



**Universitatea *Transilvania* din Braşov**

## **HABILITATION THESIS**

### **SUMMARY**

**Title: Challenges facing financial markets and entrepreneurship - crises, competition, financial integration, new technologies, sustainable business development**

**Domain: FINANCE**

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***“Financial markets essentially involve the allocation of resources. They can be thought of as the “brain” of the entire economic system, the central focus of decision making: if they fail, not only will the sector’s profits be lower than they would otherwise have been, but the performance of the entire economic system may be impaired.”***

**Joseph Stiglitz, March 1999**

The habilitation thesis represents the synthesis of the most significant research conducted after obtaining the doctoral degree, and is divided into three parts: the presentation of the scientific achievements, the career development plan and the references supporting the research included in this thesis.

The scientific achievements presented in the habilitation thesis are structured in three main sections: 1. research on financial markets, focused on the Romanian capital market and the banking industry, 2. research on capital flows and consumption 3. research on the challenges faced by entrepreneurs and managers in the complex process of sustainable business development.

The first section summarizes research on the Romanian banking and non-banking financial market, in the challenging context of the last three decades, characterized by systemic and conjunctural crises. The research undertaken starts from the fundamental role that the financial market plays or should play - the financing of the real economy. Both the capital market and especially the banking industry are currently facing challenges that they cannot ignore: the emergence of technologies that transform the economy into a digital one, the intensified competition by the emergence of the fintech companies, the growing segment of shadow banking, as well as the process of the European financial integration. Moreover, in the face of an increased competition and under pressure to transform the business approach to adapt to digitization, today the financial market faces sophisticated consumers who, in search for satisfaction with the consumption of the financial services, pose new challenges to providers of such services. On the other hand, investors, in the context of integrated financial markets, add the pressure to obtain economic performance comparable to the European markets, offering returns that strengthen the process of attracting them, especially foreign ones, but also their long-term retention on the Romanian market. Research has shown that the Romanian capital market has taken timid steps towards supporting the real economy by providing financing through equity issues, their number remaining disappointingly small, but compared to other markets in the region (Bulgaria and Hungary) it has better coped with the shocks caused by the crises manifested globally in 2007-2008. The banking industry has also been approached, with two research directions. One concerns aspects regarding the determination of its position in relation to the requirements of investors, the impact that the growing competition of the shadow banking segment has, as well as the penetration of the internet banking services. The other emphasizes the reality that crises and competition have exacerbated, since 2007, - the need to place at the center of the long-term development strategies the satisfaction of the consumer of banking services( a weapon without which no market player will be able to survive, but especially to

achieve the performance expected by investors). The concept of the consumer satisfaction with banking services was approached by applying various mathematical models and using artificial neural networks in order to identify the factors that influence satisfaction and their hierarchy, to reveal the importance given by the consumers.

The second section develops research on two concepts in order to identify how they influence long-term economic growth: capital flows and consumption. The literature shows the positive influence of the capital flows on economic growth, but the size of this influence is conditioned by the quality of economic policies and the institutional response of the recipient countries, especially in the case of the developing ones. The research of these influences cannot ignore the phenomenon of the financial integration and the crises affecting the global economy. The approach developed concerns the evolution of the capital flows in the Romanian economy, their determinants as well as the relationship with the economic growth. The analysis also points out how the central bank has responded to the challenge posed by the capital flows in the context of the international financial crisis and the process of financial integration. The last part of this section analyses the existence of the phenomenon of hysteresis in consumption. The hysteresis, through its two features - remanence and selective memory, brings a new vision of explaining the evolution of the economic systems. The research carried out in Romania regarding the consumption revealed the presence of the hysteresis phenomenon, highlighting the fact that temporary influences on the determinants of consumption have lasting effects on it. The findings show that, in order to obtain economic performance, the companies need to accept this reality and change their behavior in terms of consumer approach and sales strategies.

The third section addresses the challenges of developing sustainable businesses that protect the environment for future generations. The research investigates how managers and entrepreneurs react to the necessary efforts, especially the financial ones, to develop businesses that contribute to a sustainable economic development with a focus on one of the most dynamic industries - tourism.

The career development plan summarizes, on the one hand, the professional achievements of the research activity as well as the didactic activity, and on the other hand the intentions regarding the didactic career development and the future research directions as a natural continuation of the efforts made so far.

The results obtained (publication of articles, attending conferences, conducting research activities within the implementation teams of national and international projects) so far will continue to be the source of providing a qualitative educational activity for my students, for their solid professional training.

The maturity reached in 20 years of didactic and research career will be channeled into deepening several research directions but also towards the exploration of new ones:

1. the research regarding the capacity of the financial markets to adapt and to reform to face the crises that the global economy encountered more and more often even if they are of different magnitudes:

- continuing the investigation through qualitative and quantitative methods of researching the performances of the capital markets, first of all the Romanian one but in an international

context, in two directions: on the one hand regarding the capacity to ensure the financing of the real economy and on the other hand in terms of the ability to attract investors.

- the use of new methods to investigate the capacity of the banking industry to face the new challenges (increased competition, financial integration, the accelerated digitization of financial services) as well as the way in which banks can maintain or improve their performances.

- further investigation of consumer satisfaction of banking services, because research has already shown that the new conditions in which banks are forced to operate (increasing competition from the shadow banking segment and the fintech companies whose turnover has grown exponentially in recent years) includes profound change in their development strategies.

2. The development of the econometric analysis that would allow the investigation of the factors of the capital flows, as well as the analysis of the hysteresis phenomenon regarding the foreign investments starting from the results obtained in the realized researches and in the international specialized literature. The hysteresis phenomenon, through its two characteristics – remanence and selective memory, can show new ways of developing strategies to attract foreign investors considering the factors influencing their behavior.

3. The third main research direction will continue the latest research direction on the capacity of managers and entrepreneurs to adapt to the need of developing sustainable businesses: how to adapt to new development directions in terms of managing the resources available to them, how to change business strategies and approaching consumers who have as a criterion, when choosing products and services, the level of sustainability of a business, the real cost-benefit ratio for the implementation of measures and strategies to make the business sustainable and environmentally friendly. Future research will continue to investigate the tourism industry, but I will extend it to other industries with high potential for negative environmental impact.