

THE VOLUNTEER MANAGEMENT PROJECTS IN THE CONTEXT OF THE ECONOMIC AND FINANCIAL CRISIS IN THE EUROPEAN SPACE

*Loredana Nicoleta Zaineda¹,
Paul Marinescu²*

Abstract

As an activity of public interest, volunteering influences various fields: social assistance and services, protection of human rights, medical, sanitary, cultural, artistic, educational, scientific, humanitarian, religious, philanthropic, social and community-related, and so on, contributing to community with real benefits.

It is very important to study the causes and effects of the malfunctions that may occur in the volunteer organizations and the management of the projects carried out, in order to find solutions for their elimination. It is obvious that the emergence of economic crises influences the quality of volunteer activities, but on the other hand, these activities can facilitate the emergence of these crises.

Crises can be related to these malfunctions and can be analyzed by economists according to specific criteria, manifested by stagnation, recession, inflation, unemployment, etc.

The paper aims to identify how the volunteer management projects is affected in the event of an economic-financial crisis in the European space and to present some ways that can help to get out of the crisis.

A descriptive research focused on the study of official statistics and literature was used in this paper. Its purpose was to identify the vulnerabilities of volunteer management project in the context of the economic and financial crisis, as well as organizational behavior during times of crisis.

In conclusion, the economic and financial crisis has a major impact on education and on the labor market, producing demographic and economic changes in the context of globalization. Thus, the strategy of the European Union includes "voluntary activities" among priority areas that can maximize the social and economic benefits of the community.

Keywords: crisis management, economic and financial crisis, project management, strategy, volunteering

JEL Classification: G01, I290

1. Introduction

Volunteering is a generous area and a good opportunity to promote it among citizens as a general value at society level.

Volunteer organizations as part of civil society, which promotes responsibility, self-affirmation, transparency through a participatory process, are at the limit between private companies pursuing profit and state institutions that seek to satisfy the public interest, being prepared to meet the needs of the categories of population that are disadvantaged or excluded, but without substituting public service.

As an activity of public interest, volunteering influences various fields: social assistance and services, protection of human rights, medical, sanitary, cultural, artistic, educational, scientific, humanitarian, religious, philanthropic, social and community-related, and so on, real benefits to the community.

Volunteering is beginning to be a general and constant concern both among public opinion and politicians. Thanks to its mobilizing valences, volunteering takes on a larger scale in times of economic and financial crisis, wars, natural disasters, etc. It is obvious that the emergence of economic crises influences the quality of volunteer activities, but on the other hand, these activities can facilitate the emergence of these crises.

Crises can be related to these malfunctions and can be analyzed by economists according to specific criteria, manifested by stagnation, recession, inflation, unemployment, etc.

¹ Ph.D. candidate in Management, The Bucharest University of Economic Studies, Romania, e-mail: loredanicoleta.zainea@gmail.com

² Professor Ph.D. at the Faculty of Business and Administration, University of Bucharest, Romania

Economists have formulated numerous theories about the emergence and development of economic crises, as well as how to prevent them, but have not reached a consensus.

It is very important to study the causes and effects of the malfunctions that may occur in volunteer organizations and the management of the projects that are being carried out, in order to find solutions for their elimination.

The paper aims to identify how the volunteer management projects are affected in the event of an economic and financial crisis in the European space, and to present some concrete ways that can help to get out of the crisis.

The paper is structured as follows: the theoretical framework is presented in the second part of the paper and highlights general aspects of volunteering, volunteer project management, economic - financial crises, and crisis management. The third part of the paper deals with the strategy of emerging from the crisis by adopting an interactive management of volunteer projects focused on three directions, namely education, public policies, entrepreneurship. The paper ends with conclusions.

2. Literature review

Volunteering papers address all people who have a civic spirit or want to form it, as well as volunteer organizations everywhere that are an active component of civil society, whose actions are geared to solving community problems and contribute to social cohesion.

The specialized literature focused on the study of volunteer management project is constantly developing due to the growing interest of the population in initiating and carrying out voluntary actions for the benefit of the community.

Table 1: Definition of volunteering

No.	Definition
1.	„Volunteering is the participation of a volunteer, a person, in activities of a public interest pursued for the benefit of other persons or of society, organized by legal or public law bodies, without remuneration, individually or in groups.” (According to art. 3 lit. a) of Law no. 78/2014)
2.	„Self-initiated activity by any individual for the benefit of others without receiving material consideration.” (National Volunteer Council, 2011)
3.	”Volunteering is a component of civil society. It inspires the most noble aspirations of mankind - peace, freedom, opportunity, safety and justice for all people. In this era of globalization and continuous change, the world is becoming smaller, more interdependent, more complex.” (The Universal Declaration on Volunteering, 2001)

According to the definitions (Table no.1), volunteering is a complex and multidimensional concept that encompasses the entire social spectrum and economic activities in various fields of activity.

Volunteering can be regarded as a socially, economically and ecologically responsible concern, as it is based on moral values, the preservation of natural resources, and aims to improve the quality of life and meet the needs of the community.

Volunteer management projects

In the recent decades, contemporary capitalism has been criticized for suffocating democracy and turning citizens into consumers. This fact led to the ethical approach of corporate capitalism and the consideration of its responsibility to the present society as well as to the future one.

In the period since the fall of communist regimes, a number of factors such as globalization, the revolution of information technologies have led to the development of the concept of volunteer management project.

In order to analyze the management of volunteer projects, it is necessary to define the project term. The theorist Harold Kerzner defines the project as "a series of tasks and tasks that have specific objectives to be met taking into account certain specifications with a well-defined beginning and end, having a limited budget and using human and material resources." (Kerzner, 2013). Projects are diverse, differing according to their objective, the field to which they are addressed, the nature of the activity and their beneficiaries. All projects have some common features (Fig. 1).

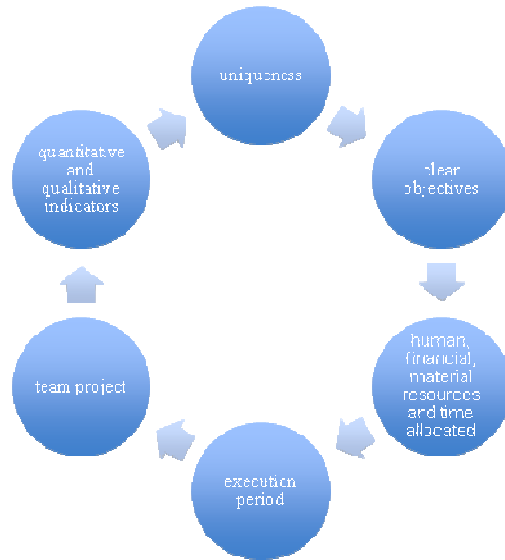


Figure 1. Common features of a project. Realised by the authors.

In the past decades, volunteer managements projects has been a major topic, because identifying effective methods, techniques and tools can help raise awareness and involve as many volunteers as possible in solving community social problems and building responsible to face the new challenges in the labor market, which are constantly changing. Volunteer management projects represents also formal methodology developed in order to manage the projects.” (Newton, 2006, p. 57) and ”the connection between the project manager and success still requires further study (Berssaneti & Carvalho, 2014, pp.638-649), ”particular concerning a sustainable perspective.” (Martens & Carvalho, 2016, pp.1084 -1102)

Table 2: Definition of volunteer management projects

No.	Definition
1.	”Is a new way of thinking and relating to each other.” (Álvarez & Lozano, 2014)
2.	”A group of activities that are related in an organized way to achieve a goal.” McCollum & Banacu, 2005)
3.	”Set of principles, methods, and techniques that people use to effectively plan and control work within a project.” (Murch, 2001, p. 123)

According to the definitions (Table no. 2), it results that the volunteer management projects is a unique process that is based on the five functions (planning, organizing,

commanding, coordinating, controlling) of H.Fayol (1916) it allocates certain terms and resources, in order to achieve the planned objectives. Achieving fixed objectives means ensuring the quality (performance) of the service provided in relation to the costs and time allocated. In practice, it is difficult to equally measure the three parameters of the " Project Objectives Triangle , respectively cost-time-performance" (Lock, 2000, p. 9), and for this reason the project manager should consider one of them as a priority.

Economic and financial crisis

Crisis is a concept known to public opinion that affects the labour market, political, social, economic life and generates chain reactions due to globalization. The crisis can be approached from an evenimential point of view (the characteristics of the crisis being surprise, unpredictability, improbability) or processual (allows the determination of the origin of the crisis, the stages of the crisis, and the settlement).

There are several types of crises:

- *Social crises* (rising inflation and unemployment rates, increasing poverty);
- *Financial crises* (drop of stocks, deregulation of financial mechanisms);
- *Political crises* (conflicts that can lead to wars);
- *Crisis caused by certain natural disasters*;
- *Economic crises* (a period of decline manifested by the decrease or stagnation of economic activities);
- *International crises*.

The National Bureau of Economic Research (NBER) defines the crisis as being "a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, industrial production, and wholesale-retail sales."

Some economists appreciate the financial crisis as being "unique, each representing a historical accident, generated by specific factors, in a certain socio-economic and political context. Financial crises often lead to economic crises." (Haralambie, 2011, pp. 67-77)

The most important crises in history were:

- *Great Depression (1929 - 1933)*: originating in the United States., spread worldwide with the fall of the Black Friday Stock Exchange October 29, 1929. Overproduction, war debt, and unequal distribution of wealth were the main causes of the crisis;
- *Black Monday (1987)*: originating in Hong Kong, spread to the West of Europe and the United States. Pessimistic scenarios on inflation, contradictions in monetary policy led to the collapse of world stock markets;
- *International Financial Crisis (2008 - 2013)*: originating in the United States, based on the bankruptcy of Lehman Brothers. Poor monetary policy, evasion and tax fraud have been the main causes of the crisis;
- *The sovereign debt crisis (2009 - 2013)*: poor quality of public policies, over-indebtedness of governments by increasing public debt, the phenomenon of "tax contagion" (Pardau & Pascal, 2003) which quickly emerged in the European Union, due to the interconnection between member countries, were the main causes of the crisis.

Crisis management

Crisis management represents a plan developed by managers of the volunteer organization, whose purpose is the reduction of the impact that crisis-generating factors produce on volunteer organizations and the normal running of the organization's activities.

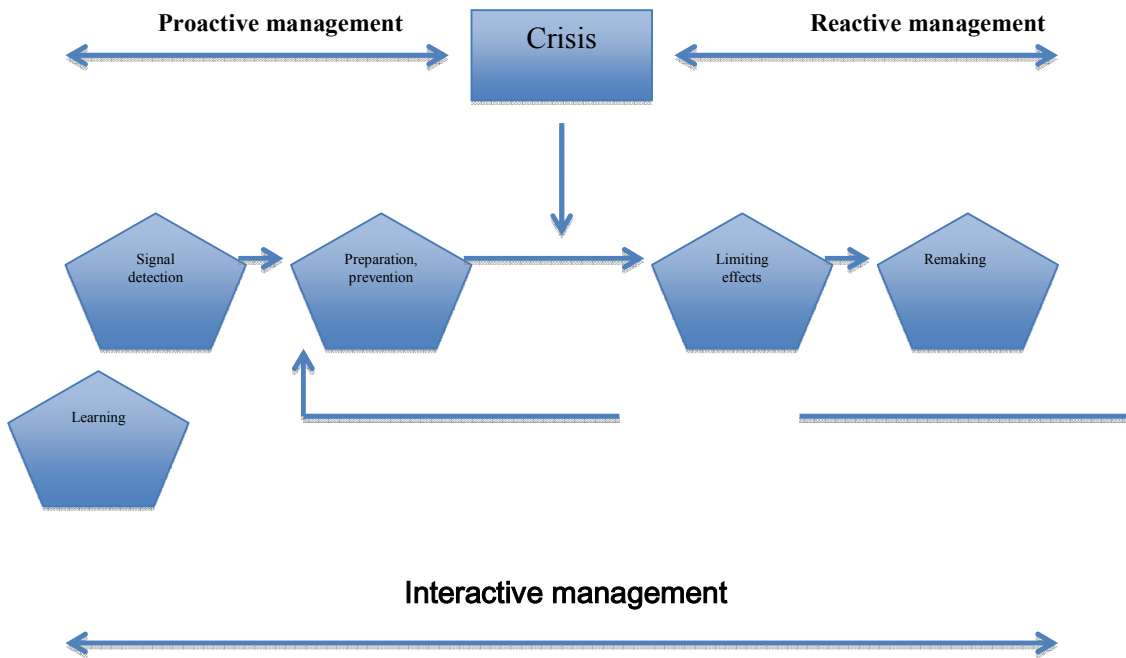


Figure 2: The three types of management used in crisis management, Adaptated after: Chiciudean, & Tones, 2002, pg.45

According to I. Chiciudean and V. Țoneș, three types of management crisis are distinguished: "reactive management, proactive management and interactive management". There are five stages from the emergence to the end of the crisis, as follows: signal detection, preparation/ prevention, limiting effects, remaking and learning.

- *Proactive management* "characterizes the pre-crisis phase and consists of identifying crisis signals and preparing the crisis situation". (Marinescu & Toma, 2015, pg.184)
- *Reactive management* is based on limiting the effects of the crisis and restoring the normality situation.
- *Interactive management* is found in all stages of crisis evolution, which allows it to "refine their action to avoid repeating mistakes in the event of a new crisis." (Marinescu & Toma, 2015, pg.185)
- The crisis may affect the mission and organizational culture of volunteer organizations, can induce distrust among volunteers because of the subjective way of perceiving life and reality.

3. Ways to diminish the effects of the crisis through volunteer projects

After 1990, with the collapse of communism and the disappearance of opposing ideologies, we can talk about the phenomenon of generalized globalization that facilitated the expansion of the economy.

Financial globalization, as an instrument of economic globalization, was built on the mechanisms provided by financial and technological innovation, and cultural innovation, through the transmission of information throughout the world, made it possible to move the entire mechanism. Thus, "the world has become a vast casino where game tables are re-launched at all latitudes and latitudes."(Allais, 1999)

In terms of economic and financial theory, the financial crisis of 2008, subsequently transformed into an economic crisis, although it was felt in almost all countries, was not considered a novelty.

The main cause of the crisis was the saturation of the three engines of growth, namely credit, consumption and relocation.

The effects of the crisis in the European Union were analyzed by economists according to specific criteria and two conclusions were drawn:

- the unique currency was a stabilizing element for the economy;
- the demand for services and products that came from the former socialist states was a saving element.

Even if both liberal and interventionist systems generate comparable costs, but are allocated differently between the private and the public sector, they cannot meet all the expectations of the community.

Thus, volunteer organizations, as part of civil society, are at the limit of private companies, which pursue profit and state institutions that seek to satisfy the public interest, and are prepared to meet the needs of disadvantaged or excluded populations categories, but without replacing the public service.

Volunteer projects can be assimilated to "philanthropic acts, they are artifacts of immediate solidarity and enter into the basic structure of life styles" (Săulean, 2001).

The strategy used in volunteer projects, concerning the administration of the crisis, is based on interactive management.

In order to diminish the effects of the crisis, the volunteer management projects focus on three directions:

- *Information, promotion* (of formal and non-formal education, entrepreneurship concept, etc.);
- *Training* (organizing courses, trainings, mentoring, coaching, etc., in order to facilitate the insertion into the labor market);
- *Lobby* (concerning public policies).

Education

Education can be considered a national security element, as a trained population contributes to stability and deter external threats of any kind.

Reducing the gap between people with low levels of knowledge and those with a high level of knowledge has a positive impact on social and economic cohesion.

Given the rapid technological change in the European space, it is very important to promote formal learning, non-formal and informal, development of volunteer projects whose purpose is the formation of new competences for improving the quality of life, increasing employment opportunities on a globalized market and responding to new employer demands.

Courses conducted on various areas of activity, coaching, mentoring, or experience gained from the actions undertaken, contributes to vocational training.

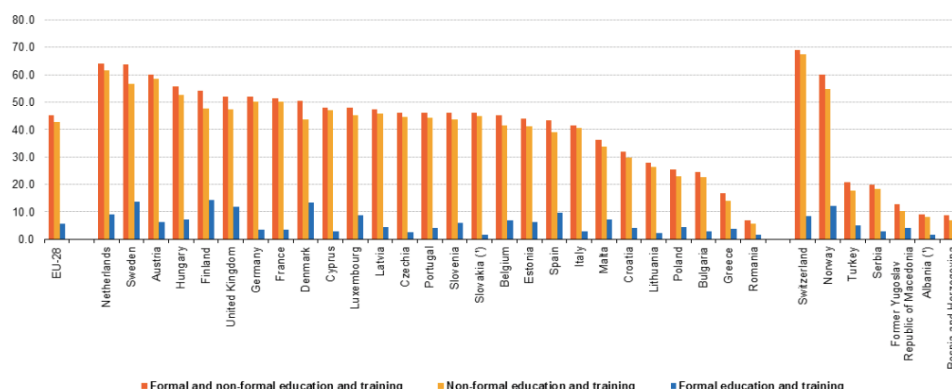


Figure 3: Participation rate in education and training (last 12 months) by type, 2016 (% of adults aged 25–64). source: eurostat (trng_aes_100)

As it can be seen, (Fig. 3) over 45% of older workers in the European Union participated in a form of education (formal or non-formal) in 2016. The highest share of the active population that participated in education and training, respectively 64.1%, was registered in the Lower Countries, while Romania had a participation rate of 7%. In Finland, Austria, Germany, France, Denmark, the participation rate was 50-60%.

One of the eight common objectives for the Member States, formulated in the Strategic Framework for European Cooperation in Education and Training (ET 2020), states that at least 15% of adults participate in the lifelong learning process, which demonstrates the importance the EU attaches to this process.

Public policies

Public policies are actions undertaken by authorities or institutions as a result of decisions taken by political actors to solve community problems.

The poor quality of public policies was one of the causes of the emergence and development of economic and financial crises. For this reason, it is very important to involve volunteer organizations in the establishment of the public policy agenda, thus:

- actively participating in the development of these policies by providing specialized information and structured arguments, which help in the adoption of alternatives and optimal decisions by specialists;
- monitoring the process of public policy implementation and evaluation.

Identifying major community issues and taking into consideration by the officials can be done through volunteer organizations and volunteer projects.

In the context of the economic and financial crisis, volunteer management projects can approach different policies, such as:

- *goal-oriented policies* (refer to general and complex issues that are materialized in medium-term objectives, eg.: Poverty Reduction Program, Sustainable Development Strategy, etc.)
- *problem-oriented policies* (refer to the specific aspects of a particular policy area that need to be solved, eg.: reducing the unemployment rate, improving the accreditation system of universities, etc.)

Entrepreneurship

In the recent decades, entrepreneurship has been promoted in business and university sector as an important factor in economic growth and competitiveness.

”The entrepreneur always seeks change, responds to it and exploits it as an opportunity”(Drucker, 1993).

In the context of an economic and financial crisis, entrepreneurship involves organizational behavior where innovation, creativity and risk-taking are basic elements in the conduct of economic activities.

Eurostat, the OECD and the partner countries created in 2007 the Eurostat-OECD Indicator Program on Entrepreneurship Indicators, which collects comparable statistics at international level. However, the work is underway, as statistics are limited and do not capture all the important aspects of entrepreneurship.

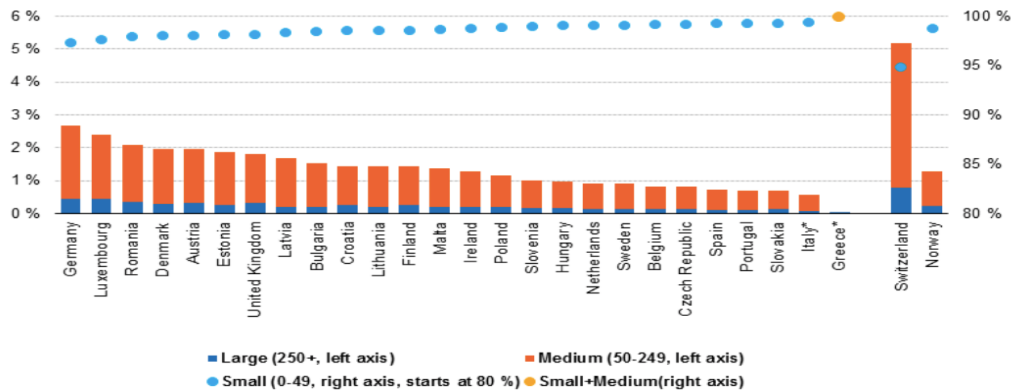


Figure 4: Distribution of the number of enterprises by size classes (persons employed), 2014
Source: Eurostat *(sbs_sc_sca_r2)*

As it can be seen (Fig. 4), small enterprises (10-49 employees) represent the majority in the European space, with a share of 95% in Switzerland and 99% in Germany. Medium enterprises (50-249 employees) are more numerous in countries with a large share of large enterprises (over 250 employees).

The European Union recognizes that SMEs are the backbone of the European economy, and in this sense, E.U. allocated a budget of € 2.3 billion over the period 2014-2020, the C.O.S.M.E. Program for the Competitiveness of Small and Medium Sized Enterprises.

4. Conclusions

Volunteering in the context of the economic and financial crisis is a decisive factor in the development of vocational education and training, because it stimulates responsibility as an effect of work, self-esteem and respect for your fellows, initiative, promotion of personal ideas, courage and gives you the feeling of belonging to a group.

In the context of an economic and financial crisis, volunteer organizations can influence the quality of public policies, through active participation in their development, providing scientifically-based information and monitoring the process of implementing and evaluating these policies.

Non-governmental organizations have the mission to promote the concept of volunteering on a societal scale, as they are continually concerned with identifying the best solutions for ending the crisis, sustainable development and reducing poverty and social inequalities.

The standard of living of most people is directly proportional to the well-being of an economy, and philanthropic behavior, divided into two broad categories, donations and volunteering, varies according to fluctuations in the economy.

Under the economic and financial crisis, volunteer projects demonstrate that the process of moving goods and labor is unfolding on two levels, namely the market economy and the one belonging to civil society.

Entrepreneurship, a key factor for growth and competitiveness, may be another way of facilitating exit from the crisis. Its promotion in the business and academic environment can be done through volunteer projects.

The crises occur from time to time, and they are influenced by specific factors and develop in the context of a certain economic, social and political conjuncture. While economists should find answers to the question of changing or maintaining the current economic model, based mainly on monetary ideas, and financial constraints caused by the crisis, blocks the settlement of community problems, an accessible alternative to solving them remains the interactive volunteer management projects.

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ENTREPRENEUR AND BUSINESS RISK

Prof. ec. Elena Zemeili¹

Abstract

Before being an entrepreneur, a person has to give up the comfort of a job, be an entrepreneur. The success of the entrepreneur depends heavily on his personality, his culture, his previous professional knowledge and experience, the degree to which he accepts the risk, the way he exploits the opportunities, the external environment, the support that can count on his friends, the community Business. Entrepreneurship as an enterprise management process involves considerable initiatives and risk, and an entrepreneur must be willing to take risks and do business courageously and on a large scale. In most situations, the entrepreneur limits the risks to the extent possible, because their accumulation over time becomes dangerous, an imbalance that is too important or that ruins, leading the enterprise to bankruptcy, that is, when it ceases to work. In recent years, success in client risk management techniques, used to improve the perennial and enterprise performance, has led to their penetration and other components of the need for working capital.

In the context of the current market economy, entrepreneurship starts with courage, but it is an important opportunity for the development of the Romanian economy and society.

Let's say from the top of the page: Entrepreneur is born or not. Therefore, entrepreneurship is not about the graduate schools and the awarded diplomas!

We do not have an entrepreneurial economic culture today. Even if you feel and maybe you are an entrepreneur, society, the other players in this economic environment do not seem willing to value you.

The idea of an entrepreneur is to face the difficulties to get to success starting with business planning and ending with experimentation, using the steps:

- business modelling
- lean start-up
- design thinking

Any entrepreneurial start is hard, any entrepreneur knows that. If it's easy, it's not entrepreneurship, it's different.

Before being an entrepreneur, a person has to give up the comfort of a job, be an entrepreneur.

The entrepreneur is the person who takes the risk of entrepreneurship and seeks ways to organize the enterprise. He needs to know how to do entrepreneurial activity, the business environment, the problems with which he can collide, and the possibilities of solving it.

In order to make the right decisions, the entrepreneur must estimate the market situation and its actual position to the right value.

As a rule, such a person is sometimes willing to give up many things, to the previous lifestyle, to the basic profession, to overcome inertia, to have energy, power, ambition.

The success of the entrepreneur depends heavily on his personality, his culture, his previous professional knowledge and experience, the degree to which he accepts the risk, the way he exploits the opportunities, the external environment, the support that can count on his friends, the community Business.

We are currently witnessing changes in the labor market, from very dynamic and flexible working practices, new managerial and organizational models, collaborative working methods to advanced automation that put their mark on the entrepreneurial process.

Entrepreneurship as an enterprise management process involves considerable initiatives and risk, and an entrepreneur must be willing to take risks and do business courageously and on a large scale.

More and more entrepreneurs discuss and apply the knowledge-based economy, which involves: increasing the level of education around the world; innovation as a key factor and

¹ "Ion Ghica" Economic College Braila

competition factor; creating values based on data and knowledge; the new elite of global knowledge - the creative class and lifelong learning.

In addition, we cannot ignore the permanent presence of digital culture, from digital technologies that spread and link every aspect of everyday life to the new form of social communication, participation and organization, Web 3.0.

In a competitive economy, the conduct of business, irrespective of its profile and position on the market, is exposed to internal and external risks (major or minor, obvious or hidden) that permanently endanger its balance.

That is why the entrepreneur needs to know them, to anticipate them and to find ways to followed to avoid or mitigate the effects that I can trigger.

Economic risk, in a general definition, means any element of uncertainty that may affect the activity of an entrepreneur or the conduct of a particular operation.

In the economic and social sphere, depending on the possibilities of identification, evaluation or measurement and economic control, there are two ways of addressing risks: pure or accidental risk and speculative risk.

Pure risk represents the possible threat of an event (element of uncertainty) that, if it occurs, will cause harm (the element of certainty). The risk is then a potentially uncontrollable danger associated with a random accidental incident from the point of view of the considered entity.

Unwanted by the entrepreneur - especially because of the uncertain consequences he may trigger - but partly, predictably, this kind of risk incites protection, transfer and insurance behaviors against his effects.

However, speculative risk is a controllable, delimitable, and especially accepted, risk. In the case of speculative risk exposure, there is a probability of loss (in case of failure), but there is a much more attractive alternative to successful gains.

This type of risk is in fact a volunteer stake of risk-challenging individuals, either by competition (athletes) or by personal philosophy (trying to force good luck), - at risk jobs - either by accepting monetary losses (assuming a danger) in order to achieve, in case of success.

Behavior of the entrepreneur - renouncing some immediate but certain advantages in return for more substantial but uncertain uncertainties, is due to his perception of the existence of favorable circumstances for improving his own situation and influencing his option of affecting the resources at his disposal (intellectual, psychic, physical, material and financial).

So, the entrepreneur renounces the opportunity of financially safe incomes and personal comfort, if by the activity that he is going to perform, he anticipates that he will achieve a higher income than that obtained under other conditions.

In business practice, it is not easy to draw an indisputable boundary between accidental risk and enterprise-specific risk, as it moves according to the characteristics of the enterprise and, above all, the means it has to influence its environment.

So, for example, a small enterprise, due to its limited influence on its environment, may consider a pure risk what a more important economic society considers to be a speculative risk, taking into account its means of forecasting and action. This is the case for the risks of trade (supply and sales) relationships where negotiating partners can change the terms of trade without the consent of the partners.

In most situations, the entrepreneur limits the risks to the extent possible, because their accumulation over time becomes dangerous, an imbalance that is too important or that ruins, leading the enterprise to bankruptcy, that is, when it ceases to work.

Potential losses due to critical events focus on the following areas:

- company patrimony - property or rights owned or used;
- the net income from the performed activity;
- the commitments assumed;
- responsibility towards third parties;

- staff.

The four stages of risk management are:

- the analysis, which consists of identifying and assessing risks, through a systematic and exhaustive inventory, in which the pure risks separate from those resulting from the implantation of the enterprise's commercial policy;

- treatment, which involves the choice of prevention-insurance policy and the installation of adequate prevention devices;

- administration, which selects a mode of financing, for each identified risk in the following variants: the undertaking by the enterprise of a party or the integrity of the financial burden of its risk; transferring risks to a third party - banker, client, subcontractor, insurer, when the risk cannot be eliminated or taken over by the enterprise; control, which consists of applying preventive measures and updating them to avoid reproducing one of the risks.

In recent years, success in client risk management techniques, used to improve the perennial and enterprise performance, has led to their penetration and other components of the need for working capital. There is a progressive extension of these methods to the management of stock accounts and suppliers.

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