to OMV, privatizations in electricity and natural gas have led to the shifting of the private sector's focus on the economy. In 2004, the largest economic growth since 1990 was 8.5%, and GDP for the first time exceeded $ 100 billion. This growth was maintained until 2008, when GDP reached 137.2 billions dollars.
Unfortunately, since 2009, the effects of the crisis have come to us as well when the economy has entered recession, and GDP has returned to the 2008 level after six years, only in 2014. Companies with Romanian private capital had businesses in ROL 571 billion in 2016, 4% more than in 2015, while companies with foreign capital increased their business by 5% in 2016 to 609 billion lei. Thus, in 2016 the foreign companies exceeded 50% of the turnover in the economy and the Romanian ones dropped to 46%. In 2015, foreign firms had 49% of turnover, and Romanians 47%. Romanian state-owned companies were down 4%, with a turnover of only 45 billion lei. The total economy turnover was 1,225 billion lei, 4% more than in 2015, influencing GDP growth by 4%. The increase in revenue was not accompanied by a corresponding increase in salary or other expenditure (investment, research, etc.), so profits increased and net losses diminished. The net profits obtained in 2016, worth 85 billion lei, represent the best economic result in Romania since 2008. Also, net losses fell by half between 2014 and 2016 from 54 billion lei to 29 billion lei. This is a positive signal for increasing the capitalization of enterprises.

Also, the 5% dividend tax downturn has stimulated Romanian and foreign investors. However, the Romanian economy now suffers from a lack of investment, and these can be done in two ways: either from the direct financing of the enterprise, that is, from the capital or from the loans. However, banks are not willing to lend to loss-making enterprises or when the debt/equity ratio as a source of funding is unbalanced. The biggest obstacles in the way of Romanian and foreign investors are: labor shortages resulting from massive outflows in the West, poor infrastructure development due to inefficient public investment and poor education system. We need education for the 21st Century in which excellence speaks its word in both digital and technological and entrepreneurial development. In Romania, these three areas are in the list of priorities. Today Romania is no longer, as 10-15 years ago, the country with cheap and qualified labor force. This workforce works for much money abroad. Or, to increase the productivity of Romanian companies, we need innovation and skills, but for this we must prepare the young people thoroughly.

There is a need in schools of work ethics and legal and financial education to empower young people who want to build a career or their own business in Romania. The productivity gap between companies with Romanian private capital and those with foreign capital remains between 1 and 2. Foreign firms produce 7% more turnover than Romanian ones and half employees in sectors such as: production equipment, machinery, cement, beverages or cigarettes. The main exporters are all foreign companies on the Romanian market. In 2017, exports amounted to 62.6 billion euros, of which 46.4% represented cars and car equipment, ie Duster, Ford and Daimler engines. The second was iron, steel, other metals and rubber and various manufactured products: clothing and accessories, footwear etc.

In conclusion, out of the top 10 exporters, 9 are from the automotive and 10th petroleum industries (Rompetrol Rafinare). This situation confirms the significant presence of foreign capital in the strategic sectors of the Romanian economy, holding even monopoly positions: utilities, retail, banks, machinery and equipment production, IT industry, oil and natural gas industry, etc. Transfer pricing is therefore a topical issue as it affects the state budget and budget reserve. Thus, the transfer of profits and tax evasion is a problem not only for Romania but also for other countries in Europe. Intrigued trade, either through expensive imports of raw materials or components from a group company, or by selling at low prices to a company in the same group, is a tax avoidance mechanism. The salaries of Romanian workers and the taxes to be paid to the budget are affected. State policies must be doubled: on the one hand, not to alienate foreign investors, and on the other hand, not to affect the budget, wage and investment policy of the firm.

Conclusions
In order to develop, a country needs both physical infrastructure (transport, energy, communications, etc.), but also a social infrastructure (market economy institutions, property rights guarantee, adequate political and social structures, and a economic and political culture needed by a civil society). Therefore, the state must knowingly initiate the process of economic and social development, through responsible public investment and the responsible and competent involvement of decision-makers. Economic progress is an essential component of the development of society, but it is not the only one.
Development involves radical changes in institutional, social and administrative structures, changes in people's attitudes, habits and beliefs.

At the time of joining the EU, Romania had a level of development in 2007 with just over one third of the European average and about 30% of the active population engaged in subsistence agriculture. More than 3 million Romanians had already emigrated to the West, while there were 6 million retirees in the country and only 4.5 million employees, of which 1.5 million in the budget sector. Without a post-accession program, the reforms have almost ceased, and when the global crisis hit Europe (first quarter of 2009), most of Romania's economic indicators suddenly worsened and the financial situation deteriorated considerably. The increase in the budget deficit, both due to the economic downturn and the chaotic policies brought by the authorities, led Romania to borrow from the IMF and the EU in 2010, indebted to the population - and so poor - to bear the debt burden in the long run external public services.

In the book "The Lost Decade of Romania, the Year of European Integration after 2000", appeared in 2010, the British Tom Gallagher shows that slowing down or even stopping reforms after EU accession is "the consequence of the action of the highly versed Romanian elite in simulating change ". Unfortunately, he is right. The continued political gulf, knowingly maintained, to give the impression that Romania is a hard-to-manage country makes it possible for the EU institutions to monitor us economically and politically, as a bad, yet unmoved child. All of this has made it possible to act with half the measure in all areas of activity instead of finding profound structural solutions in both the economic, political and socio-cultural spheres. The lack of resources in society has been the main problem in our country, but their poor distribution, caused by incompetence and bad will, and the lack of coherent, priority programs for the country. The real shortcomings lie with the poor administration of the country and its riches, the waste of public resources, the inefficiency of state institutions, and the inability of governments to lead the country's affairs to establish a viable strategy and obsolete mentality that still manifests itself in Romania.

Excessive legislation, complemented by increased labor taxation and bureaucracy - are the elements that make up a vicious circle that is indestructible and extremely damaging to the functioning of the market economy. State policies have come to be dictated by international creditors, and Romania's GDP has to be at least three times higher today than the one recorded. This is because we have always had competitive industries with exports of over 80-90% in the West but disappeared overnight. The only sector in which the economy lives well is the banking sector and not only to us, but to the world.

Supplementary recommended readings
Miron Dumitru, (2010), Mediu Internaţional de afaceri, The Academy of Economic Sciences, Bucharest
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Mureșan, M., Mureșan, D., (2003), Istoria economiei, Economica Publishing House, Bucharest
Nițu, R.A., (2003), Strategia de afaceri a firmelor multinaționale, Timisoara
Oprîjescu M., (2005), Istoria economiei românești moderne, The Academy of Economic Sciences, Bucharest
Piketty, Th., (2015), Capitalul secolului XXI, Litera Publishing House, Bucharest