IMPACT OF GLOBALIZATION ON AGRICULTURAL PRODUCTION DEVELOPMENT IN ROMANIA

IMPACTUL GLOBALIZĂRII ASUPRA DEZVOLTĂRII PRODUCŢIEI AGRICOLE ÎN ROMÂNIA

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Abstract
The globalization represents the continuous mutual integration of the world countries and the people through which are achieved, on one hand, significant reducing of the transport and communication costs, and on the other hand, it leads to artificial barriers which often block property transfer as well as of services, capital, knowledge and, at a small scale, if influences people relationships. In the circumstances of real risk and incertitude the substantiation of the decision shall require solid knowledge and efficient action, in due time, on the two ways, i.e. inside and outside environment where the trade agents develop their activity as well as rationalization of the actions and the human decisions in terms of avoiding the risks and incertitudes and the risks control and their consequences at an acceptable level.

Keywords: risk, economy, incertitude, globalization, human activity

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Rezumat
Globalizarea reprezintă continuă integrarea, reciprocă a țărilor lumii și a oamenilor, prin care se realizează, pe de o parte, reducerea semnificativă a costurilor de transport și de comunicare, pe de altă parte, aceasta duce la bariere artificiale care blochează adesea prin transfer de proprietate, precum și ca de servicii, de capital, cunoștințe și, la o scară mai mică, influențează relațiile oameni. În circumstanțele risc real și incertitudine, validarea deciziei necesită cunoștințe solide și acțiune eficientă, în timp util, pe cele două moduri, și anume în interiorul și în mediul exterior în care agenții comerciale își desfășoară activitatea, precum și raționalizarea acțiunilor și deciziile umane în ceea ce privește evitarea riscurilor, incertitudinea și controlul riscurilor și consecințele lor, la un nivel acceptabil.

Cuvinte cheie: risc, economie, incertitudine, globalizare, activitate umană

1. RISK AND UNCERTAINTY IN HUMAN ACTIVITY

Globalization of the world economy can be defined as the particularly dynamic process of increasing interdependencies between national states as result of the expansion and deepening of transnational ties, in the broader and varied spheres of economic, political, social and cultural lives, and with the implication that problems become more global than national, asking for a solution that is rather global than national.

A consequence of economic globalization is the improvement of relations between the same developer industries from different parts of the world (the globalization of industry), but also an erosion of national sovereignty of the economic sphere.

The transition to the market economy, in former countries with an excessively centralized economy which brought essential changes to the conditions of economic activity, who were forced to adjust their dimensions, structures and even efficiency in economic activity to the conditions of the "games" established by the market economy (Aftalion and Viallet, 1997).

Increasing the complexity of structured, stimulating and disruptive relationships of the entire economic system and social development, plus the development of science and technology has created important mutations in how to approach the theoretical and practical aspects of the notions of risks and uncertainty.

The economic, social, political and natural universe in which people live, act and evolve is loaded with uncertainties. At present, it is increasingly recognized that a system that works to achieve a future result operates in a situation of uncertainty, even if concrete situations are characterized by varying levels of risks, uncertainty or even indeterminacy. However, risk and uncertainty are not optional subjects, they are simply part of human condition (Batrancea, 2003).

The uncertainties incite the economic agents to make their own determination according to economic principles, depending on their hopes, that is to say, they first determine the degree if probability of achievement of their goals and objectives. The plan provides an image of the future. The problem is, what future? Because the planner builds more "future": a desirable one, a necessary one and a possible one. Each of these forms of future has its determinations and indeterminations. The economic strategy, economic policy and economic plan, all well founded, appear like efficient tools that complete the overall mechanism of operational system and the evolution of economic system with a partial mechanism consisting of conscious levers of contribution to the integration of the future into the present, at the approach of the three forms of future, the approach that would attract the ideal form if they would overlap until identification; at present, this is impossible to achieve. However, reducing the uncertainty, the strategy, policy and plan contain elements that determine economic agents to action in present times in the name and spirit of future demands; those instruments incite to searches, to invoke, to invent, to modernize and to rationalize (Iliescu, 2003).

Uncertainties are sources of risk. The universe in which people exist and move contains a multitude of risks; it can be said that life, in its nature, is intrinsically linked to risks, being itself a risk, which is why the only option is to accept this situation with a certain awareness of its implication. Life constantly creates uncertainty and risk. The rationalization of human actions and decisions lies not so much in avoiding risks and removing them, but in controlling them and their consequences and in reducing uncertainty at acceptable levels in given situations.

To deal with the risks, to be able to control them to a degree or another and to counteract or mitigate their negative consequences, man has invented the plan; this tool responds because it anticipates the most important milestone of future activity, it realizes the essential correlations between the factors of production and the proportions of the combination and substitution at the microeconomic level, as well as the fundamental priorities of the national economy, it allocates an important part of the material, money and labor resources and guides the economic activity, contributes to expanding the sphere of certainty and narrowing the sphere of uncertainty in a certain economic space and time horizon. By recognizing the risks and uncertainties, economic agents improve behavior, increase their knowledge and, through them, they are capable of carrying out their activity more efficiently or even to exploit them. At present, it is more obvious that in the past, economy and society needed professionals with high theoretical and practical skills, people who are risk managers and not sellers of uncertainty. Risk and uncertainty awareness induce a certain amount of responsibility in the human being (Bendel, 2002).

The term of risk and uncertainty are often used to express the same thing, but the specialty literature affirms that there is a clear difference between them. Uncertainty is the not knowing what will happen in the future, and risk is considered as a characterization of the degree of uncertainty; the greater the uncertainty, the more pronounced the risk and vice versa; most of human actions present a certain amount of uncertainty and risk, which is because of who actions, on the one hand, and, on the other hand, to environmental factors. Uncertainty is the lack of certainty, doubt, hesitation. It induces the possibility to get in dangerous situation, to face a danger, a tribulation, to bear a possible damage, that is, to have a risk. To risk is, in fact, to expose yourself to greater or smaller danger. The risk is, therefore, the possibility of occurrence of a loss as a result of the occurrence of events and unpredictable phenomena. The notion of risk has been and still is used predominantly in the field but lately, it has found its applicability in many areas of human activity, each trying to get the best performance by managing it correctly.

Starting from the variety of these definitions, the opinion, fully justified, is that the risk draws up a series of characteristics, which can be considered as acceptances that can be associated, as follows: it represents a range of uncertainties, constitutes a remuneration of the capital invested; expresses an inability to adapt the firm to environmental conditions; it means the probability of occurrence of an unwanted event; it expresses the result under environmental pressure; it has significance only when trying to estimate possible fluctuations in the rate of profitability in forecasting analyzes; risk analysis is a systematic analysis of any business risk (Radu, 2001).

Essential is that with the development of the economic system, with its increasing complexity, uncertainties are multiplied and, as a result, it is becoming more and more vulnerable. Risk is part of an economic and social life, as commercial risks (the risk of absolute products, competitive risks, price risks, etc.), social risks and production risks.

Under the real existence of risk and uncertainty, the foundation of decisions will imply the profound knowledge of the two mediums, internal and external, in which they carry on the activity of the economic agents. The rationalization of human actions and decisions lies in controlling their risks and consequences, reducing uncertainty and non-determination to acceptable levels in given situations. Man is constantly living together with risk, but their consequences have gotten worse with the advance of society from lower to upper

2. RISK TYPOLOGY

The variety of risks to which human lives are exposed to, properties of any kind and the activities carried out compel them to be systematized (Giarini and Stahel, 1996). With a predictive character, it is necessary that risk studies include part of the forecasting, prognostic studies combined with economic, mathematics, management, marketing studies. There are numerous criteria for classification, the most important ones being:

a) By their nature: pure risks and speculative risks

- Pure risks- represent that class of risks that, by happening can only produce loss and never gain, being the consequence of accidental or unexpected events. These events have a certain probability of occurrence, but it is difficult to determine their time of occurrence and the intensity of the phenomena.

- Speculative risks- also called entrepreneurial risks because through their occurrence they can generate gain and well as loss. These risks take place over time due to the activity of economic agents (Iosif, 1997).

b) After implication: fundamental or particular risks

- Fundamental risks- they affect a great part of society or the world, assuming the element of catastrophe
- Particular risks- their consequences are relatively limited by the extent of their effects

c) From the point of view of risk management theory: static risks and dynamic risks

- Static risks- they can only generate loss or maintain status
- Dynamic risks- the typical commercial risks that can generate both profits and losses

d) After assurance: insurable and unsafe risks

- Insurable risks- insurers accept to take the on insurance and for which they offer protection. They are subdivided into general risks (fire, lightning, explosion, earthquake, etc.) and special risks (breakage, scratches, theft).
- Unsafe risks- insurers do not offer protection for them. In this category are included those events whose production is certain or approaching certainty, or produced by the insured

3. RISK MEASUREMENT

Estimating the size of the risk and its effects can only be made under the condition of knowing their probability and the mass of their effects, of the period in which they action and their dynamic (Marmus and Montagne, 1999).

The classification and appraisal criteria are grouped by some authors taking into consideration three dimensions: size (complexity, number of variables), importance (time factor) and probability (degree of uncertainty)

Achieving a real risk measure, especially in terms of comparability, implies conversion based on equivalents of quality aspects in quantity aspects, using, in this way, several aggregation methods (for example, using the typical scale +, 0, -, for big positive influences, null influences and negative ones).

Researchers consider that the size and mode of risk measurement is given by attitude towards risk, how a decision-make thinks and takes into account a risk.

The difference between risk and uncertainty is given by the fact that for risks, every alternative possibility is known, while in uncertainty situations, the alternative probabilities are unknown. The significance of distinction between risk and uncertainty was diminished by introducing subjective probabilities which derive from the impossibility of completely knowing phenomena, being in counterpart with objective probabilities in which observations have statistic information, obtained through long- term observation. This way, any situation of uncertainty can be transformed into a risky one by associating subjective probabilities to alternative possibilities (Howard, 1998).

In the decision-making process, the notion of uncertainty (risk support) and certainty (risk abstraction), cannot be opposite but a gradation according to information quality that affect the quality of economic decisions can be accomplished. Researchers came to the conclusion that decision problems do not depend on the profile, dimension and time horizon in which risk situations happen but on existential space too. These spaces (universes) can be: determined, uncertain, unexpected or hostile.

Determined universe represent that space in which decisions are adopted knowing all the data regarding a problem, situation in which decisions are close to reality, deviations being rather low.

Uncertain universe represents a set of situations or decisions which lead to the possibility of finding known ways to exit the instability state, but without knowing objectively the probabilities of identified phenomenon to appear, several criteria are used in determining the optimal decision:

Accidental universe expresses an assembly of situations which allows the application of probability models depending on the behavior of accidental variables. The decisional optimal can be established by using the following models:

The Statistical Stability model, according to which variable behavior or of events can be modeled in the form of probability laws, having as fundamental law the law of big numbers.

The Hope-Variation model which has as function a variable characterized by variation average. After establishing hope and the deviations from the average, decisions can be compared and made.

CONCLUSION

The district can be an important tool for revitalizing rural areas. It is structured by the physical capital represented by the territory in which the companies belong to a supply chain, the human capital, which consists of the resident population, and the social capital represented by all the relationships and interactions carried out by all those involved. It allows understanding and enhancement of social diversification that characterizes different rural areas and because the district can examine relations between stakeholders. In an internationally marked scenario of uncertainty and anticipation after 2016, the European Union pays particular attention to the application of an effective policy area responding to increased competition in markets, and is an interesting tool for government intervention in rural development in a defined area of quality products. Over the past few years, the European Union has authorized state aid to implement supply chain contracts as well as the sector to promote and modernize agriculture as well as technological development of businesses.

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