

## **GLOBALIZATION AND THE ENVIRONMENTAL ACCOUNTING – IS KOF RELEVANT?**

**Florian Marcel NUTA**

Faculty of Economics and Business Administration

Danubius University

Galati, Romania

[floriann@univ-danubius.ro](mailto:floriann@univ-danubius.ro)

**Abstract:** *There are evidences showing that industrial relocation related to the globalization brought environmental issues especially for the emerging economies. Our paper main objective is to determine the correlation between the globalization and the environmental quality for the specific case of Romania. We choose KOF for describing the globalization as it is the most complete indicator designed for this phenomena assessment.*

**Keywords:** *globalization, KOF, environment, accounting.*

### **INTRODUCTION**

Considering the fact that theories of economic globalization states that it spreads by industrial relocation (Cordella, Grilo, 1998), and by exploitation of non-renewable natural resources (OECD, 2008), as an effect of the removal of trade barriers or restriction regarding the capital movement (Cordella, Grilo, 1998), mainly pursuing the low cost labor force and in many cases because of the low level of environmental regulations and cost (Baek, Cho, Koo, 2008; Maitra, 2003), we can affirm that the globalization brings harm to the natural environment in developing countries and especially in the developing countries.

In this context, globalization seems to have positive effects in developed countries given the fact that these economies export their highly polluting industries and so they externalize the environmental issues once the transnational corporations move their business (O'Brien, Leichenko, 2000). It is also true that large companies underlying the phenomenon have spread the culture of social and environmental responsibility, thus having potential for its protection or remediation of the damages. However, it is interesting to note that the negative impact is greater than the potential environmental benefits.

It is somehow difficult to ask from a country to give away their welfare and growth gain for a healthier environment, as it is demonstrated that the income growth is detrimental to the environment quality (Gale, Mendez, 1998).

### **THE APPROACH**

Our main objective is to determine the correlation between the globalization and the environmental quality. We choose for describing the globalization and its spreading a

composite index – KOF – which in our opinion describes best the phenomena because contains all the aspects of it (economic, social, trade, demographic, etc.). For the environmental quality we choose the CO2 emissions. The reason for choosing CO2 emissions is that the data is easy to find and easy to compare over time.

The case of Romania is a special one because in the last two decades history in contains all the events and mutation common to the transfer from a centralist economy to an open market, even the common mistakes. It was at first less environmental regulated and so an easy target for highly polluting industries. Another essential cause for the less care for its environment was the low cost labour force and the eagerness for economic development and life standard growth.

It is though unclear if the relocation of some industrial capacities from the western more developed countries brought damage to the natural environment given the fact that many other unfriendly industrial sites closed as a result of the economic reforms. This is why after identifying the part of environmental depreciation explained by the globalization we shall investigate further implications and variables influence upon the environmental quality.

## **THE MODELLING**

The first model describes the single correlation between KOF – as a descriptor of the globalization and independent variable – and CO2 emissions – as a descriptor of the natural environment quality and dependent variable.

Model 1: *OLS, using observations 2000-2011 (T = 12)*  
 Dependent variable: *CO2*

	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-ratio</i>	<i>p-value</i>	
Const	72.2097	13.2016	5.4698	0.00027	***
KOF	-0.247058	0.194198	-1.2722	0.23209	
Mean dependent var	55.47917	S.D. dependent var		4.113668	
Sum squared resid	160.2145	S.E. of regression		4.002680	
R-squared	0.339302	Adjusted R-squared		0.123232	
F(1, 10)	1.618480	P-value(F)		0.232090	
Log-likelihood	-32.57690	Akaike criterion		69.15381	
Schwarz criterion	70.12362	Hannan-Quinn		68.79475	
Rho	0.695097	Durbin-Watson		0.599899	

As it is, KOF explains only a third of the environmental modification in terms of CO2 emissions.

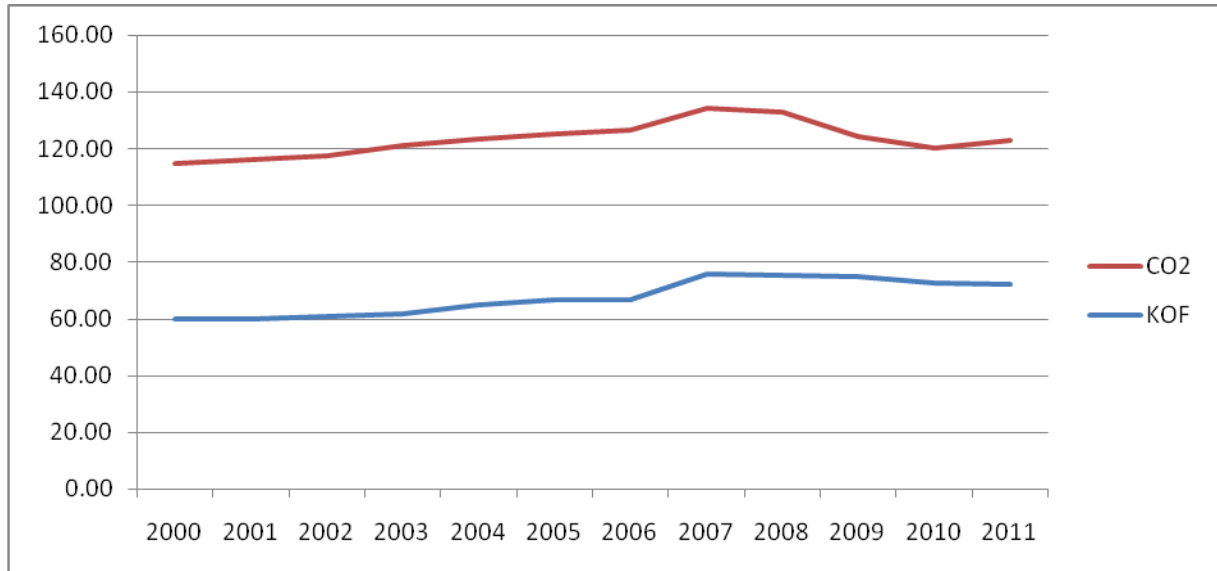


Figure 1 KOF and emissions trend 2000-2011

## CONCLUSIONS

Future work will consist in including more variables in trying to explain the complex impact of modernizing the society upon the environmental health. Also we will extend the discussion from one country to a panel of similar countries. This will ensure a more confident results and better explanation of the environmental deterioration phenomena.

It is also our intention to include other elements into discussion and to determine their influence upon the environmental damage produced in the last couple of decades, such us urbanization or industrial restructuration.

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## **PREVENTING CORRUPTION IN PUBLIC ADMINISTRATION: OLD MEANS, NEW APPROACHES**

**Mihaela V. CĂRĂUȘAN**

National University of Political Studies and Public Administration

Faculty of Public Administration, Bucharest, Romania

*mihaelacarausan@gmail.com*

**Abstract:** *The aim of the paper is to identify corruption prevention tools and new ways of approaching them. The research question is how society coped with corruption in an era heavily marked by the media and the internet. The hypothesis that led us to the study was that new strategies of communication are necessary and based on them the civil society capacity to monitor and evaluate can be improved. The new approaches highlighted new entities, such as education, NGOs, media and internet, or new concepts, such as prevention, local strategies, audit, image and identity. Among these new entities involved in prevention, education should act as a real inner actor to change.*

**Keywords:** *local government, communication, audit, education, co-participation.*

### **1. INTRODUCTION**

For over two decades, European governors have been promoting their willingness to undertake a profound transformation of national administrations, but without specifically involving the civil society. Although the issue of public administration reform in some countries has become a constant in the political discourse and every year state services are influenced by adaptive measures, the citizens are rarely involved. Currently, the ongoing reorganization is of particular interest mainly because of the European integration and the decentralization process which seems to threaten the prerogatives of state administration.

World widely, public administration is provided by a set of institutions that are typically arranged according to the state and nation requirements. The administrative apparatus is, in all countries, a complex that is intended to meet public needs. It was built gradually, especially to ensure the permanence and the independence of the politically organized society and to meet certain needs springing from the "social contract". The entire apparatus became a prodigious and complicated system linked through different types of relationships and connections between the state existing levels, from top to bottom and bottom to top, true communication and transmission channels.

If the weakening process of the national political power can be directly attributed to EU, a process that cannot be controlled nationally, the changes that are made at the local level, with repercussions on the state administration, are more likely to be controlled especially because they challenge the state administration competence, ability and the capacity to effectively intervene.

## **2. THE LOCAL INTERVENTIONS THROUGH EDUCATION**

On the basis of the administrative organization, local communities are organised everywhere and the only difference is that they are designed differently. In addition to these communities with territorial basis, almost everywhere other public organisations, specialised authorities, national companies with limited jurisdiction are set up well.

Among these legal entities, some are purely of administrative nature; others are only related to public administration and compete to achieve the administration's goals, but having a private enterprise character. Some of them are associated with the local communities for ensuring a service or for producing public goods.

The anticorruption strategies should take into account all these forms of organisation and should develop proper actions and methods in order to fight corruption (Gilia, 2007). One of the most important internal factors that could help the state in preventing corruption is considered education, a public service, provided locally, which can be easily adapted to the local community's anticorruption requirements.

Specific policies and strategies are necessary in order to strengthen the capacity of local communities to react to corruption and they should aim:

- to create a participatory framework by involving all local actors (private sector, professional associations, educational or research institutions, trade unions, NGOs and other groups of civil society and the media) in the decision-making process in order to reach the development of the communities to which they belong.
- to develop local networks and partnerships, which will allow an optimum use of the local potential. This result will become possible by using the participatory mechanism, as well as efficient communication and the information system.
- to develop three main types of instruments to guide and promote a realistic and responsible vision over the local development prospects: (i) a local strategy to fight corruption which should establish medium and long term objectives; (ii) an action plan with priorities and steps to follow on short and medium term for reaching the strategy goals, containing an assessment of the costs, financing sources and how to use them, and (iii) a portfolio of projects considered by the entire community as priorities for preventing and combating corruption.
- to build the institutional and administrative capacity of local authorities and civil society to prevent corruption.

## **3. EDUCATION AS AN INNER ACTOR IN PREVENTION**

Romanian national anticorruption legislation developed over the last decade contains a comprehensive set of preventive measures to ensure a high level of integrity in public administration. Within these measures we should not forget the place and role of education in preventing corruption. Personal liability must be accompanied by effective measures enabled by

regulatory framework and by national and local monitoring and evaluation (M&E) instruments. These are responsibilities that also belong to the Romanian teaching staff and remind them to get involved in the anticorruption agenda.

This phenomenon can be reduced only by a comprehensive approach: prevent, educate and combat. In this sense, "the school" should be actively involved in promoting and supporting mechanisms to fight corruption. Given the objectives of anticorruption strategies "the school", can be involved in activities such as:

- trouble shooting specific vulnerabilities of public institutions by implementing systematic preventive measures (e.g. promoting active role of members of society and platforms such as e-governance, e-administration, e-education etc.);
- strengthening the integrity and transparency by promoting anticorruption measures and professional ethical standards;
- strengthening the integrity, efficiency and transparency of local government;
- developing anticorruption component in educational curricula;
- raising awareness of the public about the destructive effect of the corruption phenomenon.

According to the national strategy, "employees' awareness of ethical rules which are governing the exercise of the civil service or public position, the legal duties, the mission and the mandate of the various public institutions; the working procedures and the sanctions are essential preconditions for institutional integrity. Also, integrity and ethics promotion in public life cannot be achieved without the contribution and active role of public service recipients. Rejection of corruption by citizens or reporting the irregularities and the abuses are considered manifestations of citizenship and respect for the rule of law. These values should be promoted and explained thoroughly starting even from school and coupled with easy access to public information. Thus, a fundamental component of the Romanian anticorruption strategy is to enhance public information on the legal obligations of institutions and civil servants and on the ways to prevent corruption through legal and civic means" (Romanian Anticorruption National Strategy, 2012-2015).

As we mentioned before the education system should be seen as an important provider of ethical values and measures to prevent corruption. Consequently, it should be more involved in the local community and should have more responsibilities in local and national anticorruption strategies; in short it should act as a real inner actor to change.

#### **4. COMMUNICATION AS A PREVENTION TOOL**

A human being has its own image about the surrounding phenomena and processes not out of curiosity, but out of necessity, approximates these phenomena and processes necessary for life. This imperative of approaching surrounding reality becomes a social need since social groups were constituted. It is known that one of the main characteristics of human beings, taken individually or as a social group, is the possibility, based on previous experience, to form an image on future actions and how to fulfil them (Bogatu). The more we know about objects and processes the more we can shape better images of the actions and the paths to achieve them. But the human action is not possible without a social experience gained in the proximity of the

surrounding reality. Hence, the individual aspiration to know is an objective requirement, a necessity and not a chance and education should use it as a prevention measure.

The process of communication must be differentiated according to the receiver, which in our case can be an NGO which acts in preventing corruption, media or citizen (parent, student, teacher etc.). If the first two are actors pursuing an objective, societal interest, the latter one is more interested in satisfying a personal, subjective one. The message conveyed to achieve the prevention objective must be structured taking into account the particularities of the receiver. Civil society should not be seen only as a whole; it should be seen and perceived as a sum of organizations and individuals whose aim is to satisfy their own interests.

In the communication process, listening is as important as speaking and reading is as important as writing. Successful communication depends on the appropriateness of the content and form of expression of the message with the ability of perception and understanding of the receiver with his state of mind. Messages must be presented differently depending on the social receiver. Moreover, the message for NGOs is different from the one for media. But in order to do this the communication process should be improved and properly conceived.

The context and the environment are adjacent components that can affect the communication quality. They refer to space, time, mental state, interference noise, temperature, visual images which can cause disruption and confusion.

The communication channels, the routes on which the messages circulate, based on the degree of formalization can be: formal or official one that overlaps on the organizational relations or informal ones. An efficient communication process calls for consideration of both types of channels and also the knowledge about their functioning, their advantages and disadvantages in order to use and control them. The spread of corruption news causes a reaction in less than a day, but for sending some special news about prevention measures, the response is received after a week.

The communication means (letters, phone, fax, video and audio, teleconferencing device, computer network, TV, newspaper etc.) offers the technical support to the entire process, depending of them the message can reach the receiver and influence its actions or not. In general, human to human communication is more effective than the phone one and the phone is better than the one from a report. Even so, it is better not to use a single means of communication, e.g. confirmation of a phone discussion with a report is welcome.

In the anticorruption communication process, a very important role is also played by the language. The specific terminology, most of the time the legal one, constitutes a barrier for the receiver in perceiving the anticorruption message and that is why more attention should be paid to the construction of the message.

## **5. IDENTITY AND IMAGE AS DETERRING FACTORS**

Psychologists, sociologists and philosophers show that we live in a world invaded by images, both in the real and imaginary level. Specialists, researchers and theorists argue that marketing communication and constant concern for creating and developing visibility, awareness and reputation have made the issue of identity and image become an important topic in reform and social processes, such as the political, administrative and even the educational one (Chiciudean and David, 2011:13).

The organization's identity plays a central role in shaping its image and many models were building based on the analysis of the interaction of these two elements. In its model Sue Westcott Alessandri suggests that in the creation process of image and reputation, a bottom-up inductive process should take place, a process that combines the organizational elements and the collective mental one. Michael Baker and John Balmer's model comprise correction elements which determine coherence and consistency between the identity and perception elements. The model that helped us in understanding and addressing the public sector system was developed by Balmer and Gray (1999:171-176 and 2003:972-997), and reveals multiple interactions between the identity of the organization, the internal and external factors that influence the organisation and the perception of organizational realities by the target audience. All of them determine the organization image and reputation, and the types of communication chosen (Chiciudean and David, 2011:21-28).

The image of the public sector is what "most of the public perceives as being the actual situation of the public system." This representation evolves as a complex process involving information, interests, beliefs, prejudices, stereotypes, taboos. The picture is not homogeneous neither at citizens' level and nor at the group, civil society level. The image cannot be defined globally; it should be studied and defined taking into account the characteristics and activities performed. The image is given by three elements (Decaudin et al., cited in Chiciudean and David, 2011:29): the desired image (projected image), the transmitted image (converted image into messages) and perceived image (the image crystallized in the public mind after sending the message). (Chiciudean and David, 2011:29)

Given the projected image in the society, the public sector should develop mechanisms for communication with civil society, tools that will improve national and European reputation. In order to produce the expected effects communication should not be made unidirectional; it must seek involvement and empowerment of the interested factors.

As we stated before, in preventing corruption education plays a major role, a public sector reform cannot be made without considering the field in which the largest human resources are involved - the education sector. Any attempt to use the education system as a contributor to prevention measures is influenced by the quality of education. Moreover, education cannot be successful if corruption is not addressed as a factor, both internally and externally. For "school" efficiency, quality and performance, the corruption phenomenon should be also prevented from inside the system. The lack of integrity and ethics in the education system produces several effects in society as in any other system thereof. The education system effects are not currently perceived, as destructive as the one of public administration. And yet today's education influences tomorrow's societal system.

## **6. NEW USES OF COMMUNICATION TECHNIQUES**

Before running information to the general public, the people responsible for preventing corruption should be good connoisseurs of the subject, well informed and prepared to engage beyond their organizational lines. The anticorruption communication team is the key to the success of the preventive measures. In addition, it is equally important that staff in anticorruption communication should be familiar with the format and rules of media events and media documents. Education is available in all forms, and therefore, is an area that public sector should



focus on and be willing to invest for a better training of society in preventing the corruption acts. As we mentioned earlier, the tools available to professionals today are abundant. This section provides an overview of the most effective communication tools in preventing corruption acts and examples of use:

- the press conference: when making breakthrough of news which should be continuously delivered, when making claims involving individuals easy to be recognised, notable ones and when creating the need to address or respond to media questions.
- the exclusive interview one-to-one: when intending to obtain an in-depth coverage in a publication, which goes directly to the target audience, when one wants to keep the ball rolling for several days or weeks.
- the non-exclusive interviews one-on-one: when we want to have a certain person or organization you represent, or if the person is really well-trained and could help in a better description of a situation.
- the media alert: when we simply need to inform the media about an event, in the warning message should appear who, what, when and where it occurred.
- the press releases: when seeking proactive dissemination of general information about anticorruption measures; also used as a reaction or response to other breaking news.
- the media briefings: when planning to bring in media an underway initiative, can be done by organizing a breakfast with the media, in some cases, even a teleconference.
- the anchor letters: used when there is a story idea for the media, which have lasting effects and transmit sensitive information.
- the editorial review: when one needs to send a laborious picture on a very important aspect; it is recommended to be published in simple words, written as opinions, but since they are very doable and difficult to be published, they should not be used too often unless they are a pertinent analysis.

The internet also provides an outlet for disseminating information via multiple non-conventional methods. Developing an interactive website is no longer an option but a requirement to pay for all public information to its convenient time and place. Nowadays, both young and middle-aged people, using Wi-Fi cafes and book stores with free internet, make the website an indispensable part of any communication effort. It serves as a two-way communication tool that not only conveys information but also gets feedback from its users. In addition, numerous blogs and chat rooms are increasingly used as communication tools.

## **7. THE AUDIT - AN NGOs INTERVENTION MEANS**

Non-governmental organizations are the voice of civil society, of local and national communities and must compete in the prevention and fight against corruption. In addition they should co-participate with other members of the community with which can establish and develop forms of audit.

The audit can be used as a preventive measure to determine the effectiveness of a program, process, personnel qualification, and skills or as a curative treatment to limit situations that affect the public sector image. The audit should be viewed as a methodical examination, an external assessment conducted to determine whether the activities and results of the Romanian public sector are created/obtained for the purpose of preventing and combating corruption. NGOs audit

is called to assess and evaluate the effectiveness of the public system in preventing and combating corruption.

The major objective of the audit is to assist public institutions in their fight against corruption. The non-governmental organization that will be involved in such an audit would perform analyzes, appraisals, recommendations and pertinent comments on this issue. Openness and transparency of the administrative system are basic pillars for such activities, since no assessment of the public system can be achieved without analysing the resources, including accounting and financial operations, involved in this fight.

Through audit the non-governmental organizations can verify compliance with policies and strategies developed in this field, the information used and produced by the public system and can offer operational measures for preventing corruption.

The NGO which will promote the audit should not be involved in joint projects with audited institution, it should not be considered superior to the latter one and must find facts and comply with strict ethical principles. The organization of the audit will be carried out only after they informed the respective public institution. The audit activities can be promoted to support absorption of graduates in the labour market, and to find proper anticorruption measures.

## **8. INSTEAD OF CONCLUSIONS**

The development and implementation of a communication anticorruption strategy are essential to effectively carry out anticorruption campaigns. In today's world where news travels extremely fast and the media is the main catalyst in shaping public opinion, it is essential for an organization fighting corruption to place communication in the top priority. By conducting effective communication campaigns the organization can contribute to the raise of population awareness on issues related to corruption.

A good communication strategy should inform individuals about their rights, existing laws which protect these rights and the mechanisms available to counter corruption. This may lead people to engage in the fight against corruption, especially if they become aware of how corruption negatively affects their individual lives, their families and the society in which they live.

Platform communication is imperative to include monitoring the activity. This should be done throughout the implementation of the communication strategy. Consequently, we should aim to measure the reaction of civil society, of citizens and even the press to, the message, to the tools used for its transmission. In this respect, it is necessary to allocate human, material and financial resources to monitor all media channels (even those that were not used for the direct transmission of the message), to do the content analysis of news media in anticorruption, to analyze comments, questions raised after the transmission of the message, to establish trends, perceptions that have their origin in the message sent.

Once the communication strategy is implemented a post-implementation evaluation should be realized, in order to perform a deep analysis of the issued messages, coming from employees, partner and private competitor organization.

After this stage it is preferable to make new assessments on the image notoriety of the organization and design new communication strategies. Completion of a communication strategy opens future communication strategies and in this way "the communication wheel does not stop."

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