Л. Беласку, д-р екон. наук, доц.,
Сибійський університет "Лучан Блага", Сібіу, Румунія,
А. Хоробет, д-р екон. наук, проф.
Бухарестський економічний університет, Бухарест, Румунія

ПРЯМІ ІНОЗЕМНІ ІНВЕСТИЦІЇ ТА ІНСТИТУЦІОНАЛЬНІСТЬ: РУМУНСЬКА ПЕРСПЕКТИВА

Наша стаття використовує статистичні інструменти з метою емпіричного дослідження інституціональних детермінант прямих іноземних інвестицій (ПІІ) в Румунії. Аналіз зосереджений на державних політиках, які використовували ПІІ між 2002 і 2012; більш конкретно, ми направляємо наш підхід до ідентифікації манери, в якій контрольовані державою інструменти можуть бути використані для того, щоб збільшити продуктивність країни з погляду залучення ПІІ. Змінні, які ми використовуємо: приплив прямих іноземних інвестицій в Румунії, з одного боку, і набір індикаторів Worldwide Governance Світового банку, з іншого боку.

Ключові слова: прямі іноземні інвестиції, Румунія, детермінанти ПІІ, інституціональна теорія.

Л. Беласку, д-р экон. наук, доц.,
Сибийский университет "Лучан Блага", Сибиу, Румыния,
А. Хоробет, д-р экон. наук, проф.
Бухарестский экономический университет, Бухарест, Румыния

ПРЯМЫЕ ИНОСТРАННЫЕ ИНВЕСТИЦИИ И ИНСТИТУЦИОНАЛЬНАЯ ПРОИЗВОДИТЕЛЬНОСТЬ: РУМЫНСКАЯ ПЕРСПЕКТИВА

Наша статья использует статистические инструменты с целью эмпирического исследования институциональных детерминант прямых иностранных инвестиций (ПИИ) в Румынии. Анализ сосредоточен на государственных политиках, которые имеют отношение к ПИИ между 2002 и 2012. Более конкретно, мы направляем наш подход к идентификации манеры, в которой контролируемые государством инструменты могут быть использованы для того, чтобы увеличить производительность страны с точки зрения привлечения ПИИ. Переменные, которые мы используем: приток прямых иностранных инвестиций в Румынии, с одной стороны, и набор индикаторов Worldwide Governance Всемирного банка, с другой стороны.

Ключевые слова: прямые иностранные инвестиции, Румыния, детерминанты ПИИ, институциональная теория.

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G. Bodea, PhD in Economics, Associate Professor,
M. Rovinaru, PhD in Economics, Associate Professor
"Babes-Bolyai" University, Cluj-Napoca, Romania

INSTITUTIONALISM AND CRISIS

Contemporary scientific reunions and debates are focusing, for several years, on economic crisis. As a result, there are an unnumbered ways to analyse and to interpret the crisis. Our intention, in the present paper, is to analyze the economic crisis through another perspective: through the role played by institutions. Our scientific approach aims to examine whether public institutions play a role in the onset, progression or solve an economic crisis. For this we choose as representative public institution – the U.S. Federal Reserve System. To meet our purpose we focus only on Federal Reserve actions and their consequences, of any, by taking a short inside look to the Great Depression and 2007-2008 crisis. We tried to figure out which were FED's actions, were they suitable and effective? Could they be better, more appropriate to the specific situations? Those are questions that we try to answer in the present paper.

Keywords: institutionalism, crisis, monetary policy, Great Depression, 2007-2008 crisis.

Introduction. Between the concepts and meanings that transcend the past to the future the diversity of research areas, are *institutions* and *institutionalism*, corresponding to a constant interest shown by humanity. They are found among the most popular and yet blamed landmarks of ages.

As a general formula, *social institution* means an infrastructure subdivision that – through its importance and role – cannot only be investigated in so-called "formal patterns", but in a continuous interaction between form and content, taking into account the dynamics involved by such a socio-economic and legal conglomerate. As a result, the institutionalism has become a consistent approach of reality, where the essence of institutions role and powers can be marked by studying the structure and its functioning in an economic system. Judging in such a manner, one of the most evocative institutional images (the one of maximum scale) is the "institution's institution": the state. We, however, made a caveat: although the state would like to be omnipresent in society, it does not succeed, if only because it can be characterized as "the most powerful inertia machine" (it is true that sometimes, a necessary "brake").

Literature review. Institutionalism intended to explain certain principles of the market economy, which were not revealed or emphasized by neo-classics. Institutionalism related concepts have however contradictory character: on one hand, they demand to be backed by the element which owes their existence (the society), on the other, they take decisions and dictates, but not necessarily in the public or general interest. Here are some examples:

1) Thorstein Veblen's follower researchers adopted his theory (with minor changes), considering institutions as *given customs, invested with legal authority*. Their origin was searched, progressive, in moral conceptions or various psychological factors [1, p.363]. In this sense, the impact of economic events and intellectual movements became cause of the changes inside of social institutions.

2) John R. Commons insisted on adaptation trend of economic behavior to habits imposed by sovereignty of social and economic institutions. He conceived the evolution of society by reality driven changes (*pragmatic* sociology), showing that the modern economy can be known through the institutionalism. "This is the problem of modern economics, which is coming to be known as Institutional Economics. An institution is merely collective action in control, liberation, and expansion of individual action. It may be Communism, Fascism, or Capitalism." [2, p. 902].

3) Wesley C. Mitchell believes that between the evolution of economic doctrines, political events and institutions multiple mutual relations exist [1, p.365].

4) In William M. Dugger's conception, institutionalism basic task is to determine the understanding of the process of economic change over time [3, p.68].

5) Talcott Parsons sits to foundation of the institution as concept , so-called *value-type* (contract, property and

labor), they impose themselves in the entire social system and acquire strategic importance [4, 1973].

6) After Marcel Prélot important is the organic integrated character of *institutionalized group* – and its relative independence to its individual particles [5, p.242].

7) Maurice Duverger sees the *institution* as a social *whole*, with a more or less stable character, involving mutual links (sustainable or not) among its members, and also relationships with other such bodies [5, p.242].

What role does have institutions in a crisis? They are responsible for economy components natural *resettlement* in place, regulated by state and legal norms. The mere existence of the market do not put things back to normal, because the market is a necessary, but not sufficient to reinstall the balance in the economy. We offer a few examples:

- For Karl Polanyi, *self-regulating market* is a utopia, because the disequilibrium imposes a general regulatory factor: the institution of state. Thus, the market appears as a result of a consciously directed process with all the mechanisms involved.
- "Why Economics Will Change "asks Ronald Coase in 2002 after nearly a decade of winning the Nobel Prize for economics. The economy will be different, not because we think it, but because it really should change: "I talk about it because I do not only think it will change, I think it ought to change" he says [6, 2002].
- Douglass C. North and Lance E. Davis presents arguments for the role of institutions in the development of the market, showing that institutional change remains a focus of understanding the future and market failure [7, p.3-25]. Note that North's theory has recalibrated the time markers, as the author himself has reassessed the importance of institutions and their (in)efficiency. From such a perspective, institutional change is a complicated temporal process whose development is linked with the regulations and constraints in the economy and society [8, p.3-10].
- In " Great Transformations: Economic Ideas and Institutional Change in the Twentieth Century", Mark Blyth discusses the thinking of the last century, showing how much it was influenced by institutionalism, under constraints and uncertainty that dominated economic development [9, p. 3-48].

We are back on correlations between institutionalism and economic crisis. Economic theory questions the purpose of institutions and procedures under which they occur in the conduct of economic phenomena and processes, and in our everyday lives. In the past, *institutions* have sometimes been avoided by *economic analysis*, considering that they reveal only conjectural research and not economic tendentially. Currently, institutions are generating more or less effective ways of economic actors coordination. We say this for three reasons: *the institution* suggests a very different set of elements still together in a *well-defined* register, *institution* refers to *the need to provide a social status for some groups of individuals* – which means a very complex study horizon, *institution* symbolizes – at its highest level – the general interest of society.

Institutionalism has its well-established role in the history of economic doctrines. Just that we should not forget one thing: institutions and other elements of social and economic systems have *temporal* character. Thus, they require replacement after a period in which they worked on certain parameters, but that period's assumptions cannot be found in the immediate reality. The institutional system, an entity closely related to pragmatic thinking, refers – in our opinion – to the following:

- the habits of reasoning and action tend to influence other dimensions of socio-economic reality, *including* the institutions ways of formation and development;
- we find an evolution of referred organisms to forms becoming more sophisticated in *structure*, although not always effective;
- we note that in these complexes are found and (re)argues itself *new institutional formulas in relation to the "devalued" ones*
- in time, studies have preferred either institutions that have emerged momentarily or the consecrated ones;
- the individual and his role – *as agent of socio-economic and political life* – have been neglected by institutionalism studies in favor of emphasis on structures *constant* valid;
- *European* forms of institutionalism tend to generalize and to emphasis the theoretical aspects of the problem, by contrast, the *U.S.* have a strong descriptive and pragmatic character.

As we see it, increased imbalances in the economy and society, the role of the market debunking and the relations between state and citizen not being synced are factors announcing the collapse of power. There are signs of systemic crisis. They not only cause rhythm breakages, but economic collapse and internal lack of reconciliation possibilities, which is the most dangerous thing for a country. Globalization's mirage throws people into a carousel whose *center* (weight point) usually is the political leaders. But *crank arm* is hitting everything that means *periphery*: the poor, the unemployed, the sick, the languid, the confused, the lost and the credulous ones. The situation is even more serious if it becomes chronic. And the society assumes a risk to lose its traditional benchmark institutions.

Romanian researcher Ilie Badescu fully supports the idea that such finality of things lead to "civilizational crisis as generalized < institutional perplexity >" [10, p.142]. Meaning given by Academician Tudorel Postolache to this expression of Pierre Werner is "radical discrepancy between the aims pursued and the means to manage them." And we, the next generation, we should do well to avoid a new fracture of society. If nothing else, at least because of the fear of a re institutionalized anarchy. It is actually the fear of *a crisis of order in place*: the reason would be the failure of "uncreative elites" who fail to modernize the institutional frame to match the innovative civilization [10, p.141-142].

As we understand, this *reaction inability* results in *eternal awe* to the mismatch between the new institutional system, endorsed by an old economic system – or vice versa. Such a misfire results, for example, from an unhappy coupling of *imported* economic measures, inappropriate for a domestic pattern of power, which might be obsolete. Or, as best we can give the example of the self-proclaimed sovereign financial institutions which issue programs and dictates courses of action for governments forced to appeal to the lending "solution".

By virtue of its definition, the state – the basic institution of society – must represent the economic and social life and to ensure not undermine it. The state has no right to be *offended* by the crisis, but to abandon its hegemonic manifestations in favor of national ones. It has to regain a landmark of an articulated system called *country*. It has to remember one thing: that within this world in crisis, *not quite everything* is reducible to fraud, corruption and misery. This is the reason of institutionalism: to nurture the trinity work – safety – welfare. And yet, according to Nancy Fraser, social inequity is not *only* result of economic injustice (as it assume most of us), but also of institutional and policy one: "The most general meaning of justice is parity of participation." [11, p.16]; "The political dimension is implicit in, indeed required by, the grammar of the concept of justice." [11, p.21] The phenomenon is linked, moreover, to the European policy in the field of equality and diversity: according to Eurobarometer 2012 presented by the European Commission, 54% of EU citizens believes that the consequences of the economic crisis affected the financing of policies that promote equality and diversity [12, p.83].

We honestly believe that institutions *should be* bearers of citizens' interests. Especially in hard times, such as crisis periods, institutions require an economic, social, legal and political reinvention, as the crisis-induced changes requires. But mankind has much to evolve, for the principle of government "one for all and all for one" to materialize in the true sense of the word. In other words, the institutions will follow *first* the interests of the powerful, and *not of the many*. Progress means – however – that the social institution, not eternal (as it's not natural) *should represent the system to which it belongs*. Therefore, practically *history* is the only one that can imprint evolution or extinction of institutions created by it.

Study case: A short inside look into the Great Depression and 2007-2008 Crisis. The negative tone of our previous thoughts regarding the public institutions – the state – leads us to an short introspection into the american economic model. For our demarch we choosed two landmarks- the Great Depression and the 2007-2008 crisis, in order to emphasis the way institutions act in crisis times. What the two have in common: the financial markets were important sources and propagators of decline.

The Great Depression – 1929-1933. The link between financial markets and the Great Depression is quite obvious, because some dramatic events in financial market, such as: stock market collapse, waves of bankruptcy and bank failure, and contractions in the money stock, coincided with or preceded turning points of depression. What is not so obvious, and has been a source of arguing is the mechanism through which financial factors contributed to the Depression and the relative importance of such financial factors in explaining the origins and persistence of the Depression.

For most of people, the Great Depression is viewed as a supraproduction crisis. We will try to analyse this crisis from a monetary policy point of view and the U.S. governments' lack of flexibility regarding this policy.

Among the first advocates of monetary policy as an influencing contributing factor to the Great Depression were Milton Friedman and Anna Schwartz (*Monetary History of the United States*, 1963). In their opinion, changes in money supply, determined by exogenous factors underlined the onset of the crisis. They considered co-movements of nominal GNP and the money stock, the movements of prices, and changes in the relative size of various components of the money stock as vital components of the realities/events of 1929-1940 period of time. They considered the stock market crash and the beginning of recession to be less important, and the big question was: how an initial downturn in 1929 became transformed into the Great Depression? One possible answer was that the money stock and implicit money multiplier were greatly influenced (reduced) because of banking crisis that took place between October 1929 and March 1933.

The lack of Federal Reserve response, meaning its inability to use open market operations and loans to banks, had as a result a severe economic activities' contraction. The Federal Reserve started to react in 1933 through money ease, they used this type of intervention 'till 1936, and since 1937 Federal Reserve promoted a contractionary monetary policy combined with economic decline.

"In other words, monetary and other demand shocks had persistent effects on output, excess capacity, and unemployment through various channels connecting them to changes in the underlying structure of the economy" [13, p.81].

James Hamilton (1987) wrote "the major factor influencing monetary policy during 1928-1929, was surely the stock market", leaving from the fact that Dow Jones index of industrial common stock prices doubled between February 1928 and September 1929. Meanwhile, Federal Reserve increased its lending sharply trough the 1928 and, in 1929 it remained high. Then a dilemma aroused for Federal Reserve: to expand or to contract the credit, and going further: to regulate the credit quantitatively or qualitatively. In other words to restrain the stock market or to encourage economic growth, by using discount rates or different types of bills discounted. The answer popped up in August 1929; the Federal Reserve decided to raise the discount rate to 6% (compared to 3.5% in December 1927 and 5% in July 1928) "as a warning against the excessive use of credit," with the understanding that open-market purchases might be necessary if signs of a weakening economy proved correct [14, p. 259-64]. Anyway, the stock market effect on monetary policy was just an indirect one, through borrowing for stock purchases.

Table **1. Federal Reserve Credit and Gold Stock, 1918-33 (Annual averages, $mils)**

	Federal Reserve Credit					**Gold Stock**[4]
	Bills dis-counted[1]	Bills bought[2]	US govt. secs.	Other[3]	Total	
1918	1134	287	134	168	1723	2871
1919	1906	324	254	141	2625	2842
1920	2523	385	324	158	3390	2582
1921	1797	91	264	46	2198	3004
1922	571	159	455	41	1226	3515
1923	736	227	186	56	1205	3774
1924	373	172	402	49	996	4152
1925	490	287	359	59	1195	4094
1926	572	281	350	55	1258	4165
1927	442	263	417	53	1175	4277
1928	840	328	297	40	1505	3919
1929	952	241	208	59	1459	3996
1930	272	213	564	38	1087	4173
1931	327	245	669	33	1274	4417
1932	521	71	1461	24	2077	3952
1933	283	83	2052	11	2429	4059

Notes: [1] Secured bank borrowing from the Fed; [2] Fed purchases of bills; [3] Mostly Fed float;
[4] Held by the Treasury, the Fed, and as coin in circulation.

Source: Federal Reserve Board (1943, 362-68), [15, p. 7].

Likewise, any effect of gold on monetary policy was indirect through bank borrowing from the Federal Reserve to recover their reserves [15, 2008]. In short, gold standard has not constrained the Federal Reserve activity, at least no more than usual [16, 2002 and 17, 2006]. In Table 1 and Figure 1 we can observe that in 1931, Federal Reserve credit reinforced gold inflow, and offset gold loses in 1932.

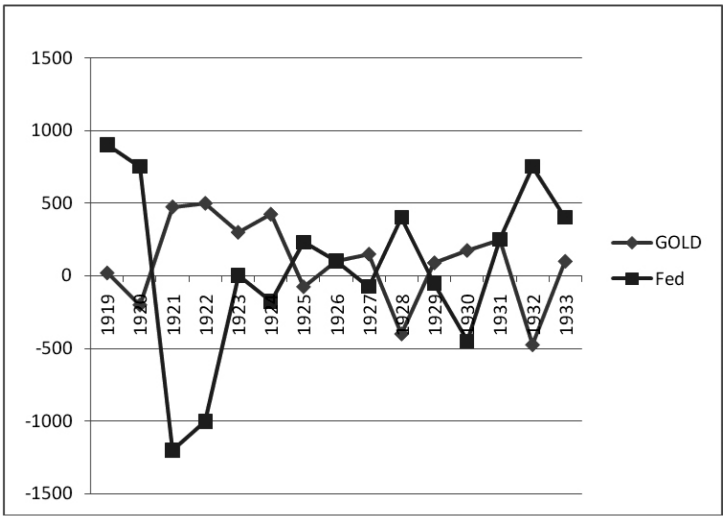

Fig. 1. Changes in Federal Reserve Credit (Fed) and Gold 1919-1931

Source: [15, p. 16]

Starting from different points, such as: real-bills doctrine, rate of interest (nominal or real), stopping the speculative excesses, the stock boom, misperceived constraints of the gold standard, or a narrow focus on financial stability, the researchers explained the monetary policies of that time. The conclusion was only one: the monetary policy was wrong and it brought or worsened the depression. From this perspective, a major role was played by Federal Reserves, which actions and behavior had consequences on depth and duration of the depression.

2 2007-2008 Crisis. Everybody is talking about Federal Reserve's role in solving the crisis; but there are also voices that are talking about Federal Reserve's role in triggering the crisis. After 9/11, due to fear of a possible crisis and maybe deflation, Federal Reserve dropped interest rates very low, expanding so the money supply. The level was so low, that the real Federal Funds rate (the nominal rate minus inflation) was actually negative. The result was cheap money/credit for mortgage loans. From the housing boom, to new financial instruments that didn't have the market test and a degree of recklessness that stretched beyond the control of regulators to collapse it was but a small step. "It is tempting to blame this on greedy financiers, but they were simply responding to the poor incentives created by the Federal Reserve, Congress and others." [18, 2013].

What did the Federal Reserve do in such a situation? According to Ben S. Bernanke in a discourse at the Greater Austin Chamber of Commerce, Federal Reserve elaborated a strategy that relies on three components:

- an aggressive easing monetary policy
- providing liquidity to the private sector in order to support the functioning of credit markets and to reduce financial strains
- promoting financial stability by all available tools.

The easing monetary policy aimed to offset to the extent possible the effects of the crisis on credit conditions and the broader economy. The first actions didn't had the expected result, meaning that the economy was still weak, so other actions were needed. (For compete actions of Federal Reserve see **Table 2**) This kind of policy brings along inflation risk, and indeed the inflation rose in 2008.

Table 2. **Federal Reserve 2008: A Timeline of Fed Actions and Financial Crisis Events**

Jan. 22	In Emergency Move, Fed Cuts Rates Sharply by 0.75 Percentage Point to 3.5%
Jan. 30	Fed Cuts Interest Rates By A Half Percentage Point to 2.25%
March 11	Fed Announces New Emergency Lending Program. The Fed launched the Term Securities Lending Facility, aimed at lending up to $200 billion in Treasury bonds to primary dealer banks secured for 28 days, extending the usual overnight deadline for such transactions. The Fed also authorized an increase in its swap lines with the European Central Bank and the Swiss central bank.
March 17	J.P. Morgan Buys Bear in Fire Sale, As Fed Widens Credit to Avert Crisis. Pushed to the brink of collapse by the mortgage crisis, Bear Stearns Cos. agreed–after prodding by the federal government and the Fed–to be sold to J.P. Morgan Chase & Co. for the fire-sale price of $2 a share in stock, or about $236 million.
March 17	Central Bank Offers Loans To Brokers, Cuts Key Rate. The Fed announced one of the broadest expansions of its lending authority since the 1930s. For the first time securities dealers could borrow from the Fed on much the same terms as banks. The Fed also lowered the rate charged on such borrowings from what's known as its discount window by a quarter of a percentage point, to 3.25%, and extended the maximum term to 90 days from 30.
March 18	Fed Cuts Rates by 0.75 Percentage Point to 2.5%.
April 30	Fed Cuts Rates by a Quarter Percentage Point
May 1	Fed Lowers Rates by Half Percentage Point to 2%.
June 25	Fed Holds Rates Steady at 2%
August 5	Fed Holds Rates at 2%.

Table 2 (continued)

Sept. 15	A Busy Day: Lehman Faces Liquidation; Merrill Lynch is Sold; AIG Seeks to Raise Cash.
Sept. 16	U.S. Government Takes Over AIG With Fed Help in $85 Billion Bailout.
Sept. 16	Fed Holds Rates at 2%.
Sept. 29	Fed Holds Unscheduled Conference Call on Swaps.
Oct. 7	Fed Holds Unscheduled Conference Call on Severe Impairment of Commercial Paper Market. The topic was a deepening credit crunch threatening money market mutual funds and commercial paper, an important vehicle for short-term funding used by corporations.
Oct. 8	Coordinated Global Central Bank Interest Rate Cut. In an unprecedented step, the Federal Reserve, along with its counterparts in the euro zone, Japan, England, Switzerland and Sweden, announced a coordinated cut in interest rates. The Fed cut its benchmark rate by half a percentage point to 1.5%.
Oct. 14	A TARP Over Wall Street: The Bank Bailout. The U.S. government came to the banking sector's rescue, buying preferred equity stakes in nine major financial institutions including Bank of America Corp., JP Morgan Chase & Co., Goldman Sachs Group Inc. and others.
Oct. 22	Fed Announces Fresh Aid To Money Market Funds. The central bank offered to lend as much as $540 billion to the industry.
Oct. 27	Fed Launches Commercial Paper Funding Facility. The program was aimed at addressing cash shortages in the commercial paper market. The facility began operating on Oct. 27 and closed Feb. 1, 2010.
Oct. 29	Fed Cuts Interest Rates By Half a Percentage Point to 1%.
Nov. 24	U.S. Government Bails Out Struggling Citigroup. This was the first of three eventual bailouts for the Wall Street giant, this one amounting to $20 billion in fresh capital injections as well as guarantees for $306 billion in toxic assets.
Nov. 25	Fed Starts Buying Mortgage Bonds. The Fed launched the Term Asset-Backed Securities Loan Facility, or TALF, aimed at supporting another troubled corner of the credit markets – securitized assets backed by increasingly sour loans.
Dec. 16	Fed Cuts Rates Near Zero to Battle Slump

Source: Federal Reserve 2008: A Timeline of Fed Actions and Financial Crisis Events, by Pedro Nicolaci da Costa, in Real Time Economics, 21 February 2014, http://blogs.wsj.com/economics/2014/02/21/federal-reserve-2008-a-timeline-of-fed-actions-and-financial-crisis-events [19]

In order to provide liquidity to the private sectors Federal Reserve appealed to the following:

- they narrowed the spread of the primary credit rate (the rate at which banks borrow from the Federal Reserve's discount window) over the target federal funds rate from 100 basis points to 25 basis points;
- they extended the term for which banks can borrow from the discount window to up to 90 days;
- they developed the program *Term Auction Facility*, under which predetermined amounts of credit were auctioned to depository institutions for terms of up to 84 days;
- they introduced facilities to purchase highly rated commercial paper at a term of three months and to provide backup liquidity for money market mutual funds;
- they approved bilateral currency swap agreements with 14 foreign central banks, in order to improve dollar funding conditions in important foreign markets.

Likewise during the Great Depression, the major concern of Federal Reserve was to provide and ensure financial stability by all means. This could be strengthening the financial infrastructure or acting together with other agencies to prevent the failure of systemically important firms. Among these actions we can mention:

- facilitating the acquisition of the investment bank Bear Stearns by JPMorgan Chase using a Federal Reserve loan, backed by assets of Bear Stearns and a partial guarantee from JPMorgan.
- stabilizing the large insurer, American International Group (AIG) through an emergency Federal Reserve credit, adequately secured by AIG's assets.
- putting together with the Treasury and the Federal Deposit Insurance Corporation (FDIC) a package of guarantees, liquidity access, and capital for Citigroup.
- supporting the actions by the Federal Housing Finance Agency and the Treasury to place the government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac into conservatorship
- working with the FDIC and other bank regulators in order to assist in the resolution of troubled depositories, such as Wachovia.

The conclusion was that the system was facing a serious weakness: the absence of well-defined procedures and authorities for dealing with the potential failure of a systemically important nonbank financial institution, at least in the beginning. Starting from here, the US Administration and Federal Reserve addressed the Congress for a legislation that provides the necessary authorizations and resources to strengthen the financial system and, in particular, to deal with the potential failure of a systemically important firm. The aftermath was the *Emergency Economic Stabilization Act* (EESA). Therefore, the Federal Reserve's range of powers has expanded, as have the kinds of financial institutions it monitors and regulates. The justification for all of these new powers is that the Federal Reserve is best able to prevent a repeat of the 2008 meltdown by keeping in check the potential systemic problems revealed in that crisis [18, 2013].

Conclusions. The failure of clasic interventionalism leads to find new solutions in order to validate the state's presence and actions in private environment. In both situations, the Great Depression and 2007-2008 Crisis, the found solution was one that manage to please, equally, the private environment and the public institutions – the state/ the U.S. Congress. Finding this solution is explained by the change of economic paradigms in the US by leaving or replacing capitalism in its classic form with New Deal expressed by Keynes, which involves a partnership between state and society, institutions taking a proactive role in society and the economy.

It is all about a non-nocive presence of STATE, as institution, in economy.

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Г. Бодеа, канд. екон. наук, доц.,
М. Ровінару, канд. екон. наук, доц.
Університет імені Бейбес-Боляя, Клуж-Напока, Румунія

ІНСТИТУЦІОНАЛІЗМ І КРИЗА

Сучасні наукові возз'єднання та дебати зосереджені, протягом декількох років, на економічній кризі. В результаті, є незлічення кількість способів аналізу та інтерпретації кризи. Метою цієї роботи, є аналіз економічної кризи з іншої точки зору: через ролі установ. Наш науковий підхід направлений на розгляд питання про те, чи суспільні інститути відіграють роль у виникненні, прогресуванні або вирішенні економічної кризи. Для цього виберемо в якості представника державної установи Федеральну резервну систему США. Для задоволення нашої мети ми орієнтуємося тільки на діях Федеральної резервної системи та їх наслідках у період з Великої депресії до кризи 2007-2008 років. Ми спробували з'ясувати, якими були дії ФРС, підходящими й ефективними? Чи можуть вони бути кращими та більш доречними в певних ситуаціях? Ось ті питання, на які ми намагаємося відповісти в даній статті.

Ключові слова: інституціоналізм, криза, грошово-кредитна політика, Велика депресія, криза 2007-2008.

Г. Бодэа, канд. экон. наук, доц.,
М. Ровинару, канд. экон. наук, доц.
Университет имени Бейбес-Боляя, Клуж-Напока, Румыния

ИНСТИТУЦИОНАЛИЗМ И КРИЗИС

Современные научные воссоединения и дебаты сосредоточены, в течение нескольких лет, на экономическом кризисе. В результате, есть бесчисленное количество способов анализа и интерпретации кризиса. Целью этой работы является анализ экономического кризиса с другой точки зрения: роли учреждений. Наш научный подход направлен на рассмотрение вопроса о том какую общественные институты играют роль в возникновении, прогрессировании или решении економичного кризиса. Для этого выберем в качестве представителя государственного учреждения Федеральную резервную систему США. Для удовлетворения нашей цели мы ориентируемся только на действиях Федеральной резервной системы и их последствиях в период с Великой депрессии до кризиса 2007-2008 годов. Мы попытались выяснить, какими были действия ФРС, подходящими и эффективными? Могут ли они быть лучше и более уместными в определенных ситуациях? Вот те вопросы, на которые мы пытаемся ответить в данной статье.

Ключевые слова: институционализм, кризис, денежно-кредитная политика, Великая депрессия, кризис 2007-2008.

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M. Boia, PhD Student
The Bucharest University of Economics Studies, Romania

GROWING A BUSINESS – MERGERS AND ACQUISITIONS

Mergers and acquisitions analyzed as external growth strategy in the modern economic environment context; stock quote evolution analysis before and after mergers and acquisitions.

Keyword: merger, acquisition, expansion, business combination.

Introduction. Many recent studies have approached the issue of mergers and acquisitions as they have become increasingly common on the financial market, with the main goals of risk reduction and rapid business development by pooling resources, fast access to innovation and international expansion. Some studies seek the results from the financial performance perspective, for example Reddy, K.S., Nangia, V.K., and Agrawal, R. (2014) have concluded that the 2007–2008 global financial crisis had a negative impact on M&A, but they discovered that after the crisis period emerging market countries increased their foreign acquisitions; Aharon D.Y., Gavious I. and Yosef R. (2009-2010) revealed an increase in the prevalence of mergers and acquisitions transactions, with no change in pricing, during the stock market bubbles; Johnson H.E. (2014) emphasizes the importance of financial statement analysis of the acquired company's assessment. Other studies try to explain the evolution from the organisational identity point of view, (De Bernadis L. 2010/2011) or to identify possible factors of success and failure in mergers and acquisitions (Weber Y., Tarba S., Oberg C. 2013).

Although the literature covers a wide range of studies related to mergers and acquisitions, this review will focus on external growth strategy and the way business combinations influence the market capitalisation of the newly created group. Based on data provided by finance sites, the current thesis examines top Mergers and Acquisitions for the period 2011-2014 from the transaction value point of view and aims to identify the quote evolution trends before and after the business combinations.

Methodology. The practical approach consists of the empirical study of the amounts involved in mergers and