

DEVELOPMENT AND IMPROVEMENT OF ADMINISTRATIVE MANAGEMENT LOCAL MUNICIPALITY IN TERMS OF EUROPEANIZATION

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Abstract: *News and importance of the issue addressed. The crisis is part of the economic life of society. It is a time (a period) the disruption in economic activity that requires sustainable solutions, to ensure a change or revitalize damaged systems and processes. The causes are complex crises and their resolution management functionality into - economic, system and process. Although seizures have been rigorously analyzed, does not know and, especially, can not provide full and timely in all cases it generates, and sometimes even the essential ones. No human society, from what we know so far, has not developed and does not develop linearly. Economic life of a company known when symmetric and asymmetric asymmetry, rapid and stagnation, progress and regression, normal situations, but also abnormalities, seizures.*

The goal of any modern economic policy is to ensure stability and growth in the future. For this purpose each undertaking their shape (building) a single economic strategy. Construction of concrete economic model is influenced by a number of factors - political, geographical, national, cultural.

1 INTRODUCTION

Dynamic economic systems of different companies compete intensely with each other. Today all the events are so concentrated and interdependent processes so that the slightest delay in this competition would mean defeat, the more the loss will be not only abstract meaning of the word economy, but also the living standards of each man. Therefore, all countries, regardless of the level must be constantly developed to look at each other and take the best achievements of the competitors, and how to resolve questions relating to crisis management and insolvency management.

The implementation of market economy in Romania could not not generate a series of new problems, one of the most important problem is crisis management. Many companies could not adapt to new economic conditions, which favored the general political instability, inconsistent implementation of market reforms, unfavorable investment climate, inefficient fiscal policy and other macroeconomic factors.

With the realization that it takes place despite the difficulties of developing the real sector of the economy depends very much business, the owners and their managers, their activity aimed at achieving business stability and adaptation of local public administration to new conditions of post-accession.

Solving this problem is possible only through a proper system of crisis management. But the formation of crisis management system can be charged without developing a crisis management concept, accepted and recognized by society, forms, methods and mechanisms that make up the essence of them. It was not so long and was not gained so much experience, to raise this concept to a high level of synthesis (generalization). Obviously at the moment are few and crisis management professionals. Many problems are solved in the manner made about enterprise management concepts, namely the Romanian traditional management position.

Entered the Romanian market many foreign companies. The success of these companies on the market can be explained by the high quality of goods and services (especially compared to similar local), the novelty of many of these factors and the lack at that time of the goods on the Romanian market. Acting thus accumulated in the area consumption demand. The importance of these factors will reduce competition and increase essential role, the flexibility of elasticity in order to maintain market position. Capacity of local producers to rise and resist economic competition with foreign competitors depends primarily on the quality of management.

Currently any action and influence events is much stronger than before. Therefore, especially now, is present and increases the importance of crisis management in solving the

crisis in public administration management. The above demonstrates the topicality of research elected.

2. improving the management of Local Government-PE PEROADA economic crisis

In early 2009 in Romania was established "crisis forum" as an area of debate, design and foundation of a national strategy crisis, the unification of opinions and ideas of all political forces, economic and social interest in Romania out of crisis of providing practical solutions.

It should be noted however, that specialized in Romanian literature, crisis management approach in government organizations, is reduced. Problem developing and improving diagnostic methods and crisis management firm bankruptcy risk level has not got proper preparation and reflection. It also requires realizing the notion of unit crisis management and classification of types of insolvency.

Public organization is a relatively separate structural segment of such a separation economic. Criteriile system are: economic independence, organizational activity, availability of specialized infrastructure, highlighting the possibility of total outcome of management of public bodies.

Government enterprises in the Romanian legislation are the Autonomous Regions and commercial companies operating as industrial and commercial public services public. They are subject to public law in terms of their organization, but also private law rules regarding relationships with users. They are equipped with the political establishment with legal personality and financial autonomy, with their own management bodies, have submitted a balance budget and independent public accounting rules. Estimation crisis management public administration can be performed not only by its symptoms, causes and factors but also by its real. Event or *crisis* is the state of the object, or the tendency of near crisis. For example, the organization can be considered as causes: economic-financial errors, the general state of the economy, insufficient qualified staff, the shortcomings of the system of motivation.

Symptoms of the first signs of *crisis* are the manifestation of negative trends, the stability of these trends, business conflicts, financial problems etc accumulation. Thus, to recognize the crisis must be caught early symptoms, determine possible factors that talk about the crisis intervention and clarify its causes. As a means of discovering the possibilities of crisis intervention in the organization is considered intuition and experience, analysis and diagnosis of the state of affairs. These means should be applied at all stages of existence of the public organization by the public organization management, because the operator can enter into deep crisis even in flower, or the external economic situation quite favorable.

Today the notion of crisis implies an aggravation of the contradictions of social-economic system that it threatens

stability. Attitude toward crisis phenomena has changed radically over the last three centuries. Crises business activity is an objective reality. They reflect a mismatch rate of development of an enterprise with the pace of development and need to change the micro enterprise development path under the influence of macroeconomic cycles. Moreover, regular occurrence of crisis phenomena in the business stems from the fact that it is subject to cyclical. Thus the representation of the enterprise lifecycle curve as revenue - business losses for a period of time that can be played as follows:

We believe that depending on the symptoms of insolvency can be identified three stages of the process of deep crisis:

Stage I: It is characterized by the appearance of a negative state: there is lowering sales volumes, reduced profits from core business, increase range of motion of capital, accumulation of stocks of finished products, and as a result of the decrease in sales volume takes place in the reserves of raw materials and a redundant hidden cost reduction company. *Stage II:* is characterized by a sudden reduction of inputs of cash flows, leading to the insolvency of the enterprise and the emergence of forced halt in production. The company seeks new sources of funding, but most times they are concluded in unfavorable conditions. It also set unrealistic prices for goods, problems with financial statements, management conflicts occur, there are various reorganizations the company structure, qualified staff leave their jobs, company share prices fall.

Stage III: is characterized by an obvious insolvency, companies can not pay their debts on time, intervenes to stop the core business of production, increasing losses, disturbances occur in debit-credit balance is not paid wages of workers, there are checks financial control bodies, and finally, the company closes.

Features listed the symptoms of deepening crisis of the business process means that it runs unevenly, the increasingly deepening with every step, and the more profound the more difficult will be to restore the business. If not taken timely action, the company will go bankrupt.

According to the author's company insolvency is the inability of aces honor its obligations to creditors in due course.

Insolvency can be divided into three types, depending on the question:

- Insolvency related to inefficient business management, marketing strategy irrational, poor use of resources.
- Insolvency owner due to lack of investment resources for reproduction, the lack of labor resources needed to fund basic sales and market requirements of its production.
- Insolvency production when under the influence of the first two factors or due to obsolete equipment, or foreign producers and domestic competition, anti-competitive cargo occurs.

Writer's opinion that bankruptcy is an economic problem is resolved in some legal levels. Most important in regulating the process of bankruptcy contemporary balance between the interests of creditors to reveal the tendency to keep business.

Well-organized management can mitigate the impact of the crisis and restore the viability of organization, organization renewal can be done while maintaining existing owners and management, or restructuring (merger, demerger, merger, separation) organization. Otherwise the crisis could lead to the complete liquidation of the organization or change of ownership and operation of the organization's restructuring process. In our opinion should be emphasized that the crisis organization not always result in negative consequences.

We propose a classification of positive and negative consequences that occur as a result of intervention, the crisis in the organization the following form:

Table 1. Consecințe possible after the onset of the crisis in the organization

Positive	Negative
Mitigate crisis	Enhancing crisis
Organization's financial Reclamation (overcoming the crisis)	Start a new crisis
Maintenance organization as a legal entity	The liquidation organization (selling assets organization)
Restructuring (transformation) organization	Change of ownership

Source: Prepared by author

Author's opinion is more complex crisis management, it is an aggregate of measures to restructure the whole system of management, considering the financial risks necessary for economic survival.

In this sense, crisis management - management is a part, directed toward the detection and management of the organization to avoid vulnerability. Consider it appropriate to mention that the cyclicity of the market economy development is root cause of crisis in the autonomous government as a result of economic development generally

necoincidenței cycle and life cycle of enterprises in particular. Crisis requires a strategic approach. In this regard it is important to determine the type of strategy to be applied. Usually show the following strategies: growth, stability, output

The utility of anti-crisis strategies differ essentially from the common. This is explained by their relatively high growth, intense training and resources to achieve greater results both positive and features comparison negative. Unele crisis and the common strategies are shown in Table 2.1.

Table 2.1 Autonomous strategies in crisis

Indices	Strategies	
	common	crisis
Goals	Progressive balanced operation	Quick exit from unstable state
The main attention	Long-term programs	Sectors and stages of work to remove deficiencies
Resources	In general external sources	From internal
Business	Increasing production, large segments of the market orientation	Diversification, creating more products for different segments of the market small
Output	Expanding mass production, leading to lower costs	Diversification, increasing the quality of traditional products, differentiated product marketing orientation.

Source: Prepared by author based synthesis bibliographic sources

Contemporary corporate management based on the principles increasingly project management method. For crisis management - is a component of corporate management, and therefore in its organization it is necessary to follow the principles of project management. Project management method is based on a treatment trial of the utility business.

The performance of the autonomous anti-crisis program is necessary to act according to a plan established and designed in advance based on scientific research and studies practical application of theoretical management, marketing, personnel management, financial management. Based on existing performance, it is necessary to develop a plan for managing its own autonomous administration in crisis or near them, which would allow the achievement of solving internal problems facing unfavorable external factors effectively and use with maximum efficiency possibilities offered by the company macroenvironment

In the initial stage to correctly determine the utility strategy, which can afford to compete effectively and survive in the market. This is possible only after a thorough investigation of the utility management and composition of the SWOT analysis. Below is developing a strategy for achieving effective instruments, including in it the basic set of forms and means facing the fundamental directions of the utility business, with focusing on one or more of them, depending on the situation.

Following the detection of factors that determine the utility environment and establishing its market place in the initial situation, is to analyze the influence of these factors on its activity. Thus, some factors can strongly influence, others a lesser extent the utility work, or in other words, there are risks and opportunities in the business environment.

Developing mission and business objectives are the main steps in choosing a business strategy. The choice of mission is the first step in deciding the mission settling all future management decisions, which will depend the fate of the utility.

After determining the strengths and weaknesses and factor analysis based on priorities, management can determine the utility sectors that need to be considered, those who at one time can be neglected, or those that can be used to use advantage of the external environment.

For implementation and realization of the strategy is necessary to establish the main instruments. Depending on the concrete situation, can be highlighted the following main instruments, you can use any firm in economic recession:

- Structure and distribution functions;
- Personnel management;
- Optimization of financial flows.

In conclusion, the notion of "crisis management" is meant "management by arbitration." Management by arbitration, in essence, is a special example of crisis management and is in accordance with the rules and requirements of the arbitration process. Management responsibilities by arbitration does not take decisions independently, but the Board of creditors enforce judgments.

Estimation and analysis of general, systematic work is an important part of the company to monitor the state enterprise system. A more complete analysis of the causes of successes and failures will allow company managers to make a forecast as the company's real situation.

A high degree of accuracy and completeness of the analysis can be achieved if we apply a comprehensive approach, namely that on the basis of concomitant internal and external environment analysis and financial situation and property company.

The company proposed to monitor the situation by the author, choosing to crisis management strategy was approved About "Water Autonomous County of Constanta" SA and "Autonomous Thermal Energy Distribution" constantly, "Autonomous transport" Constanta.

Thus, the overall objective of the project was the creation of monitoring the situation About "Water Autonomous Constanta County." For the overall objective was necessary to resolve the following issues:

1. Determine the set of indicators for household financial analysis of the business.
2. Efficiency indicators give rationale for the enterprise.
3. Creating channels to enterprise information flow.
4. Develop reporting forms and terms of business administration.
5. Establishing executors responsible for maintaining the system in working condition.

In accordance with the methodology of project management, global objectives data were divided into subheadings and formed separate activities or "tree" of objectives, ie dividing the project was done in stages, or by decomposition.

The main sources of company situation analysis for monitoring have been reports of the department of accounting and economics.

To determine the occurrence signals the crisis phenomena in the company finances its monitoring is required, ie a permanent monitoring business and financial indicators, and not just working with accounting reports. According to the author's analysis of these indicators allow quantitative assessment of the probability of default of intervention, the basic factor of enterprise insolvency.

Due to high interest rates on loans in the period 2006-2009 even stable companies do not reach the optimum ratio between the effect of financial leverage and profitability of own funds (average 3.5 to 4). Bankrupt companies have financial leverage negative value effect because not only did not increase but rather show low economic return.

- Change absolute liquidity ratio consists of a paradox: companies stable is about the same level with the bankruptcy (average 0.15 to 0.05). For this indicator is related to the basic concept of the Law 149/2004 on judicial reorganization and bankruptcy and Law 85/2006 on insolvency proceedings. This situation again shows the imperfection of legislation on the financial assessment of the company.
- Change the stability coefficient indicates that bankrupt companies are high risk area (varies from 0.6 to 0.65), ie a current cost approach assets. Given the fact that companies are stable in non-hazardous area (is equal to 0.3), however, we can not talk about efficient management of liabilities.
- Comparing rotation with rotation debt capital intensity business activity to determine clear from the requirements of Law 149/2004 on judicial reorganization and bankruptcy and Law 85/2006 on insolvency proceedings. Companies bankruptcy have a roughly equivalent ratio, that is very similar variations of the terms debts creditors and debtors (more than 70 days). Only free additional resources can solve this problem.

The indicators selected for monitoring the composition model for forecasting bankruptcy financial situation reflects the essence of kings and allow economic activity forming the conclusion that the method chosen by the composition of the model - "in particular to the general" - is more appropriate in unstable economy.

Efficient functioning of any of the autonomous management system is determined by assessing its contribution to achieving corporate objectives. It is more objective in terms of crisis management, how he goes through all aspects of the business. After thorough research of issues with regard to crisis management organization and application of technologies in local government regie the following conclusions General:

1. Causes of recurrence were established during the post-accession insolvency because during the entire heritage

of global reform of public administration, the Romanian economy needs a strong and quality mechanism, enabling it to maintain business continuity perspective autonomous administrations, and in cases inability to maintain autonomous administrations that are in crisis, as a complex system, training on-bankrupt debtor's assets for new business. Such an institution tends to become institution insolvency and insurance against crises.

2. He was made an analysis of the Romanian legal framework in the recurrence of the institution's insolvency, which demonstrates that the mechanism proposed by the Romanian legislation against insurance crisis is contradictory and requires processing.

3. Following the analysis found that at some point in most cases, the idea of "insurance against crisis" is replaced by the idea of "insurance arbitrary." The similarity between these two ideas found in the normative acts of insolvency. According to the author, providing arbitrary - is a case against the company's own insurance crisis under the supervision and control arbitration. In other words, "insurance against crisis" - is a much more diverse and complex notion.

4. In practice it was found that the principal method of insurance against crisis management is now considered foreign, but this method is performed by the arbitrator, which the author's opinion is not correct, because the external management is one way of arbitration. The idea of "choice" itself is very difficult. It includes an activity covered very severe legal and business independence from the company in crisis (referee must be an independent businessman) and a dependence on arbitration (arbitrator is appointed and dismissed the company in crisis only arbitration). More so, sets salary arbitration arbitrator. This method is flawed writer's opinion essentially. Arbitration is set by law as an employer insolvency of the referee, so the referee will work in such a way as to satisfy the requirements of the employer. For him no matter the fate of the crisis. The referee sees in it only means of making money. That's why it's so bad arbitrations statistics by external management results. The author is convinced that the manager against the crisis must be part of the utility of the management team who are in crisis. Only then, measures will be effective.

5. It is considered that the concern for insurance against crisis is initiated when the company begins to have financial problems, which again is not correct. Difficulties often begin long before companies and character bears not only financial, but also managerial, or risk bankruptcy - is usually a result of errors in an earlier stage managers. Therefore, "to restore" regies finance - means "to restore" the entire management system.

6. Writer's opinion, traditional approach is not correct or the idea itself of "insurance against crisis" as an independent part of management, because this insurance market economy - is an essential part of the whole management of the company and therefore need to be continually present to her. In Chapter 2 of the paper, the author explained the concept of "insurance crisis", an algorithm has insurance against crises in the autonomous

public administration postaderării conditions. Insurance crisis - is part of the whole management, designed to work with the company's weaknesses and is composed of 4 stages:

- Lack of enterprise management during crisis
- Identification and management crisis in the run-up to entry into crisis
- Management during the crisis
- Management during the crisis

This classification was developed by the author on the basis of the cyclical factors of development of market economy and claim that the crisis is not a social evil but a stage of development of market economy and the danger that the crisis is always a given society, even and when the crisis is missing.

6. There is currently no financial analysis of the situation SC method currently used, based on the idea of equality, because today's dynamic economy is so high that the financial indicators based on the previous year equal to the current year does not look real situation of a company at that time. The results of the work, which have a large data base of companies Constanta County, building the foundation for monitoring of the financial model of the autonomous, indicators based on the use of flow size. Using the analysis of financial position of the autonomous flow indicators allowed size description and introduction to the idea of "syndrome of insolvency".

2. CONCLUSIONS

To improve the organization's scientific and technology application crisis management, following **scientific advice** can be **formulated**:

1. Database development methodology to improve crisis management, on the achievements of contemporary economics and management;
2. Using the method proposed by the author on project management, as general method for developing technologies to ensure the crisis and creating a methodology for project development framework;
3. The use of permanent monitoring of the situation results autonomous administrations that by using balanced system of indicators of efficiency of its activity, and matrix-analysis system, a framework to enable effective management of the company.
4. Using the methodology contained in the paper treatments and methodical recommendations and practical proposals in order to ensure the possibility to obtain complete, objective and truthful about the true situation of the enterprise, allowing timely monitoring of the utility status, providing entry into crisis it, preparing for the crisis and overcome the crisis with the lowest loss for her.
5. Using practical results in this paper to enable managers and specialists from public administration to build a suitable development strategy of the organization, to organize a process of crisis management throughout the autonomous administration in order not only to overcome the crisis , but to prevent crises.

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