



# KALEIDOSCOPE

Vol. V - ECONOMICS

**International Conference  
for Doctoral, Post-Doctoral Students  
and Young Researchers  
in Humanities and Social Sciences**

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Iași, ROMANIA

MAY 31-JUNE 2, 2023

**LAURA ASANDULUI**  
(Editor)





UNIVERSITATEA  
„ALEXANDRU IOAN CUZA”  
din IAȘI

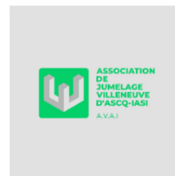
**Editor: Laura Asandului**

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### Sessions:

SOCIOLOGY and SOCIAL WORK

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## **Analysis of the Sustainability Reports of Romanian Food Retailers**

**Mădălina-Ioana PETREA<sup>1</sup>**

### **Abstract**

In recent years, the concept of sustainability has gained significant attention in the business world, with an increasing number of companies publishing sustainability reports. In this paper, we examine the sustainability reports of some of the most important Romanian food retailers, with the aim of identifying the key sustainability initiatives and practices that these companies are undertaking. Through a comprehensive analysis of the sustainability reports of major food retailers operating in Romania, we identify several common themes, including efforts to reduce greenhouse gas emissions, minimize food waste, and promote sustainable sourcing practices. We also explore the extent to which these companies are incorporating sustainability into their corporate strategies and operations. Our findings suggest that while Romanian food retailers have made significant progress in incorporating sustainability into their operations, there is still room for improvement. Specifically, we highlight the need for greater transparency and accountability in reporting sustainability initiatives, as well as the need for more ambitious sustainability targets. Overall, our study contributes to the growing body of research on sustainability reporting and provides valuable insights for policymakers, academics, and practitioners interested in promoting sustainability in the food retail industry.

**Keywords:** sustainability, sustainability report, retail, Romania.

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## **I. Introduction**

In recent years, sustainability has emerged as a critical consideration for businesses across the globe, transcending industries and becoming a pivotal focal point for operational and strategic decision-making. This shift is particularly evident in the food retail sector, which has a substantial impact on environmental, social, and economic systems due to its extensive supply chains, significant energy consumption, and large-scale waste generation. In Romania, major food retailers have increasingly embraced sustainability as a core component of their business models, driven by growing consumer awareness, regulatory pressures, and a commitment to corporate responsibility.

This article aims to assess the progress and strategies of leading Romanian food retailers in their sustainability endeavours, focusing on the fiscal periods from 2020 to 2022. The study scrutinizes four key dimensions of sustainability: employee welfare, environmental protection, food waste reduction, and community involvement. By analysing sustainability reports from prominent retailers such as Kaufland, Carrefour, Lidl, Penny Market, and Mega Image, this research seeks to uncover the extent to which these companies have advanced their sustainable practices and the common elements that define their sustainability strategies.

Employee welfare is a foundational aspect of corporate sustainability, reflecting a company's commitment to the well-being and development of its workforce. This includes initiatives aimed at ensuring safe working conditions, providing fair wages, and fostering professional growth and satisfaction among employees. Environmental protection efforts are critical in mitigating the ecological footprint of retail operations, encompassing areas such as energy efficiency, waste management, and sustainable sourcing of products. These initiatives are vital in addressing the environmental challenges posed by the retail sector, from reducing greenhouse gas emissions to conserving natural resources.

Food waste reduction strategies are essential for tackling one of the most pressing issues in the food supply chain, which has significant implications for food security, resource conservation, and climate change. Retailers' efforts in this domain include optimizing inventory management, partnering with food banks, and educating consumers on food waste prevention. Community involvement initiatives demonstrate a retailer's dedication to supporting local communities and enhancing societal well-being. These can range from charitable donations and local sourcing programs to environmental education and volunteerism.

This article not only highlights the progress made by these retailers but also provides a comprehensive overview of their strategies and initiatives. Through a

detailed examination of sustainability reports, the study offers insights into the effectiveness of various approaches and the broader implications for the industry. As businesses face increasing pressure from consumers, regulators, and stakeholders to adopt sustainable practices, the findings of this study offer valuable lessons and benchmarks for other companies striving to enhance their sustainability performance.

By documenting the successes and challenges faced by Romanian food retailers, this research contributes to the ongoing discourse on sustainability in the retail sector and underscores the importance of integrated, multi-faceted approaches to achieving long-term sustainability goals. The insights gained from this study are not only relevant for the Romanian market but also offer a blueprint for retailers worldwide who are navigating the complexities of sustainable development. As the industry continues to evolve, it is imperative for companies to stay ahead of the curve by embracing innovative solutions, fostering collaboration, and maintaining a steadfast commitment to sustainability. Through such efforts, the retail sector can significantly contribute to the global sustainability agenda, ensuring a healthier and more equitable future for all.

## II. Literature review

The term *sustainability* has become commonplace in recent years, spanning industries from education to banking. Delving into its Latin roots, *sustainability* combines *tenere* (to hold) and *sus* (up). It's also viewed as a guiding principle for shaping the future, according to literature (Jaronen, 2013).

Sustainability rests upon three key pillars or dimensions: economic, social, and environmental. To ensure a solid framework for current research, it's crucial to explore these dimensions of sustainability, thereby clarifying economic, social, and environmental sustainability (Hansmann, Mieg, & Frischknecht, 2012).

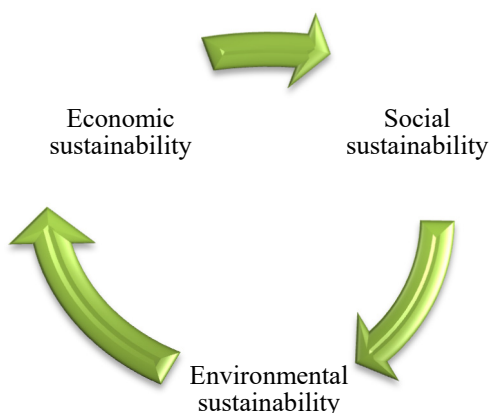
Economic sustainability entails making decisions in a balanced and financially sound manner to stabilize the economy against uncertainties. This aspect of sustainability emphasizes long-term resource conservation and adopts practices like recovery, reuse, and recycling. Factors contributing to economic sustainability include global issues, energy management, innovative product design, competitive production strategies, and ongoing evaluation of supply chain performance (Retchless & Brewer, 2016).

Social sustainability aims to ensure social well-being for present and future generations, encompassing equity, peace, freedom, education, justice, health, participation, inclusion, and empowerment. Achieving social sustainability requires

effective governance and collaboration among stakeholders like the United Nations, governments, NGOs, academia, businesses, and civil society. It is closely linked to economic and environmental sustainability and can be promoted through planning, research, policies, advocacy, awareness, and evaluation. The concept of social sustainability is gaining importance in sustainable development efforts, with increasing efforts to enhance its recognition and promotion (De Souza, 2023).

Environmental sustainability is intricately linked to the natural environment and our responsibility to preserve it for future generations. Studies indicate that it also pertains to the natural environment's ability to sustain life (Brodhag & Taliere, 2006).

The three dimensions of sustainability are interconnected (figure no. 1), not being able to speak about sustainability without taking into consideration all three of them.



*Source: Author's own representation.*

### **Figure no. 1. Sustainability dimensions**

Sustainability is based on the main pillars explained, economy, environment, and social aspects. For an organization aiming to become sustainable, it is crucial to integrate all these principles. Environmental, social, and economic sustainability must be considered together, as “neglecting the connection between these elements can lead to shortcomings in overall sustainability” (Ikred, 2011).

It is noticeable that many organizations do not adopt sustainable strategies or practices on their own initiative, but rather due to legislative pressure. They find it particularly attractive to comply with legal standards to stay within the bounds of the law. However, it is doctrinally considered that if these organizations went

beyond what the law requires, they “would have more time to experiment with materials, technologies, and processes, thereby significantly benefiting from the encouragement of innovation and being at the forefront of identifying new business opportunities” (Danciu, 2013).

Specialized literature describes various practices, policies, and strategies to promote sustainability, tailored to the specific needs of each organization. However, a series of common elements are identified in all these strategies, including the energy aspect. Thus, most sustainability strategies or plans emphasize the crucial element of energy efficiency, which includes fuel consumption for vehicles. To be sustainable, an organization must use as much green energy as possible from renewable sources and increasingly move towards generating its own energy through the installation of photovoltaic panels or similar mechanisms, according to the organization's specific characteristics and location.

Sustainability brings several extremely important benefits for organizations that decide to adopt its principles. These include financial benefits, multiple benefits for employees and improvements in operational efficiency, represented in table no. 1.

**Table no. 1. The benefits of sustainability**

<i>No.</i>	<i>Benefits of sustainability in organizations</i>	<i>Author</i>	<i>Year</i>
1	Lower capital costs	Whelan T., Fink C.	2016
2	Higher operational profits	Accenture	2020
3	Improved financial performance	Koller. T., Nuttall. R	2020
4	Promotes psychological capital and career development	Cheng, B., Yu, X., Dong, Y., Zhong, C.	2023

Source: Author’s own representation.

The environmental performance of enterprises significantly impacts their financial performance, reputation, and long-term viability. Studies have shown that good environmental performance is positively associated with financial performance, market value, and innovation-oriented investments. Conversely, poor environmental performance negatively affects financial performance (Siregar, 2023). Moreover, companies that adhere to environmental management criteria and publicly disclose their environmental performance tend to have a higher market value and attract more investors (Nazarova & Tikhomirov, 2022). It has been observed that disclosing information on social and environmental sustainability positively impacts long-term financial performance, contributing to improved asset profitability and return on equity. This strategy can be strategically



employed to maximize company profitability and reputation. These findings suggest that the environmental performance of enterprises not only affects their financial performance but also plays a crucial role in shaping their reputation and long-term viability.

Specialized literature has identified certain behaviours and attitudes related to the adoption of sustainable practices at the firm level. The following types of behaviours have been documented: “ecodefensive (following a financial logic), ecoconformist (content with complying with legal norms), and ecosensitive (going beyond current regulations)” (Costache & Dumitraşcu, 2022). Among the attitudes mentioned in the literature are the “waiting” attitude (where the manager is more pragmatic and less involved), the “adaptive” attitude (which involves “complying with legislation or exceeding future market expectations to propose a responsible offer, a strategy that does not exclude environmental innovations”), and the “proactive” attitude, which is that of an innovator or inventor in a certain field. From our perspective, this proactive attitude is the only one capable of transitioning towards sustainable development and truly ensuring sustainability at the organizational level (Hart, 1995).

Since the early 2000s, the number of companies publishing non-financial, environmental, social and governance (ESG) reports has increased dramatically and continues to grow continuously. The specialist literature suggests that “the keys to publishing CSR reports are defining accountability to stakeholders, building trust with them and increasing value” (Kanji, 2015). It also points out that in CSR reports, companies should include all aspects of the company, no matter how unfavourable, as this is the only way to build or maintain stakeholder trust in the company. Last but not least, in the authors' view, there are a number of reasons why CSR reports need to be highly accurate and credible, including the fact that it is important for all companies to provide information according to the same set of criteria because if each company reported according to its own criteria, it would not be possible to compare the data with other companies' data; gain credibility with stakeholders by having to follow the GRI (Global Reporting Initiative) criteria or accepting assurances from third party stakeholders to validate the CSR report. A recent practice is to publish integrated reports, containing both financial and non-financial reporting, but we cannot say that this is the case for food retailers in Romania, as they have a practice of publishing sustainability reports separately. Non-financial reporting among food retailers in Romania is a relatively new practice, most of them having sustainability reports since 2016.

Sustainability reporting plays a pivotal role in providing stakeholders with relevant information about an organization's sustainability initiatives, goals, and

performance. Through these reports, companies demonstrate their commitment to sustainability, showcase their achievements, and disclose their areas of improvement. Investors, customers, employees, and other stakeholders rely on these reports to assess the environmental and social impacts of businesses, which ultimately influences their decision-making processes and perceptions of corporate responsibility (Marinescu, 2020).

Although the concept of non-financial reporting has gained popularity relatively recently, over the past few decades, initially these reports were neither mandatory nor standardized. Currently, in Romania, non-financial reporting is mandatory for certain companies, as stipulated by Law no. 227/2015 regarding the Fiscal Code and Law no. 297/2018 regarding the annual public reporting of certain non-financial information and information on diversity by certain companies and groups of enterprises.

According to these regulations, companies with more than 500 employees or with an annual net turnover exceeding 20 million euros are required to prepare reports on non-financial information. These reports must include information about the environment, employees, human rights, anti-corruption efforts, and diversity (including aspects such as gender, age, disability, and other relevant criteria). The same requirements apply to companies in the food retail sector, the subject of our analysis. There are several theories referring to the phenomenon of non-financial reporting, including “institutional theory”, which suggests that “organizations adopt management practices that others perceive as legitimate, regardless of their actual effectiveness” (Marinescu, 2020). This implies that organizations adopt this type of reporting being obliged by the interest shown by stakeholders towards the environment and society, thus becoming a strategy for gaining legitimacy and a good reputation.

Regarding the benefits of non-financial reporting, there are contrasting opinions in the specialized literature. Some believe it does not bring benefits, while others argue the opposite. Some opinions suggest that non-financial reporting negatively impacts the company's financial performance due to high costs involved (Friedman, 1970). On the other hand, some authors argue that non-financial reporting leads to better stakeholder relationships and increased market opportunities (Freeman, 1994). Other authors suggest that non-financial reporting enhances yield, builds trust among stakeholders, and improves employee performance (Kim, Rhou, Uysal, & Kwon, 2017).

The retail sector, including food retailers, has a substantial impact on sustainability due to its extensive supply chains, energy consumption, waste generation, and customer behaviour. By embracing sustainable practices, food

retailers can contribute to the achievement of sustainable development goals, reduce their environmental footprint, and positively impact local communities. Sustainable initiatives within the retail sector often encompass responsible sourcing, waste reduction, energy efficiency, employee well-being, and community engagement. Romania, as an emerging market within the European Union, has experienced notable growth in the retail sector. However, the extent to which Romanian food retailers integrate sustainability into their operations and disclose their efforts through sustainability reporting remains relatively unexplored. This analysis aims to fill this knowledge gap by examining the sustainability reports of major food retailers in Romania.

Despite the abundance of literature on sustainability reporting, research specifically focused on Romanian food retailers' sustainability reports is limited. By analysing the existing reports of key players in this sector, this study aims to provide insights into the current state of sustainability reporting in Romanian food retailers, identify common practices and areas for improvement, and contribute to the broader understanding of sustainability reporting practices within the retail industry.

### III. Research methodology

The aim of this documentary study is to assess whether the major food retailers in Romania have adopted more sustainable practices in the most recent reporting year (fiscal period 2022-2023) compared to previous reporting years (fiscal periods 2020-2021 and 2021-2022).

For the documentary study, the following research questions were formulated:

1. *What are the main strategies adopted by major Romanian food retailers to maximize sustainability?*
2. *What common elements are reported by major Romanian food retailers?*

To identify the most relevant companies for our research in the Romanian food retail sector, the following selection criteria were used:

1. **Industry Category:** Companies must be part of the Romanian food retail sector.
2. **Public Sustainability Reports:** Companies must have publicly available sustainability reports.
3. **Reporting Periods:** Companies must have published sustainability reports for the fiscal periods 2022-2023, 2021-2022, and 2020-2021.
4. **Number of Stores:** The retailer must have more than 100 stores in Romania.

5. **Net Profit:** The retailer must have a net profit of over 100 million lei for the fiscal year 2022-2023.

The first criterion focuses on the number of stores each food retailer has in Romania, requiring more than 100 physical stores. The application of this criterion yielded the following results, as illustrated in Table no. 2.

**Table no. 2. Number of stores/retailers**

<i>No.</i>	<i>Retailer Name</i>	<i>Number of Stores</i>
1	Profi	1740
2	Mega Image	914
3	Auchan	431
4	Carrefour	419
5	Penny	372
6	LIDL	353
7	Kaufland	173

Source: Author's own representation according to Dragomir A. (2023).

The second criterion considers the net profit of the major selected food retail companies, requiring a net profit of over 100 million lei for the fiscal year 2022-2023. The application of this criterion yielded the following results, as illustrated in Table no. 3.

**Table no. 3. Representation of the net profits and revenues**

<i>No.</i>	<i>Retailer Name</i>	<i>Revenue 2022 (billion lei)</i>	<i>Net Profit 2022 (million lei)</i>	<i>Revenue 2021 (billion lei)</i>	<i>Net Profit 2021 (million lei)</i>
1	Profi	1166	-286	952	-131
2	Mega Image	871	140	747	108
3	Auchan	694	100	633	85
4	Carrefour	1475	329	131	294
5	Penny	718	153	539	123
6	LIDL	1850	1054	1487	737
7	Kaufland	1601	884	1397	887

Source: Author's own representation according to Roșca C. (2024).

After applying all selection criteria, a sample of 15 sustainability reports from five Romanian food retailers was obtained. The selected retailers are Kaufland Romania, Lidl Romania, Carrefour Romania, Penny Market Romania, and Mega

Image Romania. The reports analyzed are the three most recent ones from 2020, 2021, and 2022.

For the effective analysis, the following themes were followed: employee welfare, environmental protection, waste reduction strategies and community involvement, to follow the sustainability principles.

## **IV. Results**

### **IV.1. Employee Welfare**

Kaufland Romania has shown a consistent increase in its workforce over the years, with a notable emphasis on gender diversity and support for employees with disabilities. In 2020, the company had 15,321 employees, of which 72.5% were women. This number grew to 16,612 by 2022, with a slight increase in the percentage of female employees to 73.2%. The company has also increased its support for employees with disabilities, from 448 in 2020 to 580 in 2022. Kaufland offers a comprehensive benefits package, including meal vouchers, life insurance, private health insurance, and bonuses. The amount spent on these benefits rose significantly from 84.5 million lei in 2020 to 141.4 million lei in 2022. Despite a reduction in training hours per employee, the company maintains a robust safety record, with no employee deaths and a notable decrease in serious workplace accidents.

Carrefour Romania aims to enhance inclusivity, with a steady increase in the percentage of employees with disabilities, reaching 2.46% in 2022. The company provides various training programs and has initiatives like “School of Leaders” to empower women. By 2022, Carrefour had 407 disabled employees and maintained an average of 7 hours of training per employee, showing a commitment to employee development and inclusivity.

Lidl Romania has been proactive in ensuring a safe and supportive work environment. With a workforce of 11,795 employees in 2022, Lidl emphasizes comprehensive employee benefits, including life and health insurance, flexible working hours, and various recognition programs. The company recorded a consistent average of around 48 hours of training per employee and implemented several programs aimed at leadership development and employee well-being.

Penny Market Romania has focused on employee growth and satisfaction, expanding its workforce from 5,326 in 2020 to 6,596 in 2022. The company offers extensive benefits, such as performance bonuses, private health insurance, and meal vouchers. They also emphasize training, with employees receiving an average of 21 to 28 hours of training annually. Penny Market's initiatives like the

“Penny Academy” and various leadership programs highlight their commitment to employee development.

Mega Image emphasizes diversity and employee engagement. By 2022, the retailer had 12,289 employees, with a balanced gender distribution and a focus on supporting employees with disabilities. Mega Image promotes an inclusive culture through programs like “Mega for All” and various training initiatives, recording over 60,000 hours of training annually. The company also prioritizes health and safety, organizing an annual Health and Safety Week and offering health screenings for employees.

#### **IV.1.1. Comparative analysis of employee welfare**

When comparing employee welfare across Kaufland, Carrefour, LIDL, Penny Market, and Mega Image, distinct differences and similarities emerge. Kaufland Romania demonstrates a strong commitment to employee welfare by offering substantial benefits, including meal vouchers, life insurance, bonuses, and private health insurance. Training is also prioritized, with employees receiving an average of 17.47 hours in 2022, although this is a decrease from previous years. Carrefour Romania, on the other hand, has a unique focus on inclusivity, aiming to increase the percentage of disabled employees to 2% by 2025. Training hours per employee are relatively low, averaging around 7 hours, but the retailer emphasizes emotional support programs and leadership development initiatives. LIDL Romania excels in providing extensive training opportunities, with employees averaging 48.35 hours of training in 2022. The company offers a comprehensive benefits package that includes life and health insurance, flexible working hours, and access to educational platforms. LIDL also shows a strong commitment to employee feedback and involvement through initiatives like the “We are LIDL” application. Penny Market provides a balanced approach to employee welfare, offering performance and loyalty bonuses, private health insurance, and meal vouchers. The average training hours per employee increased to 21.09 for women and 28.06 for men in 2022. They also emphasize wellbeing through programs like the “Wellbeing program” and “Penny Academy”. Mega Image focuses on diversity and equal opportunities, with a strong set of principles that guide its operations. The company provides a range of benefits, including meal vouchers, access to mental health platforms, and scholarships for employees' children. Training hours totalled 60,567 in 2022, and Mega Image conducts annual surveys to ensure a valued work environment. The benefits and other aspects regarding the employee welfare are synthesised in table no. 4.

**Table no. 4. Average training hours**

<i>Retailer</i>	<i>Average Training Hours</i>	<i>Benefits Offered</i>	<i>Health Insurance</i>	<i>Flexible Hours</i>	<i>Additional Perks</i>
Kaufland	17,47	Meal vouchers, life insurance	Yes	Yes	Sports activities, access to educational platforms
Carrefour	7	Life insurance, meal vouchers	Yes	No	Emotional support programs
LIDL	48,35	Life insurance, health insurance	Yes	Yes	Access to educational platforms, flexible working hours
Penny Market	24,57	Performance bonuses, meal vouchers	Yes	No	Wellbeing program, Penny Academy
Mega Image	4,92	Meal vouchers, mental health support	Yes	No	Scholarships for employees' children

Source: Author's own representation according to the sustainability reports.

## **IV.2. Environmental protection**

Kaufland Romania has demonstrated a strong commitment to environmental protection through a variety of initiatives. The company has focused on reducing energy consumption and increasing the use of renewable energy sources. By 2022, Kaufland had achieved a reduction in energy consumption per square meter of retail space and had increased its share of renewable energy usage. Additionally, Kaufland has implemented waste management programs aimed at reducing food waste and increasing recycling rates. The retailer's efforts in this area include partnerships with NGOs to donate surplus food and the installation of recycling stations in their stores.

Carrefour Romania has also prioritized environmental sustainability, with significant investments in energy efficiency and waste reduction. The company has installed energy-efficient lighting and refrigeration systems in its stores, leading to a notable decrease in energy consumption. Carrefour's "Act for Food" program includes measures to reduce food waste, such as optimizing inventory management and donating unsold food to charitable organizations. In terms of waste management, Carrefour has implemented a comprehensive recycling program and has set ambitious targets for reducing plastic use, including the introduction of biodegradable and reusable bags.

Lidl Romania has made substantial progress in environmental protection by focusing on energy efficiency, waste reduction, and sustainable sourcing. Lidl has

invested in energy-efficient technologies and renewable energy projects, resulting in a significant decrease in its carbon footprint. The company has also committed to reducing plastic waste by eliminating single-use plastics from its product range and increasing the use of recyclable materials in packaging. Lidl's environmental initiatives extend to its supply chain, with efforts to source products from sustainable and certified sources.

Penny Market Romania has undertaken several environmental initiatives aimed at reducing its ecological footprint. The company has invested in energy-efficient store designs and renewable energy projects, including the installation of solar panels on store rooftops. Penny Market has also focused on reducing food waste through better inventory management and partnerships with food banks. Their waste management programs include increasing recycling rates and reducing plastic usage by promoting reusable bags and packaging.

Mega Image has shown a strong commitment to environmental sustainability through various initiatives. The retailer has invested in energy-efficient technologies and renewable energy projects to reduce its carbon footprint. Mega Image has implemented waste reduction programs, including food waste donation schemes and comprehensive recycling initiatives. The company has also focused on reducing plastic usage by introducing biodegradable bags and encouraging customers to use reusable bags.

The efforts of Romanian food retailers in the realm of environmental protection demonstrate a robust commitment to sustainability. By investing in energy efficiency, renewable energy, waste management, and sustainable sourcing, these companies are contributing to the global fight against climate change and environmental degradation. Their initiatives not only improve their environmental footprint but also enhance their corporate social responsibility, setting a positive example for the industry and promoting a more sustainable future.

#### **IV.2.1. Comparative analysis of environmental protection**

In terms of environmental protection, Kaufland Romania leads with significant investments in community and environmental projects, such as the “APA” project to encourage waste collection and the planting of the Kaufland forest. They have also invested heavily in recycling facilities and electric car charging stations. Carrefour Romania's environmental initiatives include the “Green Sunday” educational campaign and the “Roli Poli” selective collection stations for children. They emphasize food waste reduction and have partnerships with NGOs to support various environmental causes. LIDL Romania has not detailed specific environmental protection initiatives in the provided data, focusing more on employee welfare and community involvement. Penny Market and Mega Image



show less emphasis on environmental protection compared to Kaufland and Carrefour. However, Mega Image's commitment to sustainability is evident in their corporate principles and community projects that support environmental causes.

In the table no. 5 we have synthesized the results of the comparative analysis regarding the environmental protection actions.

**Table no. 5. Synthetic analysis of the environmental protection strategies**

<i>Retailer</i>	<i>Energy from Renewable sources (%)</i>	<i>GHG Emissions Reduction (Year)</i>	<i>Waste Reduction Initiatives</i>	<i>Water Management</i>	<i>Packaging Initiatives</i>	<i>Renewable Energy Investments</i>
<b>Kaufland Romania</b>	2020: 97.60%, 2021: 96.17%, 2022: 98.8%	2020: Increased by 1.57%, 2021: Reduced by 0.75%, 2022: Reduced by 6.23%	2020: ReSet plastic, 2022: 103,764 kg reduction	2020: Increased, 2021: Collected rainwater	2022: Reduced plastic packaging in logistics	2022: 15 Million euros in photovoltaic panels
<b>Carrefour Romania</b>	Not reported	2020: Reduced by 9%, 2021: Reduced by 20%, 2022: Reduced by 29%	2020: Various recycling projects, 2022: Clean Romania program	2022: Collected used oil, reduced fresh oil use	2022: TEX Responsible program, sustainable clothing by 2022	Not reported
<b>LIDL Romania</b>	Yes	Not reported	2020: Reduced packaging waste, 2022: 150 tons of plastic collected	2022: Water stress-resistant plants, green roofs	2020: ReSet plastic, 2022: Reduced plastic packaging by 20%	2022: Photovoltaic panels in 42 stores
<b>Penny Market Romania</b>	2022: 100%	Not reported	2022: Recycled 17,614,796 kg materials	2022: Water and heat stress-resistant plant species	2022: 100% sustainable shopping bags, FSC-certified packaging	2022: 52 Photovoltaic panel systems installed
<b>Mega Image</b>	2020: 46%, 2021: 43.5%, 2022: 48.5%	2020: Reduced by 18%, 2022: Reduced by 11%	2020: Reduced plastic use, 2022: 54 tons of electrical equipment recycled	2020: Monthly water quality checks	2020: Replaced plastic bags, 2022: Reusable cotton bags	2022: 20 Photovoltaic power plants installed

Source: Author's own representation according to the sustainability reports.

### **IV.3. Waste reduction strategies**

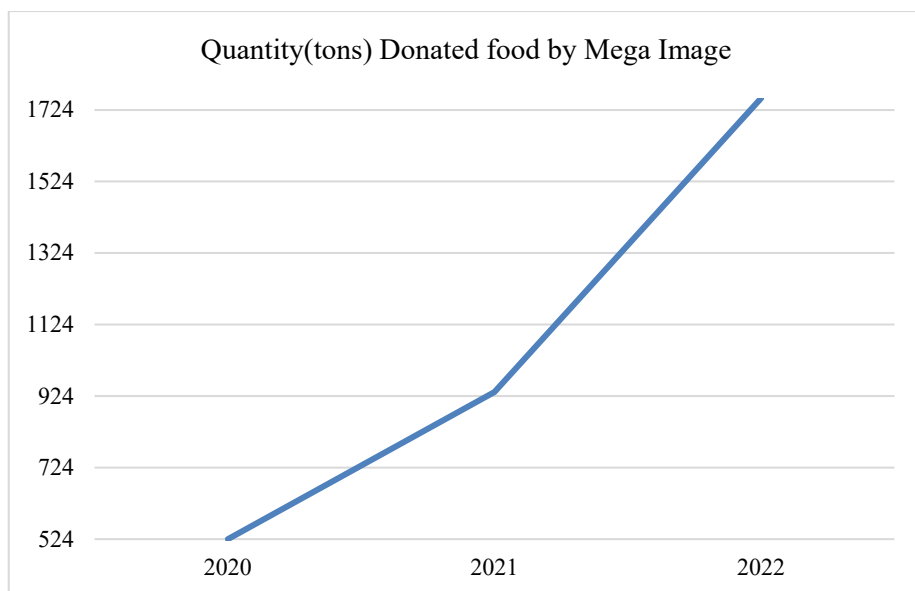
Kaufland Romania has implemented several initiatives aimed at reducing food waste. One key strategy is their partnership with NGOs to donate surplus food to those in need. In 2022, Kaufland donated a significant amount of food, thereby preventing it from going to waste. Additionally, they have invested in technology to optimize inventory management, ensuring that food products are sold before they reach their expiration dates. Kaufland also runs awareness campaigns for customers to educate them on reducing food waste at home.

Carrefour Romania has adopted a holistic approach to food waste reduction through its “Act for Food” program. This initiative includes measures such as optimizing supply chain processes to reduce waste, donating unsold but still consumable food to charitable organizations, and implementing discounts for products nearing their expiration dates to encourage quick sales. Carrefour has also introduced unesthetic fruit and vegetable programs, selling imperfect produce at a discount to prevent it from being discarded.

Lidl Romania focuses on efficient inventory management and customer engagement to reduce food waste. The retailer uses advanced forecasting tools to better align supply with demand, thereby minimizing surplus. Lidl also collaborates with food banks and charitable organizations to donate unsold food. Additionally, they have implemented markdowns on products close to their expiration dates and offer educational initiatives to inform customers about food waste and how to avoid it.

Penny Market Romania has made significant strides in food waste reduction through improved logistics and customer-oriented programs. Their logistics system is designed to reduce the time food spends in transit, thereby extending its shelf life. Penny Market also participates in food donation programs, working with local charities to distribute surplus food. Moreover, they offer discounts on near-expiry products and educate customers on sustainable consumption practices.

Mega Image has a comprehensive strategy for reducing food waste that includes both operational efficiencies and community involvement. They use predictive analytics to manage inventory and reduce overstocking. Mega Image has a robust food donation program, providing unsold food to food banks and other organizations. They also run campaigns to promote the sale of “imperfect” produce and offer price reductions on items approaching their sell-by dates. In the figure no. 2 it can be observed the quantity of donated food by Mega Image in the years analysed. It is highlighted an increase in the quantity of donated food, which highlights the retailer’s involvement.



Source: Author's own representation according to the sustainability reports.

**Figure no. 2. Quantity of donated food by Mega Image**

The food waste reduction strategies employed by Romanian food retailers demonstrate a strong commitment to sustainability and corporate social responsibility. Through partnerships, technology, customer engagement, and operational efficiencies, these companies are effectively tackling the issue of food waste. Their comprehensive approaches not only benefit the environment by reducing the amount of waste sent to landfills but also contribute to societal well-being by providing food to those in need. These initiatives set a positive precedent for the industry, highlighting the importance of integrated and innovative solutions in addressing food waste.

#### **IV.3.1. Comparative analysis of waste reduction strategies**

Kaufland Romania and Carrefour Romania are prominent in their waste reduction strategies. Kaufland's "Throw Safely" project and Carrefour's partnerships with the Food Bank are notable efforts to reduce waste. Kaufland's initiative to collect used face masks during the pandemic also highlights their proactive approach. LIDL Romania and Mega Image's waste reduction strategies are not explicitly detailed in the provided data. Penny Market participates in creative recycling workshops and sustainability initiatives, although specific waste reduction strategies are not highlighted.

**Table no. 6. Details of the waste reduction strategies**

<i>Retailer</i>	<i>Key Initiatives</i>	<i>Partnerships and Donations</i>
<b>Kaufland</b>	<ul style="list-style-type: none"> <li>- Launched “Make food great again” to cut food waste by 50% by 2030.</li> <li>- Discounts on perishable items.</li> <li>- Manual for avoiding food waste.</li> </ul>	<ul style="list-style-type: none"> <li>- Donated 566 tons of food (2021).</li> <li>- Prepared 251,000 meals through “Social Canteen”.</li> </ul>
<b>Carrefour</b>	<ul style="list-style-type: none"> <li>- Aiming for 50% reduction in food waste by 2025.</li> <li>- “Express Box” for discounted ripe produce.</li> </ul>	<ul style="list-style-type: none"> <li>- Donated 1.3 tons of food in anti-waste projects (2021).</li> </ul>
<b>LIDL</b>	<ul style="list-style-type: none"> <li>- Educates customers on food preservation through “#RețetaResponsabilă”.</li> <li>- Weekly promotions on near-expiry products.</li> </ul>	<ul style="list-style-type: none"> <li>- Donated 578 tons of food (2022).</li> <li>- Supported Food Banks financially.</li> </ul>
<b>Penny Market</b>	<ul style="list-style-type: none"> <li>- “Food Save” team for inventory management and AI solutions.</li> <li>- Biogas production from food waste.</li> </ul>	<ul style="list-style-type: none"> <li>- Donated 82.5 tons of food (2021).</li> <li>- Converted 120,766 tons of food waste into biogas (2022).</li> </ul>
<b>Mega Image</b>	<ul style="list-style-type: none"> <li>- Optimized fresh produce orders.</li> <li>- Implemented dry-mist technology for freshness.</li> </ul>	<ul style="list-style-type: none"> <li>- Donated 935 tons of food (2021).</li> <li>- Supported social canteens with 1,000 meals daily.</li> </ul>

Source: Author’s own representation according to the sustainability reports.

#### **IV.4. Community involvement**

Kaufland Romania has significantly increased its investment in community projects over the years, from 34.7 million lei in 2020 to 44.3 million lei in 2022. The number of partnerships with NGOs grew to 112, with various impactful projects such as environmental education and support for families in need. Notable initiatives include the “In a State of Well-being” project and the planting of the Kaufland forest, which emphasize their commitment to both community and environmental sustainability. Additionally, Kaufland supports local producers by offering them shelf space in their stores, thereby promoting local businesses and ensuring the availability of fresh, locally sourced products.

Carrefour Romania has been actively involved in supporting communities, especially during the pandemic. They provided substantial donations of food and medical supplies, demonstrating their responsiveness to immediate societal needs. By 2022, Carrefour facilitated over 185,000 donations through their “Act for Good” platform and supported various educational and humanitarian causes. Their initiatives include the “Box of Joys” campaign, which provides holiday gifts to children in need, and “Green Sunday”, which promotes sustainable practices among customers.

Lidl Romania has made significant contributions to community welfare, although specific recent data is not fully detailed in the document. Lidl's community involvement includes supporting local schools, hospitals, and non-profit organizations. They have also run campaigns to promote health and wellness, environmental sustainability, and educational programs for children. Lidl's support for local producers and their efforts to source products locally further emphasize their commitment to the communities they serve.

Penny Market Romania focuses on community engagement through various initiatives that support local development. They invest in projects that enhance the quality of life for residents, such as improving local infrastructure and supporting educational programs. Penny Market also promotes local culture and traditions through sponsorships and partnerships with local cultural organizations. Their “Penny for Romania” initiative is aimed at supporting local farmers and producers, ensuring that a significant portion of their products come from local sources.

Mega Image emphasizes diversity and employee engagement in their community involvement strategies. The retailer supports numerous community projects, including educational initiatives, health and wellness programs, and environmental conservation efforts. Mega Image's “Mega for All” program promotes inclusivity and diversity within the community. They also organize an annual Health and Safety Week and offer health screenings for employees and community members, highlighting their focus on well-being.

The community involvement strategies employed by Romanian food retailers demonstrate a robust commitment to corporate social responsibility. By increasing investments, supporting local producers, responding to crises, and engaging in diverse community projects, these companies play a vital role in enhancing the well-being of the communities they serve. Their comprehensive approaches reflect a deep understanding of the interconnectedness between business success and community health, setting a positive example for the industry and contributing to a more sustainable and supportive societal framework.

#### **IV.4.1. Comparative analysis regarding the community involvement**

Community involvement is a strong suit for all retailers, with each having unique contributions. Kaufland Romania has a substantial budget for community investments and numerous partnerships with NGOs, implementing projects that benefit millions. Their “Young Talents” and “Start NGO” projects are key highlights. Carrefour Romania also actively participates in community support through food donations, the “Box of Joys” project, and campaigns like “United Way”. Their “Act for Good” platform facilitated significant contributions to various causes. LIDL Romania's community involvement includes educational

and wellbeing programs for employees, but specific details about broader community projects are limited. Penny Market's community involvement includes leadership programs, workshops, and wellbeing initiatives for employees, but their broader community impact is less detailed. Mega Image shows a strong commitment to community involvement through projects like “12 Good Deeds” and providing scholarships for employees' children. They also support employees' health through initiatives like the “Megahealth” campaign. The result of the comparative analysis is also represented in the table no. 7.

**Table no. 7. Comparative analysis of the community involvement**

<i>Retailer</i>	<i>2020 Report</i>	<i>2021 Report</i>	<i>2022 Report</i>
<b>Kaufland Romania</b>	Investment: 34.75M lei. 79 NGO partnerships. 127 projects. Beneficiaries: 4.99M. Key projects: “In a state of well-being”, APA project (18.8 tons waste collected).	Investment: 40.93M lei. 84 NGO partnerships. 117 projects. Beneficiaries: 1.28M. Key projects: “In good condition” (5.82M lei), “Start NGO” (2.81M lei).	Investment: 44.29M lei. 112 NGO partnerships. 132 projects. Key projects: “In Condition of Well-being” (6.38M lei), “Start NGO” (2.89M lei).
<b>Carrefour Romania</b>	Donations: 200,000 euros for medical equipment, 19,300 kg of food (4,800 beneficiaries). Key projects: “Box of Joys”, “Green Sunday”.	Continued “Green Sunday”. Donations: 170,000 “Act for Good” points, 88,000 food items. Supported 52 humanitarian causes.	Donations: 185,000 “Act for Good” points. Key projects: “Act for Good” platform, “Backpack with Hopes”, “I help Christmas campaign”, partnerships with NGOs.
<b>LIDL Romania</b>	Donations: 11 tons of food (5,000 beneficiaries), medical equipment worth 1.3M lei. Key programs: “World Vision Bread and Tomorrow”, “School of Books and Crafts”.	Continued support for “World Vision”, “Save the Children”. Donations: 1.3M lei to “Teach for Romania”, 820,000 lei to “World Vision”.	Donations: 578 tons of food, 215 tons of non-food products, 584 tons of animal feed. Supported numerous NGOs and educational programs.
<b>Penny Market</b>	Investment: 200,000 euros in social projects, 100,000 euros in donations. Key projects: “Habitat for Humanity”, dual education programs (121 students).	Investment: 151,000 euros in social projects. Key projects: medical equipment donations, dual education programs (93 students).	Investment: 226,400 euros in NGO support. Key projects: “We invest in children, we invest in the future!”, continued partnerships with NGOs and educational programs.

<i>Retailer</i>	<i>2020 Report</i>	<i>2021 Report</i>	<i>2022 Report</i>
<b><i>Mega Image</i></b>	Donations: 1.16M lei to Red Cross, 10.5M lei in community investments. Key programs: “I eat healthy, I am mega healthy”, “12 good deeds”, “National Mega Debate Contest”.	Donations: 10.96M lei. Key programs: “12 good deeds”, “Mega projects from today to tomorrow”, social canteens investment (200,000 euros).	Donations: 22.07M lei. Key programs: “12 good deeds”, collaboration with NGOs, support for social canteens, blood donation campaigns, support for future farmers.

Source: Author’s own representation according to the sustainability reports.

## V. Conclusions

The sustainability reports of major Romanian food retailers, Kaufland, Carrefour, Lidl, Penny Market, and Mega Image, reveal a comprehensive and varied approach to sustainability. These retailers have strategically focused on key areas such as employee welfare, environmental protection, food waste reduction, and community involvement. Based on the analysis of these reports, we present the following general conclusions:

- ***Employee Welfare.*** Romanian food retailers demonstrate a strong commitment to the welfare of their employees, reflecting significant investments in workforce growth, diversity, and comprehensive benefits. Companies like Kaufland and Penny Market have consistently increased their workforce, emphasizing gender diversity and inclusivity. These retailers offer a range of benefits, including health and life insurance, meal vouchers, and performance bonuses, with substantial financial investments supporting these areas. Training and development programs are widely implemented, although the number of training hours varies across companies. Additionally, robust measures are in place to ensure workplace safety, with a focus on reducing workplace accidents and promoting employee well-being. Safety records indicate that these companies prioritize creating a safe and supportive working environment, which is critical for long-term employee satisfaction and retention.
- ***Environmental Protection.*** Environmental protection is a critical aspect of the sustainability efforts among these retailers. Investments in energy-efficient technologies and renewable energy projects are common, leading to reduced energy consumption and lower carbon footprints. Waste management programs focus on increasing recycling rates and reducing plastic usage, reflecting a commitment to minimizing environmental

impact. Sustainable sourcing practices are emphasized, particularly by Lidl, which ensures that products come from certified and environmentally friendly sources. These retailers also engage in environmental education and conservation projects, highlighting their commitment to long-term environmental sustainability. Initiatives such as installing photovoltaic panels, using energy-efficient lighting, and implementing advanced waste sorting systems are some of the strategies employed to achieve these goals.

- **Food Waste Reduction Strategies.** Reducing food waste is a priority for Romanian food retailers, with comprehensive strategies implemented across the sector. Partnerships with NGOs for food donations, advanced inventory management systems, and customer engagement initiatives are key components of these strategies. Retailers like Kaufland and Carrefour have established food donation programs and offer discounts on near-expiry products, ensuring that food reaches those in need rather than being wasted. Lidl and Mega Image focus on efficient inventory management and educational campaigns to reduce food waste. These efforts not only minimize food waste but also support community welfare by providing food to those in need. Such strategies are crucial in addressing food security issues and reducing the environmental impact associated with food waste.
- **Community Involvement.** Community involvement is a significant aspect of the retailers' sustainability efforts. Investments in community projects have increased, with a focus on educational, health, and environmental programs. Partnerships with NGOs and local organizations facilitate the implementation of impactful community initiatives. Retailers have shown strong support for local producers, enhancing local economies and promoting sustainable sourcing. The COVID-19 pandemic demonstrated the retailers' role as essential community support systems, with numerous crisis response initiatives providing vital assistance during challenging times. Educational initiatives and environmental conservation efforts further highlight their commitment to societal well-being. These retailers play a critical role in fostering strong community relations and contributing to the overall quality of life in the regions they operate.

The sustainability efforts of Romanian food retailers reflect an integrated approach to corporate social responsibility. By prioritizing employee welfare, environmental protection, food waste reduction, and community involvement, these companies are setting a high standard for the industry. Their comprehensive



strategies not only enhance their operational sustainability but also contribute significantly to the well-being of the communities they serve and the environment. As these initiatives continue to evolve and expand, they set a positive example for other sectors and reinforce the importance of integrated and innovative solutions in achieving sustainability goals. The ongoing commitment to sustainability by these retailers underscores the broader impact that well-executed corporate social responsibility programs can have on society and the environment, paving the way for a more sustainable future.

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## **Green Logistics – a Sustainability Trend in Companies**

**Elena CARP<sup>1</sup>**

### **Abstract**

Green logistics is one of the driving forces used to steer companies towards environmental sustainability. As environmental sustainability has become a topic of great focus, with sustainability being a strategic interest for the logistics sector, green logistics is a core element in the activities of companies, offering them opportunities to become sustainable in terms of their natural, economic and social dimensions. Companies need to develop appropriate environmental policies and strategies, such as green logistics practices, because green logistics can offer many environmental benefits that exceed customer expectations. Today, green logistics practices are an appropriate solution to help achieve the Sustainable Development Goals (SDGs). Companies are trying through various efforts to reduce carbon emissions in areas such as alternative resource sourcing, packaging disposal, reverse supply chains and reorganization of distribution channels. The purpose of this article is to analyze the current state of green logistics sustainability efforts within companies, specifically supply chain logistics operations, to identify opportunities, and to provide recommendations for companies to pursue sustainable logistics operations. This research also aims to spur further research into sustainable logistics operations. The research explores the impact of leveraging green logistics on company practices in logistics operations that help expand markets and increase competitiveness, as well as green logistics performance that benefits companies and the environment.

**Keywords:** green logistics; logistics sustainability; supply chain; green (sustainable) logistics operations, green logistics practices.

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## I. Introduction

In order to ensure environmental sustainability, green logistics is gaining considerable attention today due to its benefits, as global warming and increasing carbon dioxide emissions require substantial efforts from companies. At the same time, global competition is forcing a large number of companies and institutions to reduce their carbon emissions. As a result, companies are coming up against not only time and performance constraints, but also society's environmental concerns [14].

In this context, green logistics contributes to improving a company's business performance along with its environmental image and ensures a more efficient use of resources, enabling recycling and improving market shares. On the other hand, the aim of green logistics is to find a balance between the environment and the economy. How can it be managed? For instance, why should companies incorporate green logistics policies? What challenges does this particular logistics paradigm face? Here we look at the main issues related to sustainable logistics.

Therefore, sustainability and environmental concerns are becoming increasingly important in the logistics and supply chain industry. As consumers become more responsible for the environmental impact of their purchasing decisions, companies are under increasing pressure to reduce their carbon footprint and adopt more sustainable practices. As companies are well aware that the logistics industry and supply chain are responsible for significant amounts of global greenhouse gas emissions from transport and logistics operations, they are already trying new green technologies and modern processes to reduce their negative environmental impact and improve their sustainability.

## II. Methodology

**The main research methods** used in the paper are: scientific knowledge, quantitative and qualitative analysis, interpretation, scientific observation, induction and deduction, synthesis, comparison, explanation, etc. which will provide a variety of results on the links between logistics and sustainability. The objective of the research is geared towards identifying the main directions of sustainability in green logistics operations, hence the importance of implementing sustainability in companies' supply chain operations. Due to new business trends related to environmental protection that want to become sustainable in order to gain competitive advantages, as well as relationships between the costs of companies, we note the need to use green technologies and implement green

logistics in the activities they carry out. Green logistics represents a new model of value creation that enables environmental initiatives to be implemented in logistics operations throughout a company's supply chain, creating significant practical benefits. Therefore, companies should always be on the lookout for green logistics operations and make sustainability efforts that differentiate them from other companies by pursuing adequate environmental policies and strategies, such as green logistics practices.

### **III. Results and discussion**

As consumers become increasingly aware, demanding environmentally friendly products, more and more companies are tending to meet their objectives that clearly meet consumer demands by complying with environmental regulations and adopting green logistics practices while being environmentally responsible. Saving time and money, reducing resource consumption, improving logistical and operational efficiency and enhancing companies' reputations are just some of the benefits that companies are seeking. The aim of this paper is to examine the sustainability efforts that companies are undertaking to ensure green logistics operations, to identify what opportunities and advantages they can gain when following sustainable operations.

Today, the main goals of the green logistics market include lower carbon emissions, a shift to greener containers and packaging, the use of transport methods with a smaller carbon footprint, and an increasingly efficient supply chain process that minimizes a company's environmental impact.

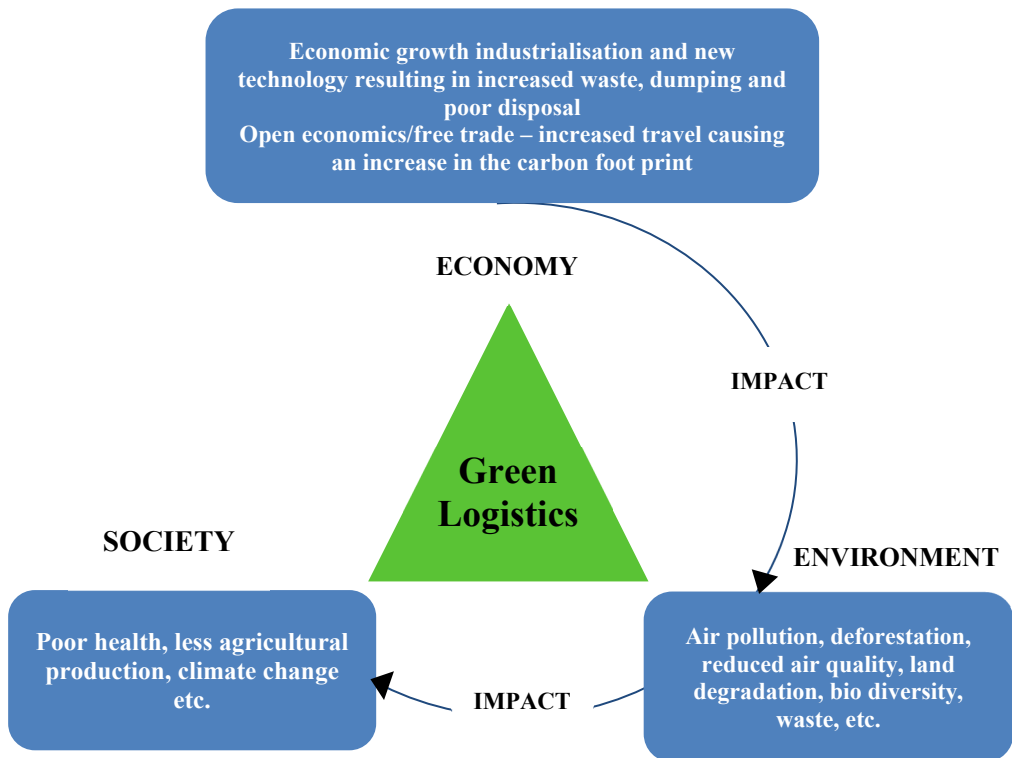
Under these conditions, green logistics is a competitive advantage for companies as it brings brand value and enables companies to obtain facilities for a more environmentally friendly future. Through green logistics operations, companies ensure efficient logistics solutions to be ready to meet environmental standards and optimize their costs. Because they have a great social responsibility for how their products or services are used, companies are compelled to follow sustainable practices in their logistics operations.

#### **The essence of green logistics in the context of sustainability**

From a sustainability perspective, green logistics is defined as "the production and distribution of goods in a sustainable way, taking into account environmental and social factors" (Hien & Nguyen, 2023).

It refers to all sustainable policies and measures to reduce environmental impacts. Green logistics means any attempt to minimize the environmental impact of logistics activities [15].

Also referred to as sustainable logistics or eco-logistics, the focus of green logistics is based on sustainability and eco-efficiency. A commitment to green logistics offers benefits including environmental responsibility, supply chain efficiency, cost savings, company reputation and the ability to create new partnerships.



Source: [<https://wgeco.org/green-logistics/>]

**Figure 1. Three-dimensional impact of green logistics**

In essence, green logistics is a crucial component of the green supply chain but also of sustainable development, as it helps companies to optimise their supply chain by identifying and selecting suppliers of green materials, offering green solutions and implementing green transport systems for delivery to consumers (Agyabeng-Mensah & al., 2020).

The concept of green logistics primarily involves taking environmental factors into account during the flow of materials through all stages of production in order to reduce damage to nature and optimise total costs in a company. It is important

to note that the state can and does have the necessary levers to act as an initiator of the introduction of green technologies, stimulating innovative business activity. With the development of the green logistics concept, key principles of companies have been formed by:

- working with company staff to educate them in environmental issues;
- reducing the destructive impact on nature;
- introducing modern technological solutions into production;
- reducing the specific share of material resources that are not subject to further processing or environmentally safe disposal;
- taking into account the company's environmental impact when organizing transport and storage processes;
- rational approach to the consumption of natural resources;
- paying attention to production waste, striving to make the best use of it.

Therefore, the means to achieve sustainability of a company is possible through logistics solutions that treat the environment, society and the economy together as a whole, and green logistics describes the most important directions that reflect the best practices for organizing green logistics in companies to become sustainable.

The implementation of green logistics forces companies to take into consideration environmental regulations and adapt their use of natural resources to produce and distribute environmentally friendly goods and services, thus minimizing environmental pollution (Teixeira & al, 2018).

The effectiveness of green logistics operation in companies is influenced by:

1. stakeholder involvement (organizations working in the field of ecology and alternative energy);
2. environmental regulations;
3. company size;
4. industry sector and geographical location;
5. internationalization;
6. position in the value chain;
7. strategic attitude;
8. human resources and personnel management characteristics, etc.

However, obstacles to the implementation of green business practices arise from many factors. Considering the obstacles that have a negative effect on a company's environmental behavior, these are:

1. lack of know-how and skills in applying green logistics principles in company activities;
2. lack of green logistics professionals;



3. uncertainty of results;
4. lack of resources;
5. implementation and maintenance costs for environmental technologies and innovations, etc.

At the same time, at the company level the main determinants of green logistics characteristics of green practices in companies are:

1. technological factors (relative advantage, compatibility, complexity);
2. organizational factors (organizational support, quality of human resources, company size);
3. environmental factors (customer pressure, regulatory pressure, government support, environmental uncertainty).

Research conducted by scientists indicates that pressure from state legal regulations, government support, organizational support and the quality of human resources have a considerable positive influence on the adoption of green practices by logistics companies. Environmental uncertainty and the inextricability of green practices have a negative influence on green practices. Strikingly, the influence of customer pressure is not important for logistics companies. It is strange because most EU studies associated with environmental issues show the influence of customer pressure and customer environmental awareness on environmental practices, but these findings focus on manufacturing companies. Their study also presents empirical evidence that technological factors have a significant influence on the adoption of green practices compared to organizational and environmental factors (Lin & Ho, 2011). Similar findings come from Polish research, which demonstrates a weak and insignificant link between environmental awareness of management and eco-efficiency of environmental practices (Seroka-Stolka & Nowakowska-Grunt, 2012). The results show that green logistics practices improve environmental sustainability.

Green logistics has the overarching goal of reducing the environmental threat arising from industrial and commercial activity by transforming the way supply chains serve customers around the world. Another key objective of green logistics is to coordinate activities within supply chains that fully meet the needs of beneficiaries at the lowest cost to the environment. In the past this cost was defined only in purely monetary terms, whereas today the cost can be understood as the external costs of logistics associated with climate change, air pollution, waste disposal (including packaging waste), soil degradation, noise, vibration and accidents.

The challenge facing the global logistics industry is to find ways to reduce the environmental impact of transporting goods to billions of customers. This means increasing the efficiency of e-commerce supply chains to enable services to be delivered in the most environmentally friendly way – sustainable logistics. More than ever, logistics and supply chain operations are under scrutiny.

Under these circumstances, making the supply chain greener is a growing concern for many companies, but also a challenge for logistics management. For the implementation of a green logistics system, the structure of the green supply chain is significant, since a green supply chain creates an ecological environment for green logistics in a sustainable development that further opens a green channel to green logistics and synchronously supports and promotes the development of green logistics. And because a genuine meaning of green action can be achieved through supply chain management at company level, it is worth noting that while taking a green logistics approach to the supply chain, additional emphasis can be placed on strategies. Green logistics practices need to be incorporated into corporate environmental strategies. In terms of product design and production planning, the most common focus is on product design and development resulting from improved competitive and commercial attributes, and these are factors such as price, quality, features and performance.

While not all organizations are rushing to adopt green logistics strategies, the message is clear: a company that addresses environmental issues in its supply chain will find that it pays to be green. This is increasingly important as companies expand their last-mile logistics operations to meet growing demand.

To successfully create and secure cost-effective green logistics, companies need to prioritize sustainability in their logistics processes, including through technology adoption and collaboration with green partners. These steps are essential to make a real impact and communicate that impact to stakeholders.

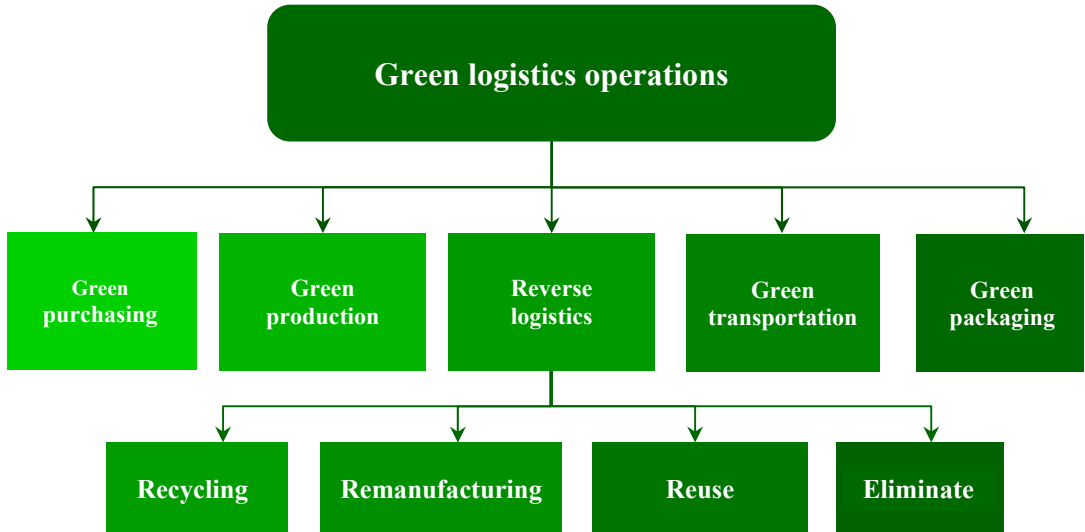
As green logistics becomes a top concern for everyone involved in the logistics process, companies that incorporate green practices will not only be able to satisfy customers, but also significantly reduce their carbon emissions and fuel consumption – producing energy savings for their business.

The easiest way to make logistics operations greener is to digitize procedures at all stages. Digitization can help eliminate paper records and adopt alternative fuels. More than 50% of logistics sector emissions come from retail supply chains. The growth of e-commerce has led to increased packaging and waste. That's why all stakeholders in the logistics operations game, including retailers, carriers and consumers, are realizing how critical it is for their supply chains to introduce green logistics strategies and practices.

The company, its partners, suppliers, customers and every individual in society can benefit from green logistics. Here are some examples:

1. **Satisfied customers.** Customers, both commercial and retail, want fast delivery and easy returns capability. They want to know in real time where their products are in transit. Businesses that provide this information attract new customers and maintain the loyalty of current ones over time.
2. **New partnerships.** Companies that use sustainable supply chains and green logistics are more attractive to both corporate partners and customers. To reduce their carbon footprint, suppliers are investing in and are keen to work with the biggest and best-known brands.
3. **Increasing long-term profitability.** Green logistics reduces waste, costs and carbon emissions from the first to the last mile of delivery. While there is a cost associated with using green logistics, the long-term benefits outweigh it. A green business is a successful business.
4. **Recruitment is easier.**
5. **Improved reputation for corporate responsibility.** Large organizations are being held accountable for their role in global warming, which is increasingly seen as a social justice issue. If they harness the benefits of green logistics, companies will succeed in the court of public opinion. Smart businesses are looking at their environmental impact around the world. Companies that don't want to change their environmental impact will later find that they risk damaging nature and their brand and even losing out to competitors.

Thus, companies that apply green logistics produce goods with minimal energy consumption, are sustainable and easy to recycle, do not release more waste than the system can handle and consume less energy during transport. Such companies work with other institutions and companies to achieve these goals. This way, from the point of packaging design to the pollution generated from consumer use of products, they carefully mark the steps of processes with care for the environment. Under these conditions, green logistics operations are divided as follows (Figure 2):



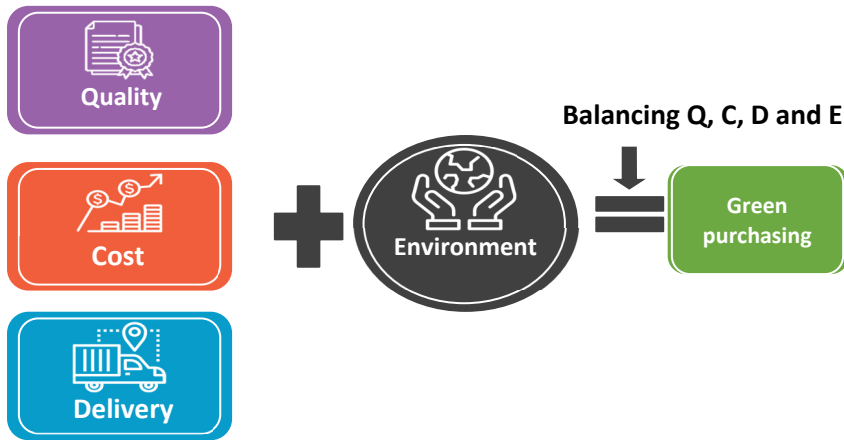
Source: [developed by the author]

**Figure 2. Green logistics operations**

**Green procurement** is a tool that promotes the inclusion of environmental criteria in the contracting of companies in the conduct of their activities, purchasing goods and services with less environmental impact with a dual purpose (Commission, 2016):

1. it helps to reduce the environmental footprint;
2. it contributes to achieving the targets set out in Goal 12 of the Sustainable Development Goals (Sustainable production and consumption).

When companies face competing choices, they should choose materials that have fewer negative impacts on human health and the environment. As choices are compared, a variety of factors are taken into account, such as: the amounts and types of energy and resources used in the production of these materials, the cleanliness of manufacturing processes, the means of distribution and whether the resources used can be remanufactured.



Source: [developed by the author]

**Figure 3. Green procurement as a green logistics operation**

Green procurement is a proven successful go-to-market strategy involving the purchase of products with recycled content. Thus, companies strive to ensure and direct their green procurement as a green logistics operation towards recycled content, using environmentally friendly practices to eliminate negative impacts and applying quality control monitoring tools.

**Green (sustainable) production.** Today, companies are taking a more holistic approach to sustainability and take into account environmental, social and economic factors. And with legislation constantly changing, companies are striving to keep up with stakeholder requirements and demand for more sustainable products and processes. Companies need to ensure certification with a variety of management systems, such as ISO 9001 quality management system, ISO 14001 environmental management systems. Furthermore, depending on the site, they are supported by occupational health and safety management systems such as ISO 45001:2018 (OHSAS 18001) and/or ISO 50001 energy management system.

According to the United Nations Environment Programme, green production is defined as an environmental management strategy in an integrated manner in the production process that involves eliminating risks to human health and environmental values as well as improving efficiency. Within companies, green manufacturing is a green logistics operation that ensures the production of goods and services with less waste, minimal energy expenditure during production, efficient design of production lines, which helps companies focus on profitability

through environmentally friendly operating processes (Cervera-Ferri & Luz Ureña, 2017).

**Green transport** helps companies become more sustainable. For companies, it is a broad term that encompasses all sustainable forms of transport and refers to all the ways in which an organization actively works to make its vehicles and general transport practices greener. For example, Amazon recently took a major step in green transportation by implementing electric vehicles as part of its effort to become carbon neutral. Another example of green transportation is reducing the number of miles between stops for drivers on multi-stop routes. Green transport helps reduce companies' carbon emissions and air pollution by reducing the use of fossil fuels. This not only makes the company more attractive to customers, but can also lower the cost of running a business overall by lowering fuel costs through reduced mileage, as well as tax breaks for using green technologies and other government incentives. There are some common ways for companies to make their transportation more sustainable. Regardless of industry, companies can reduce emissions by using green vehicles and using software to reduce mileage. For delivery companies and companies operating in the transport sector, one of the most effective green logistics strategies is specifically green transport. Although costly upfront, companies that have the capital available to invest in green transport technologies will save money in the long run by:

1. *Shift to high efficiency vehicles* (transition to electric or hybrid modes of transport, shift to biofuels which have the potential to reduce emissions, implementation of green logistics strategies to reduce mileage);
2. *Implementing efficiency software* involving the use of tools that track company performance based on social and environmental factors: ESG-based systems (environmental, social and corporate governance), route planning software, which increase the efficiency of sustainable practices [13];
3. *Using OptimoRoute*. State-of-the-art software plans routes that are optimized for efficiency, reduces fuel consumption, reduces total transport costs, increases revenue and minimizes carbon emissions [18].

**Green packaging** is a way for companies to reduce their carbon footprint and build customer trust in their brand. Green packaging, also known as “sustainable packaging” or “eco-friendly packaging” refers to packaging designs that have the lowest possible impact on the environment. Sustainable packaging is any type of environmentally friendly material used to package, store, ship or warehouse products. Zero-waste packaging is very difficult to achieve, however packaging

waste can be limited by choosing eco-friendly packaging options from the most sustainable packaging materials that have the lowest carbon footprint. These maximize renewable energy and present the most options for reuse, regeneration or safe disposal. For eco-friendly packaging, the focus is on size, packaging shapes and the use of eco-friendly materials. The way packaging is made using recycled materials positively influences the economic performance of a business. Packaging made in such a way reduces the use of materials, enables efficient use of warehouse space and reduces the amount of transport required.

The top ten green packaging alternatives that meet the transportation needs of innovative green technology companies available on the market today are:

1. Biodegradable (flake) packaging (for fillers);
2. Corrugated cardboard rolls;
3. Foil rolls with air cushions made from recycled materials;
4. Recycled cardboard and paper;
5. Corn starch packaging;
6. Mushroom packaging;
7. Seaweed packaging;
8. Biodegradable and recycled plastics;
9. Organic green textiles;
10. Edible films.

With many eco-friendly alternatives on the market at competitive prices, more companies are recognising the opportunities to make the switch to eco-friendly packaging. Smart business owners in most countries are making the switch today to ensure they are ahead of tomorrow's game. To showcase their commitment to being green and to guide their sustainability agenda, companies are looking to green business certification platforms.

**Reverse logistics** as a green logistics operation is responsible for products, components, materials, equipment and even the entire technical system that can be reused in the supply chain. Thanks to reverse logistics, companies ensure that unwanted materials (waste, boxes, bottles, paper, etc.) are recycled and reused for production, and that returned or defective products are used through sales via different channels. The role of reverse logistics is therefore to reuse products, reduce resources, recycle, continue and reuse materials, dispose of waste, repair and remanufacture.

**Green logistics practices.** The uses of green logistics are a topic that is becoming increasingly important because it implements efficient practices that reduce environmental impact. Studies to date have shown that green logistics

practices increase the costs of investment, operation, training and procurement of environmentally friendly materials, but reduce the costs of storage, inventory, transport, energy consumption and emissions.

A significant benefit of green logistics is improved efficiency of logistics operations. By reducing waste and optimizing the use of resources, green logistics practices can help companies save time and money, and ultimately improve their image and reputation with consumers who are increasingly interested in supporting environmentally responsible companies. Implementing green logistics practices offers companies opportunities to attract and retain customers and secure competitive advantages.

Among the international companies that have successfully implemented the concept of green logistics and are enjoying benefits across the three dimensions: economic, environmental and social, are:

1. Nord Stream AG (Germany) which has built the world's most environmentally friendly pipeline, the "Nord Stream" pipeline with minimal CO2 emissions into the atmosphere;
2. DHL (Germany) continuously contributes through efforts for clean operations and climate protection. DHL has implemented the GoGreen service and monitors all CO2 emissions in its transport for all shipments;
3. UPS Air Cargo, demonstrates through its actions what a US express courier operator using hybrid-powered vehicles is all about;
4. Deutsche Bahn Schenker Rail (Germany), implementing the Eco Plus project, obtains electricity for its electric locomotives from renewable energy sources. In november 2021, DB Schenker made the biggest purchase of large zero-emission trucks in Europe to date, a key investment to bring the company closer to its goal of zero net emissions;
5. Green Cargo Road & Logistics AB (Sweden), is the company that has become Sweden's largest train operator creating climate-smart and cost-efficient transport using low-energy locomotives. In its green logistics operations it embraces social, environmental and financial responsibility.
6. Toyota (Japan), a company that makes extensive use of wind turbines and solar panels to generate electricity. The company's goals align with their 2050 environmental challenge, the UN Sustainable Development Goals and the EU Green Pact. As the pioneer of the Prius hybrid model and with a track record of over 20 million sales of electrified vehicles globally, Toyota takes a holistic approach to green vehicles and applications. The company's technologies include hydrogen, hybrid, plug-in hybrid and battery electric powertrains.



7. "K" Line (Japan), a maritime transport company that has developed an innovative computer system to optimize engine operation based on monitoring weather and water conditions, which helps reduce emissions by 1%.
8. Unilever (England), a company whose aim is to make sustainable living commonplace, has succeeded in delivering a green business model, recording zero waste to landfill in its factory in 2015, as well as reducing CO2 emissions by over 1 million tonnes. This company has committed to adopting 100% recyclable plastic packaging by 2025 and 100% electric vehicles by 2030.

We find that many companies choose to develop sustainable business practices based simply on the intuitive understanding that operating a greener business is the “right thing to do”. Most understand that their efforts are beneficial, but are unaware of all the real and measurable impacts that green logistics operations can actually have. The benefits are clear and significant for any company of any size if it implements green logistics. By declaring a sustainability ethic, companies implementing well-defined, properly measured and verified green logistics practices through best-in-class certifications secure tremendous opportunities to reduce costs and generate revenue through greening efforts.

The underlying reasons why companies today are switching to green logistics are as follows:

1. Managing environmental impacts and effects by applying original procedures to service and production systems and operations;
2. Improving the quality and efficiency of services, products, processes and deliveries;
3. Entering new markets with certifications to go green;
4. Designing products that meet environmental needs and create a difference in products;
5. Increasing consumer awareness of sustainability and social responsibility;
6. Increasing the importance of energy efficiency projects;
7. Increasing resource scarcity;
8. Rapid developments in green technology, etc.

Thus, companies that become more environmentally responsible or „green" and provide green logistics operations will be able to publicize their green efforts to obtain the label and certification that will demonstrate minimisation of environmental damage.

#### IV. Conclusion

As the world becomes increasingly aware of the importance of sustainability, we believe that demand for green logistics will increase in the coming years, as green logistics incorporates sustainability into the logistics process, from sourcing materials to delivering the final product. There are many ways to make logistics more sustainable, and companies are constantly innovating new and more efficient methods. As consumers become more informed about climate change and sustainability issues, they will start to demand greener products and services more often. This shift in consumer behavior is already visible in many industries, and the logistics sector is no exception. In response to this shift, many companies will start to incorporate sustainability into their logistics operations. Green logistics operations of companies that will ensure economic, social and environmental sustainability will develop strengths that will provide long-lasting competitive advantages. If these are embedded in effective sustainability strategies and policies, then the benefits will soon follow.

Green logistics being an integral part of sustainable business practices can help companies save money while protecting the environment. The future of green logistics is a bright one, as the development of new technologies will also significantly influence the ever-innovating logistics industry, and new technologies have the potential to improve the efficiency and sustainability of logistics operations dramatically. For example, the use of drones is becoming more and more common in the logistics industry, and this technology has the potential to significantly reduce the carbon footprint of logistics operations, etc. Surely companies that will put real and verified effort into implementing green logistics strategies will gain many benefits, improving their reputation through the message that they are green.

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## **Analysis of International Standards and Certifications on Sustainable Business and Business Processes**

**Lucia NEPOTU<sup>1</sup>**

### **Abstract**

What is good for the planet is good for business, and sustainable management aims to develop a long-term strategy. Future protection against economic problems and crises is worth it, even if the sustainable behavior of the business model may generate costs. With the help of sustainability standards and certifications used by manufacturers, traders and suppliers, they demonstrate their commitment to good environmental, social, ethical and food safety practices. The existence of over 400 standards and certifications when it comes to making companies and business processes sustainable and green around the world helps to reduce risks; show commitment; discloses progress and continuously improves sustainability management systems. This process itself becomes a journey towards building a green corporate culture and a more sustainable and socially responsible company. Today, the world of accreditation is complicated by the lack of a single industry-wide agreed upon standard. Standards-providing organizations each offer their own reporting methodologies, making it very difficult to determine which reporting accreditation to obtain. Through this study, the author aimed to identify international standards and certifications on sustainable business and business processes in order to analyze and compare them.

**Keywords:** standards, certifications, regulations, sustainable business, sustainable processes.

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## **I. Introduction**

There are countless standards and certifications involved in helping businesses and business processes become sustainable and green, from offices and buildings to product packaging. Sustainability certification is an official seal of approval that indicates a product, service or organization meets specific standards of environmental, social or economic sustainability. These certifications are important to companies because they help consumers make informed purchasing decisions and support efforts to create a greener economy. Independent organizations usually issue these certifications after assessing a company's social and environmental impact, which includes factors such as energy and water consumption, waste management, greenhouse gas emissions, labor standards and community participation (Chatou, 2023).

## **II. Methodology**

International standards and certifications on sustainable business and business processes were analyzed in the present study. What do these standards certify and what are the benefits obtained by the company, society and the environment following a certification of this kind.

## **III. Results**

Sustainability certification is important for companies for many reasons. First, it helps them meet certain sustainability standards by reducing their environmental impact, conserving natural resources and promoting social responsibility. This is particularly important as sustainability is becoming an increasingly important issue for many people and consumers are always looking to make informed decisions about the products they buy or the services they purchase. Thus, it gives consumers the opportunity to identify products and companies that align with their values. By choosing products that are certified sustainable, consumers can support companies committed to sustainability and social responsibility. And last but not least, international standards and certifications on sustainable business and business processes can provide wider social and environmental benefits. By promoting sustainable practices, businesses can help develop more sustainable supply chains, reduce waste and pollution, and promote fair labor practices. This, in turn, can help create a more sustainable and equitable world for everyone.

Sustainability standards can be grouped according to several criteria. Each standard has its own definition of what constitutes a sustainable building and its own approach to achieving certification for a building. Majoring in one of these certifications means you have demonstrated an understanding of the general principles of green building and sustainability, as well as the certification framework of this program.

## **1. Certifications of sustainable supply**

*The Global Organic Textile Standard (GOTS)* was issued in 2006 by four organizations: the International Natural Textile Industry Association, the Japan Organic Cotton Association, the Organic Trade Association and Land. If a product contains 95% or more organic matter, it will receive the GOTS certified organic label. For substances containing 70 to 94% organic substances, this must be clearly stated on the GOTS label of the product. This standard certifies clothing, home textiles, fiber products, yarns, fabrics, food contact materials, personal care products and mattresses. It tops the list of the most widely used and recognized sustainability certifications for home textiles and fashion (Global organic textile standard ecology & social responsibility).

*Fairtrade* – essentially refers to a number of independent organisations, all operating under slightly different names and definitions of what fairtrade means. The most popular are Fair Trade Certified (also known as Fair Trade USA or Fair Trade America) and Fairtrade International. Although their approaches differ slightly, they all essentially require any eco-labeled company to meet standards that include sustainable incomes for workers, a focus on the well-being of individual workers and communities, social empowerment and stewardship of the "environment". As such, fair trade is as much (if not more) an ethical certification than a sustainability certification. You could say they wear many fair trade hats. A product, aspects of a product, or the entity producing the product may receive certification. What fair trade certifies: varies slightly depending on the specific certification, but generally includes food (especially sugar and cocoa), beverages (coffee), clothing, crafts (such as fair trade jewelry), minerals, and farms or mines of raw materials. This is one of the most sustainable and ethical certifications and one of the most applicable.

*The Forest Stewardship Council, or FSC*, is a member-led nonprofit organization with a mission to promote better management and environmental practices for wood and paper products. These are the most recognized forest



certifications, but there are actually three slightly different forest sustainability certifications under the FSC logo:

- the product uses 100% exclusive ingredients from FSC certified forests;
- Mixed products using both FSC certified forest materials and recycled materials;
- Recycled products include post-consumer and pre-consumer materials.

FSC certifies wood products, paper products (e.g. paper and cardboard packaging, waste-free office supplies), toilet paper products and all forest products (e.g. lyocell fabrics derived from wood pulp, wood and wood foam natural rubber) (Forest Stewardship Council).

*The USDA National Organic Program*, also known as *USDA Organic*, is a labeling and certification system that verifies that farmers or processors around the world comply with USDA organic regulations. There are different rules and procedures for products depending on the type, such as food, meat, prepared food, multi-ingredient food or packaged food. Becoming certified organic is a rigorous, multi-step process. The organic system is designed to verify compliance with federally regulated organic production and processing methods. The USDA Organic Seal is one of the most strictly monitored and regulated labels in the United States – and one of America's only food sustainability certifications. The product cannot be grown using synthetic and toxic pesticides and fertilizers, antibiotics, synthetic growth hormones, genetic engineering, artificial flavors, dyes, preservatives, sludge, refined or irradiated. To receive the label, companies must be registered, audited and also have sustainability experts to represent the final audit report. USDA Organic certifies organic foods, beverages, personal care and textiles. They are especially recognized as one of the best food sustainability certifications (USDA Organic).

*The Soil Association* is the UK's oldest and largest organic certification body. They enable over 70% of organic food to be sold in the UK. It is also a member-based charity that supports various causes related to healthy and humane food and agriculture. The organization has a significant reach beyond the food and beverage sector, expanding into initiatives related to food, cosmetics, clothing, textiles, agriculture and forestry. To get the label that the organization wants, farms, companies and brands have to put a lot of effort into proving that they are organic. A Soil Association certified organic product must contain at least 95% organic ingredients. If this percentage is between 70 and 94 percent, the product can be certified by the Soil Association, but the manufacturer must state this. The Soil

Association certifies organic food, beverages, forest products, agricultural products, textiles, beauty and health care products (Soil Association).

## **2. Sustainable manufacturing certifications**

*B Corporation (B Corp)* is considered one of the best references in global social and environmental governance. More than 3,500 companies in more than 77 countries, such as Ben & Jerry's, Danone, Dr. Bronner's and sustainable outerwear manufacturer Patagonia, are recognized by an independent B Corp organization called B Labs Global. These companies must receive a "minimum score" for "Impact Assessment B" as part of the certification process, which includes an in-depth assessment of the green company's impact on the environment, employees, community and consumers. Each certified B Corp and its impact score are listed in a searchable online directory that consumers can view publicly (B Corporation).

*Cradle to Cradle Certified (C2C)* accelerates the transition to a circular economy by setting global standards for materials, products and systems that have a positive impact on people and the planet. Physical health, product circularity, clean air and climate protection, land and water stewardship and social equity are the five categories in which each C2C certified product is evaluated to ensure that the product is socially responsible, circular and safe for people and the planet. Products are certified through tests and third-party certifications issued by the Cradle to Cradle Product Innovation Institute. It certifies textiles, clothing, fashion accessories, construction products, interior decoration, personal care, household cleaning products (Cradle to Cradle Certified).

*The Leather Working Group (LWG)* is a global community of stakeholders committed to building a sustainable future with a responsible leather industry. Through efforts to reduce environmental impact, supply chain transparency and education, LWG hopes to create a greener and more ethical leather industry. The organization offers four different standards to assess the different participants in the leather supply chain: standards for leather producers, standards for leather traders, operations for leather manufacturers standards and standards for subcontractors (Leather Working Group).

*Global Recycled Standard (GRS)* – whose main objective is to establish a minimum recycled content (50%) using the ISO 14021 definition of recycled content. This 50% ratio is the minimum to bring the GRS logo to consumers, but the minimum requirement to use GRS as a business-to-business green tool is only

20%. In particular, the GRS certification process examines the entire supply chain (spinning, weaving, knitting, dyeing, printing, cutting and sewing) and each entity must take appropriate measures to protect its reputation and properties of raw materials (Global Recycled Standard).

*Leadership in Energy and Environmental Design (LEED)* certification from the U.S. The Green Building Council is the most well-known and popular green building certification system in the United States. LEED-certified buildings are designed and constructed using strategies that improve energy efficiency, water conservation, reduce CO2 emissions, improve water quality, and manage water and resources. Led by the Green Building Council, LEED's goal is to advocate for more sustainable infrastructure by building better buildings that:

- minimizing the impact of climate change;
- promoting renewable energy, demonstrating energy efficiency and implementing energy conservation and management strategies;
- will improve human health and quality of life;
- protecting and restoring water resources, biodiversity and ecosystem services;
- will use sustainable and renewable material cycles. Green building certification is especially useful for companies whose work focuses on the design, construction or renovation of buildings, such as designers and architects. That said, the built environment is an important factor that has an environmental impact for many organizations. Therefore, those interested in working in sustainability strategy or program management may also find this training useful.

### **3. Certifications of non-toxic and sustainable products**

*OEKO-TEX* is one of the world's most recognized brands in the field of textile safety and has several levels of certification within the OEKO-TEX certification system. STANDARD 100 is the most common, it certifies that all components of the product (including threads, zippers, labels and ornaments) are thoroughly tested for harmful, toxic substances to protect the health of the consumer (Oeko-Tex).

*MADE SAFE's* mission is to revolutionize the way consumer products are made, removing the use of harmful chemicals from the market to ensure a safe and sustainable future for everyone. Over 6,500 chemicals are currently banned from the MADE SAFE list. To achieve certification, companies must submit a list

of ingredients and sub-ingredients contained in their products, which was first reviewed by MADE SAFE as a list of banned chemicals and toxins. If the product meets the standards, the ingredients will be tested in the MADE SAFE chemical database. It differs from other certifications in that it does not allow traceability of quantities of hazardous substances. The products they certify are: non-toxic clothing, bedding and home textiles (such as non-toxic rugs), personal care items, baby care items and menstrual products (Made Safe).

*The EWG Verify* seal certifies that the brand's products meet the nonprofit Environmental Working Group's rigorous standards for complete transparency regarding the ingredients and production methods of toiletries, cleaning products, and non-toxic or organic products for babies. In addition, the product must not contain traces of prohibited chemicals (including most toxic ingredients that should be avoided in skin care). More than 2,000 products have seals to assure consumers that these products are transparent about their ingredients and do not contain toxic or banned substances. The organization is comprised of a group of scientists who use peer-reviewed research to determine issues such as the safety of water, pesticides or agricultural toxins, and non-toxic product ingredients (EWG Verify).

*Bluesign* is a reputable and independent traceability system based in Switzerland for the entire textile supply chain, from start to finish. While consumer safety is the most important concern, their primary goal is to ensure the safety of workers and the environment. To receive the organisation's mark, clothing must contain at least 90% bluesign approved textiles and at least 30% approved accessories and embellishments such as zips or buttons. Each certified brand aims to have 100% bluesign approved materials for all clothing and textiles. They looked at four impact areas to determine the sustainability of clothing: resource use, workplace health and safety, emissions and water and consumer safety from harmful toxic chemicals. To be certified, brands must disclose all product information to ensure transparency and traceability at every stage of production. This sustainability certification checks every step of the production process in detail.

*UL GREENGUARD* was established through a partnership between the Environmental Protection Agency (EPA) and Washington State to combat the leading form of indoor air pollution: volatile organic compounds (VOCs). They only certify specific products, not entire units, and to be certified, a product must be tested for over 300 chemicals and demonstrate that all VOC emissions are

below set limits. Products and manufacturing processes are subjected to periodic tests to minimize their impact on the indoor environment.

#### **IV. Conclusion**

Obtaining sustainability certification demonstrates a company's commitment to sustainable development and its social responsibility towards customers, investors and other stakeholders. It can also improve a company's image and reputation and increase its competitiveness in the market. Overall, sustainability certification serves as a valuable tool to encourage companies to prioritize sustainable practices, thus providing a more sustainable future for everyone.

In a world facing the impacts of climate change, businesses can play a key role in promoting environmental sustainability. Green Business Certification provides a solid framework for businesses to adhere to sustainable practices and demonstrate their commitment to a greener future.

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## **Domestic and EU Policies for the Development of the Ecosystem of Creative Education in the Republic of Moldova**

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### **Abstract**

The paper explores the domestic and EU policies aimed at fostering the ecosystem of creative education in the Republic of Moldova. Creative education plays a vital role in preparing students for the challenges of the 21st century, fostering innovation, and promoting cultural and artistic expression. Creative education is a fundamental driver of innovation, cultural preservation, and economic growth, serving as a bridge between artistic expression and practical application. In the Republic of Moldova, a nation with a rich cultural heritage and a growing creative industry, the development of a vibrant ecosystem for creative education is not just an aspiration but a strategic imperative. This paper delves into the intricate interplay between domestic and EU policies, exploring their roles in shaping and advancing creative education within Moldova's educational landscape. Also it aims to go deeper into the current state of creative education in Moldova, reviews EU initiatives and funding opportunities, and recommends strategies for enhancing the creative education ecosystem.

**Keywords:** human creativity, creativity resource, educational systems, creative industries, Republic of Moldova.

**JEL Classification:** I20, I25, I31, J24

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## I. Introduction

Creative education is integral to the holistic development of individuals and societies. It encompasses a broad spectrum of disciplines, including visual arts, performing arts, literature, and design, and cultivates skills such as critical thinking, problem-solving, and innovative thinking. In the Republic of Moldova, as in many other countries, nurturing a thriving ecosystem for creative education is essential for the nation's social and economic advancement.

Creative education serves as a cornerstone of human development, providing individuals with the tools to express themselves, think critically, and innovate. It encompasses a diverse array of disciplines, from the visual and performing arts to literature, design, and beyond. These disciplines not only enrich culture and artistic expression but also play a vital role in nurturing a dynamic, forward-thinking society. In the Republic of Moldova, as in many nations around the world, fostering a vibrant ecosystem for creative education is imperative for the nation's social, cultural, and economic advancement.

Republic of Moldova, a country rich in history and culture, stands at a pivotal juncture in its quest to nurture the creative capacities of its citizens. In an era marked by rapid technological advancement and the global flow of ideas, the need for creativity and innovation is more pronounced than ever. Creative education is the key to preparing the next generation of Moldovans for the multifaceted challenges and opportunities of the 21st century. As the world undergoes a dynamic transformation, propelled by technological advancements and evolving cultural dynamics, Moldova's creative education ecosystem stands as an example of adaptability and innovation.

In this context, this paper addresses the limited access to qualitative creative education, issues related to infrastructure, the shortage of skilled educators, and the need for greater synergy between creative industries and educational institutions. However, it is also essential to acknowledge the growing interest in creative disciplines among Moldovan students, the existence of a small yet vibrant creative community, and the nation's rich cultural heritage, all of which can serve as a fertile ground for the development of creative education.

Furthermore, this paper explores the initiatives and funding opportunities offered by the EU, which can serve as a catalyst for the enhancement of creative education in Moldova. These include programs like Erasmus+, Creative Europe, Horizon Europe, and the Eastern Partnership experience sharing opportunities, each of which provides avenues for cooperation, exchange, and investment in creative education and cultural initiatives.

The development of a robust ecosystem for creative education in the Republic of Moldova is not merely a cultural endeavour but a strategic imperative for the nation's future. Through the exploration of the current state, EU support, and recommended strategies, we aim to provide a comprehensive framework for the advancement of creative education in Moldova, thereby nurturing the talents and creativity of its people while positioning the nation more firmly on the European and global stage.

The paper comprises Introduction, Research Methodology, Main Findings, Conclusion, Bibliography.

## **II. Research methodology**

Given the complex nature of our topic, we capitalized on a series of research methods. To review existing policies, their implementation, and their outcomes we relied on an exploratory and descriptive research design. In terms of data collection, we used the documentary analysis of the policy acts, reports, legislation, and educational materials related to creative education policies in the Republic of Moldova and the EU. As for data analysis we mainly drew on content analysis to identify key themes, trends, and changes over time.

Likewise, the authors relied on comparative analysis to compare the creative education policies in R. Moldova with those of other European countries and EU policies to identify similarities, differences, and potential areas for alignment or improvement. In terms of policy evaluation, the impact and effectiveness of creative education policies in Moldova was analysed by considering indicators such as student performance, access to creative programs, and outcomes in the creative industries. The practical implications of the research were revealed by discussing how the research findings can inform policy recommendations and practical interventions to improve the creative education ecosystem in the Republic of Moldova.

## **III. Main findings**

### **III.1. Current state of the creative education in the Republic of Moldova, challenges and gaps**

Creative education in the Republic of Moldova faces a myriad of challenges and gaps that need to be addressed to unlock its full potential. These challenges not only impact the quality of education but also hinder the nation's ability to harness the creativity of its citizens effectively.



**Limited Access to Quality Creative Education.** One of the primary challenges facing creative education in Moldova is the limited access to quality programs. While there may be creative educational institutions in urban areas, access in rural regions is often inadequate. Approximately 75% of creative educational institutions in Moldova are concentrated in the capital city [1], Chisinau, leaving rural areas with limited access. This geographic disparity restricts opportunities for many Moldovan students to fully explore their creative potential.

**Underinvestment in Infrastructure and Resources.** Many creative education institutions in Moldova suffer from inadequate funding and underinvestment. This results in outdated facilities, limited access to modern equipment, and a scarcity of learning resources, ultimately hampering the development of students' creative skills and talents. On an average, schools based on creativity programs receive approximately 30-40% less funding than traditional educational institutions.[2]

**Shortage of Skilled Educators.** Another challenge is the shortage of skilled and qualified educators in the field of creative education. Moldova faces difficulty in retaining and attracting professionals who can inspire and guide students in various creative disciplines. The shortage of such educators not only affects the quality of education but also inhibits innovation within the field.

**Lack of Synergy between Creative Industries and Education.** Creative industries play a vital role in the economic and cultural development of Moldova. However, there is often a lack of synergy between these industries and educational institutions. This disconnect hinders students from gaining real-world exposure and experience in creative fields, limiting their ability to transition smoothly into the job market upon graduation.

**Limited Funding and Scholarships.** Moldova dedicates only 6% of its total educational budget to creative disciplines [2]. Creative education often requires specialized materials, equipment, and facilities that can be costly. Moldovan students who aspire to pursue creative careers may face financial barriers due to the lack of scholarships and financial aid dedicated to creative disciplines. This narrows the pool of talent that can access creative education.

**Curriculum Alignment.** The curriculum in creative education must be dynamic and aligned with contemporary practices and international standards. The lack of regular updates and alignment with global trends can result in an outdated education system that fails to prepare students for the challenges and opportunities in modern creative industries.

Addressing these challenges requires a concerted effort from both domestic policymakers and international partners, such as the European Union, to ensure that creative education contributes to Moldova's socio-cultural and economic development. To cultivate a thriving creative education ecosystem in Moldova, a multi-faceted approach is needed that involves both domestic policy reform and collaboration with international partners, such as the European Union, to bring about positive change and transformation in creative education.

### **III.2. International best practices as to the creative education policies**

Creative education policies form the cornerstone of fostering innovation, artistic expression, and cultural enrichment in educational systems around the world. While the specific implementation of these policies may vary from one country to another, there exists a common thread of best practices that have proven effective in nurturing creativity and artistic talent among students. These international best practices not only equip individuals with essential skills but also contribute to the vitality of the cultural and creative industries, shaping dynamic societies.

Creative education encompasses a broad spectrum of disciplines, including visual arts, music, drama, creative writing, and design. Its impact extends far beyond the realm of artistic expression, influencing cognitive development, critical thinking, problem-solving, and cultural understanding. As education systems evolve to meet the demands of the 21st century, the integration of creative education policies becomes an imperative.

By studying the international best practices, we gained valuable insights into how to structure effective policies, address challenges, and align creative education with broader educational objectives. Through this exploration, we aim to provide a comprehensive understanding of the core elements that underpin successful creative education policies and offer a global perspective on the role of creative education in shaping innovative and culturally enriched societies.

One of the most popular campaign worldwide is about supporting the concept of Creativity in STEM education [3], later developed in STEAM [4]. Best practices often involve recognizing the synergy between creativity and STEAM (science, technology, engineering, arts and mathematics) education. Creative education policies can encourage the integration of art and design principles into STEAM fields, fostering innovation and problem-solving skills.

The following table provides a snapshot of international best practices in creative education policies. It outlines the key initiatives and policies implemented in various countries and summarizes the outcomes and impacts of these policies on students, the creative industries, and cultural development.

**Figure 1. Selected best practices of countries in the creative education policies**

Country	Key Initiatives and Policies	Outcomes and Impact
<b>United Kingdom</b>	<ul style="list-style-type: none"> <li>- The Creative Industries Federation</li> <li>- The “Creative Learning in Schools” program</li> </ul>	<ul style="list-style-type: none"> <li>- Increased participation in creative subjects</li> <li>- Enhanced creativity and critical thinking among students</li> <li>- Positive impact on the creative industries</li> </ul>
<b>Finland</b>	<ul style="list-style-type: none"> <li>- National Core Curriculum for Basic Education</li> <li>- Arts Equal Research Initiative</li> </ul>	<ul style="list-style-type: none"> <li>- High-quality arts education integrated into the curriculum</li> <li>- Improved student engagement and creativity</li> <li>- Fostering cultural diversity</li> </ul>
<b>Singapore</b>	<ul style="list-style-type: none"> <li>- National Arts Education Program</li> <li>- Arts Education Masterplan</li> </ul>	<ul style="list-style-type: none"> <li>- Improved arts education quality and accessibility</li> <li>- Nurturing artistic talent</li> <li>- Boosting creative economy</li> </ul>
<b>South Korea</b>	<ul style="list-style-type: none"> <li>- Arts Education Promotion Act</li> <li>- Arts Education Support Centre</li> </ul>	<ul style="list-style-type: none"> <li>- Enhanced arts education in schools</li> <li>- Higher participation in cultural activities</li> <li>- Contribution to cultural identity and economic growth</li> </ul>
<b>Australia</b>	<ul style="list-style-type: none"> <li>- Australian Curriculum: The Arts</li> <li>- Creative Young Stars Program</li> </ul>	<ul style="list-style-type: none"> <li>- Comprehensive arts education curriculum</li> <li>- Encouragement of student participation in the arts</li> <li>- Recognition of artistic achievements</li> </ul>

Source: elaborated by authors based on the data on the national core curricula of each country [5]; [6]; [7]; [8]; [9]

### **III.3. Achievements in the field of creative education in the Republic of Moldova**

In 2022, four universities from the Republic of Moldova undertook the mission of training specialists for the era of technologies and creativity: the Technical University of Moldova, the State University of Moldova, the State Pedagogical University “Ion Creangă” and the Academy of Music, Theatre and Fine Arts developed new study programs in prospective fields, called the Professions of the Future – Animation, Game Design and Multimedia Production or Engineering and Digital Fashion. The initiative was supported and implemented by the Future Technologies Project, funded by USAID, Sweden and the UK. Studying programs that are part of the creative industries, which currently register the fastest growth in the entertainment sectors, gives young people an additional reason to pursue an education at home, in the Republic of Moldova. The inclusion of these study programs in the professional training within higher

education has been a proof of the connection of education to the current and future demands in the labour market.

As we can see in the table below, creative education in the Republic of Moldova still faces significant challenges, but there are also some notable achievements that reflect the national potential in fostering creative talent and innovation.

**Figure 2. Overview of domestic creative education policies in the Republic of Moldova**

Policy Area	Key Policies and Initiatives	Implementation Status	Challenges and Gaps	Impact on Creative Education Ecosystem
<b>Curriculum</b>	<ul style="list-style-type: none"> <li>- Inclusion of creative subjects in the national curriculum</li> <li>- Arts education guidelines</li> <li>- Professional development for creative education teachers</li> </ul>	<ul style="list-style-type: none"> <li>- Partial implementation, some subjects fully integrated</li> <li>- Limited teacher training</li> <li>- Lack of updated curriculum materials</li> </ul>	<ul style="list-style-type: none"> <li>- Incomplete curriculum integration</li> <li>- Need for continuous teacher training</li> <li>- Limited student access to creative subjects</li> </ul>	<ul style="list-style-type: none"> <li>- Enhanced creative education offerings</li> <li>- Improved access to arts and culture</li> <li>- Partial impact on student engagement and creativity</li> </ul>
<b>Teacher Training</b>	<ul style="list-style-type: none"> <li>- Teacher training programs for creative education</li> <li>- Promotion of professional development</li> </ul>	<ul style="list-style-type: none"> <li>- Limited availability of teacher training programs</li> <li>- Varied quality of creative education training</li> </ul>	<ul style="list-style-type: none"> <li>- Insufficient number of qualified creative education teachers</li> <li>- Need for standardized teacher training programs</li> </ul>	<ul style="list-style-type: none"> <li>- Enhanced skills among creative education teachers</li> <li>- Greater expertise in creative teaching methods</li> </ul>
<b>Cultural Exchange</b>	<ul style="list-style-type: none"> <li>- Cultural exchange programs with international partners</li> <li>- Promotion of Moldovan culture</li> <li>- Support for cultural events and festivals</li> </ul>	<ul style="list-style-type: none"> <li>- Ongoing cultural exchange initiatives</li> <li>- International collaborations in arts and culture</li> <li>- Support for local events and festivals</li> </ul>	<ul style="list-style-type: none"> <li>- Need for expanded cultural exchange programs</li> <li>- Better recognition of Moldovan culture on the international stage</li> </ul>	<ul style="list-style-type: none"> <li>- Increased cultural exchange opportunities</li> <li>- Enhanced global recognition of Moldovan cultural identity</li> </ul>

Policy Area	Key Policies and Initiatives	Implementation Status	Challenges and Gaps	Impact on Creative Education Ecosystem
<b>Funding</b>	<ul style="list-style-type: none"> <li>- Allocation of funds for creative education projects</li> <li>- Grants for arts and culture initiatives</li> <li>- Support for creative education institutions</li> </ul>	<ul style="list-style-type: none"> <li>- Uneven distribution of funds</li> <li>- Limited financial support for smaller institutions</li> <li>- Administrative challenges in fund allocation</li> </ul>	<ul style="list-style-type: none"> <li>- Insufficient funding for creative education infrastructure</li> <li>- Need for improved transparency in fund allocation</li> </ul>	<ul style="list-style-type: none"> <li>- Improved resources for creative education institutions</li> <li>- Enhanced quality of creative education offerings</li> </ul>
<b>Research and Evaluation</b>	<ul style="list-style-type: none"> <li>- Research on creative education effectiveness</li> <li>- Evaluation of creative education policies</li> <li>- Data collection on student outcomes</li> </ul>	<ul style="list-style-type: none"> <li>- Limited systematic evaluation</li> <li>- Challenges in data collection and analysis</li> <li>- Lack of comprehensive research studies</li> </ul>	<ul style="list-style-type: none"> <li>- Need for standardized evaluation metrics</li> <li>- Enhanced data collection and analysis capabilities</li> <li>- Promoting a culture of research in creative education</li> </ul>	<ul style="list-style-type: none"> <li>- Incomplete understanding of policy impact</li> <li>- Limited data on student outcomes</li> <li>- Potential for data-informed policy improvements</li> </ul>

Source: elaborated by authors based on data from the Education Code of Republic of Moldova [10]

**Growing Interest in Creative Disciplines.** In recent years, there has been a noticeable surge in the interest among Moldovan students in creative disciplines. This growing interest suggests a hunger for artistic expression and a desire to pursue creative careers.

**A Small but Vibrant Creative Community.** Moldova boasts a small yet vibrant creative community that actively contributes to the cultural and artistic landscape of the nation. This community includes accomplished artists, writers, musicians, and designers who have received recognition both within Moldova and internationally. Their success stories serve as sources of inspiration for aspiring creatives.

**A Rich Cultural Heritage.** Moldova is renowned for its rich cultural heritage, which encompasses a diverse range of artistic expressions, including music, dance, literature, and visual arts. The nation's cultural heritage serves as a

wellspring of inspiration and creativity for its youth. Traditional Moldovan festivals, craft traditions, and folkloric art forms are celebrated and preserved, providing a unique platform for creative exploration and cultural expression.

**International Recognition.** Several Moldovan artists and creative professionals have gained international recognition and acclaim, demonstrating that Moldova possesses creative talent of global significance. Their achievements in fields such as filmmaking, music, and literature not only bring honour to the country but also serve as examples of the potential for Moldovan creatives on the international stage. Moldova has a cultural richness that can be developed and recognized further on the international stage.

These successes provide a strong foundation upon which Moldova can build and expand its creative education ecosystem. The growing interest in creative disciplines, the presence of a vibrant creative community, the rich cultural heritage, and international recognition offer promising indicators that, with the right support and policy interventions, Moldova can further harness its creative potential and contribute to the nation's cultural and economic development. Recognizing and capitalizing on these successes is key to advancing creative education in the Republic of Moldova.

### **III.4. Paths to develop the creative education ecosystem**

Developing a robust and sustainable creative education ecosystem in the Republic of Moldova requires a comprehensive approach. The following paths could be used to address the challenges and capitalize on the potential of creative education in our country.

#### **III.4.1. Strengthen educational infrastructure**

A critical component of advancing creative education in the Republic of Moldova is the strengthening of educational infrastructure. This involves investments in physical facilities, learning resources, and the expansion of creative programs. A well-developed infrastructure not only enhances the quality of education but also ensures that students have access to the necessary tools and environments for creative expression and learning.

In terms of modern facilities and equipment, it is necessary to upgrade existing facilities, renovate and upgrade existing educational institutions dedicated to creative education, ensuring they have state-of-the-art facilities, including art studios, music rooms, performance spaces, and technology labs. With regard to equipped workspaces, specialized equipment and resources should be provided to

support creative disciplines, such as musical instruments, art supplies, recording studios, and digital design tools.

In respect of accessibility across regions, the regional disparities should be addressed in access to creative education by establishing new creative programs and institutions in underserved areas of the country. Additionally, mobile creative units could be implemented that can travel to rural areas, providing students with workshops, training, and access to creative experiences.

Developing Creative Hubs are about establishing collaborative spaces that would serve as hubs for creative education and innovation. These hubs can bring together students, educators, and professionals from various creative disciplines, fostering a sense of community and cross-disciplinary interaction. It is also important to offer networking opportunities within these hubs where students can collaborate, share ideas, and access resources beyond the traditional classroom setting.

In terms of investment in information technology, investments in digital learning resources, platforms, and online libraries must be accomplished that can enhance creative education by providing access to a vast repository of artistic and creative content. Developing virtual learning environments would enable remote and blended learning, ensuring continuity of creative education even in challenging circumstances.

Multifunctional Cultural Centres supposes to repurpose existing cultural centres, transform them into multifunctional educational spaces that blend traditional cultural activities with modern creative education. This not only maximizes the use of existing facilities but also encourages cross-cultural understanding.

Inclusivity and Accessibility is about Diverse Learning Environments, the design of learning environments that would be inclusive and accessible to all students, including those with disabilities. This would ensure that creative education is accessible to every segment of the population. Likewise it is essential to implement scholarship programs and financial aid to provide equal opportunities for students to pursue creative education, regardless of their socio-economic backgrounds.

Strengthening educational infrastructure is a fundamental step toward providing Moldovan students with the resources and environments they need to explore their creative potential. It also ensures that creative education is accessible to all, regardless of their geographic location or financial means. Moreover, by fostering collaboration and innovation within well-equipped facilities, Moldova can foster the growth of a vibrant creative community that contributes to both cultural enrichment and economic development.

### **III.4.2. Curriculum enhancement**

Enhancing the curriculum is central to the development of creative education in the Republic of Moldova. A well-designed and comprehensive curriculum ensures that students receive a high-quality education in creative disciplines. The following strategies could be used for enriching the curriculum and integrating creative subjects across the educational system:

**Integration of Creative Disciplines.** Cross-Curricular Integration: Encourage the integration of creative disciplines into other subjects across the curriculum. For example, incorporate art and music into science, literature, and history classes to promote a holistic educational experience.

**Multidisciplinary Approach.** Foster Multidisciplinary Projects: Promote multidisciplinary projects that bring together students from various creative disciplines to collaborate on innovative projects. These projects encourage students to apply their skills in real-world contexts.

**Modernizing Curriculum Content** supposes regular updates and focus on practical skills.

Ensure that the content of creative education curricula is regularly updated to align with evolving industry trends and technological advancements. This keeps students informed about the latest developments in their chosen creative fields.

The focus on practical skills requires emphasizing practical skills in the curriculum to prepare students for careers in creative industries. Practical coursework, workshops, and hands-on experiences should be integral components of creative education programs.

**Creative Thinking and Problem-Solving** requires teaching creative thinking skills – implementing courses that specifically focus on developing creative thinking, problem-solving, and critical thinking skills. These courses should be available to students across various disciplines. It is also about encouraging innovation, foster a culture of innovation in the curriculum. The students must be encouraged to develop innovative solutions to real-world challenges, applying creative approaches to problem-solving.

**Digital Literacy and Technology Integration** supposes digital literacy courses, offering courses that teach digital literacy and technology skills, which are increasingly important for creative professionals. These skills include graphic design software, video editing, 3D modelling, and coding. Virtual Learning Experiences are about integrating virtual reality (VR) and augmented reality (AR)



experiences into the curriculum, allowing students to explore creative concepts in immersive digital environments.

**Industry Engagement and Real-World Projects.** Collaboration with creative industries is about fostering partnerships with creative industries to provide students with access to real-world projects, internships, and experiences. This industry engagement would offer students valuable insights into career opportunities and practical experience. Experiential learning matters too, that is incorporate experiential learning opportunities, such as field trips to cultural events, artistic exhibitions, and workshops, enabling students to connect with the broader creative community.

**Encouraging Cultural and Artistic Expression** supposes the support to student creativity via creating platforms for students to showcase their artistic and creative work, organize art exhibitions, music performances, literary events, and other avenues for students to express their creativity and gain recognition for their talents.

Enhancing the curriculum by integrating creative disciplines and fostering creative thinking not only provides students with a well-grounded education but also prepares them for the diverse and dynamic creative industries. Moldova's educational institutions should prioritize curriculum development that reflects the evolving nature of creative fields, equipping students with the skills, knowledge, and innovation necessary for successful careers in the arts and related sectors.

## V. Conclusion

Creative education is pivotal for the socio-cultural and economic development of the Republic of Moldova. While the nation faces challenges, it also possesses immense potential in the form of a burgeoning creative community and a rich cultural heritage. The EU offers significant support through various programs and initiatives, and Moldova can benefit from these to develop a more robust creative education ecosystem. By implementing the recommended strategies, Moldova can nurture the next generation of creative thinkers and innovators and elevate its position on the European and global stage.

The development of the creative education ecosystem in the Republic of Moldova is not just an educational imperative; it is a strategic investment in the cultural and economic vitality of the nation. Creative education plays a pivotal role in shaping the future of Moldova, nurturing talent, fostering innovation, and preserving the rich cultural heritage of the country. The recommendations outlined

in this paper serve as a comprehensive framework for advancing creative education in Moldova and realizing its immense potential.

It is crucial to acknowledge the significance of creative education as a cornerstone of a thriving knowledge-based society. The comprehensive policy framework, investment in infrastructure, teacher training, curriculum enhancement, cultural exchange, and robust research and evaluation mechanisms are not merely isolated initiatives. They form an integrated ecosystem that nurtures creativity and innovation at every level of education.

In embracing this holistic approach, Moldova can expect to witness several profound transformations such as:

- the emergence of a generation of creative thinkers capable of addressing complex challenges in the creative industries and beyond;
- a cultural and artistic renaissance, the revitalizing of the nation's artistic traditions while allowing new voices and expressions to emerge;
- the economic growth, since a vibrant creative education ecosystem is a catalyst for economic growth. By equipping students with the skills and knowledge needed for creative professions, Moldova will foster an innovative and competitive workforce that can contribute to the nation's economic development;
- global recognition as through international collaborations, participation in European programs, and cultural exchange, Moldova's creative talents will gain recognition on the global stage.

Overall, the development of the creative education ecosystem in the Republic of Moldova is a multifaceted endeavour that encompasses educational, cultural, and economic dimensions. It is a journey toward nurturing creativity, preserving cultural heritage, fostering innovation, and equipping the younger generation with the tools to shape a brighter future. A journey which benefits will extend far beyond the educational realm, influencing the very fabric of Moldovan society and its place in the global creative landscape. Moldova's creative education ecosystem will be an enduring testament to the nation's commitment to its cultural heritage and the immense possibilities of the future.

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## **The Role of Professional Development in Career Management**

**Viorica CUCONAȘU<sup>1</sup>**

### **Abstract**

The article discusses the particularly important role professional development plays in career management. This involves acquiring new skills, knowledge and competences relevant to one's profession or image. By engaging in continuous professional development, individuals can improve their professional qualifications, adapt to changing trends and technologies and remain competitive in the labour market. This enables them to stay abreast of industry developments, improve their job performance and enhance their potential for career advancement. In addition, professional development provides opportunities for networking, building relationships and expanding professional contacts, which can lead to new career prospects and opportunities for advancement. Finally, investing in professional development demonstrates a commitment to continuous learning and growth, which can have a significant impact on career success and overall job satisfaction.

**Key words:** professional development, management, career.

### **I. Introduction**

For some, a professional career is a complicated path with its own setbacks, stagnations and trials, while for others it is a responsible choice followed by results and success. Career is a progressive movement of a person in any field of work, changes in competences, skills, qualification possibilities and the value of remuneration related to the work.

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A career is the result of an individual's conscious position and behaviour in a field related to a job or occupation.

Career management is the process of designing and implementing goals, strategies and plans to enable the organisation to meet its human resource needs and individuals to meet their career goals. Career management plans and shapes the progress of individuals within an organisation in line with organisational needs assessments and the individual performance, potential and preferences of its members.

Career management performs important functions in the working life of the employee. First of all, it stimulates increased work activity and accelerates career advancement processes, which enables employees to reach a higher social position and increases their job satisfaction.

The main task of career planning and development is to ensure interaction between professional and intra-organisational careers.

In many companies, career planning is mandatory. It consists of defining objectives and how to achieve them. Career development is the process an employee undertakes to realise their full potential for advancement.

Career management is a set of guidelines on how a person plans and develops their career.

To manage your career effectively, you need to have a personal plan. A personal career plan is made up of three basic sections: a life situation assessment, setting personal career goals and private goals and activity plans.

Career development creates certain benefits for the employee and the organisation: for the employee, job satisfaction, increased competitiveness in the market, the possibility to plan professional development, as well as high employee loyalty, reduced staff turnover and increased productivity for the organisation.

Within the human resource management system, a number of career management functions are established, which are carried out by the board of directors, the human resource management department, heads of functional units, counselling centres and trade union committees.

Career planning is a management of personnel development in the direction required by the organisation, characterised by the implementation of a plan for horizontal and vertical promotion of the employee in the system of positions or jobs, starting from the moment of the employee's acceptance into the organisation and ending with early dismissal from the job.

The development process considers three parties: the employee – responsible for his or her own career; the manager – who mentors the employee; and the

human resources department – which manages the employee's career development process within the organisation.

The advantages of career development are:

- 1) greater job satisfaction within the organization;
- 2) increased material well-being and standard of living;
- 3) a clearer vision of personal career prospects and the possibility to plan other aspects of life;
- 4) a targeted training opportunity for a future career in management;
- 5) increased competitiveness in the labour market.

Staff development is one of the most important areas of human resource management and a factor in the success of operations. At the same time, investment in staff development plays a more important role than investment in the development and improvement of production facilities. Staff development is understood as a set of activities aimed at improving the qualifications and psychological characteristics of employees. This includes primarily:

- training, which, in the form of general and vocational education, provides the necessary knowledge, skills and experience;
- advanced training, aimed at improving professional knowledge and skills;
- retraining, which is essentially a second education. This refers to any vocational retraining. The purpose of retraining is to enable workers to learn a new occupation.

In order to meet the organisation's objectives effectively, the right people need to develop both as workers and as individuals.

Professional development plays a vital role in career advancement and success. It involves activities and strategies designed to improve a person's skills, knowledge and competencies related to their profession. Following the literature review we propose (Figure 1) some key roles of professional development in career development:

<b>Improving skills</b>	Professional development helps individuals acquire new skills and improve existing ones. It allows them to stay abreast of the latest trends, technologies and best practices in the industry, making them more competent and adaptable in their roles.
<b>Career advancement</b>	Engaging in continuous professional development increases your chances of career advancement. By expanding their knowledge and skills, individuals become more qualified for senior positions and are better equipped to take on new challenges and responsibilities.
<b>Increasing employability</b>	Employers value professionals who actively participate in professional development. By investing in their own development, individuals increase their marketability and attractiveness to potential employers. Lifelong learning demonstrates a commitment to self-improvement and maintaining relevance in a rapidly changing labour market.
<b>Networking and collaboration</b>	Professional development activities such as conferences, workshops and seminars provide valuable networking opportunities. Connecting with industry peers, experts and mentors can open doors to new career opportunities, collaborations and mentoring relationships.
<b>Networking and collaboration</b>	Involvement in professional development demonstrates a proactive approach to career management and personal growth. It helps individuals feel more fulfilled in their work, expanding their knowledge and skill set, increasing their confidence and enabling them to contribute more effectively to their organisation.
<b>Adaptability to change</b>	Industries and professional requirements evolve over time. Professional development equips individuals with the tools and knowledge to adapt to changing circumstances, embrace new technologies and stay ahead of emerging trends. This adaptability enhances job security and long-term career prospects.

Source: prepared by the author based on literature.

**Figure 1. Key roles of professional development in career development**

Organisations create special methods and systems for managing professional development, management training and career development. In large corporations, there are special departments for professional development, headed by professional development specialists who have extensive experience in human resource development. The importance of this process is underlined by the fact that professional development objectives are included in the personal plans (on the achievement of which remuneration depends) of senior managers, vice-presidents and directors of national companies.

## II. Coupons

Developing skills and competencies is essential to improve our career performance and increase our chances of advancement and success. Some ways in which we can develop our skills and competences are:

**Formal education:** Attending courses, bachelor, master or doctoral programs in your field can help you strengthen your knowledge and acquire specialized skills.

**Training and professional development:** Attending seminars, workshops and training programmes within or outside your organisation can be an excellent way to develop your skills and competences specific to your professional needs.

**Self-learning:** Using online resources such as books, magazines, online courses and video tutorials can be an affordable and flexible way to develop your skills and competences. Be proactive and seek out resources relevant to your field.

**Participate in new projects and tasks:** In the workplace, try to get involved in projects that allow you to develop new skills and competences. Be sure to consider challenges and opportunities that allow you to expand your area of expertise.

**Collaborating and learning from other professionals:** Interacting with peers and collaborating with professionals in similar or complementary fields can give you a fresh perspective and provide you with opportunities to learn from their experiences and develop your skills.

It is important to take a proactive and continuous approach to developing our skills and competences. Being open to new challenges, taking initiative and investing time and effort in our personal and professional development.

It is important to note that in addition to employees investing time and financial resources in developing professional skills, leading organisations spend a significant amount on professional development for their employees, ranging from 2 to 10% of salary. These costs represent investments in the development of



their employees, from which the organisation expects returns in the form of increased productivity.

In addition to the direct impact on the company's financial results, this investment in professional development creates a positive corporate climate, increases employee motivation and loyalty, and ensures management continuity. Professional development also has a positive effect on the employees themselves. By updating their qualifications and acquiring new skills and knowledge, they become more competitive in the labour market and have additional opportunities for professional growth within their organisation and beyond. This is particularly important in today's rapidly ageing workforce.

In order to effectively meet organisational objectives, the right people need to develop both as workers and as individuals. Workforce development must be given the highest priority, which requires: support for people capable of learning, dissemination of knowledge and best practice, and, raising awareness among management of the importance of employee development and reducing staff turnover. A detailed overview of the areas of activity for which both internal and external training has been carried out is given in the table below.

**Table. 1. Structure and types of vocational training by economic activity in 2020-2022**

Activities under the EMAC	course	Share in total %	including:		course	Share in total %	including:		course	Share in total %	including:	
			internal	external			internal	external			internal	external
	2020				2021				2022			
Total per activity	77944	100.0	31662	49166	89732	100.0	35785	58000	88966	100.0	34312	59044
Agriculture, forestry and fishing	708	0.9	339	370	1620	1.8	1165	463	1684	1.9	1279	421
Mining and quarrying	234	0.3	74	177	189	0.2	71	118	291	0.3	236	58
Manufacturing industry	8532	10.9	3961	4653	7783	8.7	2693	5689	8499	9.6	3128	5579
Electricity, gas, heat, hot water and air conditioning supply	6628	8.5	1586	5211	6728	7.5	1403	5534	6871	7.7	2019	5236
Water supply; sanitation, waste management, remediation activities	999	1.3	82	920	1277	1.4	35	1246	979	1.1	692	287

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Activities under the EMAC	course	Share in total %	including:		course	Share in total %	including:		course	Share in total %	including:	
			internal	external			internal	external			internal	external
	2020				2021				2022			
Construction	1824	2.3	731	1095	2139	2.4	746	1393	1847	2.1	563	1286
Wholesale and retail trade; maintenance and repair of motor vehicles and motorcycles	8128	10.4	3333	4859	7121	7.9	2986	4409	7293	8.2	1911	5387
Transport and storage	2846	3.7	1284	1710	3285	3.7	1477	1885	3073	3.5	1409	1779
Accommodation and food service activities	220	0.3	42	178	450	0.5	68	381	405	0.5	89	316
Information and communication	3866	5.0	1571	2360	5319	5.9	2656	2926	5260	5.9	2843	2739
Financial and insurance activities	5607	7.2	3033	3103	6607	7.4	4434	2724	5706	6.4	3662	3067
Real estate activities	290	0.4	99	192	393	0.4	156	319	395	0.4	190	205
Professional, scientific and technical activities	900	1.2	341	700	1112	1.2	357	927	1167	1.3	427	891
Administrative and support service activities	829	1.1	259	573	1011	1.1	176	835	568	0.6	122	446
Public administration and defence; compulsory social security	15535	19.9	8539	8187	18449	20.6	9830	9917	18918	21.3	9540	11077
Education	10979	14.1	2757	8393	13116	14.6	3164	10202	12439	14.0	2896	9914
Health and social work	8984	11.5	3210	5918	12123	13.5	3932	8421	12580	14.1	3057	9582
Arts, recreation and leisure activities	334	0.4	133	240	360	0.4	122	238	427	0.5	56	384
Arts, other service activities	498	0.6	288	328	651	0.7	313	374	563	0.6	193	389

Source: prepared by the author on the basis of statistical data from the NBS.

It is worth mentioning that the economic activities that are most concerned with the vocational training of employees in 2022 are: manufacturing industry (9.6%), wholesale and retail trade (8.2%), education (14.0%), health and social work (14.1%). And the most representative share is held by public administration and defence with (21.3%) in the total number of vocational training courses.

**Table 2. Structure and types of vocational training in 2020- 2022, total by economy**

Types of training	Total pers.	Including women	% Women in total	Total pers.	Including women	% Women in total	Total pers.	Including women	% Women in total
	2020			2021			2022		
Courses	77944	38804	<b>49.78</b>	89732	45259	<b>50.44</b>	88966	44452	<b>49.97</b>
Internal	31662	16991	<b>53.66</b>	35785	18593	<b>51.96</b>	34312	16463	<b>47.98</b>
External	49166	23536	<b>47.87</b>	58000	28803	<b>49.66</b>	59044	30233	<b>51.20</b>
In-country	47922	23109	<b>48.22</b>	56056	28097	<b>50.12</b>	55449	28593	<b>51.57</b>
Abroad	1351	489	<b>36.20</b>	2275	850	<b>37.36</b>	4022	1868	<b>46.44</b>
From rd.100, aimed at occupational safety and health	13446	X	<b>0.00</b>	17272	x	<b>0.00</b>	18402	x	<b>0.00</b>
Other forms of vocational training	30047	17722	<b>58.98</b>	34714	22174	<b>63.88</b>	45012	25592	<b>56.86</b>
Total VET - Number of employees who participated in at least one type of training	102745	53742	<b>52.31</b>	114468	61896	<b>54.07</b>	123441	64705	<b>52.42</b>
Including: Persons who received training on behalf of foreign and international organisations	1259	X	<b>0.00</b>	2932	x	<b>0.00</b>	2765	x	<b>0.00</b>
Number of employees at the end of the year	639401	341339	<b>53.38</b>	632168	339780	<b>53.75</b>	625829	338729	<b>54.12</b>

Source: prepared by the author on the basis of statistical data from the NBS.

Following the analysis of the evolution of the structure and types of vocational training in the recent period, we find a relative increase in the number of women who have received vocational training. And the courses abroad were the most in demand, increasing by about 10% over the period analysed.

When women pay more attention to vocational training courses, there can be more positive effects, both on a personal level and on organisations and society as a whole:

**Improved professional development:** Women who invest in vocational training are more likely to develop the skills and competencies needed to advance their careers. This can lead to higher qualifications and more experience in their field of work.

**Increased self-confidence:** Training courses can help women gain confidence in their own abilities and feel more prepared to face professional challenges. This can help to improve self-esteem and develop a more positive attitude towards careers.

**Opportunities for advancement:** By acquiring new skills and knowledge, women can become more attractive candidates for management positions or career advancement. Training can open doors to more opportunities in organisations.

**Closing the gender gap:** In many fields, there is a gender gap in access to career opportunities and pay levels. By investing in training, women can help to reduce this gap as they become more competitive and better prepared for well-paid jobs.

**Contributing to innovation:** By bringing new ideas and perspectives into the workplace, women who engage in vocational training can help stimulate innovation and creativity in organisations.

**Role model:** Women who engage in vocational training can serve as role models for other women, inspiring them to pursue their own aspirations and invest in their professional development.

**Improved work-life balance:** Knowledge and skills acquired through training can contribute to better time management and more effective fulfilment of professional and personal requirements.

### **III. Conclusion**

In conclusion, professional development is essential for career growth and success. It improves skills, enhances employability, supports career advancement, fosters networking opportunities, enhances job satisfaction, and equips individuals to navigate and thrive in a dynamic professional landscape.

In addition to directly impacting the company's bottom line, investing in professional development creates a positive corporate climate, increases employee motivation and loyalty, and ensures management continuity.

And when women pay more attention to training, it can have a positive impact on their careers and benefit organisations and society as a whole by increasing the diversity and skills of the workforce.

Professional development also has a positive effect on employees themselves. By upgrading their qualifications and acquiring new skills and knowledge, they become more competitive in the labour market and have additional opportunities for professional growth within their organisation and beyond.

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## **Police Leadership between Leader and Boss**

**Gabriel CRAP<sup>1</sup>**

### **Abstract**

The purpose of this paper is to describe behavior differences between managing like a boss and managing like a leader. The terms boss and leader can be used interchangeably, but analyzing what makes a boss and a leader, important differences are noticed. In today's world, being a leader rather than a boss is more effective, and if understood and implemented will improve individual performance, build effective teams, and promote success for the organization. Considering how often people mix the terms boss and leader, it is important to study the difference in behaviors and elements that make a person an effective leader, and how that impacts their boss or a leader approach. The general objective of the research is the analysis of the Leadership Management in police units, in order to increase the satisfaction degree of the public interest. This study contributes to the literature with an empirical assessment and theoretical consideration of leadership at the top of police units. There is little written in published professional journals referencing the differences between leader and boss. However, there are plenty of articles, videos, conferences, and discussions on the subject. The literature reviews chosen for this paper were done to draw attention to the foundations of effective leadership and highlight the distinctions made between effective and ineffective leaders. We ask whether leaders set a moral example to others. Are they the model for an entire group or organization, for good or bad? The paper shows that leadership is the most frequently cited organizational factor in discussions about the safeguarding of ethics and integrity.

**Keywords:** Police management; Performance management; Policing; Police reform; New public management; Public administration.

**JEL Classification:** O15

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## **I. Introduction**

Law enforcement exists to serve the community by preserving the peace, saving lives, protecting property, and improving the quality of life.

Police organizations are feeling the effects of rapid change. Technological, social, and legal change for intensive pressures to modify traditional police practices and activities. A contemporary police organization is called upon by citizens to provide a complex, diverse service requiring significant knowledge and skills and unique authority. This service includes preventing crime, apprehending offenders, protecting constitutional rights, aiding citizens in hazardous situations, facilitating traffic, resolving conflict, and maintaining order. Local police often are the agency of last resort to citizens, particularly when they are victims of crime or involved in interpersonal conflict which requires someone with unique authority to protect, keep the peace, or enforce the law.

The mission of a local police department is to preserve the peace and order of the community through conflict management and enforcement of criminal or quasi-criminal laws.

Demographic data may reveal an aging population, a population that is changing ethnically, or one that is stratified by economics. Additionally, continued urbanization and the decline of rural populations will be a factor. An aging population may commit fewer violent crimes, but the denser urban populations may offset this decrease. Aging populations require more services in relation to traffic and pedestrian issues, while urban density may increase collision rates. As community make-up changes, so should the department.

Police authority is tremendous in scope and requires counterbalances to its corruptive influence if left unchecked and unrestrained. These counterbalances can be summarized as follows. Police organizations need officers who personally subscribe to the rule of law. The rule of law recognizes the supremacy of law and various legal restrictions placed on police authority. Police officers must also recognize that each person has certain unalienable rights which are inherent and protected by law. Every person must be treated with fundamental fairness by police. Police performance is dependent upon public approval, and public respect for police is essential.

## **II. Leadership and management**

“What is leadership?” it is natural to look at the relationship between leadership and management. To many people, the word management suggests words like

efficiency, planning, paperwork, procedures, regulations, control, and consistency. Leadership is often more associated with words like risk taking, dynamic, creativity, change, and vision. Some people say leadership is fundamentally a value-choosing, and thus a value-laden, activity, whereas management is not.

A leader, like other individuals, also participates in a number of groups. So a leader may not only lead groups, but may also be a nonleading member of other groups, including those made up of leaders.

Leaders are thought to do the right things, whereas managers are thought to do things right. Here are some other distinctions between managers and leaders:

- Managers administer; leaders innovate.
- Managers maintain; leaders develop.
- Managers control; leaders inspire.
- Managers have a short-term view; leaders, a long-term view.
- Managers ask how and when; leaders ask what and why.
- Managers imitate; leaders originate.
- Managers accept the status quo; leaders challenge it.
- Leadership researchers have defined leadership in many different ways:
- The process by which an agent induces a subordinate to behave in a desired.
  - Manner.<sup>1</sup>
  - Directing and coordinating the work of group members.<sup>2</sup>
  - An interpersonal relation in which others comply because they want to, not because they have to.<sup>3</sup>
  - The process of influencing an organized group toward accomplishing its goals.<sup>4</sup>
  - Actions that focus resources to create desirable opportunities.<sup>5</sup>
  - Creating conditions for a team to be effective.<sup>6</sup>
  - The ability to engage employees, the ability to build teams, and the ability to achieve results; the first two represent the how and the latter the what of leadership.<sup>7</sup>
- A complex form of social problem solving.<sup>8</sup>

Leaders face dilemmas that require choices between competing sets of values and priorities, and the best leaders recognize and face them with a commitment to doing what is right, not just what is expedient. Of course, the phrase doing what is right sounds deceptively simple. Sometimes it takes great moral courage to do what is right, even when the right action seems clear. At other times, though, leaders face complex challenges that lack simple black-and-white answers. Whichever the case, leaders set a moral example to others that becomes the model for an entire group or organization, for good or bad. Leaders who themselves do

not honor truth do not inspire it in others. Leaders concerned mostly with their own advancement do not inspire selflessness in others. Leaders should internalize a strong set of ethics – principles of right conduct or a system of moral values.

Research has repeatedly shown that empowered teams are more productive and proactive, show higher levels of job satisfaction and commitment to their team and organization. (Giles, 2016).

### **III. Creating and establishing the ethical climate**

The leadership process is comprised of two component parts, direct and indirect leadership.

One of the responsibilities of indirect leadership on the part of a chief of police is to influence the members of the department through shaping the context for ethical behavior in the delivery of police services. As senior leaders, police chiefs set the context for ethical behavior by the following:

1. Selecting people of good character to lead,
2. Setting an example of ethical behavior at all times, avoiding even the perception of questionable actions or words,
3. Establishing clear guidelines for ethical behavior and supportive norms,
4. Building support for sound values in all members of the department,
5. Developing the moral sensitivity and judgment of others,
6. Keeping competition and stress within functional limits,
7. Using rewards for ethical behavior and punishments for unethical behavior, and
8. Neutralizing forces in the department's working environment that could undermine ethical behavior.

### **IV. Managerial incompetence**

Describes people in positions of authority who have difficulties engaging followers, building teams, or getting results through others.

Managerial derailment is closely related to managerial incompetence and pertains to the reasons why competent managers can be seen as ineffective. Some of the reasons why high-potential leaders become ineffective managers are because of their unpreparedness for promotion or their inability to build teams, achieve business objectives, get along with others, or adapt to new situations. Although the managerial derailment research has been conducted on people who

were once seen as high-potential candidates, it seems likely that these reasons for failure can apply to anyone in a position of authority.

The fact that most people know why leaders fail shows that simply knowing the common reasons for derailment is not enough to prevent it from happening. Something else must be occurring to cause a majority of people in positions of authority to be seen as incompetent. Some not-so-obvious root causes for managerial incompetence and derailment include overwhelming situational and follower factors; a lack of organizational fit; a lack situational and self-awareness; a lack of intelligence and relevant expertise; poor followership; dark-side personality traits; problems with leadership motivation; and common misunderstandings about leadership.

Unfortunately, any one of these factors can cause people in positions of authority to fail, and many times a combination of these underlying causes may be at fault. The good news is that leaders and leaders-to-be can take steps to mitigate the impact of these factors on their ability to build teams and get results.

## **V. 12 traits of an effective leader**

Effective leaders focus on developing a culture of rewards versus a culture of punishment:

1. Live their values: Effective leaders have a strong moral compass and have defined their values. They have a code of ethics on how to treat others and their behaviors back up their words.

2. Realize position does not define leadership: Leadership is not defined by a vertical position. Leaders who rely on their title or position to influence others just do not seem to work well with others. Leaders who lead by their hierarchal position do not lead well, according to John Maxwell, because they fail to acknowledge that leadership is about working with people.

3. Set goals for interpersonal skill development: Personal development is ongoing, just like tactical skills, throughout our lives. Effective leaders see their personality strengths and talents and continually work on making them stronger. They also identify where they are not as strong and set achievable goals for improvement such as being slow to anger (less irritable) or listening more, instead of being defensive or treating others with contempt.

4. Say “Thank You” often: Effective leaders take the time to appreciate the strengths of others with an encouraging word or gesture. Of course, it is their

responsibility and expectation of them to do their job and do it well, but a word of acknowledgment and gratitude goes far.

5. Admit their mistakes: Effective leaders approach their mistakes with humility instead of justification and defensiveness. This allows an organization to move forward instead of becoming stuck on blame and shame.

6. Strive to be mentors and coaches: Effective leaders believe in duplicating themselves so that others can rise up to be better leaders themselves. High-level leaders encourage the people around them to soar to their highest potential; by doing this they minimize their necessity at the most basic operational level, freeing themselves to creatively move the organization forward.

7. Accept influence: Look for opportunities to learn and grow from anyone instead of criticizing another person's value or assuming they know it all.

8. Hold people accountable: Are able to lead in tough situations and able to negotiate conflict with authority and decisiveness without degrading another person.

9. Delegate to the expert in the room: Are able to hand over projects to the most qualified instead of letting their ego or political ambitions hurt the culture around them. A true leader knows how to follow first and then steps up to lead when there is a gap in knowledge or skill level.

10. Vision cast goals: The ability to set goals for a team or an agency that are clear and concise and done in a way that generates momentum towards productivity. Most leaders approach goal setting as a dictator rather than a vision caster. A dictator generates resentment and low morale whereas a vision caster generates excitement and buy-in of the goals.

11. Forgive: In "Good Boss, Bad Boss," Robert Sutton writes, "Do not hold grudges after losing an argument. Instead, help the victors implement their ideas with all your might." Imagine how the police culture would be revolutionized if we learned from mistakes instead of them being held against someone for their career. A culture of forgiveness would heal a lot of angry cops.

12. Are solution-oriented: Identifying the problem is easy. Finding a solution takes creativity and brainpower. Effective leaders do not complain, instead, they mull over the area that needs attention, involve others in brainstorming and work it over until a feasible solution is found.

## VI. Conclusion

This paper lays out the idea that being a leader is much more effective than being merely a boss. The traits assigned to be a boss are easier to implement, but the traits assigned to a leader present significant opportunity for effectiveness and improving everyone's performance.

Leadership is the most important topic in the world today, there is a crisis of leadership. The places we should be looking for role models is business, politics, and the military. The characterization of leadership behavior through the lens of differences between leader and boss simplifies a comparison of desired and undesired qualities in a leader.

Those in positions of authority can fix and make anything right or they can be the source of all the problems. To be a good leader you need training, education, knowledge, and experience. Most importantly, you need to set aside your pride, use your authority to help others, and create functional organizational politics for the betterment of the organization and the people in it.

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## **Empowering Women to Drive Post-pandemic Recovery**

**Mariana ROBU<sup>1</sup>**

### **Abstract**

Women have always been a crucial part of the economy and society. However, the COVID-19 pandemic has highlighted the magnitude of their contribution and the importance of their role in post-pandemic recovery. Women play a critical role in both the formal and informal sectors. They are more likely to be employed in sectors that have been hardest hit by the pandemic and more likely to bear the brunt of unpaid care work. Moreover, women's economic participation is critical for driving growth and building stronger, more inclusive economies. Studies have shown that increasing gender equality in the workforce could lead to an additional \$12 trillion to the global economy by 2025. We must invest in women's education, training and entrepreneurship opportunities to create a more equitable and sustainable economic recovery. The objective of this article is to highlight the significance of women's contribution to the economy and society and suggest measures to support women's participation in the recovery process. The research method is to review the existing literature on this topic to provide best practices to overcome the challenges faced by women after the end of the lockdown due to covid-19. The result will be used to recommend policies to support women in economic recovery. This paper represents a comprehensive synthesis of existing literature examining empowering women to drive post-pandemic recovery. By analyzing areas of research that have been more fully explored and those that require further investigation, this study suggest avenues for future research.

**Keywords:** gender equality; women's economic participation; women in leadership; women's financial inclusion; women's economic recovery.

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## **I. Introduction**

The COVID-19 pandemic has upended life as we know it, impacting everything from healthcare to the economy. As the world struggles to recover, it is increasingly clear that women have a vital role to play in the post-pandemic recovery. Foremost, women comprise a large part of the healthcare workforce, working as nurses, doctors, and other medical professionals. During the pandemic, women made up 70 % of the global healthcare workforce, risking their own lives to care for others. It is impossible to overstate the critical role they have played in saving lives and getting us through this pandemic. But that's not all. Women also play a key role in the economy, both as business owners and workers. However, during the pandemic, women have been disproportionately affected by job losses and economic uncertainty. Many women have left the workforce to care for children or elderly family members, and others have lost their jobs due to the economic downturn. This loss of female talent and expertise could have long-lasting impacts on the economy unless we take action. To ensure a strong recovery, it is essential to include women at every level of decision making. Research shows that greater gender diversity leads to better decision making, increased creativity and innovation. Women bring diverse perspectives, experiences, and leadership styles to the table, which can help us address the complex problems we face in the aftermath of the pandemic. Moreover, women's economic participation is critical for driving growth and building stronger, more inclusive economies. Studies have shown that increasing gender equality in the workforce could lead to an additional \$12 trillion to the global economy by 2025. We must invest in women's education, training and entrepreneurship opportunities to create a more equitable and sustainable economic recovery (McKinsey).

## **II. Literature review**

The COVID-19 pandemic has affected everyone, but its impact has been disproportionately felt by women. As countries around the world grapple with the economic and social fallout of the pandemic, it is essential to understand the unique challenges women face and to develop policies that support their full participation in post-pandemic recovery efforts (Robu Mariana, 2020). This paper will provide an in-depth analysis of studies available in the republic of Moldova and around the world to examine the role that these studies can play in the post-pandemic recovery of women. The pandemic has had a severe impact on women globally, and the situation in Moldova is no exception. Women are more likely

than men to work in sectors that have been hardest hit by the pandemic, such as hospitality, retail and tourism. Many women had to leave their jobs to take care of children or sick family members, leading to a sharp decline in women's labor force participation. Women are also more likely than men to work in the informal economy, where they have little job security or social protection. Women are more likely to be victims of domestic violence, which has increased during the pandemic. Finally, the pandemic has highlighted and exacerbated existing gender inequalities, such as the wage gap and unequal distribution of unpaid care work.

There have been numerous studies conducted worldwide to examine the impact of the pandemic on women. A study conducted by (Un Women, 2020) found that women who work outside the home are often the first to lose their jobs in times of crisis. The study also found that women were more likely than men to work in sectors that have been hit hardest by the pandemic, such as tourism and hospitality. Another report by the International Labor Organization (ILO) found that women's employment is set to decrease by 5% globally, compared to a 3.9% decrease for men. The report also highlights that women's employment is more vulnerable to the pandemic's economic impact because they are overrepresented in sectors such as retail, hospitality and food services, which are the most affected by lockdown measures. Furthermore, women's participation in the workforce is heavily impacted by their responsibility for childcare and domestic work. A study by the Brookings Institution (Brookings Institution) found that school closures and increased caregiving duties have affected women to a much greater extent than men. Many women have been forced to leave the workforce to care for children or sick family members, resulting in a drop in income and a setback in career progression. This has also highlighted the urgent need for policy interventions to address gender inequalities in the labor market and caregiving responsibilities. The COVID-19 pandemic has exacerbated an already existing problem of gender inequality in the workforce. Women are more likely to hold low-wage jobs and are often subjected to discrimination and unequal treatment in the workplace. The pandemic has also highlighted the need for equal pay, paid leave and affordable childcare. As we move forward, it is crucial that we address these issues and ensure that women have equal access and opportunities in the workforce.

Research from around the world has identified the importance of addressing the digital divide, particularly for women's economic empowerment. A study conducted by the International telecommunication Union (ITU) found that globally, women are 12% less likely than men to use the internet, with even greater disparities in the least developed countries. The same study found that increasing

women's access to technology could contribute to an additional 13\$-18\$ billion to the global economy (ITU). In Moldova, a study conducted by the United Nations Population Fund (UNFPA) found that the digital divide disproportionately affects rural women and those with lower levels of education. The study found that only 50% of women living in rural areas had access to the internet, compared to 70% of men in rural areas and 70% of women in urban areas (United Nations Moldova). To address this issue, the republic of Moldova government has implemented several initiatives, including the Digital Moldova 2020 Strategy (ME), which aims to improve access to digital infrastructure and increase digital literacy among the population. The project "Online with Grandma and Grandpa" provides training for elderly people, including women, to learn to use technology and the internet (Eden project communities). Research has also shown the importance of public-private partnerships in bridging the digital divide. In India, a project called the women in Global Business (WIGB) initiative partnered with Intel to provide digital literacy training and support for women entrepreneurs, resulting in increased business performance and income. Another study conducted in Ethiopia found that providing women farmers with access to mobile phones and digital resources led to increased agricultural yield and income. The project, funded by the World Food Programme, provided crop-related information, weather forecasts, and financial literacy training through mobile technology (GSMA).

### **III. Research methodology**

This article is based on a review of the literature on women's participation in the economy and society, the impact of the pandemic on women, and measures to support women's participation in the recovery process. The literature review includes academic articles, reports from international organizations, and policy documents. To ensure a strong and sustainable recovery after the pandemic, it is important to overcome the challenges faced by women in the Post-pandemic Era (Council on Foreign Relations):

- ✓ The COVID-19 pandemic has led to a significant increase in caregiving responsibilities, with women bearing the brunt of this burden. According to a report by the McKinsey Global Institute, women have been three times more likely than men to leave the workforce or reduce their working hours due to caregiving responsibilities during the pandemic (McKinsey, 2020). This has resulted in a loss of female talent and expertise, with potential long-lasting impacts on the economy.

- ✓ Women have also been disproportionately affected by job losses during the pandemic. According to the International Labor Organization, women's employment has been more affected by the pandemic than men's employment, with women being overrepresented in sectors that have been hardest hit by the crisis, such as hospitality, retail, and tourism (International Labour Organization, 2020). Women also tend to be concentrated in precarious and low-paid work, making them more vulnerable to job losses and income insecurity.
- ✓ In addition, women's access to finance has been affected by the pandemic, with women-owned businesses facing greater challenges in accessing credit and financial services (World Bank, 2020). A survey by the World Bank found that women-owned businesses have been more likely to report a decrease in sales and revenue due to the pandemic (World Bank).

#### **IV. Findings**

The study "How Covid-19 Impacts Women and Girls" (UN WOMEN April 2020) showed that women were more likely to take on additional unpaid care work, such as childcare and household chores, due to school closures and quarantine measures. This has increased their overall workload and has made it challenging for many women to balance work and household responsibilities (Un Women). A study by (Desai *et al.*, 2020) also revealed that the pandemic has had a disproportionate impact on women's mental health, with increased levels of anxiety, depression, and stress compared to men. This may be due to the increased burden of care responsibilities, financial insecurity, and social isolation. In conclusion, the literature reviewed highlights the significant impact of the pandemic on women. Women have been disproportionately affected by job losses, increased care responsibilities. The findings underscore the urgent need for gender-responsive policies and interventions to mitigate the adverse effects of the pandemic on women and promote gender equality.

The COVID-19 pandemic has had a significant impact on the global economy, with many countries reporting high unemployment rates in the first half of 2020. According to a report by the International Labor Organization (ILO), the pandemic is likely to have a more significant impact on women's employment than men's employment. This literature review examines the findings of the ILO report and other relevant literature on the impact of the pandemic on women's employment in different sectors and countries. The ILO report reveals that women's employment is set to decrease by 5% globally, compared to 3.9% for

men. This is because women are overrepresented in sectors that have been most affected by lockdown measures, such as retail, hospitality, and food services. According to the report, these sectors account for more than 40% of women's employment, compared to just 25% for men. As a result, the closure of businesses and reduced hours of operation have had a significant impact on women's employment. Furthermore, women often work in informal, low-paid jobs that do not offer job security or social protection, making them more vulnerable to economic shocks. Moreover, women's participation in the workforce has been impacted by their responsibility for childcare and domestic work. With the closure of schools and childcare centers, women have had to take on additional caregiving responsibilities, making it difficult for them to balance work and family responsibilities. This has particularly affected single mothers who may have to quit their jobs or reduce their working hours to take care of their children. In conclusion, the COVID-19 pandemic has had a disproportionate impact on women's lives, exacerbating pre-existing inequalities and creating new challenges. Governments and policymakers need to take urgent action to address these issues and ensure that women's rights are protected during and beyond the pandemic. This should include measures to support women's economic security. Only by taking a gender-sensitive approach to pandemic response and recovery can we hope to build a more equal and just society for all. Individuals can also do their part by supporting women-owned businesses, advocating for gender-sensitive policies, and staying informed about the issues affecting women during the pandemic. By working together, we can create a brighter future for women and girls around the world.

The COVID-19 pandemic has brought about unprecedented challenges in various aspects of life. Among the challenges is the impact on gender inequality in the labor market, caregiving responsibilities, and overall wellbeing. In particular, the pandemic has resulted in school closures, increased caregiving duties, and a decrease in employment opportunities, which have disproportionately affected women. This literature review presents findings from recent research on the impact of the COVID-19 pandemic on women's employment, caregiving responsibilities, and gender inequalities in the labor market. The COVID-19 pandemic has had a significant impact on women's employment, resulting in job losses and reduced working hours. According to the Bureau of Labor Statistics (BLS, 2020) women's unemployment rate increased to 16.2% in April 2020, the highest since 1948. The decrease in employment opportunities was more severe for women of color, with Latina women experiencing an unemployment rate of 20.2%. Pandemic has also affected women's overall labor force participation rate,

exacerbating pre-existing gender inequalities. Women are more likely to work in sectors such as hospitality, education, and healthcare, which have been highly impacted by the pandemic (Carcillo Grinza, 2020). The closure of schools and the shift to remote learning has presented significant challenges for working parents, especially mothers. Women have taken on a disproportionate amount of caregiving responsibilities, which has affected their employment opportunities and career progression. According to the Brookings institution (2020), one in four women who left the labor force during the pandemic did so due caregiving responsibilities. The impact of school closures and caregiving duties on women's employment has been found to be more significant for low-income and single mothers (Collins et al., 2020). In conclusion, the COVID-19 pandemic has disproportionately affected women and highlighted pre-existent gender inequalities. Women are more likely to be in positions of economic insecurity and work in sectors that have been heavily impacted by the pandemic. The increased burden of caregiving duties has also had a significant impact on women's well-being. As we navigate the ongoing pandemic and work towards a post-pandemic world, it is crucial to address these gender inequalities and ensure that women are not left behind in the recovery efforts. This includes providing economic support and job opportunities for women, and investing in caregiving infrastructure. In addition, it is essential to take a gender-responsive approach to policymaking, acknowledging and addressing the unique challenges faced by women during the pandemic. This includes involving women in decision-making processes and continuing to collect and analyze gender-disaggregated data to inform policy responses. Ultimately, addressing the gendered impacts of the pandemic is not only a matter of social justice, but also a necessary step towards a more equitable and resilient society, one that can withstand and respond to future crises. Best practices for supporting women's economic recovery are:

### **1. Provide financial support**

To support women's economic recovery, financial support is crucial. Governments can provide financial assistance to businesses owned by women and women entrepreneurs who have been adversely affected by the pandemic. This can take the form of grants, loans, and subsidies. Governments can also provide support in the form of tax breaks and other incentives to encourage the growth of women-owned businesses. Organizations like microfinance institutions can provide access to credit to women entrepreneurs, helping them start or grow their businesses.

## **2. Focus on education and training**

Investing in women's education and training is another crucial key to their economic recovery. By providing women with access to education and training programs, they can develop the skills and knowledge needed to succeed in the current job market. This can include vocational training, skill-building workshops, and certificate programs. Governments can work with private sector organizations and educational institutions to develop targeted training programs for women. These programs can focus on digital literacy, coding, and other tech-related skills that are in high demand in many industries.

## **3. Encourage flexible work arrangements**

Flexible work arrangements are crucial for women's economic recovery. Many women have been forced to leave the workforce due to responsibilities related to childcare, eldercare, and other home obligations. Employers can also implement family-friendly policies such as parental leave, on-site childcare, and flexible scheduling to make it easier for women to stay in the workforce.

## **4. Address gender bias and discrimination**

Gender bias and discrimination in the workplace can make it challenging for women to succeed and thrive. To support women's economic recovery, governments and employers must work to address these issues. This can involve training programs for managers and supervisors on diversity and inclusion, as well as the implementation of policies to prevent discrimination. Additionally, governments can work to enforce equal pay laws and address the gender pay gap. Employers can conduct regular pay equity audits to ensure that women are being paid fairly and equitably.

## **5. Support women in leadership roles**

Increasing the number of women in leadership roles is essential for women's economic recovery. Women who hold leadership positions can serve as role models and mentors for other women in the workforce. To support women's economic recovery, governments and organizations must work to promote gender diversity in leadership positions. This can involve implementing policies that require companies to have a certain percentage of women on their boards or in senior management positions. Governments can also provide funding for leadership development programs for women.

## **6. Address the digital divide**

The COVID-19 pandemic has highlighted the digital divide that exists in many parts of the world. Women are more likely to be digitally disadvantaged, with limited access to technology and the internet. To support women's economic recovery, governments and organizations must work to bridge the digital divide. This can involve providing women with access to technology and the internet, as well as digital literacy training programs. Governments can also invest in building digital infrastructure in rural and remote areas, where access to technology and the internet is often limited. One way to address the digital divide is through public-private partnerships. Governments and technology companies can work together to provide affordable access to technology and the internet, as well as training programs to help women acquire digital skills. Another approach is to provide financial support to women who want to start or expand businesses that rely on technology. This can include grants or low-interest loans to purchase equipment or hire IT consultants. It is also important to ensure that digital platforms and services are designed with women's needs in mind. For example, online marketplaces can be designed to feature women-owned businesses and prioritize their products, making it easier for consumers to support women entrepreneurs. Finally, advancing gender equality in tech sector itself is critical. This can include initiatives to increase the representation of women in tech-related fields and leadership positions, as well as measures to address gender bias and discrimination in the industry. Overall, bridging the digital divide is essential for empowering women and supporting their economic recovery in the wake of the COVID-19 pandemic. By providing access to technology, digital literacy training, and financial support, we can help women leverage the power of the digital economy to build successful businesses and drive economic growth.

## **V. Conclusions**

This article underscores the importance of women's contribution to the economy and society. While women have traditionally been seen as caregivers and homemakers, their role have expanded significantly over the years, and they have become an essential part of the workforce. Women's participation in the economy has not only contributed to individual financial independence but has also strengthened the overall economic performance of countries.

The COVID-19 pandemic has highlighted the challenges women face in their workforce participation due to the gendered impact of the crisis. Despite their significant contributions to economies globally, women continue to face various



challenges such as unequal opportunities, low wages, the gender pay gap, and a lack of political representation. Additionally, the pandemic has exacerbated existing structural inequalities and increased the burden of unpaid care and domestic work on women.

To support women's participation in the economic recovery process, several measures need to be taken. First, government policies should prioritize gender equality and women's rights, ensuring equal opportunities in employment, and eradicating the gender pay gap. Governments must support and strengthen networks created by women entrepreneurs and professionals, providing them with the needed resources and platforms to flourish. Additionally, governments should focus on providing women with access to finance and infrastructure to start and scale up their businesses (Robu Mariana, 2023).

Secondly, businesses need to adopt policies that facilitate greater flexibility in working hours, childcare support, and parental leave to enable the full participation of women in the workforce. Employers must embrace the implementation of non-discriminatory policies and procedures that enable equal opportunities and pay equity within their respective organizations.

Thirdly, educational institutions must provide opportunities and mentoring programs for young girls to encourage their participation in education and learn skills necessary in the current economic climate, especially in emerging technological and innovation industries. In conclusion, addressing the digital divide is essential for empowering women and supporting their economic recovery, both in Republic of Moldova and globally. Providing access to technology, digital literacy training, financial support, and addressing gender bias and discrimination in the tech industry are all important steps in closing the digital divide and promoting women's economic empowerment.

Finally, the media has a crucial role to play in promoting gender equality by sensitizing society on gender norms and promoting role models. For example, positive and empowering portrayals of women through the media can combat traditional gender stereotypes, encourage women to challenge gender norms, and mentor girls.

In conclusion, the inclusion of women in the economic recovery process is critical, and achieving gender parity in the economy must be part of the broader sustainable development agenda. Addressing gender inequality requires collaboration between governments, businesses, educational institutions, and the media. A collective effort must be pursued to promote gender parity and the rights of women and girls globally.

In conclusion, the COVID-19 pandemic has had a severe impact on women worldwide, disproportionately affecting their health and economic well-being. The crisis has also highlighted and exacerbated the existing gender inequalities and barriers that women face in accessing the labor market, including the persistence of gender wage gaps and the lack of affordable childcare and work-life balance policies.

Therefore, it is crucial to implement policies that support women's participation and success in the labor market. These policies must aim to address the structural barriers that limit women's access to professional opportunities and financial resources while promoting gender equality in the labor market.

**The following are recommendations for policies that can support women in economic recovery:**

**1. Increase access to affordable childcare:** Providing affordable childcare can increase women's participation in the labor market and improve their economic position.

**2. Implement work-life balance policies:** Policies such as flexible working hours, remote working arrangements, and extended parental leave can support women's work-life balance, which can increase their participation in the labor market.

**3. Increase investment in education and training:** Investment in education and training should be prioritized to help women acquire the skills necessary to participate in the labor market. Training programs that target local industries can be particularly effective.

**4. Address gender bias and discrimination:** There is a need to address gender bias and discrimination in the labor market. This can be done through initiatives such as gender-neutral job descriptions, diversity and inclusion training, and pay equity policies.

**5. Promote entrepreneurship:** Encouraging and supporting women entrepreneurs can provide opportunities for economic growth, increase employment, and potentially reduce the gender wage gap.

**6. Increase social protection:** Social protection policies can provide women with safety nets during economic crises and can help to maintain their income levels.

**7. Strengthen policies that support working mothers:** Policies that support working mothers, such as paid maternity and parental leave and breastfeeding

policies, can encourage their participation in the labor market and increase their retention rate.

In conclusion, policies that support women in economic recovery are essential to promote gender equality and reduce the gender gap in the labor market. The COVID-19 pandemic has highlighted the urgency of addressing the gender inequalities in the labor market. Supporting women's economic empowerment is not only ethical but also instrumental in achieving economic growth, reducing poverty and inequality while benefiting society as a whole. Governments must implement targeted policies and programs to address the barriers that hinder women's participation in the labor market, ensure equal opportunities, and empower women to reach their full potential.

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## **Slavery and Economic Thought**

**Oana-Maria COZMA<sup>1</sup>**

### **Abstract**

It is known that certain individuals oppress and exploit others via the practice of slavery to obtain various benefits. From an economic perspective, there is a broad disagreement on whether slavery contributed to the economic progress of the most developed countries around the world. The purpose of the present paper is to highlight how various economists have viewed the institution of slavery across time by using a qualitative research technique called content analysis. The key findings of this paper emphasize the fact that John Stuart Mill's theoretical position contradicted his practical one because he preached individual freedom while simultaneously engaging in slave-based affairs. Adams Smith and Murray Rothbard opposed the idea and practice of slavery and attempted to demonstrate its unprofitability. Although the relationship between historians or sociologists and slavery may appear stronger than the relationship between economists and the issues of slavery, economists have long stood firm in their thoughts and opinions on the institution of slavery, questioning its morality and profitability even when this phenomenon was considered normal and acceptable. The paper's results indicate that slavery is still a topic of interest to economists and other specialists, providing opportunity for more research and discussion.

**Keywords:** Slavery, Slavery and Economic Thought, Adam Smith and Slavery, John Stuart Mill and Slavery, Murray Rothbard and Slavery, Slavery's profitability.

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## I. Introduction

Academics have long argued on how and why humans were able to entirely dominate others, making the issue of slavery a controversial topic. Slavery is an illustration of the exploitation and abuse that occurs when one group of people considers another group of people as possessions. The subject of slavery is a fiercely disputed one in the field of economics since, on the one hand, some experts are attempting to highlight how slavery was a very profitable system that also influenced the social and economic growth of today's most wealthy nations. On the other hand, other academics are seeking to demonstrate that slavery was not, in fact, profitable and that, contrary to popular belief, it really included considerably greater hazards and financial risks. Economists are also trying to tackle down modern slavery, referred to as the "heirress" of slavery as we know it from the past; a wide range of illegal activities that all serve as increasingly profitable "businesses" are included in modern slavery. In addition, modern slavery is blamed for having a harmful effect on the global economy since it causes poverty and economic underdevelopment.

While it is true that slavery flourished throughout the entire world, the Transatlantic Slave Trade is a good illustration of how economists disagree about whether slavery was profitable and essential for the economic growth of state entities involved in this activity. The Transatlantic Slave Trade represented an international slave trade that transported enslaved Africans over the Atlantic Ocean from Africa to the Americas. With establishing international trade and having access to the African continent, Europeans understood that black people were more resilient, more submissive, and had superior labour capabilities than white people (Basset, 1896), preferring African slaves since they were less expensive and more profitable (Walsh, 2011). Perhaps the most controversial and debated over the profitability of slavery is represented by the case of the British Empire; the British Empire participated in the transatlantic slave trade during the sixteenth, seventeenth, eighteenth, and nineteenth centuries. The British Empire was the state entity that transported and exploited the most African slaves, operating slave-labour plantations in North America and the West Indies. Williams (1944) claims that triangle trade among the British Empire, France, and the colonised Americas allowed trade to grow internationally while also supporting economic growth in the participating countries, notably the British Empire. Williams (1944) further contends that several goods specific to the European continent were placed onto ships that sailed from their home nations as part of the triangle slave trade. Inikori (1992) further developed a system known

as the "Atlantic System" or "Atlantic Economic Order" to demonstrate that the Atlantic economic order served as the basis for the current global economic order. This system tries to explain how the Transatlantic Slave Trade and the employment of slave labour helped form an economic system that ultimately led to the current economic global order (Inikori, 1992). The British Empire has also grown to rely heavily on the islands of the West Indies, where African slaves developed the sugar-based colonies that turned out to be the most successful and profitable of all imperialist colonies (Williams, 1944; Darity, 1990). The British Empire's primary source of wealth was the profits from the transatlantic slave trade and the slaves' labour, which subsequently sparked the Industrial Revolution in the eighteenth century (Darity, 1982; Inikori, 1988; Wright, 2006). Several academics, including Hyde (1953, 1971), Floud & McCloskey (1994), and Morgan (2000), have tried to show how the Transatlantic Slave Trade and the triangular trade are perceived as exaggerated when discussing about profitability and economic growth. They try to argue that the early predictions of the profitability of slaves provided by researchers like Williams (1944) and Inikori (1988) were ambiguous; they overestimated the quantity of slaves and the prices at which they were sold (Richardson, 1989), neglected time factors in estimating profits, and relied on unrepresentative samples using relatively small slave shipments (Morgan, 2000). The expenditures and dangers of transporting slaves from West Africa to the colonies of the British Empire or the continent of Europe are another underappreciated factor that was not taken into consideration while analysing the profitability of slavery in the British Empire (Morgan, 2000; Richardson, 1987).

Modern slavery includes a wide range of practices that typically take advantage of vulnerable and disadvantaged individuals, from forced labour and sex trafficking to debt bondage and forced marriage. There is an important distinction between past and present slavery - according to Bales, Trodd, and Williamson (2011), modern slavery is globalised, which means that its representations throughout the world are becoming more and more alike. In the past, slavery was acceptable and used to build empires; now, it is prohibited and universally resented (Bales *et. al.*, 2011). The fact that modern slavery, although being a very lucrative industry (International Labour Organization, 2014), maintains ongoing poverty and is accountable for economic underdevelopment seems to be the main concern that economists are attempting to address when it comes to this topic. Local economies are damaged by modern slavery in two ways: (1) slave employees can drive down the pay of free workers in the same industry they work in; and (2) enslavement prevents slaves and their families from



participating in local economies as consumers (Bales *et. al.*, 2009). Moreover, because it prevents the state from collecting income tax on the salaries that enslaved persons should have legally earned and consumption tax from their reduced spending, modern slavery has a detrimental impact on the economics of nations (Faure, 2015).

As was pointed out previously, the theme of slavery within the discipline of economics might relate to the productivity of slaves' labour or the effects on the economic growth of slave-using nations. However, another topic of discussion may be covered by how economists perceived slavery back when it was still in practice but also after it was long abolished. From being perceived as highly profit-making and legitimate to non-lucrative, unjust, and immoral, economists have long debated the issue of slavery. The current paper spans three centuries, with Adam Smith existing in the eighteenth century, John Stuart Mill in the nineteenth, and Murray Rothbard in the twentieth. The three perspectives on slavery's profitability provide a comprehensive vision of how economic thought have viewed and discussed the phenomenon of slavery over time. The remainder of this paper is organised in the following manner: Section 1 presents the used methodology; Section 2 explores Adam Smith's view on slavery; Section 3 treats John Stuart Mill's perception of slavery; Section 4 presents how Murray Rothbard grasped the institution of slavery; Section 5 highlights the findings and discussion. Some final remarks conclude the paper.

## II. Methodology

The present paper's purpose was accomplished using a qualitative research method, namely the content analysis. Through the content analysis there was undertaken a literature review on how three economists from three different centuries perceived the phenomenon of slavery. More specifically, the views of Adam Smith, John Stuart Mill and Murray Rothbard are brought to light. In all, 17 sources were examined, including 7 books, and 10 academic articles. Jstor, Taylor and Francis, Sage, Science Direct, Springer, Wiley Online Library were the main databases used. The primary keywords employed were *slavery*, *slavery profitability*, *transatlantic slavery*, *modern slavery*, *modern slavery on global economy*, *Adam Smith and slavery*, *John Stuart Mill and slavery*, *Murray Rothbard*, and *slavery*. The academic literature that was used to analyse the three economists' view on slavery is summarised in the following table:

**Table 1. Academic literature sources**

<b>Topic</b>	<b>Literature Review</b>	<b>Academic publication</b>	<b>Used key words</b>	<b>Total no.</b>
<b>Adam Smith's view on slavery</b>	Swaminathan, 2007; Smith <i>et al.</i> , 1982; Smith, 2012; Salter, 1996; Wakefield, 1849; Weingast, 2021.	Taylor and Francis; Jstor; Liberty Found; Cambridge University Press; Routledge.	Slavery; Adam Smith on slavery.	6
<b>John Stuart Mill's view on slavery</b>	Mill, 1849; Mill, 2002; Zastoupil, 1994; Pitts, 2005; Kohn & O'Neill, 2006; Smits, 2008; Goldberg, 2000.	Liberty Found; Jstor; Sage; Wiley Online Library; Taylor and Francis.	Slavery; John Stuart Mill on slavery.	7
<b>Murray Rothbard's view on slavery</b>	Conrad & Meyer, 1958; Thornton, 2019; Thornton, 1994; Rothbard, 1960.	Jstor; Taylor and Francis; Springer; Mises Institute.	Slavery; Murray Rothbard on slavery; Austrian School of Economics on slavery.	4

### **1. Adam Smith**

Given the historical period in which he lived, Adam Smith had the unique chance to observe the participation of the largest nations in the Transatlantic Slave Trade. Smith opposed the practice of slavery, and it is thought that his writings served as a major influence on the abolitionist movement that surged over the British Empire (Swaminathan, 2007). The Scottish economist opposed slavery and the exploitation of slave labour, and he made his arguments against these practices in his works *The Theory of Moral Sentiments* (1759) and *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776). As an economist, philosopher, and politician, he was able to employ both moral-philosophical and economic justifications to argue against slavery. Smith highlights a range of issues about African slaves and their situation under the enslavement system in both writings previously mentioned. He writes about the terrible condition that slaves

are in since their possessions and life are controlled by someone else, and if there is any freedom for them, it is not available to them (Smith, 2012). Smith also underlines how miserable slavery makes the lives of slaves, which need not be shown in any manner because it is undeniable (Smith, 2012). The Scottish economist stated that the African slaves in the colonies of European powers engaged in the Transatlantic Trade were in a considerably worse condition than the poorest citizens of Scotland or Ireland (Smith, 2012). Adam Smith's economic arguments against slavery focus a lot of attention on the productivity of the slave labour force. Because slaves were not motivated to raise their own productivity, Smith fostered the idea that slave work has always been significantly more expensive than free labour (Smith, 2012). Slaves were completely submissive to their owners; thus, they were unable to enjoy the independence and security necessary to benefit from the fruits of their labour (Smith, 2012). Adam Smith's view of the low productivity of labour based on slavery was frequently disproved by the Caribbean sugar cane estates' success (Salter, 1996). Smith claimed in response to this argument that the earnings from this industry were artificially maintained above market rates because of economic regulations controlling foreign commerce in the colonies (Salter, 1996). In particular, the colonial powers' trade and production monopolies were responsible for the great profitability of sugar cane plantations in the colonies (Salter, 1996; Smith, 2012). Another matter that he brings to light is related to the reason why slavery could not easily be abolished back in his times. According to Smith, the continued existence of slavery was due to economic factors; if efforts were made to abolish it, issues with paying and compensating individuals who kept slaves would arise (Weingast, 2021).

For his anti-slavery beliefs, Adam Smith has long been admired, and one result of his views has been to help build and sustain the abolitionist trend that emerged within the British Empire (Swaminathan, 2007). However, other experts disapproved of the theories Smith advanced (Wakefield, 1849; Williams, 1944). For instance, one of the complaints made was that if the slave-based labour force is established, there is no substitute for the free work force (Williams, 1944). This criticism shows that Europe, with a comparatively reduced population, lacked the labour force to produce and sell in huge amounts of sugar, cotton, or tobacco in the New World (Williams, 1944). Adam Smith's claim that free labour was more productive and efficient than slave labour was thus erroneous in the context of the society he lived in.

## 2. John Stuart Mill

John Stuart Mill, the founder of utilitarianism, was a supporter of individual rights and thought that collective awareness should be a significant factor in politics and determining public policy (Segal, 2022). Mill argued against slave trade from both an economic and a moral and individual liberties perspective. The economic justification used by Mill is consistent with the one made by Adam Smith; to be more precise, the slaves' labour force is ineffective. In Chapter V of his work, *Principles of Political Economics*, Mill asserts that slavery is incompatible with an effective style of work (Mill, 1849). Every task done by slaves is performed in a primitive and unimproved manner since enslavement brutalises their mind and intellect (Mill, 1849). In addition to the brutification of the mind, Mill also said that since slaves were compelled to labour under the owners' rules and were completely under their control, their actions were significantly inefficient (Mill, 1849). John Stuart Mill further condemned slaveholding states as well as slaveholders, contending that slave-using states were defined by the unproductiveness and wastefulness of the industrial system in which they existed (Mill, 1849). As a liberal thinker, Mill supported individual liberties and the freedom to pursue pleasure (Segal, 2022). Thus, the British economist addresses the subject of slavery in the final chapter of his book *On Liberty* and declares that the enslavement of a set of people by other people is wrong. He argues that both the law and public opinion should forbid coercing or willingly selling someone into slavery (Mill, 2002). In addition, Mill believes that if a person chooses to become a slave, he or she is effectively reneging on his or her commitment to enjoy freedom in the future (Mill, 2002). So, in Mill's opinion, individual freedom cannot entail abandonment of freedom itself (Mill, 2002). It is observed that John Stuart Mill approaches the issue of slavery through the lens of personal freedom in addition to an economic perspective. He perceives slavery through the prism of freedom and connects the state of being a slave to the absence of freedom within society.

The British economist's approach to the institution of slavery, however, was questioned by some as being inconsistent with what he was really practicing (Zastoupil, 1994; Pitts, 2005; Kohn & O'Neil, 2006). John Stuart Mill worked as the British East India Company's Examiner of Mail from 1830 to 1858. This organisation also dealt with the Transatlantic Slave Trade in Africa (Smits, 2008). A great deal of the criticism directed towards Mill relates to the fact that he supported colonialism and the Empire; throughout his life, he advocated the concept of Empire because he thought it provided advancement and civilization to backward peoples who were unable to control themselves (Smits, 2008). Mill's

perspective on slavery has also come under fire because of his attitude of Eurocentric racism, particularly in his work on the "Jamaica Negro issue" (Goldberg, 2000). The founder of utilitarianism, liberal thinking, equality, and individual liberty continues to remain John Stuart Mill. Even though he received criticism from several researchers who saw a discrepancy between his writings and his actions, it is important to note that he changed his mind at the end of his life. Particularly, several letters reveal that Mill became alarmed about the colonists' power abuses of the weaker individuals (Smits, 2008).

### **3. Murray Rothbard**

Murray Rothbard is an American economist and the representative of The Austrian School of Economics who is well-known for developing the notions of anarcho-capitalism and modern libertarianism. By bringing up the slave trade in the antebellum South of the United States of America, between 1812 and 1861, Rothbard addressed the matter of slavery. An unpublished note he wrote in the early 1960s included his ideas and arguments on the institution of slavery. Rothbard preponderantly focused on the profitability of slavery as the 1960 note was a critique towards an earlier study on this matter. Alfred H. Conrad and John R. Meyer, two Cliometrics representatives, developed the paper that Rothbard questioned. They conducted research on the profitability of slavery entitled *Economics of Slavery in the Antebellum South* (1958). Conrad and Meyer concluded that slavery was profitable after conducting their research arguing that the combined output of slave labour, such as agricultural output and slave breeding, exceeded the returns on alternative investments (Conrad & Meyer, 1958). Furthermore, by concluding that slavery was profitable, they strengthened the argument that the War of Independence was crucial in determining the abolition of the institution of slavery (Conrad & Meyer, 1958).

The main criticism of Conrad and Meyer's research has been that it links slavery to capitalism, whereas Rothbard claims that historically, slavery has emerged through conflict rather than commerce (Thornton, 2019). Based on this notion, Rothbard argues that the true economic advantages of slavery emerged in the past at the time that slave hunters and traders took advantage of the first supply of slaves (Thornton, 2019). Rothbard contends further that although slavery was an unprofitable system, the anti-manumission legislation adopted by the slave-holding states' legislatures had a key role in preventing its abolition. The constitutional amendment to end the international slave trade also improved the profitability of the slave breeding industry (Rothbard, 1960). A series of legislative laws and circumstances (The Slave Clause of the United States Constitution, the Fugitive Slave Act of 1793, the invention of the cotton gin in 1793, the Industrial

Revolution) enhanced the profitability of agriculture based on slave labour, which in turn dictated the maintenance of slavery and determined the support of slavery in the absence of its profitability (Rothbard, 1960). Hence, Rothbard draws two conclusions: (1) Slavery itself was not economically beneficial after the first, past-slave-hunting period and was usually inefficient; and (2) political reasons were the primary impediment to the institution of slavery's earlier collapse (Thornton, 2019; Thornton, 1994).

### **III. Findings and discussion**

The key findings of the present paper stress, on the one hand, that Murray Rothbard and Adam Smith, two economists who lived in two separate centuries, condemned the practice of slavery and claimed that it was unprofitable. On the other hand, John Stuart Mill, an advocate of personal liberty and happiness, spoke out against the institution of slavery, but his behaviour went against his words. The arguments for abolishing slavery offered by Adam Smith were both moral and economic. Morally, Smith emphasised the terrible circumstances that slaves were in as their lives and possessions were managed by some other people and their autonomy was not attainable for them. The possibility to use and enjoy the fruits of one's labour is generally regarded as the primary reason and motivation for people to work, so, economically, Smith drew attention to the fact that unfree slave labour will always be less profitable than free labour because those who work cannot enjoy the results of their work in any way. The fact that Adam Smith lived in a time and place where the institution of slavery was legal and the enslavement of people was a common practice makes it clear that he was a remarkable thinker, and his arguments and thoughts against slavery should be seen as noteworthy.

Taking into consideration the fact that Murray Rothbard lived in more recent times, his position towards slavery did not impose the issue of its legitimacy, as it was clear that slavery was an unjust and immoral institution. As many voices before him had emphasised, slavery was enormously profitable and a factor that influenced the social and economic development of state entities that were involved in the slave trade and employed slave labour. Therefore, Rothbard's perspective concentrates on the profitability of this phenomena. He managed to demonstrate the fact that slavery was not profitable and had been sustained for many years by political, not economic, grounds, which is why it had persisted for so long. In an effort to show that the American War of Independence was not undertaken to eliminate slavery because it was in fact unprofitable, he argued

against the sustainability of slavery. He draws attention to the fact that an inaccurate methodology that advocates the institution of slavery's exceptional profitability can lead to dangerous ideological conclusions, in this example, the justification and attribution of war to a beneficial role within society.

John Stuart Mill demonstrates a discrepancy between his everyday experiences and his theoretical position on the institution of slavery. As mentioned previously, he was the founder of Utilitarianism and a great supporter of individual freedom. He agreed, in terms of economics, with Adam Smith that slave labour is less profitable than free labour. Much of his arguments against the phenomena of slavery addressed moral aspects, such as the wrongness of enslaving individuals and that both the law and public opinion should ban coercing or voluntarily selling someone into slavery. But nonetheless, Mill worked for the British East India Company, which also engaged in the Transatlantic Slave Traffic, for over 30 years as the Company's Examiner of Mail. Even so, despite his belief in personal freedom, he also supported the Empire and colonialism since these brought progress and civilization to primitive peoples who lacked self-control. John Stuart Mill's case might be seen as both an example of hypocrisy and of an economist who was simply baited by the attitudes and practices of his epoch.

#### **IV. Conclusions**

Slavery has drawn the attention of academics from a wide range of fields, including history, psychology, sociology, and economics. Since it may be used to explain the past economic growth of today's most industrialised nations or whether it was a profitable institution or not, slavery is significant to economics. Economists have always had strong opinions on the institution of slavery and have questioned both its morality and its effectiveness, even at a time when it was regarded as normal and acceptable. The study of economic thought and its many perspectives on slavery constitutes an intriguing yet understudied area. It can assist us in developing a clearer picture of how slavery was perceived by economists and what its economic grounds were used in explaining this phenomenon.

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(Editor)

The International Conference for Doctoral, Post-Doctoral Students, and Young Researchers in Humanities and Social Sciences was organized by the "Alexandru Ioan Cuza" University of Iași, Romania, in collaboration with the University of Lille, France. This scientific event offered participants the opportunity to share experiences and interact with their peers from various academic stages. The conference provided an excellent platform for presenting research, exchanging ideas, and discussing relevant issues concerning the latest findings in the fields of social sciences and humanities. We thank all the participants for attending the conference. We greatly appreciate your contributions and hope that you found the event both informative and valuable as a learning experience.

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