

THE “NEW ECONOMY” AND THE ENTREPRENEUR: REASSESSMENT AND PERSPECTIVES IN THE CONTEXT OF XXI CENTURY

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Abstract

Industrial revolutions, the progress in IT industry, the growth rate of developing new technologies, global competition, liberalization of markets, continue to demand change, globalization of market, economic and financial crisis are just some of the causes that have contributed to the restoration of a new global economic with direct impact on business entrepreneur. Changes socio-economic level paradigm is reflected both in changes to management and organization paradigms enterprise activity in the product market, at work, at the performance that follows the entrepreneur.

In this article we tried a summary of mutations in these paradigms, mutations that will rearrange and reposition the business entrepreneur in the current context of a sustainable economy, based on knowledge, so-called "new economy".

Keywords: „new economy”, sustainable development, enterprise, paradigms, changes, global performance

Jel Classification: D00, D20, D30, D40, D60

1.Introduction

The „new economy" so called "post-modern, post-industrial, post-capitalist", "post-traditional" reflects the current transition from industrial society to a new company "information "or" knowledge "is marked by complex and profound changes in all areas of activity, with major implications for economic, social and environmental process has a scale and speed unprecedented in world history.

Peter Drucker (1999) appreciate that: „We can be sure that the world will result from this rearrangement of values, beliefs, economic and social structures, political systems and concepts, in other words the conception of the world will be different from what anyone could imagine today. In some areas - especially in the company and its structure - the basic transformations have already taken place. The fact that the new company will be a non-socialist and post-capitalist one is practically a certainty. And it is also certain that her primary resource will be knowledge. "

The “new economy" or knowledge-based economy reflects that economy development that exceeded the threshold beyond which *knowledge* is the key resource. What makes this knowledge to become a resource so important? There are many factors which result in this most important being: progress in Information and Communication Technology (ICT), the increase the speed of development of new technologies, global competition, liberalization of markets, changing demand due to continuous growth rate of people middle and high income (which to develop a sophisticated demand for quality products), increasing the importance of quality of life. Dictum:

TIME IS MONEY (characteristic of capitalist society) was replaced with: KNOWLEDGE IS POWER (information society, knowledge society).

At present we can summarize three factors that determine the primordial transformations taking place in society, making the transition from industrial-type economy to the “new economy” based on knowledge, namely: *technical-scientific revolution, globalization and financial crisis*.

Human society has changed a lot and change now increasingly faster. Human society has gradually shifted emphasis from manufacturing to the production of automatic type, from individual knowledge to the group, thus emphasizing the importance of communication.

In summary, we present below the specific characteristics and socio-economic development steps:

Table 1: Characteristics of socio-economic development steps

Development Stage	Pre- industrial	Industrial	Post-industrial
Production Sector	Extractive	Manufacturing	Processes, services recycling
Economic Sector	Primary : -agriculture - mining -Fishing -Wood -Oil and Gas	Secondary: -production commodity consumer -goods-producing durable -constructions	Tertiary: -Transport -Utilities Quaternary -Trade -Finance -Insurance Quintenary: -Health -Education -Recreational
Resources Converted	Natural resources: water, wind, power animals, human strength	Energy created: electricity Nuclear power	Information: systems computers and data transmission

Source: W.J.Keegan, Multinational marketing management, Prentice Hall, Inc 1980, p.61

Table 2: Specifics stages of socio-economic development

Development Stage	Preindustrial	Industrial	Postindustrial
Production Sector	Extractive	Manufacturing	Processes, services recycling
Strategic Resources Technology	Raw materials Force	Financial Capital Technology cars	Knowledge Technology intellectual
Methodology	Common sense, experience, and error	Empiricism, Experimentation	Abstract theory, Simulation models, Decision theory, Systems analysis
Perspective temporal	Orientation to the past	Adaptability ad experimentation	Future orientation, predictions programming
Axial principle	Traditionalism	Growth economic	Codification knowledge theoretical, satisfaction and motivation
Key Concepts	group of individuals,	set of processes, teams,	set of knowledge,

Development Stage	Preindustrial	Industrial	Postindustrial
	hierarchy, bureaucracy, strategy	goals, marketing, negotiation	ecosystem, team free expression of creativity (no strict targets), innovation
Role Information	vehicle along hierarchical pyramid	bond between partners collaborate on projects common	scarce resource, support organization "aware" continuous learning

Source: own processing based on W.J.Keegan, Multinational marketing management, Prentice Hall, Inc 1980, p.61

2. General characteristics of the "new economy"

The specifics of these stages of socio-economic development have created the foundations for the development of the "new economy" which can be identified by several key characteristics:

A. *The new economy is based on new digital technologies*

In this new economy is intended exploitation of the potential information-based products and services. The main consequence is that the principles governing the information world (the world of intangible products and services) will soon dominate the hard drive world (the world of reality, of atoms, objects, oil and steel and heavy labor).

B. *The new economy is based on knowledge*

Products made in the "new economy" have a new property: knowledge. Their value is given by the logical facet and not physical - the material they contain. Therefore, they may be called "weightless". From money, materials, equipment and human resources, as the main categories used by the entrepreneur, today we come to recognize the paramount importance of a fifth resource which is information.

C. *The new economy is based on innovation*

The new economy is based on Information and Communication Technology (ICT), to alter radically the nature and trajectory of innovation. In the "new economy" usual economic logic, based on turnover and profit, is gradually replaced by a new logic, based on potential for development (innovation) and ensuring the completion of the three main principles:

- access (and answer) instantly;
- personalized service;
- simultaneous presence in several places (ubiquity)
- higher valuation of the assets "intangible" (which often increase the share value of shares of companies over the material assets).

For these reasons the science, technology and education are key factors in the "new economy"

D. *The new economy is based on learning*

The speed of technological innovation and competitiveness requirements asks for a continuous updating of knowledge and revolutionizes the education and training system, requiring the introduction of the new training concept ("life-long learning").

The "new economy" in all its manifestations, such as changing the requirements for many occupations and basic training in different jobs as follows:

- 80% of existing technology will be replaced in the next decade;
- Average life skills (abilities) of a worker (employee) is 3-5 years;
- In terms of technological advances we "getting old" at every 5 years and we need re-training.

Therefore, in the "new economy" learning process has great significance as a cumulative and continuous over time. New information and communication technologies offer new forms of

education and training, distance learning, virtual university, computer training, etc. Learning process should and can take place anytime and anywhere. In the "new economy" learning and initiative are vital and largely determine the effectiveness of the activity.

E. The "new economy" is a global

Developing information and communications technology transform our economy in a global economy in which national economies interact. Trade and capital markets are globally connected and operates continuously (24 hours / day), at a distance and in real time.

F. The "New economy" is a sustainable and socially responsible economy

Currently we assist at the transition from an *uncontrolled development*, which was accompanied by irrational and inappropriate exploitation of resources and raw materials, the size of the profit driven, to sustainable development which has three main dimensions: *economic, social and environmental* development. The enterprises understood that to succeed in business must provide and ensure environmental protection and proper work conditions, pay for collective rights of employees, cooperate to this end with local communities in which they operate, with unions, non-governmental organizations and governmental institutions.

In the context of sustainable development gradually appears the corporate social responsibility concept. This concept defines the direction and attitude of a company for inclusion, voluntarily, in the strategy and its current work, the concerns (projects and activities) with the social and environment in terms of ensuring economic success of the business.

G. The "new economy" and financial crisis. Switching to a "new reconsideration financial economy"

The financial crisis has had an impact on re-establishing a new economic world order. In this context, some authors appreciate that the crisis has produced "breaks" in the history of the world economy, along with a fracture occurring in the economic thinking. Separation of such a model involves both a reform of financial capitalism and the architecture of international relations and building pluralistic development trajectories. (Popescu-Bogdanesti, 2011)

3. The enterprise and the "new economy"

As the main actor of economic phenomena, the enterprise could not remain outside of these concerns to reveal the substance of change. Simultaneously with the development of "new economy" we currently assist to a *change of the companies paradigms*, as follows:

A. Changing the paradigms of production and commercial processes, among which the transition to outsourcing, fragmentation and outsourcing activities, relocation of production ("outsourcing ") which allowed the appearance and growth of multinational transnational companies, and the transition from "a mass production (large series)" to " a flexible and diversified production (depending on individual customer requirements) are more important (in the context of this paper).

B. Changing the organizational and management paradigms, among which we mention the following:

- from the classic organization specializing single purpose, to the partnerships with networks; -
- from "Companies-structures" to "-project companies";
- from "we are separated and we compete" to "we are connected, we cooperate and we compete.

". Encouraging American proverb "if You Can not Beat Them, Join Them" (if you can not win, joining up with) is the current orientation of the world economy at the beginning of the third millennium.

We currently assist at the companies level to an emphasize of the mergers and consortiums process, to relocation of production ("Outsourcing"), to a virtualization of the organization, outsourcing, fragmentation and subcontracting of the activities

C. Changing the work paradigms

We are currently witnessing to a traditional labor paradigm shift from:

- routine work to "work is constantly changing";
- "office (work) first of all " to " work first of all ";
- Fixed-term work program to "flexible work arrangements";
- work (career) life to "career portfolio" which express the diversification of activities, and the professional and occupational mobility and flexibility.
- "fix" workplace to a "mobile "workplace;
- worker goes to work to "work comes to the worker";
- job choice based on location of residence to " you live in a place - you can work anywhere "or" work at distance . "

Management companies are radically. Firms ask for flexible forms of employment, a greater variety of styles even if they are experimental, the ability to perform several types of work, a greater customer orientation and using new information and communication technologies.

D. Changing the customer paradigms

The environment in which firms are currently developing has changed radically in recent years by:

- a) Taking control of the client, this supports more than to be perceived as a member of the community, and increasingly as an individual;
 - b) Changing customer attitudes towards products and services that:
 - it must be adapted / configured to satisfy customer needs;
 - it must be provided in an accessible and practical possible manner;
 - it must be delivered when it is convenient to the client.
 - c) Market globalization; the client often wants to have products / services worldwide.
- These transformations motivate business customer focus.

E. Changing paradigms of organizational performance assessment

From performance based on profit and then return, beginning of XXI century brings the new approaches of organizational performance assessment so that performance begins to be defined in terms of value creation. Defining performance based on value creation has undergone two stages. The first covers the period 2000-2005 when performance was defined by creating value for shareholders (stakeholders) and from 2005 until now when the performance involves the creation of value for holders of interests (stakeholders.)

In the current globalization of world economy, the performing company is "the enterprise that creates added value for its shareholders, satisfied the customers demand, take into account the opinion of employees and protects the environment. Thus, ownership is pleased that the company has achieved the desired return, the customers have confidence in the company's future and in the quality of its products and services and society benefits through policy adopted by the enterprise, environmental protection "(Jianu, 2006)

F. Changing the market paradigm under the crisis

Soros G. thinks that we need a new paradigm, whereas the dominant so far, the liberal balanced markets one , would have proved "false and misleading" and here the problems arising on the international monetary system. Past crises have only test the system and the present crisis has brought humanity into a turning point, where the old policies have no effect. Sand castle

collapses. The moment is dramatic. The dominant balance and market fundamentalism paradigm is unable even to explain the current state of affairs. In this context, Soros G. believes that the time for recognition theory of reflexivity has come. This new theory introduces an element of uncertainty in human enterprises in general and financial markets in particular. (Soros, 2008)

4. Conclusions

The changes we are witnessing at present are unprecedented in human history. To cope with the competitive global marketplace, companies must keep up with these changes. Currently we are witnessing at the change paradigms on which were humanity based for centuries: changing the paradigms of production and commercial processes, the work paradigms, the customer paradigms, the paradigms of organizational performance assessment, the market paradigm under the crisis.

Under these conditions, management of an enterprise must redefine itself and adopt new directions, much more challenging, more flexible, more risky and more opened to the client and to the society as a whole.

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