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Youth Employment and Sustainability: public policies for a balanced development



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Austerity policies in the Eurozone: How they affect youth unemployment?

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Abstract:

Aim: Analyse the effects of stabilization policies on youth unemployment, using government deficit besides the use of fiscal policy by the supply side; aimed to characterize the economic framework conditions under which fiscal policy could reduce youth unemployment.

Design/Research methods: We consider an economic framework featuring the use of monetary and fiscal rules within a monetary union. In this scenario, that should be representative of the Eurozone, we will analyse the effects of stabilization policies when dealing with a financial crisis which produces contractive effects on output and on employment. We will pay special attention to the conservativeness of the central bank, the degree of austerity of the fiscal authorities and the initial level of government debt. Those characteristics prove to be crucial for the sustainability of economic policies packages based on fiscal consolidation and the use of fiscal policy instruments by the supply side, when trying to deal with unemployment. And given that in the financial crisis effects have been hit Eurozone countries in a different manner, we will also differentiate monetary union's member countries according with their government debt and their unemployment path.

Conclusions/findings: Fiscal authorities should be no austere for fighting youth unemployment, when using fiscal policy by the supply side. In other words, when optimizing their loss function, they should give more weight to the output stabilization goal than to the government deficit reduction.

Originality/value of the article: Allowing for the use of both monetary and fiscal policy rules, in the scenario of a monetary union, our results could help us to establish the conditions under which fiscal policy could help to alleviate youth unemployment.

Key words: Monetary unions, fiscal consolidation, sustainable policies, youth unemployment.

JEL Codes: E62, E63, H6

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1. Introduction

The process of job destruction, spread worldwide, which began after the crisis initiated in 2007, has had a particularly negative effect on youth unemployment. This was already a structural problem in several countries, mainly developing and peripheral ones, which has been aggravated by the crisis. Youth unemployment, by affecting the economic situation of the younger population, compromises the potential growth and the sustainability of the economy. The goal number 8 of the Sustainable Development Goals (SDGs) of the United Nations pursues “decent work and economic growth”, and among its targets are (i) the full employment of young people, (ii) the reduction in the proportion of young people who are neither working nor studying, and (iii) the implementation of a strategy to boost youth employment (Gómez et al. 2016).

In the Eurozone, the financial crisis effects have been hit countries in a different manner. Certain groups of the periphery have showed more vulnerable, producing alarming figures on output decreases and unemployment increases, particularly those of youth unemployment. This compromise the inter-generational aspects of sustainable growth and development.

These problems become particularly relevant in the case of the member countries of a monetary union facing a sovereign debt crisis, given that fiscal policy is the only domestic stabilization policy, and also is constrained by the need to carry out fiscal consolidation and reduce debt levels. The pre-existing national different fiscal frameworks need to be consistent with the requirements of discipline at the union level and should be supported by an appropriate design of structural policies. But even in a set of integrated economies as the European Union (EU) and the Eurozone prove to be, the policies measures adopted for recovering after the crisis become of special relevance. For that reason, the social policy of the EU is committed to a strategy of active inclusion of people excluded from the labour market, in the fight against poverty and social exclusion; identifying as critical the link between social vulnerability and youth unemployment (European Commission 2008). And for contributing to the recovery of the recent crisis, based on the Juncker

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Plan, the European Fund for Strategic Investments (EFSI) is aimed to promote jobs and sustainable development (European Commission 2017).

As was addressed by Blanchard (2004), the evolution of the average European unemployment rate hides large cross-country differences and the path of unemployment have been very different across countries. One of the reasons is that in the European Monetary Union (EMU), the member countries are characterized by the diversity of their labour markets. And given that labour market institutions differ across European countries, macroeconomic shocks, institutional changes, and international integration influence unemployment changes (Bertola 2017). During the last decade, the Great Recession has had a profound impact. In 2017, youth unemployment (less than 25 years) in Germany, at 6.70%, was the lowest of the Eurozone countries (18.33% in average), followed by the Netherlands at 8.87%. By contrast, the highest figures have been reached by Greece, 43%, and Spain, 38% (Eurostat).

Having these considerations in mind, Díaz-Roldán (2018) has recently conducted an exercise for evaluating the use of fiscal policies by the supply side (FPSS) in heterogeneous monetary unions. The results support the traditional Phillips Curve predictions on inflation and unemployment relationship, while the use of fiscal policies by the supply side are not always advisable for stabilization purposes.

In this paper, we will analyse, in strategic terms, the effects of stabilization policies on unemployment, using government deficit besides the use of FPSS. After calculating changes on unemployment figures, our results will characterize the economic framework conditions under which FPSS could reduce unemployment.

To that aim, we will make use of a simple model for a monetary union (Díaz-Roldán 2017) using explicit policy rules and allowing for a more or less conservative governor of the central bank. We will also consider both an austere and no austere fiscal policy and, finally, we will take into account the initial level of public debt of the member countries of the union. Our analysis will focus on the collective affected by youth unemployment, since compromise the inter-generational aspects of sustainable growth and development.

In order to highlight the effects of the diversity of labour markets and economic frameworks among EMU members, in this paper, we will perform an empirical application for three sets of European countries: the core, the peripheral, and the Eastern countries. The first group will be formed by five of the six founding states of the current EU, namely Belgium, France, Germany, Luxembourg and Netherlands. Those countries, known as the core of the EU, have shown relatively sustainable macroeconomic results after the recent crisis (Ahlborn, Wortmann 2017).

Nevertheless, among the current 19 countries of the EMU, some of them exhibit both high national budget deficits relative to GDP, and rising government debt levels: namely Portugal, Italy, Greece and Spain. Those are the southern and peripheral European countries, and they have been grouped, in Anglo jargon, as PIGS; although in 2008, it became PIIGS when Ireland was added after her banking crisis. For highlighting the relevance of high government deficits and debt level, for the recovery after the crisis, the peripheral European countries (PIIGS) will be our second group of analysis when performing the empirical application.

Our third set of countries will be constituted by the EMU counties belonging to the Central and Eastern European (CEE) countries. Those countries, grouping the former socialist countries of Europe, experienced significant growth after their accession to the EU which led to a high potential for convergence with their Western EU partners but, sometimes, at the cost of unsustainable external positions. Trying to test the export-led growth hypothesis Bajo-Rubio and Díaz-Roldán (2009) found that the Baltic states (in particular Latvia and Lithuania), showed external deficits potentially unsustainable in the long run and they also suffered a great fall in their rates of growth. Recently, after the economic crisis some of them have recovered their external disequilibria, although the fiscal consolidation required for recovering would mean a brake on their process of growth and convergence.

The paper structures as follows: the next section is dedicated to show the modelling strategy, next we will perform an empirical application discussing the results. Finally, in the concluding remarks we will summarize the main findings and their policy implications.

2. Modelling strategy

In this section, we will follow the approach by Díaz-Roldán (2017). The departure point is a two-country aggregate demand-aggregate supply model describing a small monetary union formed by two symmetric countries. The single monetary authority (i.e., the central bank) of the union follows a Taylor-type monetary rule aimed to achieve the inflation targeting goal. Full delegation of prices control to the monetary authority of the union is assumed. Consequently, the government deficit will be the only demand policy instrument available at the country level. By solving the model, the reduced-form equations for the output levels and inflation rates of the two countries are obtained. These reduced-form equations depend on the fiscal policy instruments, as well as an exogenous country-specific shocks to aggregate demand (hitting consumption, investment, trade balance, and money market) and supply (changing wage- and price-push factors, labour force, and productivity). In the set of equations which form the macroeconomic model, we allow for (i) a fiscal policy or a demand shock: i.e., variations in consumption or investment, changes of the trade balance, or any monetary policy; and (ii) a supply shock: i.e., an exogenous fluctuation in wages or prices, or a change in labour force or productivity; as well as any kind of fiscal policy applied by the supply side, such changes on contributions paid by employees, social security contributions by employers, payroll taxes, or indirect taxes.

Given the countries' economic structure, summarized in the corresponding reduced-form equations of the model, the fiscal authorities of each member country of the monetary union will proceed to minimize both changes in output, with stabilization purposes, and changes in the government deficit; to achieve budgetary discipline, given their loss function. In this framework, among the set of policy makers decisions, the use of a fiscal rule in both countries is allowed. The rule relates the achievement of the government deficit goal with the public debt path and the output level of each country. The explicit use of fiscal rules describes the current situation of EU fiscal governance, since the European Commission has enforced fiscal policy coordination and the use of numerical fiscal rules (see ECB 2013, for

an analysis). Solving the optimization problem, we will obtain the optimal (fiscal) policy, i.e., the optimal level of public deficit compatible with the stabilization goal.

3. Empirical application

3.1. The baseline model

To illustrate the current situation faced by the Eurozone countries, in the empirical application we have computed the values for the case of a common demand contractive shock, leading to contractive effects on output and prices, and provoking a rise on unemployment figures.

For doing that, we have adopted the following assumptions. The shocks suffered by the countries have been normalized to 1, so they are perfectly symmetric in size, although the shocks may differ in their sign, being perfectly asymmetric in their effects. Next, we will give numerical values to the parameters of the equations describing the model features (see Diaz-Roldán 2017 for details).

- (1) In the monetary rule: we will assign a relatively high value to the weight of the inflation goal, to characterize a more conservative central banker.
- (2) In the fiscal rule, we will describe a “disciplined” scenario in which there is a greater concern about deviations of debt and accumulated deficit than about deviations in production, aimed to fulfil fiscal consolidation supranational requirements as can be observed in the Eurozone.
- (3) In the loss function we would assume that fiscal authorities could be more concerned about fiscal discipline or, on the contrary, they could be more concerned about output growth, to characterize a more austere or less austere national fiscal authority.

After solving the optimization problems for the cooperative and the non-cooperative solution of the fiscal authorities, we obtain the optimal solution for the budget deficits, and we are also able to calculate the corresponding values of output and inflation. Additionally, we calculate the percentage of change of the unemployment rate u , when none FPSS is applied; and we calculate also the percentage of change of the unemployment rate u_F , when the fiscal authority applies

any kind of FPSS (changes on contributions paid by employees, social security contributions by employers, payroll taxes, or indirect taxes). The numerical results for unemployment are reported in Table 1. Given the variables of the model are defined as logarithmic deviations from their equilibrium levels, and the values of the shocks have been normalized to 1, the figures of the tables should be interpreted as deviation points from the equilibrium level. To the extent that our variable of interest is unemployment, figures on table 1 can be interpreted as the increase (+) or decrease (-) of the deviation of the actual unemployment rate from the NAIRU.

According to that, we will obtain different macroeconomic results depending on: (i) the degree of austerity of fiscal authorities' attitude, (ii) the initial level of government debt of countries; (iii) and the way in which fiscal authorities solve their optimization problem: in a cooperative or in an individual manner.

In Table 1 we can see the deviations of total unemployment using or not FPSS, under different macroeconomic scenarios. As have been explained above, the scenarios differ depending on the fiscal authorities' decision (cooperative or no cooperative), their preferences (austere or no austere), and the initial level of government debt.

Table 1. Total unemployment

| Cooperative solution | | |
|---------------------------------|----------------|----------------|
| | high debt | low debt |
| austere | $u = 7.18$ | $u = -8.64$ |
| | $u_F = 9.15$ | $u_F = -16.09$ |
| no austere | $u = 11.74$ | $u = -7.16$ |
| | $u_F = 14.49$ | $u_F = -29.76$ |
| Non cooperative solution | | |
| | high debt | low debt |
| austere | $u = -2.73$ | $u = 3.00$ |
| | $u_F = -7.37$ | $u_F = 6.04$ |
| no austere | $u = -4.04$ | $u = 5.88$ |
| | $u_F = -12.09$ | $u_F = 11.76$ |

Source: Own elaboration based on the model by Díaz-Roldán (2017) and the described scenario.

Notes: u = total unemployment without using fiscal policy by the supply-side

u_F = total unemployment after applying any fiscal policy by the supply-side

As can be seen, the best result (the biggest decrease of the deviation) is obtained when fiscal authorities act in a cooperative manner, have no austere preferences, apply FPSS, and both countries show low debt figures. On the contrary, the worst result is produced when countries show high debt figures and the fiscal authorities cooperate. In the face of high debt levels, the no cooperative decision, joint with no austere preferences, proves to be the best.

3.2. Empirical application to the Eurozone

Since we are interested on the collective affected by youth unemployment in the Eurozone, we will show the changes of the figures reported in Table 1 if we apply those qualitative results to Eurozone members. As we mentioned in the Introduction section, in the Eurozone, the financial crisis effects have been hit countries in a different manner. For that reason, we will differentiate three sets of countries: the core, the peripheral and the Eastern countries¹. Those groups have not shown the same macroeconomic trend after the recent crisis, especially if we look at their public finances. In Table 2 we can see the average of government debt. The countries grouped as PIIGS, show figures three times higher than the CORE countries ten years after the crisis.

Table 2. Gross government debt, average, percentage GDP year 2017

| Eurozone | CORE | PIIGS | CEE |
|----------|-------|--------|-------|
| 86.70 | 68.78 | 120.45 | 42.66 |

Source: Eurostat.

As showed in Table 3, the youth unemployment in PIIGS countries, doubles the figure of youth unemployment in the CORE countries in the same year 2017.

¹ Eurozone countries: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain. CORE countries: Belgium, France, Germany, Luxembourg, the Netherlands.

PIIGS countries: Portugal, Ireland, Italy, Greece, Spain. CEE countries belonging to Eurozone: Estonia, Latvia, Lithuania, Slovak Republic, Slovenia.

Table 3. Percentage of active population (seasonally adjusted data) of youth unemployment (less than 25 years), year 2017

| Eurozone | CORE | PIIGS | CEE |
|----------|-------|-------|-------|
| 18.33 | 14.54 | 31.10 | 14.51 |

Source: Eurostat.

Taking into account the percentage of youth unemployment, according to Table 3, we have computed the percentage of change of the youth unemployment rate when none FPSS is applied; and the percentage of change of the youth unemployment rate, when the fiscal authority applies any kind of FPSS.

The obtained results for total unemployment, showed in Table 1, hold when looking at total youth unemployment of the Eurozone (Table 5). In qualitative terms, the results are equivalent when we split the Eurozone in three sets of countries (the CORE, the PIIGS and the CEE countries), as we can see in Tables 6 to 8.

Table 5. Youth unemployment total Eurozone (19) countries

| Cooperative solution | | |
|--------------------------|---------------|---------------|
| austere | high debt | low debt |
| | $u = 1.32$ | $u = -1.58$ |
| no austere | $u_F = 1.68$ | $u_F = -2.95$ |
| | $u = 2.15$ | $u = -1.31$ |
| | $u_F = 2.66$ | $u_F = -5.46$ |
| Non cooperative solution | | |
| austere | high debt | low debt |
| | $u = -0.50$ | $u = 0.55$ |
| no austere | $u_F = -1.35$ | $u_F = 1.11$ |
| | $u = -0.74$ | $u = 1.08$ |
| | $u_F = -2.22$ | $u_F = 2.16$ |

Source: Own elaboration based on Table 1 and data obtained from Eurostat.

Notes: u = youth unemployment without using fiscal policy by the supply-side u_F = youth unemployment after applying any fiscal policy by the supply-side

Table 6. Youth unemployment CORE Eurozone countries

| Cooperative solution | | |
|---------------------------------|---------------|---------------|
| austere | high debt | low debt |
| | $u = 1.04$ | $u = -1.26$ |
| | $u_F = 1.33$ | $u_F = -2.34$ |
| no austere | $u = 1.71$ | $u = -1.04$ |
| | $u_F = 2.11$ | $u_F = -4.33$ |
| Non cooperative solution | | |
| austere | high debt | low debt |
| | $u = -0.40$ | $u = 0.44$ |
| | $u_F = -1.07$ | $u_F = 0.88$ |
| no austere | $u = -0.59$ | $u = 0.85$ |
| | $u_F = -1.76$ | $u_F = 1.71$ |

Source: Own elaboration based on Table 1 and data obtained from Eurostat.

Notes: u = youth unemployment without using fiscal policy by the supply-side

u_F = youth unemployment after applying any fiscal policy by the supply-side

Table 7. Youth unemployment PIIGS Eurozone countries

| Cooperative solution | | |
|---------------------------------|---------------|---------------|
| austere | high debt | low debt |
| | $u = 2.23$ | $u = -2.69$ |
| | $u_F = 2.85$ | $u_F = -5.00$ |
| no austere | $u = 3.65$ | $u = -2.23$ |
| | $u_F = 4.51$ | $u_F = -9.26$ |
| Non cooperative solution | | |
| austere | high debt | low debt |
| | $u = -0.85$ | $u = 0.93$ |
| | $u_F = -2.29$ | $u_F = 1.88$ |
| no austere | $u = -1.26$ | $u = 1.83$ |
| | $u_F = -3.76$ | $u_F = 3.66$ |

Source: Own elaboration based on Table 1 and data obtained from Eurostat.

Notes: u = youth unemployment without using fiscal policy by the supply-side

u_F = youth unemployment after applying any fiscal policy by the supply-side

Table 8. Youth unemployment CEE Eurozone countries

| Cooperative solution | | |
|--------------------------|---------------|---------------|
| | high debt | low debt |
| austere | $u = 1.04$ | $u = -1.25$ |
| | $u_F = 1.33$ | $u_F = -2.33$ |
| no austere | $u = 1.70$ | $u = -1.04$ |
| | $u_F = 2.10$ | $u_F = -4.32$ |
| Non cooperative solution | | |
| | high debt | low debt |
| austere | $u = -0.40$ | $u = 0.44$ |
| | $u_F = -1.07$ | $u_F = 0.88$ |
| no austere | $u = -0.59$ | $u = 0.85$ |
| | $u_F = -1.75$ | $u_F = 1.71$ |

Source: Own elaboration based on Table 1 and data obtained from Eurostat.

Notes: u = youth unemployment without using fiscal policy by the supply-side

u_F = youth unemployment after applying any fiscal policy by the supply-side

But according to data on Table 2, we could characterize the CORE and the CEE countries as “low debt” countries, given they are below the Eurozone average. On the contrary, we would say that PIIGS countries are “high debt” ones, given they show a government debt above the Eurozone average. As stressed by Rozmahel et al. (2014) the division between CORE, periphery and CEE countries is obvious. And they also show slow and steady convergence of CEE towards the CORE countries regarding infrastructure and human capital.

Having this consideration in mind, and looking at Tables 6 to 8, our results would indicate that:

- For the CORE and the CEE countries, the best solution to fighting youth unemployment would be given by the cooperation among their fiscal authorities (when having decisions on the optimal level of government deficit), act in a no austere manner (showing a growth promoting preferences) and use any kind of fiscal policy by the supply side.
- For the PIIGS countries, the best solution would be no cooperation among fiscal authorities (i.e., not to implement the same objective for government

deficit when managing fiscal policy at country level); act in a no austere manner and use any kind of fiscal policy by the supply side.

Notice that under our model assumptions (conservative central banker, and the use of a disciplined fiscal rule aimed to achieve fiscal consolidation), fiscal authorities should be no austere for achieving better results when fighting youth unemployment. In other words, when optimizing their loss function, they should give more weight to the output stabilization goal than to the government deficit reduction.

Moreover, following the assumptions of the model, the optimal decision of fiscal authorities depends on the effects of the initial government debt level. As stressed by Barrios et al. (2010), that estimated the determinants of successful fiscal consolidation, government debt level plays a significant role in achieving a successful fiscal consolidation. For that reason, given we have split Eurozone countries according to their macroeconomic performance, we obtain that the optimal policy (coordinated or no coordinated) is related to the level of government debt. Depending on that level, countries should apply or not the same objective for government deficit; leading to the implementation of different kind of fiscal policies and fiscal policies by the supply side. Those results would be in line with Picatoste et al. (2016), who conclude that policy makers should decide to apply different legal regulations affecting workers or firms.

4. Concluding remarks

In this paper, we have analysed the effects of stabilization policies on youth unemployment, using government deficit besides the use of fiscal policy by the supply side; aimed to characterize the economic framework conditions under which fiscal policy could reduce youth unemployment in a monetary union.

To that aim, we have considered an economic framework featuring the use of monetary and fiscal rules within a monetary union. In this scenario, that should be representative of the Eurozone, we have analysed the effects of stabilization policies when dealing with a financial crisis having contractive effects on output. We have

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payed special attention to the conservativeness of the central bank, the degree of austerity of the fiscal authorities and the initial level of public debt. Those characteristics prove to be crucial for the sustainability of economic policies packages based on fiscal consolidation and the use of fiscal policy instruments by the supply side.

But in the Eurozone, the financial crisis effects have been hit countries in a different manner. Certain groups of the periphery have showed more vulnerable, producing alarming figures on output decreases and unemployment increases, particularly those of youth unemployment. This compromise the inter-generational aspects of sustainable growth and development. For that reason, in our analysis, we have differentiated monetary union's member countries according with their macroeconomic performance.

According to our results, the CORE and the CEE countries, when fighting youth unemployment should coordinate their fiscal authorities' decisions, act in a no austere manner and they should use any kind of fiscal policy by the supply side. On the contrary, the PIIGS countries, should manage their fiscal policies in an individual way, act in a no austere manner and they also should use any kind of fiscal policy by the supply side. Those optimal policies prove to be related to the level of government debt, which reinforces the idea that fiscal consolidation is not a trivial question regarding the performance of the Eurozone.

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Individual social capital as an asset of personal marketing in the job search process

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Abstract:

Aim: The aim of this study is to highlight the role of individual social capital as a personal marketing asset with specific weight in the job search process. The marketing mix instruments are transferred to the analysis of the individual. In this approach, the social network and the attributes of the subject play a specific role in his characteristics as a "product", in his "promotion" and "distribution", and in his "price", which in this case is the salary.

Design/Research methods: The methodology used to elaborate this work is based on an exploratory analysis, and seeks to establish a state of the art from the literature on "individual social capital" and "personal marketing". For this, firstly, both concepts are considered, and secondly, the individual social capital as an asset of personal marketing in the job search process is studied, using the tools of the marketing mix (4 P's).

Conclusions/findings: Based on the analysis carried out, we conclude that individual social capital is decisive in the development of personal marketing, whose ultimate goal is to find a job and get a higher income.

Originality/value of the article: The originality of this article lies in applying the tools of the marketing mix to the individual, and considering it as a "product" that wants to be demanded in the labor market; highlighting also the role that individual social capital plays in this process.

Key words: Personal marketing; individual social capital; social network; promotion; employment; income.

JEL Codes: A14, J2, M31.

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1. Introduction

This article links two concepts and / or areas of knowledge – social capital and marketing – apparently distant and subject, however, to numerous and relevant links. Issues such as relational marketing, social responsibility, environmental analysis, consumer behavior, word of mouth marketing, organizational structure and culture, social skills... are explained in several researches under the joint prism of constructs cited.

Our paper focuses on the analysis of the role of individual social capital as an asset of personal marketing with specific weight in the job search process. Individual social capital refers to the network of relationships and personal contacts of the focal subject, and also includes its attributes as a person. For its part, personal marketing employs marketing concepts and tools for the benefit and promotion of the individual's career.

Based on the review of the academic literature, the exploratory analysis that follows uses the categories of operational marketing and marketing mix; thus, the subject is equated to a “product” that has certain characteristics, is promoted by becoming visible, is distributed by positioning itself in a position to be acquired (in the labor market), and has a price (in its case a salary). In this process, the social network of the person and its own attributes – the individual social capital – become an essential asset of the four instruments (4 p's) indicated, which are combined in order to achieve the proposed objective, which is to be sued and acquired by the labor market.

2. What is social capital

Social capital is a relatively new variable-concept, which however has had an exponential boom in recent years. This factor completes, together with human capital (referring to education and the experience of individuals), the analysis of endowments presented by the economy, traditionally more concerned with physical capital and natural capital (Sánchez, Pena 2005: 138-139).

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A consensus definition says that social capital is the set of attributes of the social dimension, such as norms and values, trust and social networks that promote cooperative behaviors and favor the functioning of the economy and society in general (Membela 2016).

It is a multidimensional construct, sometimes called “umbrella concept” and criticized for its ambiguity (Fine 1999; Dasgupta, Serageldin 2000). However, this multidimensionality – it includes many elements that inhabit the “social” field – does not diminish its functionality and essentiality (Robison et al. 2001).

The need to outline the concept, how it acts and what its performance is, leads researchers to take advantage of some of the channels offered by literature. These can be structured in the following three approaches:

- a) From the individualistic perspective, social capital is an “individual resource” that consists of the networks of relations of the focal subject and their associated instrumental and expressive resources (Bourdieu 1986; Lin 1999).
- b) For the communitarian perspective, social capital is a “community resource”; a set of attributes and properties present in the social structure (norms and shared values, particular trust, closure) that facilitate its functioning and collective action (Coleman 1988; Bowles, Gintis 2002).
- c) Finally, for the macrosocial perspective, social capital is a “macrosocial and macroinstitutional resource” that, resting on aspects such as citizenship, general trust and social cohesion, lubricates the economy and society in general (Putnam 1993; Knack, Keefer 1997).

In short, the theory of social capital has had, for twenty-five years, a strong growth in terms of scientific and informative articles, essays and monographs, doctoral theses and references published ad hoc. And it has entered to inform great amount of matters and theories; such as economics, sociology, politics, education, family, health, crime, organization theory, technological innovation, and employment (Tsai, Ghoshal 1998: 464; Adler, Kwon 2002: 17; Guiso et al. 2011: 418); question, that of employment, in which we focus on the present text.

This article takes as axis the “individualistic” perspective of social capital. This “microsocial” perspective, also known as “network approach”, is very widespread and focuses on the analysis of social capital as a resource of individual character,

where the actor uses his network of relationships in the achievement of personal goals, both instrumental (income, status, power...) and expressive (welfare, health, recognition, mutual aid...) (Millán, Gordon 2004; Membiela 2016).

The most outstanding reference within this exhibition line is Nan Lin (1999). However, one of the initiators of the theory of social capital, Pierre Bourdieu, in his pioneering article “The Forms of Capital” (1986), already defined social capital as the aggregate of real or potential resources that are linked to the possession of a lasting network of more or less institutionalized relations of knowledge or mutual recognition. In Bourdieu, useful relationships serve to obtain material and symbolic resources; and thus, the social capital possessed by the agent depends on the network of connections it can mobilize and the volume of capital (economic, cultural or symbolic) held by those to which it is connected.

Other researchers have followed this current of social capital theory. Burt (1992) defines social capital as more general friends, colleagues and contacts through which you receive opportunities to use your financial and human capital. Knoke (1999) states that it is the process by which actors create and mobilize their network connections within and between organizations to gain access to the resources of other social actors. For Belliveau, O'Reilly and Wade (1996) consists of the number of people who can be expected to provide support and the resources that those people have at their disposal. And Baker says that social capital is a resource that actors obtain from specific social structures and then use to pursue their interests; is created by changes in the relationship between actors.

If we talk about the social network of the individual, and the resources that can be extracted from it – a question that in the following sections we will link to personal marketing and the job search process, the concept of “individual social capital” becomes interesting, very present in the micro approach of social capital.

Glaeser, Laibson and Sacerdote (2002) refer to individual social capital as those characteristics of the person who, in interaction with other subjects and groups, allow him to reap market and non-market returns. This characterization includes social skills, charisma, status and the quantity and quality of their contacts. In the same vein, Wolleb (2008: 374) points out that the term individual social capital collects the “contacts” that the individual has. Nan Lin (2008: 55) also refers to

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individual social capital as the network of relationships to which the person has access and points out its utility when it comes to achieving some instrumental purposes such as “social mobility”. And Pena and Sánchez (2013) write that individual social capital is the set of personal attributes and access networks that facilitate individuals to achieve market and non-market objectives, as a result of interacting with other individuals; the individual social capital is the network of relationships owned by a certain subject and its value lies in the resources that it can extract from them.

3. What is marketing?

The word marketing is very present in the collective subconscious, although it should be remembered that it basically consists of a set of principles and practices that seek to increase trade, especially demand. This simple definition can be extrapolated, however, to any type of organization and institution, of a non-business nature (Kotler, Armstrong 2004).

As a discipline, marketing has evolved since the fifties and sixties of the twentieth century, and has varied in its approach; more focused on the product and the transaction in the past, and more focused on the market and on the relationship with customers and intermediaries nowadays (Santesmases 2012).

Marketing is, according to the American Marketing Association (1985), the process of planning and executing the concept, price, promotion and distribution of ideas, products and services to create exchanges that serve to meet the objectives of individuals or organizations.

In this definition, components of strategic marketing and operational marketing are appreciated. The first expresses the “where we are and where we want to go”, which includes, with a long-term vision, the analysis of needs, the definition of the reference market, the study of competition and the environment, and the positioning of the brand. The second deals with the “what we have to do to achieve these objectives”, which encompasses, with a short and medium term vision, the definition of the chosen segment, the design, execution and control of the marketing plan, the

marketing mix (product, price, promotion and distribution), and the marketing budget (Lambin et al. 2009).

In short, marketing, in its strategic and operational dimensions, is present in the business field, and in institutions and non-profit organizations. And its applicability has been analyzed in fields as diverse as religion, politics, education, health and tourism (Sheperd 2005).

In the same way that marketing concurs in business and non-business organizations, it can also be applied to the personal field. The individual can and should sell an image and promote a personal and reputational brand that provides positive returns in the labor and non-work areas.

In their article “Branding the Concept of Marketing”, Kotler and Levi (1969) broadened the terrain occupied by marketing beyond the sphere of business and pointed out that “personal marketing” is an endemic human activity, present in the employee who deals to impress your boss as in the statesman who seeks the support of the public. With the arrival of mass communication, these authors continue, the commercialization of people has been delivered to professionals. Hollywood stars have their press representatives, political candidates their advertising agencies...

The text in question uses the term personal marketing, although we also include the presence of the words personal branding and self marketing that express similar but not identical meanings (Sheperd 2005).

In a globalized and highly competitive world, marketing skills extrapolated to the person are beneficial in order to promote entrepreneurship, transmit visibility, positioning, and relationship with society and the environment in which the individual develops (Valarezo Paredes 2015; Peters 2000). In this sense and as Sheperd (2005) points out, pure talent alone is not enough to reach the pinnacle of success; personal marketing can give a competitive advantage.

Personal marketing is defined by Kotler (2003) as a new discipline that uses the concepts and tools of marketing to benefit the career and personal experiences of individuals, putting the value of the human being in all its attributes, characteristics and complex structure. While Pérez Ortega (2008) expresses that it consists of, starting from some marked objectives of personal and / or professional life, choosing the most appropriate strategies and tools to achieve these objectives, taking into

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account the reality of the people who live with us and often in competition, and all within a changing environment.

In summary, personal marketing is much more than “selling oneself”, although this elocution is embodied in the noblest of forms (Acosta Vera 2006). In the personal marketing, strategic marketing (personal life goals, analysis of our strengths and weaknesses, analysis of the competition and the environment, personal marketing plan) and operational marketing (concrete tools to achieve these objectives) are present.

4. Individual social capital as an asset of personal marketing in the job search process

In what follows, the process of active job search is considered and the individual is equated with a product that interrelates with the other tools of operational marketing. The variables of the marketing mix (product, price, promotion, distribution) are interpreted under the prism of personal marketing, being the objective the achievement of the best result in terms of employment and status. In particular, we are interested in the role that individual social capital plays in this process.

4.1. The product-person

The product is everything that can be offered in a market for its attention, acquisition or consumption, and that satisfies a desire or a need. The marketing offer, as Kotler and Armstrong (2006) point out, includes people, places, organizations, information and ideas.

The individual is a product available to the demand of the labor market, which has attributes in the form of quality, characteristics and even style and design.

As is logical, “human capital”, constituted by education, knowledge, innate aptitudes, competences and experience, has a substantial weight in this point (Cameron, Neal 2005; Acosta Vera 2006); aspects that make the subject more attractive in terms of its characteristics and quality.

The product-person also tends to be more interesting for the labor market the greater its individual social capital. If the personal attributes (disposition, attitude, ethics-values, social skills, emotional intelligence, self-esteem, group work) are positive, the actual product-person will increase its value (Acosta Vera 2006; Goleman 2010). Likewise, the social network of the individual increases, a priori, access to information and opportunities with which the reference organization can benefit.

4.2. The promotion and distribution of the product-person

The promotion is the element of the marketing mix that serves to inform, persuade and remember a market about a product or the organization that sells it, with the hope of influencing the feelings, beliefs or behavior of the receivers of the promoter action (Stanton et al. 2007).

The characteristics and the quality of the product-person often are not enough to be demanded by the labor market. It should be made known its existence and the benefits it brings; this means to promote or communicate the product (Santosmases 2012).

The promotion can be carried out in different ways. The goal is to create an image, differentiate and position yourself.

At present, online social networks linked to the labor market have become relevant (linkedin, infojobs); although social media in general, and especially twitter, “communicate” the presence of the individual and its value, in the same way that they make known a brand, product or service (Carballar 2011). These networks also affect the perceived image and the reputational capital of the subject (Herrera 2009).

Personal promotion is also linked to participation in professional events, the authorship of blogs, websites and articles on topics related to the area of knowledge; and with the updating of the information through different sources of information (newspapers and magazines, newsletters, official organisms...) (Acosta Vera 2006).

For its part, the distribution relates the product to consumption; its mission is to make the good available to the market, and to do so in a way that stimulates its acquisition (Santosmases 2012). In our case, the individual is the product that can

meet certain needs of the company as a labor force demanding. The distribution of the product-person encompasses the organizations or relational nodes of the individual, who have, or not, knowledge of their work disposition.

Individual social capital plays a very important role both in the promotion and in the distribution of the product-person. On the one hand, the subject communicates (online or offline) his presence using and / or consolidating their social network (Herrera 2009). On the other hand, he is in a position to be sued, since said network or individual social capital (family, friendships, acquaintances) is a decisive provider of information and opportunities with the potential to affect his employment and status (Granovetter 1973, 1999; Membiela 2016). In this sense, says Acosta Vera (2006), 85% of employment is generated by small and medium enterprises, and many of them do not use professional selection systems. In addition, the fact that a very significant percentage of workers find employment through personal contacts offers an idea of the role that the personal social network plays in this regard.

4.3. The price of the product-person

The price is the amount of money that is charged for a product or service: it is the sum of values that the clients exchange for the benefits of having or using a product (Kotler, Armstrong 2013).

In the case of the product-person, the price is equivalent to the salary and this is a function of the benefit that the reference organization perceives that it can obtain from the subject, from its “value”. Logically, the value depends on the characteristics of the product-person, that is, of its human capital (education, knowledge, experience) (Schultz 1962; Mankiw et al. 1992; Savvides, Stengos 2009) and also of their individual social capital (personal attributes and network of contacts of the subject) (Boxman et al. 1991).

5. Conclusions and discussion

Social capital is a multidimensional concept that is linked to various economic and non-economic reasons. This article has analyzed the weight of “individual social

capital” in “personal marketing”, within the process of active job search. The social network and the attributes of the subject have a specific weight in the marketing mix instruments, described in the text as: product-person, promotion of the product-person, distribution of the product-person and the price of the product-person.

The adequate combination of these instruments will influence the achievement of personal objectives; which are the promotion of the individual's career and demand by the labor market.

Future research will continue this line of research and will empirically test the relationship between the variables indicated. In particular, and given the high rates of youth unemployment in certain countries, the potential contribution of individual social capital to the performance of human capital within this segment of the population is of great interest.

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The implications of social responsibility in reducing youth unemployment in Romania

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Abstract:

Aim: Lately, there is more and more discussion about sustainable development and social responsibility within organizations, thus increasing the pressure on organizations and managers to act ethically and responsibly. The main purpose of this study is to present how Romanian businesses have integrated aspects of social responsibility into the decision-making and management systems of organizations. The study focuses on identifying the main factors behind the development of the concept of social responsibility and presenting the link between economic activity and sustainable development. A major focus of this research is the study on the implications of corporate social responsibility in reducing the number of youth unemployment at national level.

Design/Research methods: As far as the methodology of research is concerned, we will start from the theoretical documentation and we will continue with empirical research, using descriptive analysis and statistical interpretation of data as the main research methods.

Conclusions/findings: Empirical research conducted in this paper allowed us to observe the involvement of organizations in adopting support measures for the social problems of young people unemployed.

Originality/value of the article: Social responsibility is a vast concept that is growing in Romania and the implication of this concept in solving unemployment has led us to realize the present research that we want to add value to both the business environment in Romania and young researchers interested in this field.

Keywords: *management, social responsibility, youth unemployment.*

JEL: Q56

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1. Introduction

The Corporate Social Responsibility (CSR) has become an important topic in organizational management – both for practitioners and for theoreticians. The results of production systems can have negative effects on the environment, thus taking into account these elements is the basis for sustainable development within companies (Margarit, Bran 2011).

Corporate Social Responsibility means respecting ethical and moral obligations in the economic, social and environmental spheres. Companies are trying to communicate as clearly as possible the key elements of their ethical practices, so more and more companies, including Romania's companies, have published sustainability reports lately (Stanescu 2017). This is only a confirmation of what the benefits of social responsibility involve in the corporate management system.

2. Global and European Corporate Social Responsibility

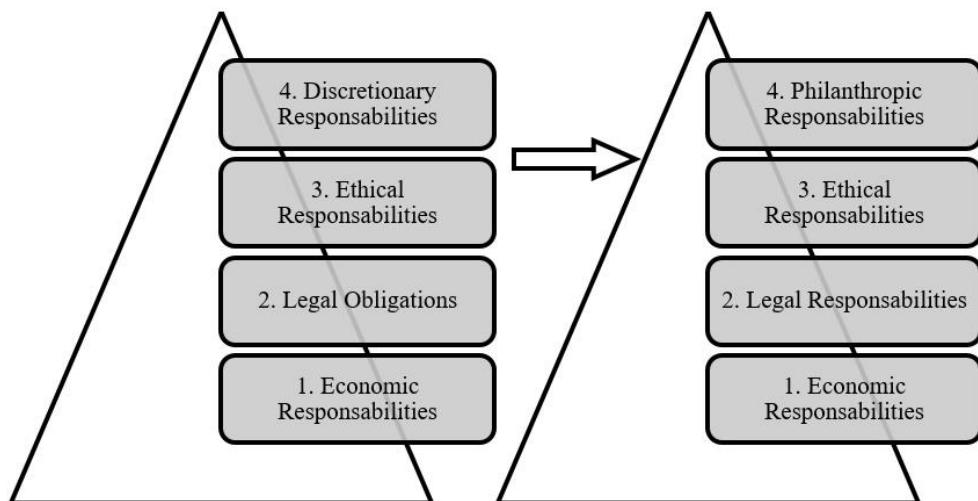
Corporate Social Responsibility, a concept that emerged after the Second World War, quickly became a desideratum for companies wishing to advance economically and socially. Gradually, more and more fierce competitiveness in the business environment has transformed the concept of corporate social responsibility from the target into demand for most businesses.

Specialized literature abounds in concept definitions, however there is no standardized definition of what corporate social responsibility means. One of the best-known definitions is given by the World Business Council for Consumable Development in 1998; they define corporate social responsibility as “continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large”.

Another definition of corporate social responsibility is given by researcher Archie Carroll who identified four elements of the concept; initially in 1979, Carroll enumerated and emphasized the importance of the following responsibilities of a

company integrating a strategic CSR program: economic, legal, ethical and discretionary responsibility. A few years later, in 1991, the same author offered a new version of the previously defined definition by replacing the idea of discretion with philanthropy, creating Pyramid of Corporate Social Responsibility (see Figure 1).

Figure 1. Pyramid of Corporate Social Responsibility



Carroll, 1979.

Carroll, 1991.

Source: Adaptation of Carroll (1991).

The CSR pyramid remained very important in the literature and was commented by numerous researchers. The four levels of the corporate social responsibility pyramid were reinterpreted and explained as follows:

1. Economic – the responsibility to earn after stakeholder investment;
2. Legal – the responsibility to comply with the law;
3. Ethics – the responsibility to adhere to social norms uncodified by laws but expected by the actors operating in society;
4. Philanthropic – the responsibility to have a defined role in voluntary help for a segment of the society (Burton, Goldsby 2009).

At the level of the European Union, corporate social responsibility is an area of interest for the authorities, so the European Commission recognizes its importance in the context of sustainable development and gives us another definition: “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (Commission of the European Communities 2001).

Thus, in the opinion of the European authorities, a corporate social responsibility program has two characteristics: firstly it is based on the moral responsibility of companies that create a long-term profitable relationship system; secondly, it emphasizes its voluntary nature, because it does not there is a legal basis that requires companies to apply the CSR program. The Commission promotes CSR in the European Union and encourages enterprises to adhere to international guidelines and principles. To evaluate the CSR strategy, the Commission launched a Public Consultation on CSR 2011-2014: achievements, shortcomings, and future challenges in 2014. The European Union’s policy is built on an agenda for action to support this approach. It includes

Figure 2. The CSR strategy of European Union

- 
- 1. • Enhancing the visibility of CSR and disseminating good practices
 - 2. • Improving and tracking levels of trust in business
 - 3. • Improving self and co-regulation processes
 - 4. • Enhancing market rewards for CSR
 - 5. • Improving company disclosure of social and environmental information
 - 6. • Further integrating CSR into education, training and research
 - 7. • Emphasising the importance of national and sub-national CSR policies
 - 8. • Better aligning European and global approaches to CSR.

Source: http://ec.europa.eu/growth/industry/corporate-social-responsibility_en [07.05.2019].

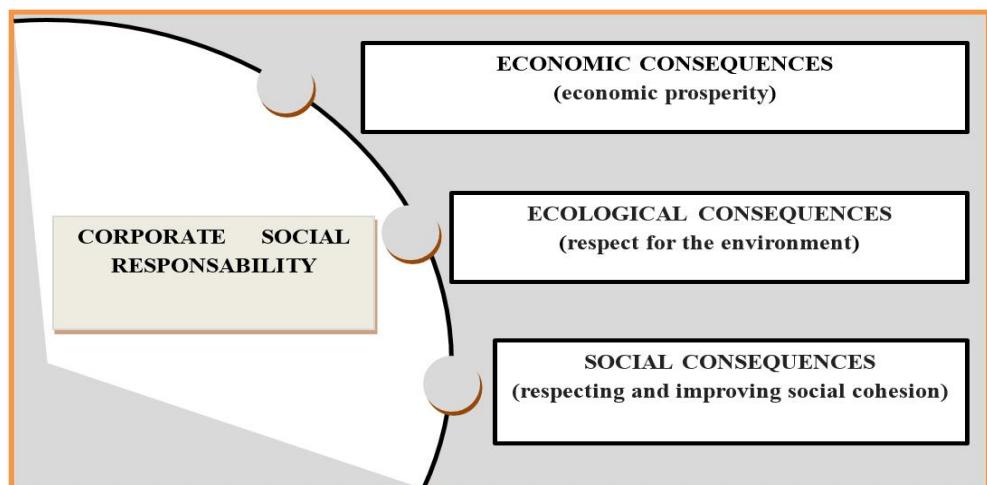
THE IMPLICATIONS OF SOCIAL RESPONSIBILITY IN REDUCING ...

Although Corporate Social Responsibility programs involve significant costs from companies, they are profitable management strategies while providing trust and credibility to the actions taken by the entity. Moving from the main business goal to achieving business success implies a deeper strategic approach from management, a strategy that is based on three categories of objectives: economic (making profits, reinvesting it and creating value added), social (equitable participation of all social groups) and ecological (rational use of limited resources).

The European approach to CSR enables the concept of sustainable development for businesses to be operational. In practical terms, the social responsibility is associated with the “triple-bottom-line” concept: economic prosperity, respect for the environment, respect for and improvement of social cohesion (see Figure 3). (Hristea 2011).

Corporate Social Responsibility contributes to the sustainable development of companies that choose to integrate the environmental and social issues faced by modern human society. In other words, everyone benefits from the use of social responsibility programs: the company that paves its way to business success by increasing profits and creating long-lasting relationships with the stakeholder and disadvantaged communities that receive support for local development.

Figure 3. The Impact of Corporate Social Responsibility on human society



Source: Adaptation of Hristea (2011).

3. The main directions of Corporate Social Responsibility

Corporate Social Responsibility programs have an impact on the environment in which the enterprise operates, influencing:

- Internal environment – company management, shareholders, employees.
- External environment – suppliers, customers, competitors, state, banks, trade unions, civil society, etc.

In the first case, the factors that focus on the internal environment of the company are treatment of women and minorities, employee relations and advancement potential. In the second case the factors that focus on the external environment are treatment of the environment, external perceptions of quality and external perceptions of employee compensation due to marketplace comparisons. (Rothbardt 2012).

At international level, companies that choose to integrate the concept of CSR into their businesses have four lines of action: respecting the human rights, respecting labor standards, protecting the environment, and fighting corruption. By implementing CSR programs, businesses promote moral values and principles, business ethics is a benchmark for managers who aim not only at meeting economic goals but also engaging in sustainable development of society.

By adopting effective CSR programs, companies can benefit from multiple facilities: cost savings, brand image enhancement, incentives and motivation for employees, optimizing opportunities for access to capital, attracting customers and increasing turnover, reducing risks (Hristea 2011).

Studying the literature, we can conclude that the main directions of action of the social responsibility programs of the companies materialize in:

- a) Promoting business ethics standards;
- b) Defending the rights of employees and create safe working conditions for them;
- c) Developing programs to prevent employee discrimination;
- d) Developing training programs for the unemployed;
- e) Supporting equal opportunities by protecting the rights of women, children, the elderly, minorities;
- f) Promoting and sustaining culture, art;

- g) Supporting educational institutions;
- h) Promoting and developing consumer protection programs;
- i) Protecting the environment, etc.

4. Corporate social responsibility in Romania

The concept of corporate social responsibility originated in the United States of America and began to be promoted at European level in the mid-1980s. In Romania, CSR emerged after 1990 when multinational companies entered the economic environment and implemented principles and practices in this sphere.

Gradually, the social responsibility actions of foreign companies in Romania have intensified and have become a constant concern for them in the context of the implementation of sustainable development strategies. The practices of multinational companies in the field of CSR have been an example for Romanian companies that have allocated significant budgets for running programs that have preoccupations with economic, social and environmental concerns.

After 2000, corporate social responsibility has become a growing phenomenon in Romania's business environment, and Romanian companies have responded to a new challenge: the issue of reporting and transparency of CSR activities. The drafting of sustainability reports is a current concern for businesses, given the importance of communicating and consolidating the public image of companies. Unfortunately, studies conducted in the field of corporate social responsibility in Romania show that "the availability of companies to communicate information on CSR activity is limited" (www.amfiteatrueconomic.ro).

Another concern of Romanian companies is, or should be, identifying the needs of the communities in which they operate. Research in the field contradicts the fact that Romanian companies base their social responsibility activities on the basis of scientific diagnoses, of course, with exceptions for large companies. The reasons why the needs of the community are not correctly identified are multiple: lack of local development strategies, lack of corporate CSR compartments, decision-making

without stakeholder consultation, confusion of CSR with sponsorship, limiting the budgets that companies put the provision of CSR activities, etc.

Most companies in Romania carry out CSR activities in areas such as education (including professional development of their own employees), social, environment, followed by culture and art, and other areas with less attention (Obrad et al. 2011).

Given that there is a social and economic framework in development in Romania, the concept of corporate social responsibility should go beyond the idea of strengthening the image of the firm and be viewed more and more as what is at European and world level: an essential element of long-term success that is closely linked to the social and environmental performance of the community.

5. Study on the implications of corporate social responsibility in reducing youth unemployment in Romania

Social responsibility has a very important role in the European Union, in the lives of Europeans and their families, and in terms of their influence in promoting society and the economy. Ethics and social responsibility intertwine. Corporate Social Responsibility is the concern of managers to protect and improve the welfare of society, its organization and its members. Social responsibility includes the adoption of a position of support for public issues and disadvantaged groups. For example, the company's social responsibility divisions can include: job creation for young unemployed, development of youth inclusion programs, training and improvement programs for young unemployed.

Youth unemployment is a problem that the European Union has been experiencing for some time. The decrease in the number of unemployed in general and the number of unemployed young people, in particular, is a continuing concern for the European community and is a challenge for the Romanian authorities. In support of authorities, companies have developed social responsibility programs whose ultimate goal is the professional development of young people and training to meet the demands of the labor market. Through the development of vocational and technical education, through the achievement of student internships in the big

companies, the acquisition of professional competencies at the workplace and the adaptation of the human resources to the organizational environment of the enterprise is desired (Sustainability Report, Electrica S.A. 2016). More and more Romanian companies have allocated significant sums for the implementation of CSR programs in the field of education, programs, together with personal development courses, professional orientation and practical workshops specific to the profession that the student is studying. Providing financial support (scholarships) to students in technology high schools, especially those in vocational education, job security after graduation, practical training for the labor market are just some of the advantages the big companies offer in their attempt to reduce the youth unemployment phenomenon.

The research is aimed at appreciating the efforts of the Romanian authorities with those of the companies that carry out CSR activities in order to reduce the youth unemployment. The data necessary for the analysis of the unemployment phenomenon affecting the population from the age group 15-24 years were taken from the statistical yearbook of Romania for the period 2013-2016, data published on the site www.insse.ro, Table 1.

The evolution in the period 2013-2016 of the unemployment rate and the youth unemployment rate (age group 15-24) is shown in Figure 4. The unemployment rate in Romania has decreased continuously, decreasing by almost one percentage point 2013 by the end of 2016 (favorable situation). On the other hand, the youth unemployment rate fluctuated, so there is a slight increase in 2014 compared to 2013 (by 0.4%) and in 2015 and 2016 this will decrease.

It is worth noting that in 2016 as compared to 2013 the decrease of the unemployment rate for the age group of 15-24 years is 3 percentage points, in this context we interpret the evolution of the indicator as a seemingly favorable one, because the efforts made to reduce the unemployment among the youth effect, but the results still place Romania above the EU average (e.g. in 2016 the unemployment rate for the 15-24 age group was 20.4% compared to the EU average of 17.4%).

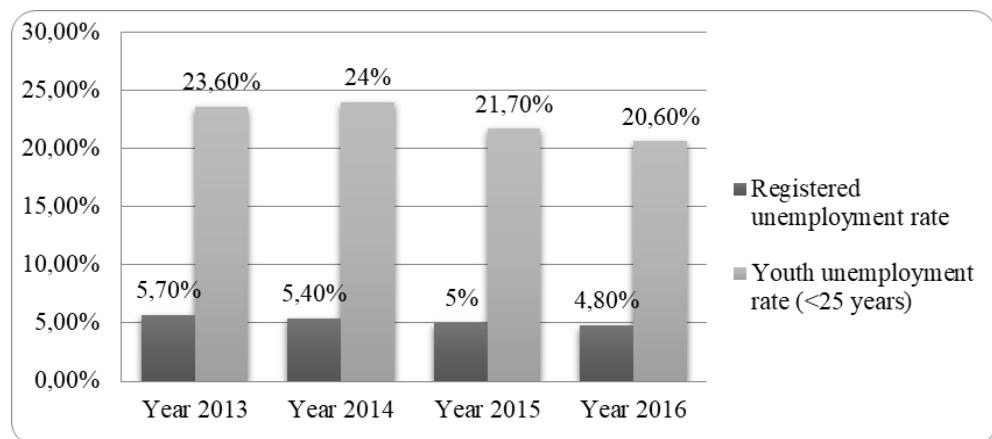
**Table 1. Statistical indicators of unemployment in Romania in 2013-2016
(age group 15-24 years)**

| Indicators | Year 2013 | Year 2014 | Year 2015 | Year 2016 |
|--|----------------------|----------------------|----------------------|----------------------|
| Unemployment rate | 7.10% | 6.80% | 6.80% | 5.90% |
| Registered unemployment rate | 5.70% | 5.40% | 5% | 4.80% |
| Youth unemployment rate (<25 years) | 23.60% | 24% | 21.70% | 20.60% |
| Unemployment rate (15-24 years) – male | 23.50% | 23.60% | 23.40% | 19.90% |
| Unemployment rate (15-24 years) – female | 23.90% | 24.70% | 20.60% | 21.80% |
| Unemployment rate (15-24 years) – urban | 33.30% | 32.60% | 26.90% | 24.90% |
| Unemployment rate (15-24 years) – rural | 17.10% | 18.30% | 18.50% | 18.30% |
| Employment rate (15 -24 years) | 22.90% | 22.50% | 24.50% | 22.30% |
| Long term unemployment rate for young people * (aged 15-24 years) | 14.20% | 14.30% | 13.10% | 13% |
| Incidence of long term unemployment for young people* (aged 15-24 years) | 59.90% | 59.70% | 60.60% | 63.10% |
| Note: * Unemployed for 6 months and over | | | | |

Source: Data downloaded by authors, available at www.insse.ro.

Analyzing the unemployment rate by age group, we notice that in each of the 4 years, the indicator was highest among young people (15-24 years), Figure 4.

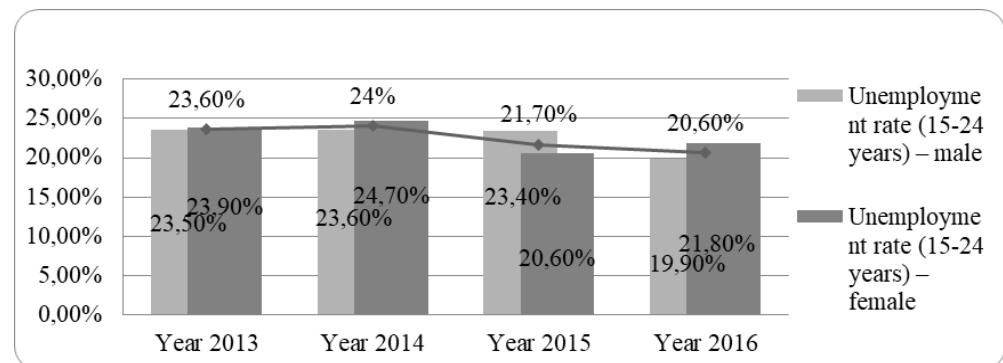
Figure 4. Evolution of the youth unemployment rate as compared to the unemployment rate registered in Romania during the period 2013-2016



Source: Data processed by authors, available at www.insse.ro

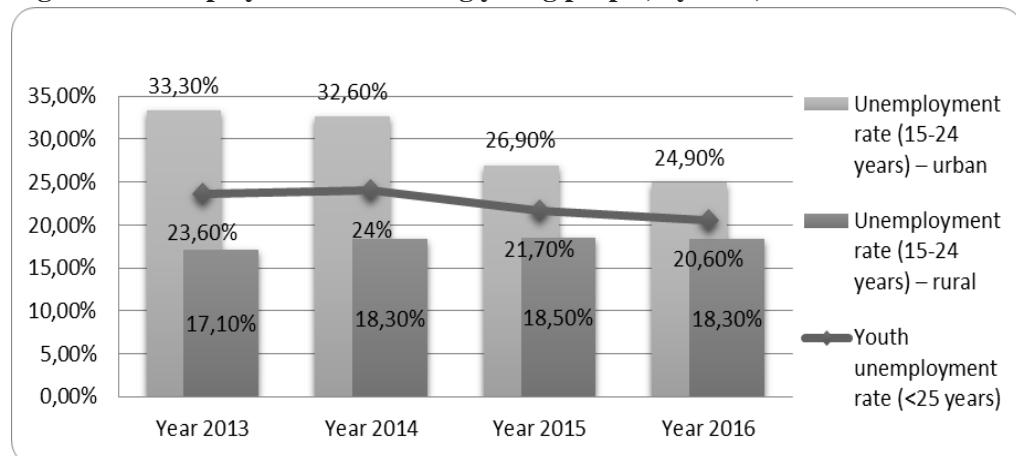
The evolution of the unemployment rate for the 15-24 age group by gender and by average over the period 2013-2016 is shown in Figures 5 and Figure 6.

Analyzing Figure 5, we can see that there are no major differences between men and women aged 15-24 in terms of unemployment: In the years 2013-2014, the female unemployment rate was higher than that among men, but the gap was small, of 0.4% in 2013 and 1.1% in 2014 respectively. The situation is reversed over the next two years when the female unemployment rate was lower than that among men, with nearly 3 percent being registered in 2015 (See Figure 5).

Figure 5. Youth unemployment rate by gender, 2013-2016

Source: Data processed by authors, available at www.insse.ro

Concerning the environment of the unemployed youth, Figure 6 highlights the fact that, during the analyzed period, people in the urban area are more affected by unemployment than those in rural areas. We note the tendency to decrease the unemployment rate of young people in the urban environment and we believe that this has happened to a small extent due to the slight increase of the unemployment rate among young people in rural areas and to a higher extent due to the decrease of the unemployment rate for the category of aged 15-24 (See Figure 6).

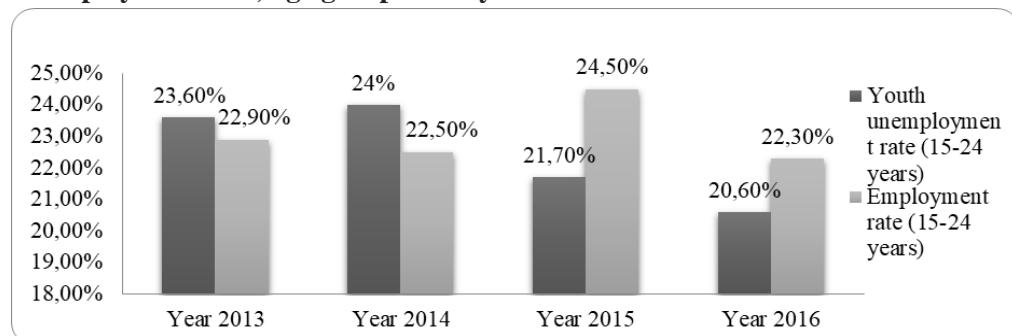
Figure 6. Unemployment rate among young people, by area, in 2013-2016

Source: Data processed by authors, available at www.insse.ro

In the analysis of unemployment indicators, the occupancy rate of the population is also an important factor. The employment rate of the young people represents the share of the employed population in the 15-24 age group in the total population of the same age group.

A high occupancy rate for the population aged 15-24 would reduce the youth unemployment rate. This is also evident from Figure 7, so that in the years 2013-2014 the youth employment rate is lower than the unemployment rate for this age group and in the years 2015-2016 the youth unemployment rate is lower than the employment rate (inversely proportional relationship), Figure 7.

Figure 7. Evolution of the occupancy rate compared to the evolution of the unemployment rate, age group 15-24 years



Source: Data processed by authors, available at www.insse.ro

As a conclusion of this research, we can say that the population aged 15-24 is the most vulnerable on the Romanian labor market: during the analyzed period, the youth unemployment rate reached the highest level, compared to the others age categories in national statistics, so we believe that the involvement of national companies through the implementation of social responsibility programs that aim at integrating young unemployed into the workplace can be an important factor in reducing unemployment in Romania.

6. Conclusions

Corporate Social Responsibility is a commitment that companies undertake to contribute to the economic development of the community in which they operate.

The process of globalization, the development of information technologies, the protection of the environment and the consolidation of human rights are just a few of the factors that have led to the development of this concept that brings the business community closer together.

In Romania, the concept of corporate social responsibility was imported with the entry of multinational companies into the domestic market. Gradually, more and more Romanian companies understood the importance of CSR and allocated significant budgets for the implementation of social and environmental programs.

Awareness of the fact that making profits no longer ensures business success, that the company's sustainable development represents the "future" of the company we live in, has led businesses to adopt consistent strategies in the field of corporate social responsibility based on solid values: ethics, transparency, credibility, integrity.

Caring for the environment, employees and the community make corporate social responsibility an important phenomenon of the contemporary world and a reality of the business environment.

As presented in this research, social responsibility includes the adoption of a position of support for public issues especially among young unemployed. On the basis of the statistical interpretations we could conclude that it is very important for economic organizations to include among their social responsibility departments programs that will provide jobs for young unemployed and develop programs aimed at employing young unemployed. Dropping unemployment is a continuing concern for authorities and it is also for companies who understand the importance of this phenomenon and the need to find solutions that are as effective and quick as possible to solve it.

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Consumption and youth employment - impact on production of Bulgarian organic products

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Abstract:

During the current planning period of the Common Agricultural policy of the European Union, a newly formed Bulgarian organic production sector has rapidly developed. In the span of just three years – from 2014 to 2017 Bulgaria has risen to the top of the EU organic production charts for several products (mainly aromatic oils and honey). This was in part a result of a significant institutional support from CAP and the local government. The production has grown rapidly but the same cannot be said about the local organic food market. Consumers have severe reservations towards organic products, their higher prices and lack of confidence towards their quality and certification.

Aim: To analyze the dynamics of production of Bulgarian organic products and the local organic food market in order to assess its sustainability.

Design/Research methods: The methods used to solve the tasks are: analysis and synthesis, systematic and structural approach, statistical calculations. This study analyzes data from centralized sources as well as from own research.

Conclusions/findings: There is still not enough bio-food processing plants in the country and with the necessary capacity to meet the local market needs. This has led to a clear export orientation of local bio products. Over the last two years, the construction and certification of processing facilities in the sector have begun and they are most often the result of foreign investment. Adding value to Bulgarian bio products is important for their recognition and trust by local consumers as well as those on international markets.

Originality/value of the article: The underlined correlation between production and consumption of organic products in Bulgaria has never been fully researched.

Keywords: bio-products, market, support, competitiveness

JEL: Q01, Q10, Q13

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1. Introduction

The organic production in Bulgaria outpaces the local market growth. The majority (over 80%) of the organic production is exported – mainly on the European market – mostly in Germany, the Netherlands, France, and Italy. There are also exports to the USA, Japan, Korea and Canada. Bulgaria is one of the largest exporters of wild dried berries and herbs. Frozen fruits – strawberries, raspberries and blueberries, organic honey, essential oils of rose, lavender, mint, cheese, yellow cheese and jams are being exported and received very well on the international market (Kostadinova, Popov 2012). Bulgarian organic products are competitive on international markets due to their quality and lower prices, as well as meeting all requirements and standards and being unique in some cases (Kristeva 2014).

Although organic farming in Bulgaria is at an early stage of its development, the trends are ascending for the last 10 years and it is developing at a rapid pace. With the launch of the new Bulgarian Rural Development Program (RDP) for the 2014-2020 period, the expectations for the development of organic farming are increasing, as the EU funding for organic farming is increased 5 times (from EUR 33 million in the previous RDP to EUR 152 million in the new one). For the first time, funding for organic livestock farming is also planned, and measures such as pastoralism (seasonal grazing), conservation of endangered local breeds and other activities are also under funding. This measure allows the organic farming model to be established as an effective solution to small and medium-size businesses for increasing their competitiveness, as well as to maintain employment and create jobs to generate growth in rural areas.

Production of organic foods as a specific part of the agricultural sector has higher requirements regarding the technology and techniques in such enterprises which is better suited for young, flexible entrepreneurs. The results of current study have led the authors to the conclusion that this newly forming sector (organic food production) creates unique opportunities for which younger entrepreneurs are better prepared.

The paper is organized as follows: Section 2 describes used materials, methods and data sources. Section 3 presents the results and discussions splits into three parts and Section 4 concludes this paper.

2. Material and methods

The study makes an analysis of the dynamics of production of Bulgarian organic products and the local organic food market in order to assess its sustainability and also, presents a brief overview about youth employment. For the analyses in the paper is used an information about organic production in Bulgaria provided by the Ministry of Agriculture and Food of the Republic of Bulgaria – MAF (Ministry of Agriculture and Food of the Republic of Bulgaria 2017) which is based on data from the annual reports of organic production certification companies officially approved by the MAF. Also, this study analyzes data from centralized sources as well as from own research. The methods used to solve the tasks are: analysis and synthesis, systematic and structural approach, statistical calculations.

3. Results and discussions

3.1 Production of Bulgarian organic products

Organic has become a way of living (Rossi 2016). Many people have become seen these products as being healthier or tastier than their conventional equivalents, others appreciate good production practices and sustainable job opportunities.

According data from FiBL and IFOAM (Willer, Lernoud 2018), the development of the European Union's organic sector in 2016 was characterized by two trends. On the one hand, the market showed a double-digit growth rate again (12%). On the other hand, organic farmland growth continued to be slower than that of the market, but it was considerably faster than the previous years. The trend of the market growing at a faster rate than the area has been occurring for several years, showing that production is still not keeping pace with consumer demand.

Organic farming in Bulgaria is at an early stage of its development, but the trends are ascending and it is developing at a rapid pace. For the period 2006-2017, the number of organic operators and areas in organic production has increased by more than 12 times, the number of cattle and bee families has increased 7 times, about 10 times for the number of sheep and more than 25 times for the number of goats.

When reviewing registered operators in the control system, it is noted that registered organic breeders are also registered as pasture holdings. This requirements underlying both regulations allows us to analyze the correlation between the pastures in the control system and the livestock units.

Table 1. Number of processors of organic products, 2008-2015

| Type of processors | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|------|------|------|------|------|------|------|------|------|
| Certified manufacturers of organic foods | - | - | - | - | - | - | - | 250 | 253 |
| Processors of fruits and vegetables | 16 | 29 | 21 | 22 | 29 | 21 | 20 | 45 | 54 |
| Processors of grains | 0 | 1 | 2 | 2 | 2 | 0 | 1 | 24 | 23 |
| Processors of dairy products | 3 | 3 | 5 | 7 | 7 | 9 | 14 | 26 | 29 |
| Processors of meat products | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 5 | 0 |
| Processors of bakery products | 0 | 0 | 0 | 1 | 8 | 4 | 10 | 20 | 20 |
| Processors of other foods | 10 | 13 | 16 | 9 | 26 | 45 | 70 | 83 | 95 |
| Processors of beverages | 0 | 0 | 0 | 0 | 6 | 6 | 15 | 22 | 21 |
| Processors of wine | 0 | 0 | 0 | 0 | 5 | 2 | 4 | 14 | 17 |

Source: Eurostat.

By 2016, the organic food processing sector in Bulgaria is still underdeveloped and this is one of the reasons for the low levels of supply of local bio foods. The change in this trend is observed at the end of 2015 and early 2016, when the number of processors increased slightly, largely due to EU-subsidized investments and increased consumer demand (see Table 1). Although there is no significant increase, a concentration of the organic production is evident. After the initial period of

adjustment producers realized the competitive advantages of certain sub-sectors and focused their attention on those (organic wine production, production of processed organic fruit foods and some organic dairy products). The main processed products are yogurt, cheese, honey, bakery products, wine, herbs and tea.

The institutional support for organic livestock breeding in Bulgaria is embodied in the Ordinance № 4 of 24.02.2015, developed by the Bulgarian Ministry of Agriculture and Food, for the implementation of Measure 11 “Organic farming” of RDP for the period 2014-2020. It describes both the requirements for bio-producers, as well as the shape and size of support for individual crops and livestock. Areas in the control system have significant growth, which does not reflect in growth of the number of organically bread animals. This is due to the requirements set by Ordinance № 1 and Ordinance № 4 of the Ministry of Agriculture and Foods for the existence of a minimum volume of grazing areas for the organic farming of livestock.

Based on our own calculations and analysis of the biologically assimilated livestock units available in 2015 amounting to 7 654 LU and permanent meadows and pastures with a total area of 31 796 ha we can conclude that the development of organic pastures in Bulgaria allows to maintain the rate of development of organic livestock farming in the country, with the free base for support in the sector under this criterion being above 75%. The exclusion of organic beekeeping from the calculations and analysis made is based on the presence of significant areas with wild vegetation in the control system, which are more often used by farmers for organic apiculture in the country.

The main crops grown biologically in Bulgaria are arable crops (cereals, green fodder and technical crops); perennials (fruit trees, berries, olives and vines) and meadows and pastures.

The rate of increase of the areas in the control system exceeds the growth rate of the number of operators in organic production in the period from 2006 to 2013 due to the slower reaction of a part of the current producers and processors to the specific requirements of this type of production. The increase in the number of holdings included in the organic livestock control system also has impact on this

process which due to the specificity of some of its sub-sectors does not require the existence of significant areas for the development of production.

The aggravation of the Bulgarian agrarian sector and the specialization in the production of grain and technical crops determine the leading role of big farms. This contributes to the small share of organic farms in the country's total agrarian production. Strict regulatory requirements do not allow the deployment of large-scale organic farms, and in some cases the legal framework makes this absolutely impossible. Due to this fact, there are a number of problems in organic farming for small agrarian farms – the regulated possibilities for direct supply of small quantities of raw materials and food products cannot have a significant positive effect on small farms as the requirements imposed imply significant additional costs (Balieva, Huliyan 2015).

Despite all the problems noted here, the biological production in Bulgaria marks a fast pace of development, which places Bulgaria at seventh place in the world in terms of the area grown according to the requirements for organic production, according to data from FiBL and IFOAM (2015).

3.2 Consumption of Bulgarian organic products

The improved economic situation in the country and an increase in average incomes in 2014-2015 encourage the growing interest in and popularity of healthy eating habits and lead to increased consumption of organic food. Current market trends can be summarized in several key points:

- The market breakthrough in the 2014-2015 was based on it including not only the high-earning households looking for high-quality products but also those with average incomes who are trying to follow a healthy lifestyle and are concerned about unhealthy supplements or preservatives in traditional products.
- The concept of healthy lifestyle and the purchase of organic food has left the borders of large cities in the end of the period. Large and medium-sized cities also account for a growing group of consumers. Although buyers in major cities dominate, the penetration of regional and local markets has begun.

- All types of retail channels show growth in sales of organic products. Improved consumer demand encourages retailers to pay more attention to organic products. The share of organic sales through this channel increased from 44.5% in 2010 to 61.4% in 2015 (see Table 2). This helps to increase consumer awareness, especially on labelling. All retail chains already have specially organized bio-food areas and some market players are making special efforts to emphasize these sales by improving the variety of organic food offered;

Table 2. Distribution of organic packaged food by format, 2013-2015

| Type of retail channel | 2013 | 2014 | 2015 |
|-------------------------------|---------|--------|--------|
| Grocery retailers | 98.80 % | 99.00% | 99.00% |
| Modern grocery retailers | 57.30% | 58.60% | 61.40% |
| Convenience stores | 4.60% | 4.40% | 4.40% |
| Discounters | 27.30% | 28.30% | 28.60% |
| Hypermarkets | 0.80% | 0.80% | 1.00% |
| Supermarkets | 23.00% | 23.60% | 26.00% |
| Traditional grocery retailers | | | |
| Independent small grocers | 25.20% | 23.90% | 20.90% |
| Other grocery retailers | 16.3% | 16.5% | 16.8% |
| Internet retailing | 0.2% | 0.2% | 0.2% |
| Total | 100.0% | 100.0% | 100.0% |

Source: Euromonitor.

- The main challenge remains the level of consumer incomes. Organic foods are often more expensive than their conventional equivalents and are considered inaccessible to many. Higher prices for organic products are a barrier to faster market penetration and rapid sales growth;
- Consumers' awareness of organic food is still not very high but remains critical for market development. Often, conventional food equivalents may have brands or subtypes that are labeled “local” or “natural” products and attract customers at a lower price than the equivalent organic product. Such “green/local/clean” labeling often misleads consumers who rarely fully read

labels. Advertising and marketing campaigns continue to shape positive consumer attitudes;

- Factors contributing to the consumer's lack of trust in bio-products are the weaknesses of the certification system and the lack of trust in their labels. Progress in this regard was made in 2016 with an improved regulatory environment and oversight that promises better prospects for the future.

Organic food sales were estimated in 2015 at 30 million leva (\$ 17 million), up 7% increase over 2014 (see Table 3). The growth for the last 5 years was impressive – at 73%. The sales estimate for 2016 is about \$ 31.6 million (\$ 17.5 million), or 5.3% more than in 2015, and may reach \$ 33.3 million (\$ 18.5 million) in 2017 (final figures for 2017 are not yet available). Organic sales levels in Bulgaria in 2020 are projected to exceed 39 million levs. This would represent a 30% increase on a five year basis (2015-2020).

Most estimates of the size of the organic food market place it at a level of 1% of the total food market, although official data fail to support this claim due to the lack of adequate reporting of organic products sales on the domestic market. Sales of organic baby food represent the largest share in sales of organic products – 36% in 2015. Traded levels have grown by 63% more than in 2010 and by 7% more than in 2014.

The presence of well-established producers in this segment with reliable and quality products keeps the levels of demand high. The market leader in this category maintains low organic baby food prices, which are only slightly higher than conventional equivalents, and this strategy attracts an increasing number of consumers. The category of dairy products is the second largest after baby food with an 18% share of total organic food sales in 2015. In 2015, these sales were 10% more than in 2014 and 54% more than in 2006.

The total number of different organic food stores in the country is around 2,000. The number of organic products sold on the market has increased – from 2500 in 2012 to around 4,500 in 2016. All major retailers, as well as many independent and smaller supermarkets offer organic food.

Table 3. Sales of organic packaged foods by category, 2010-2015 (mil. \$US)

| Category of organic packaged foods | 2011 | 2012 | 2012 | 2013 | 2014 | 2015 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Organic baby food | 3.7 | 3.8 | 4.9 | 5.3 | 5.6 | 6.1 |
| Organic bakery products | 1.3 | 1.4 | 1.6 | 2 | 1.9 | 2.1 |
| Organic biscuits, snack bars, cereals | 0.4 | 0.7 | 0.8 | 0.8 | 0.9 | 0.9 |
| Organic dairy | 1.9 | 2 | 2.3 | 2.5 | 2.7 | 3 |
| Organic sauces, dressings and condiments | NA | NA | NA | 1.4 | 1.4 | 1.4 |
| Organic rice, pasta and noodles | 0.9 | 0.9 | 1.1 | 1.2 | 1.2 | 1.3 |
| Organic spreads | 1 | 1 | 1.2 | 1.2 | 1.3 | 1.4 |
| Organic sweet and savory snacks | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 |
| Organic packaged food | 9.6 | 10.3 | 12.05 | 14.4 | 15.5 | 16.7 |

Source: Euromonitor.

Retail chains remain the main channel for the sale of organic packaged foods. In 2015, they represent 61.4% of organic sales, compared to 58.6% in 2014. The small independent retailers have made only 20.9% of the sales of organic products, with the level of this trade channel falling from 38.8% compared to 2010.

Other retailers (specialized stores) are the third channel representing 16.8% of bio-packaged food in 2015, with the role of this channel growing. The number of specialized sites is increasing significantly and many of them are specialized in the provision of “healthy/organic lifestyle” products such as food, beverages and/or cosmetics that meet consumer demand. These stores offer the greatest variety and quality of products, have a very good market penetration and count the growing popularity.

Some of them combine organic food sales with food services, such as cafes with organic food sales, beverages and herbs. According to the Bulgarian Association of Bio-Producers in 2017, 1500 specialized stores offer bio-products. As consumer demand is still low, most of these stores offer both conventional and organic products under the general concept of “Healthy Food”. Market research at the

moment suggests that specialized stores that only offer organic products are not more than 100 in the whole country.

Another popular channel is farm markets, weekly markets or specially organized markets – for Christmas/Easter, green/bio stands or halls at trade fairs, sporting events, etc. This channel is preferred by local organic farmers and small organic farmers who cannot offer significant retail volumes and quality certification that major retailers require. Due to the growing number of these small farms who are looking for more direct contact with consumers, the role of these markets has grown and they are increasingly competing with specialized stores. This channel has been identified as ideal for promotional and marketing activities and consumer awareness campaigns.

3.3 Impact of the local production, processing and trade of organic product on youth employment in Bulgaria

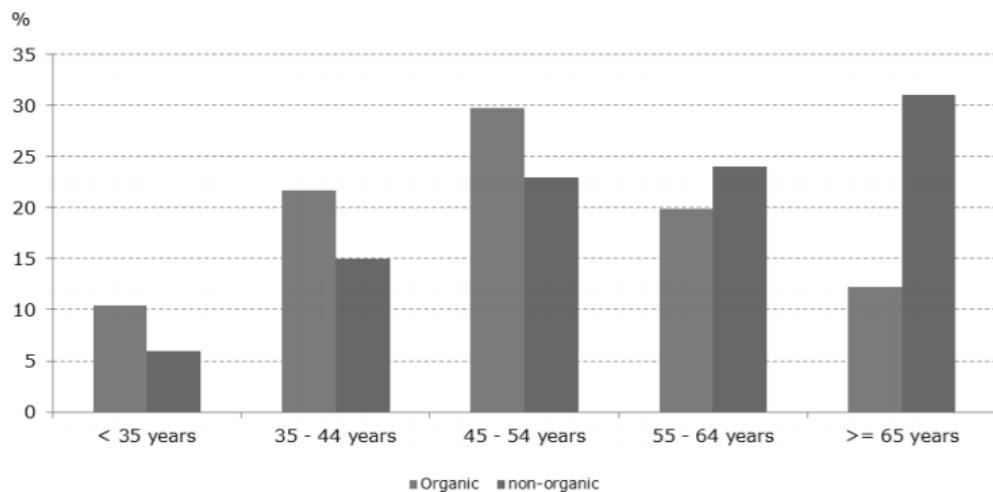
As mentioned above, organic farming is developing successfully in the last decade in comparison to other European countries. The main factors for this developments are good soil and climatic conditions in Bulgaria, lack of polluting industrial complexes for more than 20 years; a good level of education, training and scientific research activities; implementation of projects for lifelong learning and vocational training in the field of organic production, management and trade (UARD 2016); and the development of organic farming concept in Bulgarian society for more than 35 years (Dimitrov, Ivanova 2017). All this activities led to the increase of organic consumers on national level following the general trend in Europe and in the world, which offer great opportunities for forward development of the sector.

Despite the obstacles, organic farming in Bulgaria is developing as a successful entrepreneurial initiative in rural regions (Nikolova 2012).

Production of organic foods is a specific part of the agricultural sector. The higher requirements for such enterprises on the technology and techniques they must employ in order for their production to be certified is better suited for young, flexible entrepreneurs that are prepared to modify their operations based on innovation. This is clearly evident when we analyze the employment of young Bulgarians in the country's agricultural sector (see Figure 1). The group of managers

of agricultural productions under 35 years old forms just 16.3% of all managers in Bulgarian agriculture. Out of those more than 10% are involved in organic productions. The higher profit margins and the younger market for organic foods attracts younger entrepreneurs that are able to employ the government and EU wide funding opportunities to a larger degree.

Figure 1. Comparison of age distribution of farm managers in the organic and non-organic sector in the EU-28 in 2013



Source: Eurostat data FSS.

We have noticed the same trend when we conducted interviews with processors and merchants of organic foods. As part of the project “Production capacity and local consumption of organic products from livestock breeding in Southeast Region” funded by National Scientific Research Fund our research team has conducted numerous interviews with managers and employees from processing and marketing organizations from the sector and a very high percentage of them (more than 65%) were from this age group (under 35 years old). This have lead us to the conclusion that this newly forming sector for organic food production, processing and sales creates unique opportunities for which younger entrepreneurs are better prepared.

Further research on impact of the undergoing development of organic food sector on youth employment is required in order to evaluate the specific motivation

of young entrepreneurs and relevant policy adjustments that can address these new opportunities to increase the overall youth employment in Bulgarian agriculture.

4. Conclusions

Imported products have a very strong presence on Bulgarian market, at least 36% in 2015, according to Euromonitor, and about 60% according to other sources of information on the industry. National producers cannot yet sufficiently identify the requirements of Bulgarian consumers and provide them with products that meet these requirements. Also of importance is the fact that customers tend to trust more internationally certified bio products than the local ones.

There is still not enough bio-food processing plants in the country and with the necessary capacity to meet the local market needs. This has led to a clear export orientation of local bio products. Over the last two years, the construction and certification of processing facilities in the sector have begun and they are most often the result of foreign investment. Adding value to Bulgarian bio products is important for their recognition and trust by local consumers as well as those on international markets.

The organic food market in Bulgaria is estimated at over BGN 30 million for 2016-2017 and is expected to reach levels of about 40 million by 2020. The role of foreign products on the national bio market is diminishing and by 2020 they are expected to represent less than 50%, with their market share at the moment of about 60%. These trends stimulate local producers to seek direct contact with consumers, mainly because of their difficult relationships with the retail chains and the complex processes of certification as well as the legitimacy of the latter. Consumers purchase mostly packaged organic foods and baby bio foods due to the clearly-labeled certification of these products.

The organic production sector, as a newly forming part of Bulgarian agricultural sector focused on organic food production, processing and sales creates unique opportunities for which younger entrepreneurs are better prepared. While the group of farmers under 35 years old makes up the same percentage of organic food

producers as the group of 65 years and older, they are nearly six times less represented in the non-organic producers. This let us conclude that young farmers are more involved with organic farming than non-organic and this trend should continue in the future and thus create new opportunities for young people in Bulgaria.

This newly forming sector for organic food production, processing and sales creates unique opportunities for which younger entrepreneurs are better prepared. Our research result show that almost twice as many young managers are focused on the organic sub-sector than there are working with traditional methods. This correlation is only evident in the group of managers under 35 yours of age and can be used as an evidence for the impact of the development of the sector on youth employment via the opportunities it creates.

Acknowledgments

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Human movements: immigrants and asylum seekers. Two sides of the same coin

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Abstract

Aim: Millions of people are displaced globally, as refugees, asylum seekers or migrants. Although, at a first glance, crisis and conflicts are considered the main trigger for these movements, the migration challenge may have different roots: demographic trends, poverty, the globalization of communication, etc. The present article is an introduction to the main concepts and terminology regarding migration and it links the migration with actual labor problems within the EU.

Design: The article shows how migration terminology is reflected in the EU migration policy and how migration policy affects labor policy and vice versa. The article is to be considered a state of the art or methanalysis and explains the concepts: in-migration, out-migration, refugees, asylum-seekers. In addition, it draws attention to controversies regarding the use of concepts: illegal migration, irregular migration and return migration.

Conclusions: The article presents eight main economic theories of migration. Five of them have as subject of analysis the determinants of migration and the other three have the subject of analysis the perpetuation of migration. Some of the main theories analyzed here are the neoclassical theory of migration, the human capital theory of migration, the new economics theory of migration, world system theory, network theory, migration systems theory.

Originality: The article demonstrates the fact that neither of these economic theories/models explain adequately the actual determinants of migration and it proposes a new model focused more on the transdisciplinary effects of human movements.

Keywords: *migration, crisis, development, asylum seekers, labor market policies*

JEL: J015, J61, J15

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“Even if we are now moving away from crisis mode, it is evident that migration will remain a challenge for a generation of Europeans. Europe urgently needs to equip itself with future-proof means of managing migration responsibly and fairly”.

European Commission President Jean-Claude Juncker

1. Introduction

As the German Chancellor Angela Merkel warned in her speech ahead the EU summit (Shubert et al. 2018) “Migration could be a ‘make or break’ issue for the European Union”. The migration and refugee crisis links several aspects, the increased migration from Middle East and North Africa, aging population in EU developed countries, the EU relations with Turkey, the controversies regarding human rights and the issue of humanitarian action. Despite the above-mentioned issues, Europe is dealing with a lingering debt crisis, a rise of European populism, an escalating trade war with the United States and the negotiations for Brexit.

The recent news as: “La llegada de inmigrantes alcanza su máximo desde 2008” (Martin 2018), “Death threats, despair and deportations: Three years on the front lines of Europe’s migration crisis” (Vonberg 2018) emphasize the characteristics of the present migrant and refugee crisis in Europe.

Furthermore, the regional mass-media news titles, such as: “Central European countries to skip migration summit as EU tries to work out refugee issue” (Kosztolanyi, Cullen 2018), “Italian interior minister tells rescue ship to “bring migrants to the Netherlands” (Mezzofiore 2018), “Hungary’s ‘Stop Soros’ law makes it illegal to help migrants” (Vonberg, Clarke 2018), stress out the political consequences and the tensions between EU member states created by this crisis.

Given the above-mentioned problems, the aim of the present article is to show how migration terminology is reflected in the EU migration policy and how migration policy affects labor policy. Other secondary objectives is to describe the main economic theories of migration and several models and methods that analyzed the relationship between migration and development. The design of the present article is mainly descriptive and is based on scientific works, articles, reports, etc. of famous specialists of regional and international organizations.

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The article faces also several limitations: firstly, is overly descriptive, secondly, the concepts associated with the terminology specific for asylum seekers is somehow included in the over role debate about migrants. Therefore, some may say that this article does not say much about asylum seekers. On the other side, a big advantage of reading this article stays in its utility for those who are just beginning to study issues related to migration and development. The following lines are a short resume of the subchapters.

The first subchapter is introducing the main concepts and terminology regarding migration, such as: internal migration, international migration, refugee and asylum seeker etc. and the tensions and controversies between EU member states that started with 2015 crisis. The following subchapter brings the answers to two main questions regarding the development of international migration and international trade: Why haven't international institutions developed to deal with world migration like those that have developed to deal with world trade? and How should the immigration policies in the host countries should be? and an analysis of the driven forces of migration, especially the economic and the demographic ones.

The third subchapter is a review of the main economic theories of migration, emphasizing the main variables and the main critiques of each of these theories. There are presented in total eight main theories of migration, five of them have as subject of analysis the determinants of migration and the other three have the subject of analysis the perpetuation of migration. The theories are the neoclassical theory of migration, the human capital theory of migration, the new economics theory of migration, world system theory, dual labor market theory, network theory, migration systems theory and transnational theory. All the information from this subchapter is concentrated in a table at the end of it.

The fourth subchapter presents two approaches regarding the methods and the models studying migration and development: the deterministic perspective and the stochastic (probabilistic) perspective, with the corresponding examples for each of them. Finally, the last one presents the advantages of circular migration and several market labor restrictions. Lastly, the article is ending with a set of conclusions and policy recommendations.

2. Conceptualizing migration and presenting recent data

This subchapter offers an overview over the main concepts related to migration and several observations about the refugee crisis from 2015.

Firstly, it is necessary to define the main concepts that stand at the base of this paper. Therefore, the first concept is migration understood as the movement of a person or a group of persons within a country (internal migration) or across an international border (international migration). Regarding the former, there are two types of migration: in-migration, the permanent movement of persons into a new area, and out-migration, the permanent movement of people out of their origin area. Regarding the international migration, there are emigration, the process of departing from one country to another, and immigration, the process by which non-nationals enter into another country (International Organization for Migration 2011).

As the actual crisis is not referring only at immigrants, but also at refugees and asylum seekers, it has to be distinguished between these two terms. According to Convention relating to the Status of Refugees, Art. 1 A(2) a refugee is a person who “owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence as a result of such events, is unable or, owing to such fear, is unwilling to return to it” (United Nations 1951) while an asylum seeker is a person who applies for asylum in order to be acknowledged as a refugee, but it does not have this status yet (UNHCR 2018).

Furthermore, it should be taken into account several observations about the refugee crisis from 2015: the migratory flows from Middle East are a part of a new historical period in terms of international migratory pressures. One of the most contributing factors of this fact include the persistence of significant inequalities regarding salaries between countries and the demographic dynamic of the developed world (the increasing aging population) and of the developing world (with more equilibrated cohorts of population). In addition, another attracting factor of migration regards the consumption lifestyles in developed world that are spread

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rapidly in developing world, alongside with the diminishing costs of displacements and transportation (Alonso 2011).

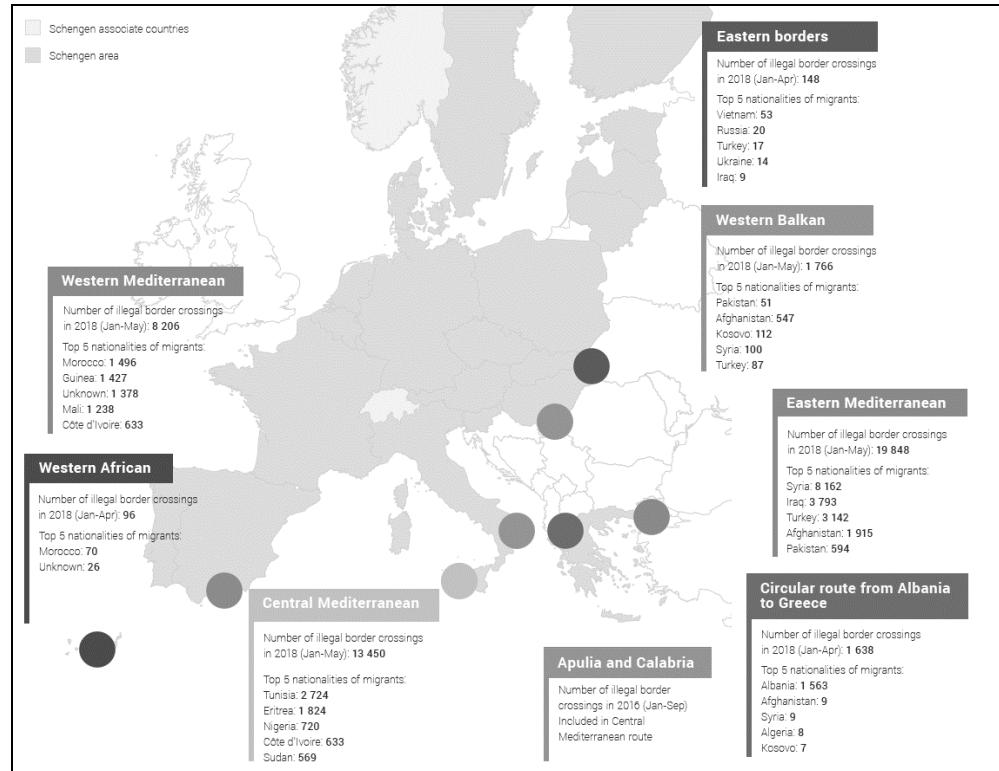
The 2015 crisis continues in present creating more animosities, debates and controversies between EU states. As Figure 1 shows, in 2018 there were eight routes of entries: eastern border, the majority of them coming from Vietnam, Russia, Turkey, Ukraine and Iraq, the second route is the Western Balkan, the top nationalities being Pakistan, Afghanistan, Syria and Kososo. The third route is Eastern Mediterranean, the majority of them coming from Syria, Iraq, Turkey, Afghanistan and Pakistan. Furthermore, there is a circular route between Albania and Greece, and another route from Apulia and Calabria. Through the Central Mediterranean route, the majority of migrants have Tunisian and Eritrean nationalities. Thorough the western African route the majority of irregular migrants came from Morocco and through the last route, Western Mediterranean, came migrants with Moroccan and Guinean nationalities (Frontex: European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union 2018).

We should not look only at the numbers, but also at the demographic characteristics of the immigrants. As such, in an IMF report about the economic consequences of the refugee surge in Europe it is stated those immigrants from the main countries of origin of the 2015 wave of asylum seekers are on average less educated than the native population or other immigrants. In addition, FMI reports that the majority of them are twice as likely to have a lower secondary education or less. Furthermore, it is interesting to see that the immigrants born in other countries, EU countries with advanced economies, tend to have better educational outcomes compared to native-born population. In addition, it is interesting to note that the 2015 wave of asylum seekers was better educated than past immigrants from the same origin countries. For example, in Germany 21% of Syrian asylum seekers who arrived in 2013-2014 reported having tertiary education (International Monetary Fund 2016).

If the situation regarding the migration outside the European Union poses several problems, the intra-migration within the European Union raises also a couple of problems. These problems are intensifying the tensions between the European

countries and leading to exit decisions as UK did, skepticism and hesitations (German and Dutch politicians) and the support for new controversial EU rules (such as “posted workers”, rule backed by French politicians) which may create unequal treatment with nationals regarding the access to employment. These problems have been the subject of analysis not only in the media (The Economist 2016), but also in the academic field. For example, a recent IMF report (Atoyan et al. 2016) found out that the home countries of emigrants have been most hurt, especially post-communist emigration from East-European countries strained their growth, their public finances and accentuated the demographic problems.

Figure 1. Main entry routes



Source: FRAN and JORA data, 6 June 2018.

3. A short introduction of international migration history

The early waves of free migration involved family groups from the more-developed European economies, usually farmers and artisans. Hatton and Williamson (1994) analyze the driven forces of migration: the economic and demographic factors. More specifically, the fall in transport costs in mid-nineteenth century which made migration feasible for a widening pool of potential migrants and, secondly, the rising income in the sending countries which expanded the pool of immigrants including several poor groups. Regarding the demographic factors, it is emphasized how the demographic transition from the entire nineteenth century and the friends-and-relative effect have created big cohorts of young people prepared to migrate to developed countries.

Hatton and Williamson (1994) speak about two migration environments: the one that was formed by the Atlantic economy and the second one that was formed by the rest of the world. In the southern half of the Atlantic economy free mass migration delayed three or four decades and in the other parts of the world they delayed for almost a century. Regarding the Atlantic economy, the peak of mass migration is considered 1913. This period was followed by restrictive policy, caused by several factors: war, depression, the increased flows of poor migrants and the relative unskilled labor scarcity.

Hatton and Williamson compare the periods of mass migrations before the First World War and those since the Second World War and they found several similarities and differences. The main similarities are the following: that the mass migration in both cases grew and its scope expanded; in both periods, the migration direction was from the poorer parts (but not too poor) to the richer parts of the world. Another common feature of these two periods is the widening development gap between high-wage host countries and low-wage source countries. Furthermore, the gap in labor market performances between new and old immigrants contributed more and more to the quality gap between immigrants and natives in host countries. This gap may be a result of the shift from positive to negative selection of immigrants, and the changing mix of source countries (from those with higher levels of education and skills to those with lower levels of education and skills). This gap

has widened greater and greater in both analyzed periods, but has become much larger in the half century, after 1870.

The main differences are also important: the main destinations for European emigrants in the late nineteenth century were the Americas and the Australasia while in the late twentieth century Europe becomes a destination for immigrants, while South and Central America did the opposite. The main difference between the two global centuries lies in immigration policy. While, in the nineteenth century host countries encouraged immigration, in the 1920s these countries imposed an anti-immigrant policy based on quotas. Since 1970s, the policy has changed also its goals: it became much less discriminatory (while the policies before 1970s restricted immigrants to a key source, the ones after 1970s admitted immigrants from everywhere in the world). Secondly, the policy has become more skill selective: from low-skilled guest workers to high skilled permanent immigrants (Hatton, Williamson 1994).

Furthermore, we can observe a policy difference between trade and migration policy: the immigration policy was more pro-global than trade policy in the first global century, while the reverse is applied in the case of the second global century. According to the simple theory, within a simple two good two factor model, migration and trade are perfect substitutes. Therefore, restrictions on trade and restrictions on migration should go hand in hand. It may be considered that, despite several factors that may explain this paradox, such as: the spread of democracy, the decline of empires, the changing social norms and attitudes toward immigrants, politics etc., three main factors may explain this paradox.

The first factor is related to discrimination and the labor market; it is emphasized that at the start of the first global century, European emigration was conditioned by migration costs and poverty trap, while in last years of this century the immigration from the poorer parts of the Europe increased very much and that was the moment when the debate about immigrant restrictions and exclusion started.

The second one is about the government revenues, social expenditures and the fiscal impacts of immigration and trade. In the first global century, the fiscal impact of immigration mattered less than the fiscal impacts in the second global century because in the first case the immigration has not brought significant fiscal costs.

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Therefore, for the period before 1914, high tariffs and low immigration restrictions coexisted for fiscal reasons. By contrast, from 1930s to 1970s the social services and the welfare state expanded very much, creating the need to control social spending. Therefore, in the second global century, low tariffs and high immigration restrictions coexisted for fiscal reasons.

The third factor is the presence or the absence of international cooperation; in this regard the GATT organization can be compared with the IOM organization, the first one as an example of international cooperation which achieved to reduce tariff levels since 1948 while the second, despite being created in 1951, it had not established such accomplishments regarding migration as those of GATT. Therefore, IOM should reform their goals in order to establish the architecture for international cooperation on migration issues.

Therefore, we will have to find the answer to the following question: Why haven't international institutions developed to deal with world migration like those that have developed to deal with world trade? We may begin by comparing the principals upon which modern trade was built: reciprocity, nondiscrimination and fair treatment. It is well-known the fact that these principals stood at the basis for bilateral agreements in nineteenth century and for the multilateral ones in the following periods of time. In theory, these arguments for free trade are basically the same as for free migration. But it seems that in reality, the argument of reciprocity is different in the case of migration because migration is more like a one-way street, being more beneficial for the receiving country. Furthermore, if we look also at the bilateral migration balances and the trade ones, we will observe that the migration ones are far more unequal than the second ones. It is important to note that this idea does not imply that other forms of limited cooperation with significant migration flows in both directions does not exist, such as The European Union's Schengen Convention, Nordic Common Labor Market of 1954, ECOWAS, etc.

Another question arise: How should the immigration policies in the host countries should be? The answer includes three main immigration policy options: a selective immigration policy, which may contain a points system; the second one consists in taxing the immigrants, such as: a tax on employers or schemes through which migrants would only pay if their earnings exceed some threshold, etc. The last

one are temporary work schemes, but this one may discourage the immigrant acquisition of human capital during their temporary period and become gateways to permanent migration for those who want to come.

4. Economic theories of migration

There are in total eight main theories of migration, five of them have as subject of analysis the determinants of migration and the other three have the subject of analysis the perpetuation of migration. The theories are: the neoclassical theory of migration, the human capital theory of migration, the new economics theory of migration, world system theory, dual labor market theory, network theory, migration systems theory and transnational theory. Many of these theories consider as the main determinant of migration the wage difference between the country of origin and destination country. For example, the neoclassical theory of migration, human capital theory of migration and new economics theory of migration analyze the main determinates of migration and consider as the main variable wages and income differential/income distribution.

Neoclassical theory defines migration as the result of labor differences across markets. The basic model was originally developed by Lewis (1954) and Harris and Todaro (1970) and the central argument of this approach focuses on wages: the driven factors of migration are geographic differences in labor supply and demand and the wage differences between countries rich in labor and countries rich in capital. The model predicts a linear relationship between wage discrepancies and migration flows and, in the extended neoclassical models, the expected, rather than actual earnings, determine migration.

As time went on, different studies adjusted the model in distinctive ways. These studies proved that the linear relationship between migration and wage differential does not hold and have given greater importance to the level of a country income. Also, have taken into account the cost associated with migration and have demonstrated that it is not the poorest individuals who migrate, nor the poorest

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countries which send the most labor (De Haas 2010; Dustmann et al. 2003; Massey et al. 1999).

At the micro level, the equivalent of the neoclassical model is human capital theory of migration. Introduced by Sjaastad (1962), the theory upgrades the neoclassical model by incorporating the socio-demographic characteristics of a person (skill, age, occupation, labor market status, preferences, expectations, etc.) as an important deterministic factor of migration. This theory of T.K. Bauer and Zimmermann (Bauer, Zimmermann 1999) demonstrated that migration levels decrease with age and increase with education level, therefore migrants tend to be more educated.

Related to neoclassical theory is the push-pull framework, a framework as a mirror image of each other, where the main economic determinants of migration are the result of the interaction between factors associated with the origin area (repelling or push factors) and the factors associates with the destination area (attracting factors or pull factors).

The main critiques of the neoclassical theory are ignoring market imperfections, is a historical and static, ignores the importance of policies and politics and it homogenizes migrants and migrant societies. The main critique regarding the human capital theory is that it presents migration in an overly optimistic perspective, given the fact that migration is not always a voluntary process to maximize gains. The wide dissatisfaction with the simplistic perspective of the neoclassical explanations lead to the emergence of a new theoretical perspective of migration.

The new economics theory of migration shifts the attention from isolated individual actors to families or households, implying that migrant decisions are not based primarily on individual decisions in order to maximize the utility, but rather is a household response to income risk and to the failures of different types of markets, such as: labor market, credit market and insurance market. Therefore, the new economics theory of migration explains the migration decision by taking into consideration other factors despite wage differentials, responses to relative deprivation. Stark (1991, 2003) introduces several concepts to explain this new approach: on the one hand, the term relative deprivation, a household status performing worse relative to other households; on the other hand, there are risk-

aversion and risk-minimization of household income. Within this model, remittances play an important role because it directly supports the household interconnectedness. Along with the limited applicability, this theory is too future orientated and has been criticized for sending-side bias (Faist 2000).

World systems theory is a historical-structural approach to migration, which connects the determinants of migration to structural change in world markets and defines migration as a result of globalization, the interdependence of economies and the emergence of new forms of production (Massey et al. 1993; Sassen 1990; Silver 2003). World system theorists explain the increased waves of migration through several processes: the expansion of export manufacturing, foreign direct investment flows from developed countries to developing countries, capital mobility, political and economic inequalities.

The theory faces several critiques for the fact that individuals do not truly have a free choice in making migration decisions (because a migration decision is seen more in deterministic form, as an outcome of wider structural processes) and the framework is too descriptive.

Based on the same idea of structural change in the economy, the dual labor market theory explains migration flows only using the demand side. Developed by Piore (1979) this theory supports the idea that the immigration is caused only by pull factors in the receiving countries, more specifically the labor demands for foreign workers. It is argued that this demand has been caused primarily by structural inflation: in developed countries, the cost of employers to attract low-skilled workers is more than the cost of their wages, because as the wages will increase at the bottom level, it will create pressures from workers at different levels to increase their wages too. Therefore, employers must increase the wages proportionally according to job hierarchy in order to confine with their expectations. Thus, is more expensive to hire native workers by increasing entry wages than to hire migrant workers who are satisfied with the low wages. This theory also faces several criticisms: excludes sending countries, overemphasizes formal recruitment practices, does not bring explanations for differential immigration rates in countries with similar economic structures, etc.

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Shifting the attention from determinants of migration to factors that perpetuate migration in time, the network theory of migration comes along. This theory explains why migration continues even if wage differentials cease to exist and it explains why migration patterns are not distributed evenly across countries. Network theory is closely linked with another perspective, called migration systems theory. Introduced by Mabogunje (1970) this theory's main assumption is that migration changes the socio-cultural, economic and institutional conditions in both sending and receiving countries and develop a complex developmental space specific for migration processes. Although these two theories are very similar, there are also several specific differences: migration systems theory has its roots in geography, and migration network theory has its roots in sociology and anthropology; another difference is that network theory emphasizes on the role of personal relations between migrants and non-migrants, and migration systems theory stresses the structures created by migration at societal level.

Another perspective, which combines features of network theory and the systems one, is *cumulative causation theory* put forth by Myrdal (1957) and further developed by Massey et al. (1993). The main hypothesis is that each act of migration influences the socio-economic context within which the later migration decisions are made; in such a way, that migration tends to determine more migration. Within the cumulative theory, were treated systematically six socio-economic factors that are affected by migration: the first one is the distribution of income: people migrate in order to improve their absolute income, but also their income relative to other persons from the same reference group. Seeing other families improving their level of income through migration into foreign labor markets, induce others to migrate in order to raise their levels of income and the increasing number of people who migrate will exacerbate de level of income inequality in area of origin.

The distribution of land (this is applied especially in rural communities) says Massey et al. (1993: 452-454) refers at the fact that the purchased farmland of the migrants is not cultivated as much as the ones of the non-migrants as a result of the foreign wage labor which is more profitable than the local one. This fact reduces the demand for local farm labor and increases the pressures for migration and the process continues inducing more and more people to migrate. Regarding the culture

of migration, the forth factor, stresses the fact that migration produces changes at the level of preferences and values among those who migrate in another country for a short/long period of time; as migration grows, all the values and perceptions are changed within a community increasing the desire for future migration.

The regional distribution of human capital emphasizes that migration is a selective process because, initially at least, skilled and productive migrants leave behind their places of origin and settle down in the receiving countries; the continuum process of sustained migration determines a reduction of human capital in the sending regions and an accumulation of human capital in the receiving regions and this distribution affects the level of productivity, being increased in the latter case and decreased in the former case. The sixth factor, the social meaning of work changes causing a stigmatization of certain types of jobs considered inappropriate for natives.

Continuing the same line of reasoning, the above concepts have been further developed into the theory of transnational migration, a theory that emphasizes more means of migrant insertion and active participation of migrants in the origin and the host countries. The transnational social spaces are the result of the increased migration movements and the changes within the strategies adopted by international business companies Pries (Pries 2013). Faist (2006) identifies four types of transnational spaces: small groups, as households and kinship systems; issue networks, such as business networks, scientific networks, immigrants and citizenship associations; transnational communities such as village communities, religious groups and diasporas and transnational organizations as Red Cross, Amnesty International, Greenpeace. A synthesis of the main theories is presented in the below table, with an emphasis on variables and critiques.

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Table 1. Main theories

| Theory | Subject of Analysis | Variables | Critiques |
|--|--|--|---|
| Neoclassical theory of migration | Determinants of migration | <ul style="list-style-type: none"> • Wage and income differentials • Probability of Employment | <ul style="list-style-type: none"> • Excludes politics and policies • Ignores market imperfections • Unable to explain differential migration • Homogenization of migrants and societies. |
| Human capital theory of migration | | <ul style="list-style-type: none"> • Wages, economic benefits affected by individual characteristics | <ul style="list-style-type: none"> • Overly optimistic perspective |
| New economics theory of migration | | <ul style="list-style-type: none"> • Wages and income distribution (relative deprivation) • Institutional failures – credit market, labor market deficiencies | <ul style="list-style-type: none"> • Critique of the neoclassical theory rather than a theory in its own • Limited applicability |
| World system theory (historical-structural approaches) | | <ul style="list-style-type: none"> • Structural changes induced by the flow of capital | <ul style="list-style-type: none"> • Only applicable at the global level |
| Dual labor market theory | | <ul style="list-style-type: none"> • Labor demand • Bifurcation of labor markets • FDI • State immigration policies and • recruitment efforts | <ul style="list-style-type: none"> • Excludes push factors, formal recruitment practices overemphasized. • Unable to account for differential immigration rates in different advanced economies with similar economic structures. |
| Network theory | Perpetuation of migration and/or directionality of flows | <ul style="list-style-type: none"> • Networks, diaspora | <ul style="list-style-type: none"> • It is not a theory, but rather a conceptual framework |
| Migration systems theory | | <ul style="list-style-type: none"> • Developmental space | <ul style="list-style-type: none"> • Purely descriptive |
| Transnational migration | | <ul style="list-style-type: none"> • Transnational social spaces | <ul style="list-style-type: none"> • Novelty of the concepts has been questioned |

Source: Kurekova (2011: 6-9).

5. Migration forecasting methods and models

There are two approaches regarding the methods and the models studying migration and development: the deterministic perspective and the stochastic (probabilistic) perspective. A model, in comparison with a theory, is hypothetical, is related to a particular reality and is has a higher degree of flexibility.

Within the deterministic methods and models in migration prediction, we can find five models: judgmental migration scenarios, the Delphi method, ‘migration potential’ assessment surveys, macro-level mathematical models in demography and demo-economic modelling attempts. Judgmental scenarios are used usually in demographic forecasting and describe future trajectories of particular characteristics of population change (fertility, mortality, migration). Based on qualitative and quantitative argumentation, the scenarios have to be coherent with the underlying assumptions behind them and by using the what-if approach, shows the demographic consequences of distinctive processes. The study of Sir William Petty (1966) concerning the future growth of the City of London, the forecast of the East-West migration in Europe after the EU enlargement in the research of Layard et al. (1992), the gravity model of net migration between ten Central and Eastern European countries in the works of Alvarez-Plata, Brücker, and Siliverstovs (2003) are some of the examples where the judgmental scenarios were implemented.

The Delphi method is based on a group judgment by carrying out surveys among experts from various countries and fields of expertise. The exchange of knowledge is realized in subsequent rounds and the final output is created from the aggregation of all the individual suggestions. As examples which used this method are: the study of Drbohlav (1996) in estimating the expected East-West migration flows in Europe, the study of Azrael, Brukoff, and Shkolnikov (1992) in estimating the emigration from the former USSR in the period 1992-1997, T. Bauer (1999) attempt to gather information on future migration flows from Central to Western Europe.

“Migration potential” assessment surveys, as it is stated in the name, are typically based on questionnaires filled in by representative random sample of respondents, who are asked to answer if they consider undertaking migration, the

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reasons, the context, etc. Examples of such studies regarding the East-West flows in Europe are presented in IOM (IOM 1998) reports.

The mathematical models of migration stem from two different fields of study: demography (the impact between population distributions and migration) and human geography (the spatial outcomes of the redistribution of migrants). The deterministic nature of these models (the cohort-component model, population accounting models, multi-regional model, multi-level model MULTipoles) stems from their algebraic formulations and from the dominant forecasting practices in demography.

The demo-economic modelling attempts are models that combine population and economic aspects of social development. An interesting example using this modelling attempt is the recent study of Fachin (2002: 10-15). Their model, called the IDEM combines a multi-regional cohort-component model of population dynamics with an economic input-output analysis. In this model, migration links demography with economic aspects: labor supply, productivity, and the focus was on the internal migration from Italy.

Regarding the probabilistic migration forecasts, there are six types of models as follows: the Markovian models; the micro-level methods, other attempts combining micro and macro perspective, the econometric forecasts, the stochastic forecasts of migration time series and the Bayesian models. Regarding the use of Markovian models, it has to be said that stems from the tradition of human geography, it was very popular in 1960's and 1970's and it emphasized the spatial redistribution of population through migration. Regarding the micro-level methods: event-history and ethno-survey are traditional analytical techniques used initially in demography and it have two main drawbacks: it is cost and labor consuming and the sample used does not provide representative results.

Combining micro and macro perspectives in population modelling, Courgeau (1992) observed that both methodologies are complementary: the individual and the aggregate characteristics are introduced, the macro-level variables providing the exogenous context for the analysis of individual characteristics within an event-history approach. The econometric forecasts of international migration predict migration and verify particular economic theories based on empirical data. The boom in using econometric models dates back to the 1990's and analyzed the

population flows as a result of the EU enlargement. The main models used within this category are the Gaussian autoregressive process and generalized linear models.

The stochastic forecasts of migration are based on the analysis and extrapolation of time series and the most common methodologies applied are autoregressive integrated moving average models and vector autoregressive modelling. The Bayesian models are scarce, the majority of them being based on Poisson regression.

6. Labor market restrictions and circular migration

Gutierrez (2016) studied the development and the characteristics of the two dimensions of precariousness: insecurity (measured by forms of atypical employment: temporary work, part-time work and self-employment) and poverty (measured by the share of low-wages earners) and the effects on the labor market of the EU 15 countries, before and after the crisis from 2008. The results show that the work conditions are similar across countries with similar levels of precariousness. Also, the results show that there are three labor market models, according to flexibilization policies. These is the model encountered in the southern countries (Spain, Greece, Italy and Portugal) with high levels of security and poverty; countries with a more deregulated labor market: Germany, Ireland, the Netherlands and the United Kingdom which presents moderate levels of insecurity and high levels of poverty and thirdly, the Nordic countries, together with Belgium and France which have moderate levels of both insecurity and poverty.

Regarding the restrictions on the labor market, Benton et al. (2014) assesses the factors that contribute to the slow progress in the field of labor market integration and it is based on 12 case studies from six European countries: The Czech Republic, France, Germany, Spain, Sweden and the United Kingdom and interviews with more than 50 experts and policy-makers. The report begins with the factors that explain why immigrants with medium skilled work remain stuck in low-skilled jobs. Afterwards, the report analyses how different policies, such as integration, employment and training plans to respond to this challenges.

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The main barriers to enter middle skilled jobs are insufficient skills and experience for available jobs, unrecognized qualifications, and difficulties navigating local labor markets, formal and informal obstacles to employment. Regarding the policies to support labor market integration, the section has been classified into three areas in which these kinds of policies are concentrated: integration policies for new arrivals, employment policies and vocational and language training. It was interesting to observe that employment officials are not familiar with important integration concepts, such as credential recognition. In addition, it can be observed the lack of coherence of integration policies overall. For example, in France and Sweden, the new arrivals are required to reach a certain levels of language proficiency before the assessment of their skills.

Another interesting observation was that many public employment services lack a systematic approach in order to identify the needs of language learners and people with foreign qualifications. From all the mentioned countries, only Germany and Sweden highlighted the issue of qualifications as an employment barrier for new arrivals.

Given the problems created by the actual migrant crisis, a solution may be circular migration. This type of migration represents the temporary and repetitive movement of a migrant worker between home and host countries, usually for employment purposes. Based on several case studies, mainly from Asia and Africa, the Agunias's (2006) report analyzes the impact of circular migration on development and focuses on policies that encourage circular migration.

It is interesting to observe that this concept is viewed as a triple-win scenario, providing benefits for the sending countries, the receiving countries and the migrants themselves. How each of them benefits from circular migration, is the subject of study in this report. Developed countries allow migrants to fill the labor shortages for a specific period of time. On the other side, developing countries benefit because migrants will return in the origin countries after a while, therefore the developing countries will not lose their skilled workers. Furthermore, the migrants themselves benefit in at least two ways: an increase in wages and an increase in the skills they learn abroad. In other words, we can say that the benefits appear in three forms: financial capital through remittances, human capital and social capital.

On the other side, circular migration also presents several costs, for examples: temporary brain-drain, restrictions on freedom because recruitment may involve false promises and deception, circular migration may also perpetuate existing inequalities and may create gender issues because in numerous developing countries women are less likely to participate in circular migration. Another cost of circular migration is connected with health issues, many migrants being vulnerable to contract sexually transmitted diseases.

All the above-mentioned advantages and disadvantages of circular migration have been emphasized also by Zimmermann (2014). He brings arguments of the counter-productivity of restricting the labor migration. The main examples used which argue that immigration restrictions have negative outcomes are: the case of Spain after 2004, in Germany with the end of guest worker program following the 1973 oil crisis, also the German failure to benefit from the migration flows determined by the EU enlargement in 2004 and 2007.

7. Conclusions and recommendations

Papademetriou and Benton's (Papademetriou et al. 2016) report studied the challenges and the policy approach regarding a better integration of the new immigrants in Europe. When referring to the labor market integration, they emphasize several facts: that, on average, foreign-born migrants in European Union compared to the natives have smaller employment rate, higher underemployment and low-quality jobs; also, the women employment and activity rate are much lower than those of men are. When compared to other countries, such as Canada or United States, the employment rate in European Union is lower for foreign-born residents than for natives, and this situation may be explained by the fact that in European Union newcomers find employment after a quite long period. The variation between employment opportunities and labor market success is determined by education, route of entry, gender and the country of origin.

In addition, the report emphasized the changing labor markets and labor needs the increased demand for more skilled workers and the increased automation in

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several areas such as: transportation, logistics, services and sale. In addition, jobs may be less connected to traditional career paths, many of future jobs being connected to freelance activities.

The relationship between economic growth and unemployment in European Union has been studied by Dimian, Begu, and Jablonsky (Dimian et al. 2017). More specifically, they studied the reasons why the unemployment rate in the European Union remained very high in the last years. It is demonstrated that economic growth rate has returned to an upward trend and the differences between EU countries in terms of growth are declining. Also, it has been demonstrated that young people are the most affected group by unemployment both in the short and in the long run. In addition, the lack of collaboration between companies and the education system deepen the mismatch between job requirements and worker qualifications. Begu et al. (2017) promotes the idea of green jobs due to their double role to absorb the unemployed and to promote sustainable economic growth.

Furthermore, those specific employment policies, such as fix-term or part-time contracts, reduce unemployment in the short-run. Thus, in the long-run there is a need also of training, retraining and lifelong learning. According to this study, it is considered that the main challenge in the developed countries is the mismatch between the job requirements and workers qualifications and the main challenge for the developing countries is the quality of jobs.

Although the study has a very good methodology using modern econometrics models, such as autoregressive distributed lag, it seems to reiterate the same ideas already demonstrated in the literature and also the above stated challenges which are supposed to correspond to this dichotomist classification are a little bit too simplistic.

After all the above debates and discussions about different models, theories, types of migration that better explains the determining factors of migration and migration impact on labor market, I believe in a new theory that explains not only the determinants of migration but also the perpetuation of migration. Actually, this new theory may be a combination of the new economic theory of migration and the network theory. This new theory will have as the main variables wages and income distribution, institutional failures and networks, through diasporas.

Regarding the recommendations for a better integration of the new immigrants in Europe, we can suggest measures of early provision of relevant career advice: such as measures which encourage specialization, which improve networking and information-sharing mechanisms. Furthermore, we should take into account one more set of measures which aims at improving the opportunities for progression, such as: shifts from generic to work focused language instructions, more engagement from employers and unions in integration policies, online and mobile learning, language apps, etc.

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Sustainable development of organic farming in Bulgaria – state and opportunities

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Abstract

Aim: In recent years, Bulgarian organic agriculture is one of the sectors that is developing rapidly despite of the overall stagnation in Bulgarian agriculture and is continuously growing in farming areas as well as in number of farmers. This development is related to the suitable conditions for its adoption in our country – ecologically preserved areas; awareness and willingness of consumers to eat healthy; the realization of the benefits to the environment and rural areas; institutional support for organic farming and the good perception of organic products on international markets. The aim is to examine the condition and opportunities for development of sustainable organic farming in Bulgaria.

Design/Research methods: The methods used to complete the tasks are systematic and comparative analysis, an estimated constructive method; method of statistical groupings, inductive and deductive methods of forming generalizations.

Conclusions/findings: Organic farming combines the best environmental practices, biodiversity heightening, nature conservation and high production standards. At the same time, it provides public goods in terms of rural development and responds to specific consumer demand for clean and healthy products.

Originality/value of the article: Organic production is an international, European and national priority. Organic farming plays an important part in the Common agricultural policy of EU for the 2014-2020 period, as well as for Bulgarian agricultural policy as a tool in regards to the sustainable management of natural resources, the preservation of food quality and safety and the humane farming means.

Keywords: agriculture, organic farming, agricultural policy

JEL: Q13, Q18, Q57

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1. Introduction

In recent years, Bulgarian organic agriculture is one of the sectors that is developing rapidly despite of the overall stagnation in Bulgarian agriculture and is continuously growing in farming areas as well as in number of farmers. This development is related to the suitable conditions for its adoption in our country – ecologically preserved areas; awareness and willingness of consumers to eat healthy; the realization of the benefits to the environment and rural areas; institutional support for organic farming and the good perception of organic products on international markets (Kostadinova et al. 2016).

According to Mitova (2018), in about half of the EU-28 countries, the transitional organic farming (OF) areas in the past three years are between 10 and 30% of all areas with OF. In Bulgaria, they are between 70 and 82% (the highest percentage in the EU-28). The share of the areas under transition to the OF is an indicator of the growth potential of the sector over the next few years and can lead to a significant increase of organic products of Bulgarian origin in the domestic and international markets.

The purpose of this study is to examine the condition and opportunities for development of sustainable organic farming in Bulgaria. To achieve this objective the following tasks have to be completed: to analyze the state of organic farming in Bulgaria; to reveal opportunities for sustainable organic farming; to identify problems and summarize recommendations for the development of Bulgarian organic farming. The methods used to complete the tasks are systematic and comparative analysis, an estimated constructive method; method of statistical groupings, inductive and deductive methods of forming generalizations.

2. Methodology

The methods used to achieve the goal and solve the tasks are analysis and synthesis, mapping method, axiomatic method, a structural-functional approach, and statistical-mathematical methods.

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For the purposes of this study we will analyze the production potential of Bulgarian organic agriculture at individual product level. Production potential is evaluated initially on the basis of annual production, which represents the ability of the regions to produce (Lafay 1992) some organic products.

The second major factor that we will analyze and is involved in formation of the regional production potential is represented by the number of employees by age in the farming sector. In its economic essence, it is an important part in the process of formation and development of the production capacity of organic farming (Otuzbirov et al. 2012).

3. State and opportunities of organic farming in Bulgaria

The European market for organic products for the period 2000 to date has grown about 5 times, whereas the area under organic farming in the EU has grown about 2 times over the same period. With the launch of the new Rural Development Program (RDP) 2014-2020 (2014), the expectations for the development of organic farming in Bulgaria are increasing, as the EU funding for the cultivation of bio-products has increased 5 times (in the previous RDP 33 million euros were planned and 152 million euros are planned in the new one). For the first time, funding for organic livestock farming is also envisaged, measures such as pastoralism (seasonal grazing), conservation of endangered local breeds and other activities are also under way.

The financial value of institutional support for organic farming in Bulgaria is defined in Ordinance No. 4 (2015) of the Ministry of Agriculture and Food (MAF). The level of support in the transition period is higher than the post-transition period, due to the increased costs of producers in transforming their activities from traditional to organic farming. In the first year of operation of the Ordinance, 2,116 applications for assistance were approved and BGN 28,119,231 were disbursed, 75% of which were financed by the EU funds and 25% of the national budget. An applicant may be assisted at the same time to carry out activities in more than one direction for the period of application of the Organic Farming measure, the

maximum amount of this support being for annual crops – EUR 600 / ha; for specialized perennial crops – 900 EUR / ha, and for other land use – 450 EUR / ha. In the latter category, breeders are most often included, combining support for pasture maintenance in the control system and the livestock units they look after using the respective pastures. This dualistic support scheme allows producers to obtain higher levels of institutional support needed to meet the increased cost of doing business (Aleksiev 2017). Biological activities are performed for a period of 5 years, with area payments covering additional costs and lost income as a result of organic management.

According to data from the Agricultural Reports of MAF (2017), by the end of 2016 the total number of biological operators registered in MAF was 7 262 – 1 089 more than the previous year and over 20 times more compared to 2007 (Table 1). Of these, 6 961 were producers, 3 aquaculture producers, 177 organic processors and 121 traders (importers, exporters, wholesalers and retailers). In 2016, the number of operators in a control system for organic production represents 7.4% of the total number of registered agricultural producers under Ordinance No. 3 of 1999 for establishing and maintaining a register of farmers in Bulgaria. Over the same period, the areas registered in the control system have increased 10 fold.

Between 2011 and 2016, both the number of organic animals in the country (Table 2) and the areas in the control system increased rapidly. The most pronounced is the increase in the number of bee colonies, where more than 30% are farmed in an organic way at the end of the period.

Table 1. Number of operators and areas in organic production in Bulgaria

| Year | 1. Number of operators with organic production | 2. All areas in the control system (ha) |
|------|--|---|
| 2007 | 339 | 15 224 |
| 2008 | 311 | 16 662 |
| 2009 | 476 | 11 789 |
| 2010 | 820 | 25 647 |
| 2011 | 1 054 | 26 662 |
| 2012 | 2 016 | 40 378 |
| 2013 | 3 123 | 58 107 |
| 2014 | 4 092 | 74 351 |
| 2015 | 6 173 | 118 571 |
| 2016 | 7 262 | 156 348 |

Source: Agrostatistics of MAF, Bulgaria.

Table 2. Number of animals farmed in an organic way

| Indicators | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------|--------|--------|---------|---------|---------|---------|
| Cattle | 976 | 1 173 | 1 311 | 1 622 | 4 209 | 9 718 |
| Sheep | 6 648 | 9 175 | 7 894 | 9 029 | 18 792 | 26 809 |
| Goats | 3 397 | 2 831 | 3 235 | 4 142 | 5 381 | 8 242 |
| Bee colonies | 58 855 | 85 346 | 117 360 | 106 676 | 178 331 | 236 462 |

Source: Eurostat.

In parallel with an increase in the number of animals farmed organically, the organic production of livestock is growing (Table 3).

Table 3. Certified organic livestock products, tones

| Certified organic products of animal origin, tons | 2013 | 2014 | 2015 | 2016 |
|---|---------|---------|---------|-------|
| Milk (raw milk, produced at the farm) | 2 194.4 | 2 486.2 | 7 346.5 | 8 639 |
| Cheese | 26.0 | 262.6 | 30.5 | 156 |
| Cultured milk | 58.2 | 238.4 | 191.1 | 240 |
| Honey and bee products | 1 605.6 | 1 516.8 | 2 159.8 | 1 941 |

Source: Eurostat.

The data unambiguously show that there is a potential for growth in the livestock breeding sector in Bulgaria. At the same time, Bulgaria is the world's leading exporter of organic oilseed rose and lavender, the world's fourth largest and the first in Europe to export herbs. The international market for organic products grows by 4-10% on a yearly basis. A minimum of 10-12% is the annual growth in consumption, according to world-wide statistics. These data is an indication that organic products will increasingly be sought on the market in the future. According to Petrova (2016), this could stabilize the income of Bulgarian farmers through the opportunity to provide healthy food products on new markets.

4. Sustainability of the labor force in Bulgarian organic farming

The agricultural sector in Bulgaria shares a lot of the issues that have become characteristic for the European Union's agriculture in general. One of the most important issues is the decline of the labor resources that are at the disposal of the sector. As shown on Figure 1 most of the people employed in Bulgarian agriculture are over 45 years old. In 2017 there are 53 300 employed at the age of 35-44, 55 200 at the age of 45-54, 60 900 over 55 years old and just 12 000 at the age of 15-24. This inability of the sector to appeal to young employees and entrepreneurs is undermining the sustainability of the sector as a whole.

When analyzing the group of young people that are currently part of the agricultural work force we concluded that most of them are focused on implementing innovative production techniques and technologies. The most commonly used innovative production opportunity is the organic farming. In 2017 over 60% of all young people employed in Bulgarian agriculture are working on organic farms and are producing mainly organic honey, wine, dairy products and cereals.

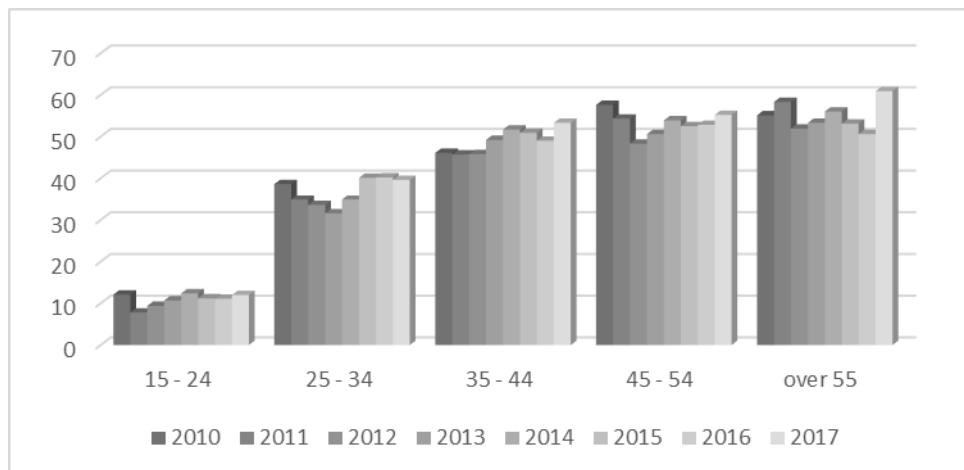
During the studied period we noted a gradual increase in the number of young people employed in Bulgarian agriculture. Although the numbers have risen since 2011, the significant drop from 2010 to 2011 was only recovered in 2017 and not fully (in 2010 there were 12 100 15-24 years old employed and in 2017 there are 12 000).

We can report similar trends in all age groups besides the one from 25 to 34 years old, which have been constantly declining and just recovering since 2015. The transition of employees between the age groups during the period should also be taken into consideration and might have a large impact on the final conclusion for the sustainability of the sector. For the purpose of this study we are focusing our attention on the youngest group of employees, because they can form a longer term trend for the sustainable development of the sector. When analyzing the motivation of these younger employees we discovered improved willingness to implement innovations and better use of information networks. That allows us to conclude that the organic production sub-sector of Bulgarian agriculture has a better labor

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sustainability that the sector overall and can create unique opportunities for other sub-sectors as well.

Figure 1. Number of employees in Bulgarian agriculture divided by age groups (in thousands)



Source: National Statistical Institute of Bulgaria.

5. Conclusions

On the basis of the presented data and analyzes, some conclusions can be made and some of the problems of the organic agriculture in Bulgaria should be emphasized:

- In the period 2007-2017, the RDP in Bulgaria stimulates the transition towards organic production of agricultural products, leading to a significant growth in the past few years of the areas and animals in the organic production control system.
- In recent years, as a result of CAP support and market development, organic farming in Bulgaria can be defined as ascending and with good prospects.
- There is a great dependence of organic farmers on payments under the RDP – subsidies play an important role both for the cost optimization of the activity and for the maintenance of the incomes.

- Among the key issues for the development of organic farming in Bulgaria is the lack of targeted support for the processing of primary organic production. This is essential, because the added value of this type of production is exported outside the country.
- The low numbers of young people employed in the farming sector in Bulgaria raises important concerns about the long term sustainability of the sector and its production potential. Young people find the organic farming more appealing and thus tend to choose employment in such farms when given the option, but the low number of farms forms a limited labor market for young farmers in the rural areas of the country.

Organic farming combines the best environmental practices, biodiversity heightening, nature conservation and high production standards. At the same time, it provides public goods in terms of rural development and responds to specific consumer demand for clean and healthy products. This determines the need to invest optimal efforts for the sustainable development of organic farming in Bulgaria.

The younger organic farmers in Bulgaria show the highest willingness to implement innovations and better use of information networks and allows us to conclude that the organic production sub-sector in Bulgaria has a better labor sustainability than the agricultural sector overall and can create unique opportunities for other sub-sectors as well.

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Improving students' performance by means of motivation: the role of ICTs

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Abstract:

Aim: The main objective of this paper is to analyze the effects of educational innovation on student implication on the study as a way for getting a job in the future, as well as the role of motivation at the secondary school to help for achieving this goal.

Design / Research methods: By means of the elaboration of a questionnaire, the opinion of the students in relation to educative innovation, and, later by means of descriptive statistical analysis and a regression analysis, to search the relation between the concerns for getting a job and the motivational education among the students in secondary educative level is undertaken.

Conclusions / findings: The results point towards a positive assessment by the students, who consider that educational innovation, stimulates their interest; boost the participation and collaboration between peers and with the teaching staff, at the same time there is a statistical significant relation between the students' concern about their future working life and the motivations at school. The motivation is strongly relate to incorporation of ICTs at classroom, particularly computers and tablets.

Originality / value of the article: The main value of this research is on establishing a link between three key features: the concerns of youth about their future labor life, the motivation at school and the role of ICTs on this motivation.

Limitations: The main limitations of this research are related to the sample, nevertheless the preliminary generalization of this results can be acceptable, according the literature.

Keywords: *educative innovation, students, motivation*

JEL: I21, I28, O38

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1. Introduction

The students' performance is a key matter not only for the development of individuals as well as society welfare and countries progress. At the same time, it constitutes part of the basis for more just, equalitarian and advanced societies, with a greater personal and social well-being. The fast and great technological advancements should be taken account, since they can be a strong tool for helping in achieving studding competences, but also because it is needed to know and manage them in order to get a job position. These challenges require constant updating in the field of the Information and Communication Technologies (ICTs) (Novo-Corti et al. 2013). This is pointing out to the necessary social and educational innovation. The efforts of teachers and students sometimes are not visible in the expected results, due to multiple reasons, among which are the lack of student motivation.

The students who currently attending secondary education think and process the information in a way which is substantially different to the young people of previous generations (Prensky 2001, 2011). These students are not just digital natives or "millennials", they are people who have overcome these two denominations and who face the age of artificial intelligence and robotization. On the other hand, teachers usually belong to another generation, mostly of "digital immigrants", that is, they have been trained in a different context and have gradually adapted to new digital environments and adopted ICTs as a daily tool. In this way, it is very likely that the ideal methodology for learning will probably be different from the points of view of one and the other, since each one has their own perspective and opinion.

According to Gagne (1965, 1971, 1984), learning consists in a change of the human disposition or capacity, with a character of relative permanence and that is not attributable simply to the development process. But the environment in which this learning takes place evolves and in the last decades have faced changes so substantial that they have been configured as the "technological revolution". These disruptive changes must also be addressed by both students and teachers because they affect not only the learning process but also the teaching process (Gagne, Briggs 1979). The academic success will depend very much on these adaptations to the new environment. In this process, the motivation of the student, in relation to the

processes of educational innovation, is a central issue, which constitutes the object of study of this work.

Although “digital natives” students are self-motivated, committed, have great ICT skills and skilfully navigate virtual networks, it is essential to promote a carefully designed pedagogy not only to increase student participation, but also self-orientation, so that this leads to a higher academic performance (Hyland, Kranzow 2011). The situation is complex and requires imaginative solutions that incorporate ICTs and at the same time be effective and effective from the pedagogical point of view.

In this work, we analyze the effects of educational innovation on student motivation, in the context of secondary education. By means of the elaboration of a questionnaire, the opinion of the students in relation to educative innovation, and, later by means of the appropriate statistical methods, a comparative analysis between the different groups of students in secondary educative level is undertaken. The ANOVA analysis help us to get results and conclusions to drive some implications for improving scholar performance and, then increasing the possibilities of getting a better job for the young people.

The structure of this paper is as follows: the next section presents a revision of literature about the motivation of students at school and its influence on the performance as the first step for getting a job. The third section explain the method and the design of this research, the forth one show the results and then a discussion section is presented, previously to the main conclusions achieved in this work. A last section explain the main limitations of this work, which finish with the references section.

2. Motivation, performance and results: the first step for getting a job

According to Sini, Muzzolini, Schmidt and Tinti (2018) the motivation is an internal process that explains one's actions towards an objective. This concept is related to the impulses or inclinations to do something to achieve an objective (in this case a way to learn and get a good job in the future), therefore the study of

motivation is certainly complex (Atkinson 1964). Although there are many theories of learning and motivation that explain certain aspects of behavior (Schunk et al. 2008), it is social cognitive theory that is considered more complete. Social cognitive theory was designed to explain how people acquire competencies, attitudes, values, behaviour styles and how they motivate and regulate their level of working or their effort (Bandura 2006). Social cognitive theory has been developed by Bandura (1986, 2001, 2005) and extended by other authors (such as Pajares, Schunk 2001; Pintrich 2003), explains human learning and motivation in terms of reciprocal interactions that they involve personal characteristics (for example, intrinsic motivation, self-efficacy and self-determination), environmental contexts (e.g. high school) and behaviour (e.g. enrolling in advanced science courses) (Donaldson 2012). Motivation is defined in social cognitive theory as an internal state that awakens, directs and sustains goal-oriented behavior (Bryan et al. 2011). There is also a relationship between motivation and job and satisfaction. Then there is a possibility of finding subjects motivated towards work but dissatisfied. The search for a job as well as satisfaction is an important goal for youth (García Sedeño et al. 2003).

Social relationships are very important in motivation (García Sedeño et al. 2003) have found that when subjects start in a certain work activity, their motivation is focused mainly on those aspects of work related to personal relationships, opportunities for achievement, personal development and professional, and the search for situations that increase their self-concept, all extrinsic aspects. In addition, they have shown that the possibility of generating expectations about the stability of employment with respect to the work performed, increases the levels of motivation in carrying out the work. Although all these aspects refer to working life, they are related to the sphere of the individual and, therefore, to his general life trajectory and to his student age in particular. Vital experiences are manifested in the labor field, so that, in some way, the loss of centrality of work in the constitution of youth social identities and certain changes in values, aspirations, and attitudes lead to the argument that certain young people show scant motivation to work. The multiple aspects in the trajectories of youth in their incorporation to labor market are linked to the diagnosis of the juvenile labor situation and also related to their way of

addressing the problems for labor integration from their training needs to dispositions towards employment (Jacinto 2008). Pérez (2013) has studied the implementation of vocational training programs, based on a diagnosis focused on the youth's lack of employability in relation to their scarce and inadequate training and found that their attitude was an essential characteristic.

3. Method and design

The design is based on a quantitative case study (D'Ancona, Ángeles 1999), trying to know the students motivation in relation to the innovative procedures at the school and its relationship with possibilities of getting a job by means of learning and getting knowledge and skills to improve their employability. A questionnaire was developed and distributed among students of one single high school, trying to minimize the differences among students and focus specifically on their attitudes towards innovation as a way to improve their motivation for improving their capabilities in general and their opportunities to get a job in particular. The main questions of this surveys are shown in Table 1. The questions were statements that should be assessed by the students. A 5-point Likert Scale was used, where the values where: 1. I absolutely disagree, 2. I disagree, 3. I'm indifferent, neither agree nor disagree, 4. I Agree, 5. I absolutely agree. So, the higher values, the higher will the agreement.

The questionnaire was previously validated, asking to some experts, some pedagogical researchers and teachers at different courses in Secondary Education Level. A pretest was conducted among a group of volunteer students. After reformulating the first version of our questions, we became to the final questionnaire, shown in Table 1.

The questionnaires were printed and given to the students at the end of a normal class. The teacher explained the main objective of the tests and give the opportunity to reject participating in the survey. Most of students were excited with this research and none of them refused to cover the questionnaire. More than 60 responses were

collected. Once the wrong and incomplete items were removed, 56 valid responses were considered for this study, then, the sample size consist of 56 students.

A lineal regression analysis was proposed, where the “Concern on future labor integration” was the endogenous variable and the exogenous ones were Attitude of the student towards learning, Teachers attitude, Attitude of the student towards educative innovation and the student’s perspective about ICTs for motivation at classroom.

Table 1. Questionnaire

| Area | Question |
|---------------------------------------|---|
| Concern on future labor integration | Study to progress in the future and increase my opportunities of getting a good job |
| Attitude towards learning | I enjoy learning |
| Teachers attitude towards motivation | I'm motivated by teachers who do innovative activities in class |
| Attitude towards educative innovation | I feel better in class if the faculty uses new technologies |
| ICTs for motivation at classroom | Using tablets or computers in class motivates me |

Source: authors' own elaboration.

4. Results

The results are shown in **Table 2**. All variables are significant and all them has the expected sings, according the theoretical framework. And the adjustment of the model is pretty good, since the values of the coefficients are: R= 0.716, R-squared=0.512, R-squared-Adjusted=0.469. The correspondent equations for these results are reflected on Equations (1) and (2)

$$Y = 0,788 + 0.340 X_1 + 0.486 X_2 + 0.164 X_3 - 0.162 X_4 \quad (1)$$

$$Y = 0.456 X_1 + 0.424 X_2 + 0.213 X_3 - 0.220 X_4 \quad (2)$$

IMPROVING STUDENTS' PERFORMANCE BY MEANS OF MOTIVATION

Being:

Y = Concern on future labor integration

X_1 = Attitude towards learning

X_2 = Teachers attitude towards motivation

X_3 = Attitude towards educative innovation

X_4 = ICTs for motivation at classroom

Table 2. Regression analysis results

| | No Standard Coefficients | | Standard Coefficients | t | Significance |
|---|--------------------------|----------------|-----------------------|--------|--------------|
| | Beta | Standard error | | | |
| (Constant) | 0.788 | 0.615 | | 1.281 | 0.208 |
| I enjoy learning | 0.340 | 0.089 | 0.456 | 3.819 | 0.000 |
| I'm motivated by teachers who do innovative activities in class | 0.486 | 0.141 | 0.424 | 3.448 | 0.001 |
| I feel better in class if the faculty uses new technologies | 0.164 | 0.105 | 0.213 | 1.561 | 0.126 |
| Using tablets or computers in class motivates me | -0.162 | 0.105 | -0.220 | -1.539 | 0.132 |

*** P-value < 0.000

Source: authors' own elaboration.

The results confirm that there is a relation among the concern of secondary's education students about their possibilities of getting a job and their scholar performance, particularly in relation to the ICTs and innovation at school.

The dependent variable should be explained by means of the independent ones, according academic literature. That is to say, attitude of students, attitude of teachers towards innovation (in general terms) and education issues are important variables, as well as the motivation for the use of ICTs, for improving performance and, as a consequence, the possibilities of getting a job in the next future.

5. Discussion

The only variable which has shown a relatively surprising sign is the last one “Using tablets or computers in class motivates me”, which is negatively correlated to the dependent variable. Nevertheless there is a reasonable explanation for this sign, because the innovation at the class room is very well considerate (see the values and significance of the variables I’m motivated by teachers who do innovative activities in class, and I feel better in class if the faculty uses new technologies in Table 2). That is why those students more concerned with the importance of learning for the future are more focused on the content of the class than on the instruments, like computers or tables, which explain why they don’t feel more motivated using these devices during the class. But they will probably use for study at home or at the library (that is a consistent conclusion arose from the responses to the other questions).

6. Conclusions

The main hypothesis of this work regarding the relationship between the possibilities of finding a job and the motivation of middle school students, through the application of innovative educational methods, cannot be rejected, both attending to the review of the academic literature and to the results obtained with the studies made from the primary data gotten specifically for this work.

The promotion of educational innovation in secondary education classrooms not only motivates students and helps them achieve better performance, but also makes them see the importance of a good curricular performance to achieve a job in the future.

7. Limitations of this research

The main limitation of this work is that which is usually present in the study of a case: the sample is limited to a specific academic center. However, regardless of the possibility of generalization of results, we consider that this is valuable, not only because of what it implies for decision-making in the educational management of the center itself, but also because they are in line with the results of other investigations in the academic literature and because, as has been pointed out in previous sections, the characteristics of the center analyzed suggest the possibility of generalization.

Taking account these comments, results achieved with this research should be understood as a case study more than a general conclusion.

The future lines of research point, first of all, towards trying to generalize the results obtained, trying to extend the sample to other educational centers.

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Saving lives with fewer discussions – coordination between military and non-military organisations during disaster relief operations

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Abstract:

Purpose: This study focusses on the coordination required between military and non-military organisations during humanitarian disasters.

Design / Research methods: An in-depth case study was conducted of the disaster relief operation after hurricane Matthew on Haiti in October 2016. We investigated the support of the Dutch military organization and its coordination with the non-military relief organizations. We examined coordination issues at operational, tactical, and strategic levels.

Findings: The study shows that no coordination problems occurred at operational level. At the tactical level, cultural differences between military and non-military organizations resulted in coordination problems and deviant perspectives on urgency. At the strategic level, there was a disagreement between the Dutch Ministry of Foreign Affairs and the Dutch Ministry of Defence regarding the Oslo Guidelines. A minority agreed that the guidelines actually apply to military organizations during disaster relief operations.

Practical implications: The coordination between the military organization and the non-military relief organization during disaster relief operations can be improved by promoting common and mutual respect and defining a clear tasks and role fulfilments. A first step to improve the coordination is to get familiarity and clarity on the Oslo Guidelines. Another step for improvement is for the military organization to accept that it has no leading but an assistance role during disaster relief operations.

Research limitations/implications: A single case study limits the external validity of the results, although useful insights were gained. Future research could address the role of the Oslo Guidelines during disaster relief operations. Are these guidelines still valid, should they be updated, and are the sufficiently known by all relief organizations, including the military?

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Originality/value of the article: The world is faced with an increasing occurrence of disasters affecting human lives. More lives could be saved when military and non-military organizations would work together more effectively. This is one of the first studies to explore the terms of engagement at the start of relief operations.

Keywords: humanitarian disasters, disaster relief operations, military and non-military coordination, humanitarian logistics

JEL: M4

1. Introduction

We In the past two decades, the world has faced more than a thousand disasters. The Centre for Research into the Epidemiology of Disasters (CRED) reported in 2016 that from 2005 till 2014 an annual average of 367 disasters affected 76 thousand humanitarian losses per year. In 2016 even more than 471 disasters were registered (CRED 2016). Based on the observed upward trend in the last hundred years, natural disasters are expected to increase fivefold in the next 40 years (Thomas, Kopczak 2005).

The main goal of a (humanitarian) supply chain in the response phase of a disaster is to respond in an agile manner to save as many lives as possible and to ease the suffering of vulnerable people. In order to mitigate the impact of a natural disaster, effective and efficient logistics preparation and response are needed (Tatham, Houghton 2011). To achieve this objective, the logistical effort of both military and non-military relief organizations needs to be coordinated (Fernandez, Suthikarnnarunal 2011). The response increasingly requires coordination and task specialization between (humanitarian) relief organizations, as well as coordination with and between the military, governments and private businesses (Van Wassenhove 2006).

In general, there has been much criticism on the disaster relief community for its lack of coordination (McLachlin, Larson 2011). The increasing number of relief organizations tend to work separately (Van Wassenhove 2006), in spite of common goals (Thomas, Kopczak 2005). The lack of coordination is considered one of the ‘wicked problems’ of humanitarian logistics, referring to decisions with multiple requirements and stakeholders, where there is no agreement on the solution or even the problem (Tatham, Houghton 2011). In 2017, Irma was an extremely powerful

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and catastrophic hurricane. Media criticized the UK, French and Dutch governments for responding too slow and not doing enough to help the victims. The Situation Report No. 6 by the UN Office of the Coordination of Humanitarian Affairs concluded that the severely limited communications were “hampering the coordination of relief suppliers”.

One of the reasons for the lack of coordination is that disaster relief can be characterised as a competitive environment. Within a disaster relief setting, (humanitarian) relief organizations may simultaneously coordinate and compete with each other. Humanitarian relief organizations compete for donors, resources, media attention and local networks, discouraging them to invest in coordinative efforts (Altay, Labonte 2014; Hicks, Pappas 2006). Military organizations are not the perfect partners for the relief organizations. The difference in origin, cultural and political nature of these organizations poses issues in coordination (Van Wassenhove 2006).

The number of studies on coordination in the field of humanitarian and disaster relief is increasing. Studies investigated the horizontal cooperation between humanitarian organizations (Schulz, Blecken 2010), cooperation in humanitarian logistics through clusters (Jahre, Jensen 2010). Coordination between organizations works better when the (different) roles of these organizations are clear to all the participants (Jensen, Hertz 2016). Growing attention is given to the coordination between military and non-military relief organization during disaster relief operations (e.g. Rietjens et al. 2008; Fernandez, Suthikarnnarunai 2011; Barber 2012; Heaslip, Barber 2014; Tatham, Rietjens 2016).

For an effective and efficient disaster relief operation, organizations must coordinate their efforts on every (organizational) level. More lives can be saved when military and non-military organizations work together more effectively. Therefore, this study explored the terms of engagement and the coordination between military and non-military organizations during a disaster relief operation. An in-depth case study is conducted of the disaster relief operation after hurricane Matthew on Haiti in October 2016. We investigated the support of the Dutch military organization and its coordination with the non-military relief organizations at operational, tactical, and strategic levels.

2. Literature review

2.1. Disasters and humanitarian logistics

This study focusses on “sudden-onset natural disasters” (see Table 1). The time before, during and after the occurrence of a disaster can be divided in different phases. The commonly used model for emergency management consists of four main phases: mitigation, preparedness, (immediate) response, and the recovery phase (Altay, Green 2006; Leiras et al. 2014; Ahmadi et al. 2015). Given the role of the military in this study, we will address the latter two phases: the immediate response and recovery.

Table 1. Types of disaster

| | Natural | Man-made |
|---------------------|---------------------------------|--|
| Sudden-onset | <i>Earthquake Hurricane</i> | <i>Terrorist attack Coup d'Etat</i> |
| Slow-onset | <i>Famine Drought</i> | <i>Political crisis Refugee crisis</i> |

Source: Van Wassenhove (2006).

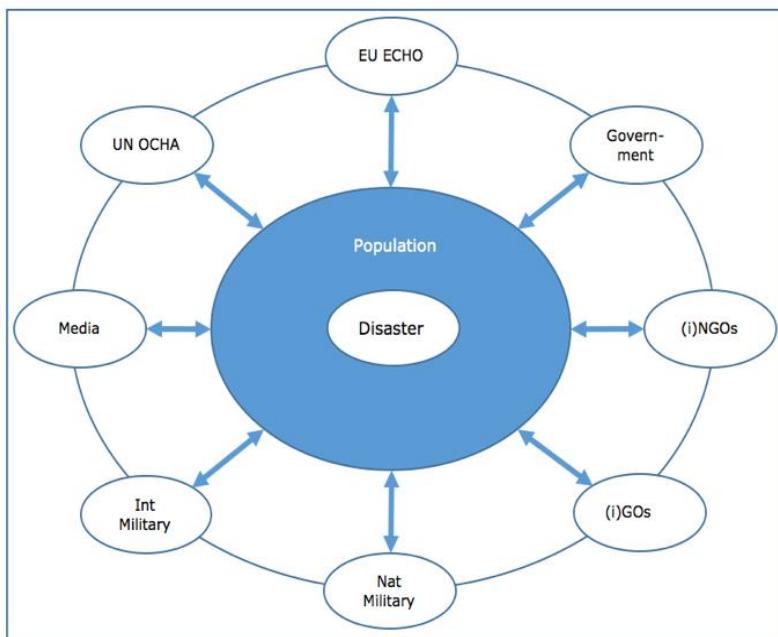
The (immediate) response phase is focused on saving lives and preventing further damage, its aim is to provide immediate assistance to maintain life, improve health and support the morale of the affected population (Eriksson 2009). Disaster relief operations often have to be carried out in an environment with destabilized infrastructure, caused by sudden-onset disasters. The relief is related to the provision of emergency food, shelter and service in the immediate response to a natural disaster (Thomas, Kopczak 2005). Responding to a sudden-onset disaster requires an agile supply chain, thus focusing on effectiveness and rapid response, requiring extensive coordination among all parties instead of cost efficiencies (Kovács, Spens 2009; Akthar et al. 2012; Rutner et al. 2012).

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In the recovery phase the focus shifts from speed to cost reduction, with an objective being “cost saved means more lives helped” (Cozzolino et al. 2012: 21). Efficiency in the supply chain is the main objective in this phase. However, it is not always clear in which emergency phase a disaster organizations is operating. Each organization may assess things differently so there may be genuine disagreements about priorities. The appropriate transition between the different phases and the mobilisation and disbanding of resources are critical in making the relief effort a success.

Many stakeholders are involved in (humanitarian) disaster relief operations. These include large numbers of uncoordinated and disparate donors, the media, governments, military organizations, (humanitarian) relief and aid organizations and the affected people (Figure 1). There can be as many as several hundred (humanitarian) disaster relief organizations at the scene of a disaster (Van Wassenhove 2006). This makes the coordination during the different phases of the disaster relief operation a considerable challenge.

Figure 1. Actors in disaster relief operations



Source: Authors' own elaboration.

Our focus is on the coordination between military and non-military relief organizations. The non-military relief organizations are all the other actors besides the military organizations, such as the (international) governmental organizations ((i)GOs), the (international) non-governmental organizations ((i)NGOs), the media and last but not least the affected population. Coordination covers all possible forms of inter-organizational interaction that are rooted in common intentions and lead, via negotiation, to agreements whereby the partners are and remain legally, and with certain restrictions, economically independent (Woratschek, Roth 2005).

2.2. Coordination between military and non-military organizations

The clear need for inter-organizational coordination within disaster relief operations led to the establishment of topical clusters. The concept of coordination in humanitarian logistics through clusters proposed by Jahre and Jensen (2010) is an approach to minimize the consequences of a natural disaster. In this cluster concept, vertical and horizontal coordination are integrated. The cluster concept involves organizing (humanitarian) help based on a number of sectors with a predefined management. Clusters were introduced to improve the effectiveness of the Office for the Coordination of Humanitarian Affairs (OCHA) in the five following key areas:

- Satisfactory global capacity to react to current and future crisis
- Trustworthy and predictable leadership at a global and local level
- Unbreakable alliances between UN bodies, (i)NGOs and (local) authorities
- Responsibility, both for the reaction and in relation to receivers
- Strategic field-level organization and prioritization.

Three main aspects are essential for the cluster system: selected global direction, central and local competence construction and suppliers of last alternative.

The cluster concept is based on a global perspective and then customized for a particular location while the event occurs. Each global cluster is constant, permanent and directed by one assigned group. As one cluster is permanent and organized from a global perspective, it offers a large flexibility in its response to the incident.

The global management of the clusters has a special task of creating both central and local competence. The global cluster management has a vital role in creating

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competence on a global level and the coordination between different small or large areas of assistance.

The supplier of last alternative is another important part of the cluster system. According to this concept, the last alternative provider commits to supplying any necessary service, when all other organizations are not able to. It is a large responsibility because, the last alternative provider takes on a leading position with timeless commitments, without the resources to meet them.

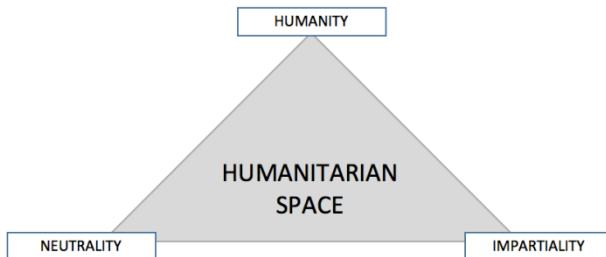
The basics for complex disaster relief coordination are the elements communicate, coordinate and information sharing. The different stakeholders have different understandings of these elements (Bjerge et al. 2016). These elements are the main activities for the cluster system. There is danger that coordination will be focused on within-cluster coordination, and primarily at the operational level with some efforts at the strategic level through the global cluster lead (Jahre, Jensen 2010).

Coordination during disaster relief operations can be found at three levels: operational, tactical and strategic. These levels are important for any disaster relief operation because it has been proved to be inefficient to centralise operations completely at the global level, and because regional organizations and transportation are necessary when global supply chains are too slow (Schulz, Heigh 2009). The lack of coordination among (humanitarian) relief organizations is seen as a big challenge (Kaba 2007; Osei-Akom 2007), especially on strategic and tactical level. Coordination on the operational level between military and non-military relief organizations seems to be more common (Jahre, Jensen 2010; Listou 2011; Rutner et al. 2012; Jensen, Hertz 2016). During (humanitarian) relief operations, strongly motivated people in both civil and military camps usually find ways to surmount barriers that they encounter, but valuable time is lost inventing and reinventing these solutions (Heaslip, Barber 2014).

Coordination can be hampered by a lack of knowledge about each other (e.g. Kaba 2007; Osei-Akom 2007). Humanitarian relief organizations live by their principles of humanity, neutrality and impartiality. In other words, they will help everybody in need wherever found; will not influence the outcome of a conflict with their intervention; and will not favour one group of beneficiaries over another. These

principles define the ‘space’ (Figure 2), both physically and virtually, in which they need to be able to operate to do their job effectively (Van Wassenhove, 2006).

Figure 2. ‘Humanitarian space’



Source: Van Wassenhove (2006).

One of the main challenges for coordination between military and non-military organizations lies in the mutual respect of the organizational and culture differences (Schulz, Blecken 2010; Rietjens et al. 2007; Balcik et al. 2010; Heaslip et al. 2012). So, how can relief organizations overcome the disconnect in mutual understanding on strategic and tactical levels?

2.3. The role of military organizations

The Oslo Guidelines, which originated in 1992 and were updated in 2006, are guidelines on the use of foreign military and civil defence assets in disaster relief. The aim of the Oslo Guidelines is to establish the basic framework for formalizing and improving the effectiveness and efficiency of foreign military and civil defence assets in IDRA.

For the purpose of the Oslo Guidelines assistance can be divided into three categories based on the degree of contact with the affected population.

- Direct assistance: the face-to-face distribution of goods and services
- Indirect assistance: at least one step removed from the population and involves such activities as transporting relief goods or relief personnel
- Infrastructure support: general services, such as road repair, airspace management and power generation that facilitates relief, but not necessarily visible to or solely for the benefit of the affected population.

The Oslo Guidelines state that humanitarian assistance (and in non-conflict disaster also International Disaster Relief Assistance (IDRA)) must be provided in accordance with the humanitarian principles: humanity, neutrality and impartiality. Military assets should be seen as a tool complementing existing relief mechanisms to provide specific support for specific requirements, in response to the acknowledged “humanitarian gap”, or as a last resort (OCHA 2007).

Despite humanitarian perceptions of effective coordination, the humanitarian community is not very familiar with the Oslo Guidelines. Bollettino (2014) concluded that only 12% of the respondents thought that the Oslo Guidelines were used to develop organizational policy on humanitarian aid agency engagement with military actors. Even when the Oslo Guidelines are known, they can lead to a different view on the principles of fulfilling the ‘humanitarian gap’. With this knowledge, the following research question is relevant: to what extent does the unfamiliarity with the Oslo Guidelines to unnecessary discussions and delay between military and non-military relief organizations?

Jensen and Hertz (2016) identified three main role categories in providing humanitarian assistance:

- Specialist provider: clear role recognised by all with very specialised competences
- Broad provider: recognised organization with substantial resources, but not very specialised
- Generalist: competences are not very specialised, limited resources.

This concept of roles can be seen as a first level of organising the (humanitarian) relief supply chain, thus avoiding some of the basic need for coordination when time is most pressing (Jensen, Hertz 2016), but how fits the military assistance within these roles?

In the international humanitarian community, there are different opinions on the role of the military organization during disaster relief operations. Military forces often play an important role in providing support during a disaster due to their strength in logistical and organizational structure (Apte 2009; Barber 2011; Heaslip 2011; Heaslip et al. 2012). The ability to quickly establish presence in the disaster

zone whilst delivering large volumes of relief in the hours and days following a disaster helps to reduce the “gap of pain” that has been described as the time between the demand for aid and the time in which the aid is provided (Rietjens et al. 2008; Barber 2010; Heaslip 2011). This is why Thompson (2010) and Tatham and Rietjens (2016) state that the military organization has a specific role in the assistance in support of logistic activities in the (immediate) response phase.

Barber (2012) identified more roles and tasks for the military organization in disaster relief operations in the (immediate) response phase, especially for military logisticians. The military logisticians can provide security, open transport and storage facilities, command and control distribution within and into disaster areas, restore communication systems, provide protection for incoming aid, assist with urgent air lifts and drops of aid in inaccessible locations and re-establish basic infrastructure.

The views on the role of military organizations during disaster relief operations differ from specialist (Thompson 2010; Tatham, Rietjens 2016) to broad provider (Jensen, Hertz 2016) and in delivering direct, indirect assistance and even infrastructure support (Oslo Guidelines, 2006). With the ‘humanitarian principles’ in mind, the following research question can be further investigated: is the actual role of military organizations limited to a broad provider role and delivering indirect assistance in the (immediate) response phase during disaster relief operations?

3. Methodology

We adopted a case study approach to gain insights in the coordination problems between military and non-military organizations. A case study is typically well suited for an explorative study that intends to investigate coordination problems at operational, tactical, and strategic levels in the (immediate) response phase of a disaster relief operation (Yin 2013). We examined the support of the Dutch military organization and its coordination with the non-military organizations after hurricane Matthew on Haiti in October 2016. The selection of the case was based on the consideration that we aim to investigate a sudden-onset disaster with a completed

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After Action Review of OCHA, where different military and non-military relief organizations were present and active.

The study included analysis of relevant documents and interviewing key respondents. Information was obtained from semi-structured interviews, journals, and relevant documents. The documents, which are used for this case study, are the After Action Review (AAR) of the disaster relief operation of hurricane Matthew from OCHA, the flash appeals (OCHA and European Commission's Humanitarian Aid and Civil Protection Organization (ECHO)) and the situation updates from the Logistic Working Group. In addition, we analysed the coordination forums on the different organizational levels that provide insights in the communication lines and coordination problems between military and non-military organizations.

Respondents were selected from the Dutch military forces (Ministry of Defence (MoD)), the Ministry of Foreign Affairs (MoFA), the UN OCHA, UNDAC, EU ECHO and INGOs (International Federation of the Red Cross, OXFAM NOVIB and CORDAID). A total number of 12 interviews were conducted with respondents, covering the three organizational levels (strategic, tactical, and operational). The key-informants can be divided in several categories. First, they can be divided in military (five persons) and non-military disaster relief organizations (seven persons). Second, they can be divided in the different organization levels; strategic level (four persons), tactical level (seven persons) and operational level (four persons). The sum of these representatives is above twelve, but the reason for that is that some of the representatives were active on different organizational levels during the disaster relief operation of Matthew. The answers of the representatives are also cross-checked to obtain an objective view on the different propositions.

The interview guidance is based on the questionnaire that is used for the report by the Stockholm International Peace Research Institute (SIPRI) on effectiveness of foreign military assets in natural disaster response (SIPRI 2007). The questions are based on the six (interconnected) aspects of effectiveness (cf. Van Schoorl 2010).

Besides the fact that the questions for the interviews are based on a validated interview guidance, the interview questions are also validated with other peer researchers to make sure that the questions deliver the answers needed for this case study and that the interviews are representative for this research. An interview

typically lasted 60-90 minutes. All interviews were recorded and transcribed. For reasons of validity, we provided respondents the opportunity to check and recheck interim reports

This case not only focusses on the coordination between the different organizations, but also on different organizational levels (strategic, tactical and operational level). During the disaster relief operation of hurricane Matthew, the Dutch military organization supported Haiti and the international relief operation by sending two Dutch Royal Navy ships. These ships delivered logistics (transport capacity and relief goods) support, security and infrastructure repair capacity. The non-military relief organizations in scope of this case are CORDAID, Oxfam Novib, the International Federation of the Red Cross (IFRC), the UN OCHA, the EU ECHO and the Dutch Ministry of Foreign Affairs.

4. Results case study hurricane Matthew

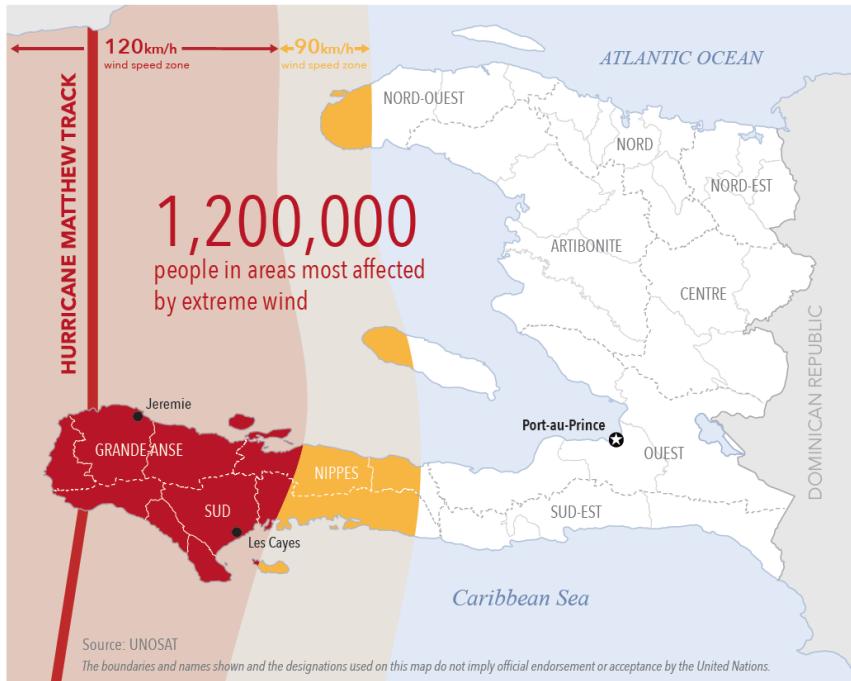
4.1. Disaster relief for hurricane Matthew

Hurricane Matthew was a powerful Atlantic hurricane, category 4 on the Saffir-Simpson scale that made landfall on the 4th of October in 2016. Hurricane Matthew cost more than a thousand lives on Haiti and more than 1.4 million people required immediate assistance. The OCHA released a Haiti Flash Appeal of \$119.9 million on the 10th of October (updated on the 19th of October), which was required to provide 750 000 people with life-saving assistance and protection in the next three months.

The disaster relief operation started before hurricane Matthew made landfall. An UNDAC team was sent to Haiti to make an assessment. Directly after the disaster, the government of Haiti was in a state of chaos, so it took a while for the Government of Haiti officially requested assistance of the international community. The UN OCHA decided to increase the UNDAC capacity with an extra team and ECHO sent a Civil Protection Team (CPT) for coordination. Because the Government of Haiti wanted to stay in charge, they did not want the ‘cluster system’. Instead of the ‘cluster system’, they set up the ‘Sector system’. The advisor

of the sector logistics was the World Food Program (WFP) (within the UN Cluster system the leading organization for the logistic cluster).

Figure 3. Hurricane Matthew on Haiti



EU ECHO received a request for support from OCHA. The EU released €3.755 million (ECHO Factsheet Haiti, 17 November 2016) to fund emergency humanitarian assistance. Some members offered also relief capacity for the disaster relief operation on Haiti. Late in the evening of the 4th of October, the Netherlands received the request for support. This request had to be staffed by the Dutch government. On the 7th of October, the MoFA and the MoD agreed to support for the relief operation in Haiti and they offered two Navy ships with transport capacity, force protection and reconstruction capacity.

For legal reasons, there had to be bilateral arrangement between Haiti and the Netherlands. The MoD insisted in arming the Dutch military personnel for their own protection. This led to a discussion with MoFA. After a few days, it was decided that

the military organization would support the disaster relief operation with armed personnel.

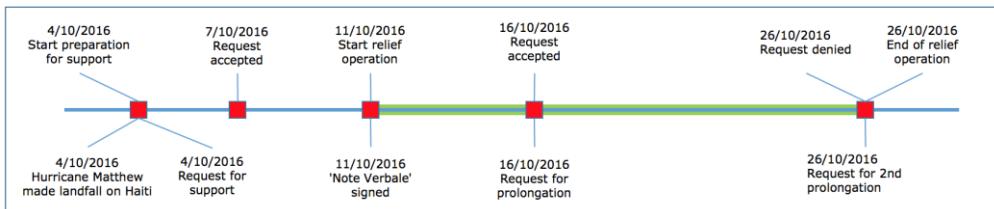
The decision about the armed personnel and other arrangements (declarations of goods, etc.) had to be in a ‘Note Verbale’. It took several days before the ‘Note Verbale’ was signed by Haiti, because they were not familiar with the correct procedures. In the meantime, the two Navy ships moved to Haiti. But the personnel were not allowed to enter Haiti before the ‘Note Verbale’ was signed. This delay frustrated the personnel on the ships, because they wanted to help people. It also frustrated the local authorities and the non-military relief organizations, because they needed the support of the ships and personnel. The Dutch commanders used the time to coordinate and explain the problems to the local authorities, representatives of the non-military relief organizations and the media on board of their ships. On the 11th of October, the ‘Note Verbale’ was signed and the two Navy ships could start with their relief support.

The two Navy ships provided transport of goods for non-military relief organizations to locations that were not accessible by road. Dutch engineers also supported with restoring roads and repairing a hospital. The Dutch military also examined the coastline for safe places to moor. For the coordination of the ‘last mile’ distribution, the ships had representatives of the local authority and representatives of the non-military relief organizations on board. Before the actual distribution, these representatives were in contact with their colleagues on shore to organize the delivery of these goods. The whole process was orderly, because of the coordination in advance and the support of the military personnel. There were no weapon incidents with Dutch armed military during the support of the relief operation.

The Netherlands offered support with two ships for one week. At the end of that week, the Netherlands received a request for another week via the official channels of the EU and UN. The Netherlands complied with this request. There was a second request for prolongation of the two ships after the second week. This request was not granted by the Netherlands and for that reason the support came to an end on the 26th of October. This led to a problem in the transport capacity during the relief

operation. The contract for civil transport capacity to take over the role of the Dutch ships was not yet in place.

Figure 4. Timeline for the Dutch military relief operation



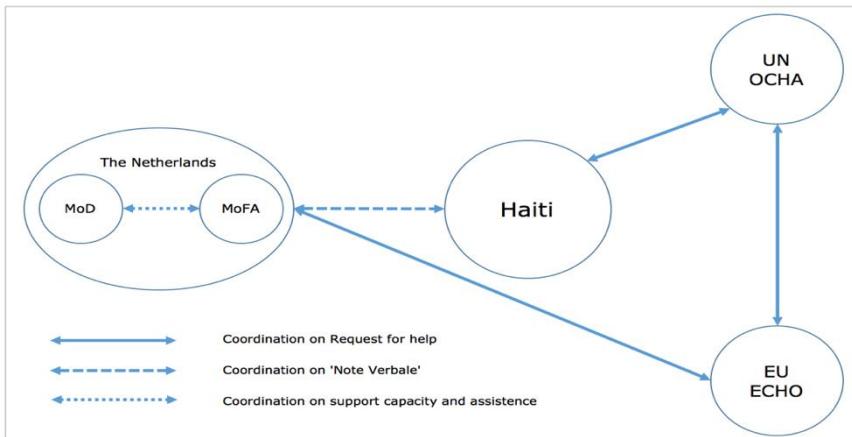
Source: Authors' own elaboration

4.2. Coordination on different organizational levels

The first request for help was between Haiti and the Netherlands on strategic level. Figure 5 shows the official request for help procedure. The procedure of the request for prolongation is the same. On tactical level, the logistic support was coordinated by the Logistic Working Group (LWG) from the WFP. The LWG daily organized logistic meetings. Over 50 military and non-military relief organizations were attending these meetings. The Dutch military organization sent a Liaison Officer (LO) to attend these LWG meetings. After the arrival of the two Dutch ships in the territorial waters of Haiti, the LO coordinated their support for the relief operation during the LWG meetings, on tactical (regional) level (Figure 6).

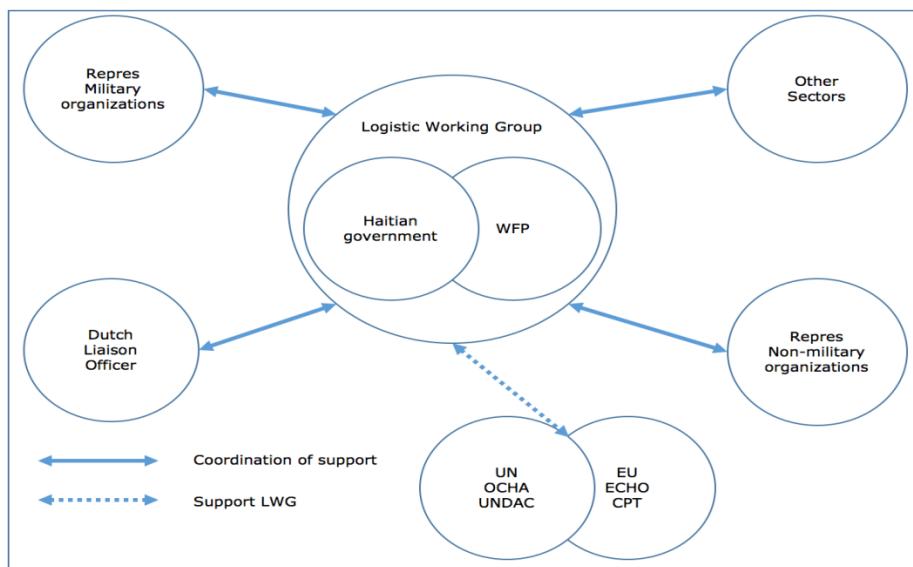
The commanders invited the representatives of the supported non-military relief organizations and the local authorities on board to coordinate on the operational level (Figure 7). These representatives were in contact with their local counterparts, where the people in need were.

Figure 5. Request coordination



Source: Authors' own elaboration

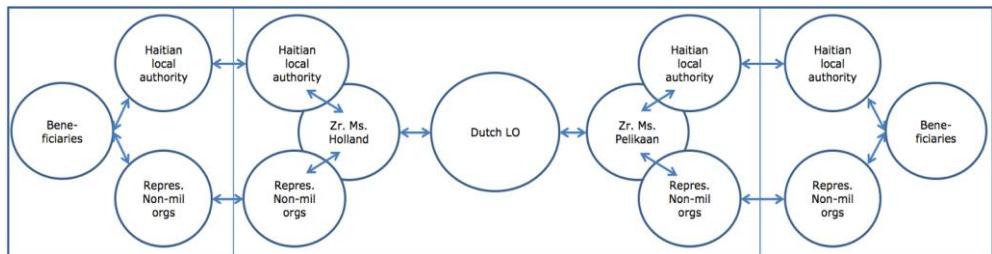
Figure 6. Coordination on tactical level



Source: Authors' own elaboration

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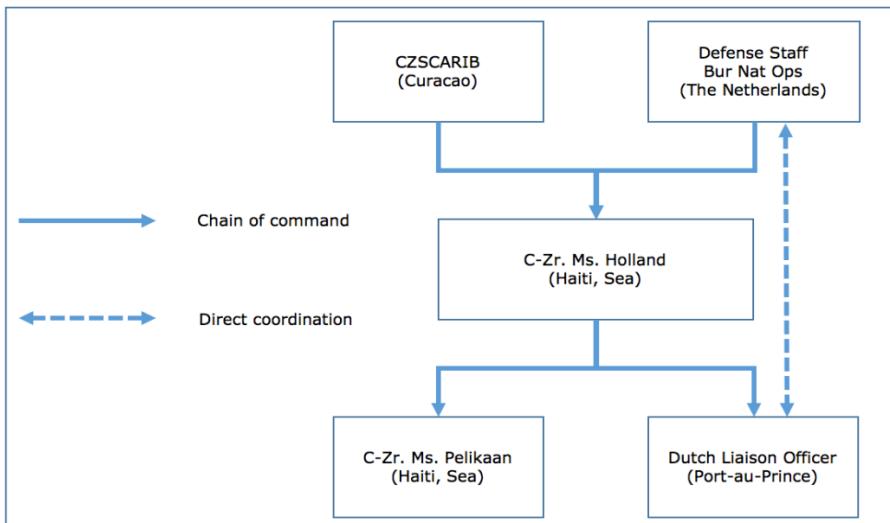
Figure 7. Coordination on operational level



Source: Authors' own elaboration

Figure 8 shows the military chain of command during the disaster relief operation of Matthew. The commander of the Zr. Ms. Holland was the highest in rank on location. After a few days, the Dutch military organization experienced that the official chain of command was too complex during the disaster relief operation. The Dutch LO was acting on operational level in the national chain of command and at the same time he was the point of contact on tactical level for the disaster relief. The official chain in command stayed intact, but it was up to the Dutch LO to coordinate with the Defence Staff.

Figure 8. Military chain of command during hurricane Matthew



Source: Authors' own elaboration

4.3. Coordination between military and non-military organizations

The coordination between military and non-military organizations on the operational level seemed to be no problem. Throughout the execution of the relief operations, no cultural or organizational problems hampered the coordination between both organizations. Menno van der Eerden (Commander of Zr. Ms. Holland, interview): “The coordination went well. In the beginning, we had to learn to know each other. But after a while we knew the roles of the different organizations”. Frank Jonker (Commander of the engineer group, interview): “There wasn’t even an language barrier”. All the respondents on the operational level answered that the coordination between the military and non-military organizations was effective.

The coordination challenges and problems between military and non-military relief organizations have been experienced on the strategic and tactical level. The non-military relief organizations experienced problems with the ‘humanitarian space’. Fanny de Swarte (EU ECHO, interview): “A lot of non-military relief organizations depend on the goodwill of the parties involved. Being perceived as a neutral party is essential for non-military relief organizations. There are moments your life depends on being seen as neutral”.

The coordination challenges and problems on strategic level occurred between the Ministry of Foreign Affairs and the Ministry of Defence. That had to do with the familiarity with the Oslo Guidelines.

4.4. The Oslo Guidelines

The Oslo Guidelines gives guidance on the use of foreign military and civil defence assets in disaster relief. However, in practice the Oslo Guidelines are not known and/or not used. Only seven of the twelve respondents (the answers from the MoFA consists of two respondents) are familiar with the Oslo Guidelines. Two respondents of the military organizations are familiar with these guidelines. Apparently, there is not much attention for these guidelines in the military organization in preparation of the support during the disaster relief operation.

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Two respondents answered that the Oslo Guidelines were leading in the coordination between the military and the non-military relief organizations. That means that 17% of the respondents used the guidelines to coordinate. Even the most non-military relief organization do not use these guidelines for coordination with military organizations.

Ronald Christiaans: “The Guidelines are not leading for us. We just ask for what we want and the military organization decides whether they can facilitate or not” (UN UNDAC, interview annex 7.7). Fanny de Swarte: “Yes, on strategic and tactical level we applied these guidelines. On operational level, it is pragmatically” (EU ECHO, interview).

On strategic level, the Oslo Guidelines led to discussions regarding weapons. The military organization consisted in supporting the disaster relief operation with armed personnel. The lessons learned from other disaster relief operations, such as the earthquake on Haiti or the cyclone on Dominica: “handling aid goods and ensuring that they find their way to their proper destination can only take place in a secure and secured environment” (Houben 2009). The respondents from the MoFA wanted that the ‘Humanitarian space’ was ensured. That mend in their opinion that the military organization was not allowed to carry any weapons during the operation. They based their opinion on the Oslo Guidelines. The legal advisors of the Ministry of Defence concluded that this was not an issue in the Oslo Guidelines. After several days of discussion, the decision was made that the military organization was allowed to support the disaster relief operation with armed personnel.

Ministry of Foreign Affairs (interview): “To come into action, there had to be a signed ‘Note Verbale’. We had the content of this letter, but the Ministry of Defence wanted the condition that they could operate with armed personnel during the emergency relief operation because of their experience during the earthquake on Haiti in 2010. This had to be included in the ‘Note Verbale’ and that took a while.” Stefan Maureau (MoD, interview): “Gladly, we hold on to our demand to send our troops armed with weapons. In Haiti, convoys were ambushed, but that did not happen to the Dutch military organization”.

In case of the disaster relief operation of Matthew it seems that armed personnel played a decisive role in the support. It prevented chaotic situations and looting.

4.5. The role of the military relief organization

The Dutch military organization supported the transport capacity, force protection, engineering capacity for reconstruction of infrastructure and capacity for measurements of the depth of the quays. The support was very much appreciated. Stefan Maureau (MoD, interview): “The provided help was very good and we received compliments from Haiti and the UN. This is a sign that the emergency relief was good”.

Generally, the military organization is willing to take part in relief operations. Their capacity and speed of action can be very helpful for the immediate response to a disaster. But the government decides if the military organization takes part in the disaster relief operation when requested. Stefan Maureau (MoD, interview): “We only fulfil the requested emergency relief support. The requesting country asks for what they need. We can or cannot meet the request and the governments decides if we are going to support the request”. Fanny de Swarte (EU ECHO) was very clear on the question about the role of the military organization: “Preferably as little as possible”. Her reaction has to do with the attitude and behaviour of the military organizations. The Dutch military organization was very cooperative during the disaster relief operation of Matthew, but normally military organizations want to take the lead in disaster relief organizations and they are not as efficient as they think they are. The fact that being perceived as a neutral party is essential for non-military relief organizations. Coordination with military organization could endanger this neutrality and with that the personnel of the non-military relief organization (Fanny de Swarte EU ECHO).

The main opinion of the respondents is that the military organization is a last resort and only during natural sudden-onset disasters without conflicts. This is in line with the Oslo Guidelines. Annick van Lookeren Campagne of Oxfam Novib (interview): “My opinion is that the military organization is a last resort. In case of a natural disaster, the role of the military organization is less political. However, in

case of conflicts, the military organization is not the desired relief organization to act within the humanitarian principles”.

Just as Stephen MacAndrew stated: “They can provide some support, such as heavy lift or logistics support, but they are not humanitarians” (IFRC, interview).

5. Conclusions and discussion

Coordination between military and non-military relief organizations during disaster relief operations takes place on different organizational levels. The literature showed that coordination at operational level is more common than at tactical and strategic level. The case study showed the same phenomenon. At operational level, the military and non-military relief organizations had no problems with the coordination. At tactical and strategic level, they indeed experienced challenges and problems with the coordination.

5.1. The disconnect in mutual understanding

On operational level, both military and non-military relief organizations focusses on the main goal, saving lives and overcoming the (coordination) problems. Strongly motivated people in both camps (i.e. civil and military) usually find ways to surmount barriers that they encounter (Heaslip, Barber 2014). The relief workers see what a disaster really leads to and are confronted with the losses of lives.

On tactical, but certainly on strategic level, the distance between the people in need and the relief organizations can lead to another perception of urgency. The difference in understanding between the military and non-military organizations is larger on tactical and strategic level than on operational level. ‘Ignorance breeds contempt’.

On tactical level, coordination challenges and problems occurred between military and non-military relief organizations. These problems occurred mainly on cultural aspects. Stephan MacAndrew of the IFRC illustrated the disconnect in mutual understanding very clear, when he said that the military are very helpful, but not humanitarian.

Coordination challenges and problems on strategic level are mostly related to the ‘humanitarian space’ of the relief organizations. The participation of military organizations lead to challenges and problems with neutrality, humanity and impartiality. This became clear with the coordination between the Dutch MoFA and MoD. For the MoFA, the ‘humanitarian space’ meant no armed personnel, which they substantiated with the ‘Oslo Guidelines’. Legal experts of the Dutch MoD pointed out that the Oslo Guideline does not prohibit armed personnel for self-protection of self-defence.

5.2. The unfamiliarity with the Oslo Guidelines

Vincenzo Bollettino (2014) concluded in his study on the Oslo Guidelines that only 12% of the respondents of his survey (a skilled group of professionals with many years of professional experience) thought that the Oslo Guidelines were used to develop organizational policy on humanitarian aid agency engagement with military actors. This case study showed the same trend. Only six of the twelve respondents are familiar with the Oslo Guidelines and only two key-informants said that these guidelines were leading for their organizations to coordinate with other organizations.

The unfamiliarity and lack of clarity of the Oslo Guidelines led to the discussion between the Dutch MoFA and MoD. This discussion cost a lot of precious time to overcome this difference. This result leads to discussions on what to do with the Oslo Guidelines. In the OCHA community, all the participants agreed upon the Oslo Guidelines. However, the aim of the guidelines, establish the basic framework for formalizing and improving the effectiveness and efficiency of the use of foreign military and civil defence assets in international disaster relief operations, is not reached.

5.3. The role of the military organization in relief operations

The opinion of the humanitarian community is that military organizations are not humanitarian organizations. So, there is no role for military organizations within (humanitarian) disaster relief operations. On the other hand, military organizations have a lot of transport and other useful capacities. They can deploy very fast and at

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(almost) every place where non-military relief organizations cannot come. With these characteristics, the military organization can be very helpful during disaster relief operations. The role of broad provider with direct and indirect assistance fits well. Tatham and Rietjens (2016) only see an indirect assistance role with logistic support for the military organization. Non-military relief organizations requires that the military organizations only have a role during natural sudden-onset disaster relief operations in non-conflict areas. Then it is (or can be) safe for the humanitarian worker to coordinate and work with the military organizations.

The opinions within the military community also vary. Some of the military key-informants are convinced that the military organization has to wait for official requests for support while other military key-informants are convinced that the military organization has to be prepared for possible disasters in areas where there is a higher possibility of the occurrence of disasters. The variety of opinions is also found in the literature. The main opinion is that military organizations has a specialist and broad provider role in disaster relief operations, because they can rapidly deploy with various useful material for disaster relief operation for direct and indirect assistance. Especially in the supply chain of disaster relief operations.

For the coordination between the military and non-military relief organization it is essential that the roles of the organizations are clear. There are several aspects that the military and non-military relief organizations agree upon. First of all, the organizations see the importance of a broad provider logistic indirect assistance role for the military organization, especially with transport capacity. Secondly, the construction capacity of the military organizations can be used in the (immediate) response phase when there is no other possibility to reconstruct the infrastructure. And third, the military organizations have to hand over the relief goods for ‘the last mile delivery’ to the local non-military relief organizations.

6. Recommendations

The results of this study can be used to provide recommendations for practice. How can the coordination between the military organization and the non-military

relief organization during disaster relief operations be improved? Our study suggests that the common and mutual respect and a clear task and role fulfilment are critical for coordination between military and non-military relief organizations. On tactical and strategic level, the lack of mutual understanding on the organizational and cultural differences between military and non-military relief organizations is likely to result in challenges and problems with the coordination. Unfamiliarity with the different organizations can contribute to a lack of common and mutual respect of the cultural and organization values.

The military organizations do not have clearly defined tasks and roles within the disaster relief operations. The guidelines for the tasks and roles as stated in the 1994 Oslo Guidelines are not actually used by organizations within disaster relief operations. Even during natural made sudden-onset disasters without a conflict, there is no consensus on the role of the military organization. To improve the coordination between the military and the non-military relief organizations, there must be paid more attention to get mutual understanding on tactical and strategic level. In addition, the military organizations must have a clear role during disaster relief organizations. A first step to improve the coordination is to get familiarity and clarity on the Oslo Guidelines. Another step for improvement is for the military organization to accept that it has no leading but an assistance role during disaster relief operations. The difficulty for a clear task and role fulfilment, is that the military organization can have a direct or indirect assistance role. The military has an indirect assistance role, but dependent on the circumstances it has to fulfil a direct assistance and/or an infrastructure support role. The focus has to be on coordination before the concerning disaster relief operation to clarify the role of the military organizations.

We recommend a discussion about the familiarity and the goal of the Oslo Guidelines. Are these Oslo Guidelines still valid, should they be updated or thrown away? And when the guidelines are still valid, the content has to be familiar with all the participating organizations. To get the organizations familiar with the Oslo Guidelines and the other relief organizations, OCHA has to make the education programs, courses and trainings mandatory before participating in the cluster system during disaster relief operations.

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Future research could be to conduct a comparable case study with military organizations other than the Dutch military. To get more details on the coordination challenges and problems, research can focus on the possible differences between the coordination between military organizations and (i)GOs and coordination between military organizations and (i)NGOs.

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Appendix A: Interview guide

| | M il it a r y r | M il it a r y r | N o n M il i t r i t | N o n M il i t r i t | N o n M il i t r i t | M o n a i l r y r | N o n M il i t r i t | M o n a i l r y r | M o n a i l r y r | M o n a i l r y r | |
|---|-----------------------------------|-----------------------------------|---|---|---|---|---|---|---|---|---|
| Organisatie niveau: Strategisch (S), Tactisch (T) of Operationeel (O) | S | S | S&T | S&T | T | T | T | T | T&O | T&O | O |
| 1. Opening | | | | | | | | | | | |
| Could you describe your role in the Haiti disaster response operation 1.1 (Hurricane Matthew)? | | | | | | | | | | | |
| 2. Timeliness | | | | | | | | | | | |
| Was there a request for help formulated and where did it come from 2.1 (country/UN)? | | | | | | | | | | | |
| How soon after the occurrence of the disaster did you receive the request for 2.2 help? | | | | | | | | | | | |
| 2.3 How did your organization react/respond to it? What actions were needed to get the necessary assets/goods in the disaster 2.4 area and how long did it take to get there? | | | | | | | | | | | |
| 2.5 Which assets/goods were needed for the help/assistance/operation? | | | | | | | | | | | |
| 3. Appropriateness | | | | | | | | | | | |
| 3.1 Did you conduct any sort of needs assessment? Was there a Memorandum of Understanding (MoU) of any kind in place with the country in which the emergency aid was conducted in case of legal 3.2 liability? | | | | | | | | | | | |
| 3.3 Are you familiar with the Oslo Guidelines? Were the Oslo Guidelines leading in the coordination (with the Dutch military 3.4 forces or with the non-military organizations)? | | | | | | | | | | | |
| 4. Absorptive Capacity | | | | | | | | | | | |
| 4.1 What type of help/assistance did your organization deliver and when was this help/assistance in place? Did your organization have direct contact with the Haitian (local) authorities 4.2 or was it channelled through other agencies/organizations? | | | | | | | | | | | |
| 5. Efficiency | | | | | | | | | | | |
| 5.1 For how long did your organization deliver the help/assistance? Was the emergency aid in accordance with the request or did it take 5.2 longer/shorter? Was there any help/assistance rejected? And if so, what was the reason of 5.3 the rejection? Was your organization able to provide all the requested help/assistance? Of 5.4 were there some assets/goods not available? Were there any problems with the coordination with the (Dutch military or 5.5 non-military (humanitarian) relief organizations during the relief operation? | | | | | | | | | | | |
| 6. Coördination | | | | | | | | | | | |
| 6.1 Were there any mechanisms in place for coordinating your efforts with other providing countries, international agencies or the recipient country? 6.2 How effective was this coordinating mechanism and why? Was the help/support/assistance of the different humanitarian aid 6.3 organizations complementary or did the in some cases overlap? Is there any difference between the coordination with the (Dutch) military 6.4 organization and a humanitarian aid/relief organization? 6.5 How effective was the coordination in your opinion? How do you evaluate the contribution of help/assistance? What are/were the 6.6 'lessons learned'? | | | | | | | | | | | |
| 7. Costs | | | | | | | | | | | |
| 7.1 Are you familiar with the costs of this disaster relief operation? 7.2 Do you know how it was funded? How do you evaluate the efficiency of the operation when you focus on the 7.3 coordination with the (Dutch military or non-military) organizations? | | | | | | | | | | | |
| 8. Concluding | | | | | | | | | | | |
| What is your opinion on the role of a military organization during disaster 8.1 relief operations? 8.2 Do you have any last comments/remarks and/or additional comments? | | | | | | | | | | | |

S = Strategic level
 T = Tactical level
 O = Operational level

| | | |
|--------|---|---|
| MoFA | : | Ministry of Foreign Affairs |
| NATO | : | North Atlantic Treaty Organization |
| (i)NGO | : | (international) Non-Governmental Organization |
| OCHA | : | Office for the Coordination of Humanitarian Affairs |
| PAHO | : | Pan-American Health Organization |
| SIPRI | : | Stockholm International Peace Research Institute |
| UK | : | United Kingdom |
| UN | : | United Nations |
| UNDAC | : | United Nations Disaster Assessment Coordination |
| US(A) | : | United States (of America) |
| WASH | : | Water, Shelter and Hygiene |
| WFP | : | World Food Program |