

The Motivation to Sustainable Development in Times of Administrative Crisis

Diana TAMPU¹

Abstract: In time when crisis give no other chance, business people become innovative at the law limit. This research have canvassed the way that crisis has affected the business in the online environment in Romania, identifying in this particular mode the innovative services that lead to sustainable development in times of crisis. Corroborating all these data, in one stream of investigation we conceptualized a four dimension model of sustainable development in online environment, taking into account the real opinion of people who face problems on this market and their motivation to bypass that moment.

Keywords: motivation; sustainable development; public administration; crisis

1. Introduction

One helpful definition of services in time of crises is given by Gadrey J. (1995) and collaborators. He explained that to produce a service is similar with finding a solution to a problem which does not principally involve supplying a good. This is the ability to place a group of available capabilities and competencies (human, technological, organizational) to a client and to help him to find a solution at varying degrees of precision. In order to be new, and to handle the crisis, a service must be innovative. Schumpeter identified several different forms of innovation: the introduction of a new service on the market, the creation of a new means of production, the discovery of a new of raw material resources or the conquest of a new source of supply of raw materials, the conquest of a new market, and in the end, the creation of a new company.

¹ Postdoctoral researcher, PhD, The Romanian Academy, Romania. Address: Calea Victoriei, sector 1, RO, 010071, Bucharest, Romania, Phone: +40 21-212 8640, Fax: +40 21-211-6608. Corresponding author: diana.tampu@yahoo.com.

In time of administrative crises like the ones we face in this moment concepts like bankruptcies and unemployment draw our attention and force us to create new strategies of reinventing business. Innovation has to be considered a core element of the renewed Lisbon strategy for growth and employment. According to the European Innovation Scoreboard (EIS) from 2011, “Romania is one of the modest innovators with a below average performance”.

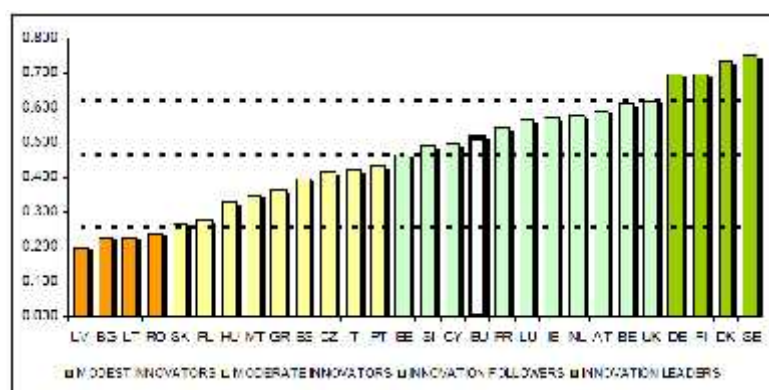


Figure 1. EU Member States Innovation Performance

Relative strengths are in Human resources, Firm investments and Economic effects. Relative weaknesses are in Open, excellent and attractive research systems, Linkages & entrepreneurship, Intellectual assets and Innovators. High growth is observed for Public R&D expenditure, Community trademarks and Community designs. A strong decline is observed for Non-EU doctorate students. Growth performance in Finance and support and Intellectual assets is above average.

As we can see the innovation leaders are: Switzerland, Sweden, Finland, Germany, Denmark and the UK. Observing the degree of innovation that Romania register according to European Innovation Scoreboard, our country is one of the growth leaders among the catching-up countries, with an innovation performance well below the EU27 average but a rate of improvement that is one of the highest of all countries.

The 2007-2013 National Strategy for Research, Development and Innovation defines the following main objectives and targets for innovation policy in Romania:

- knowledge creation. To achieve this objective the strategy proposes to support excellence in research and affiliation to international research

networks to facilitate international exchange of information. In this way, there will be internationally relevant scientific results and the visibility of Romania to the development of the global knowledge stock will rise;

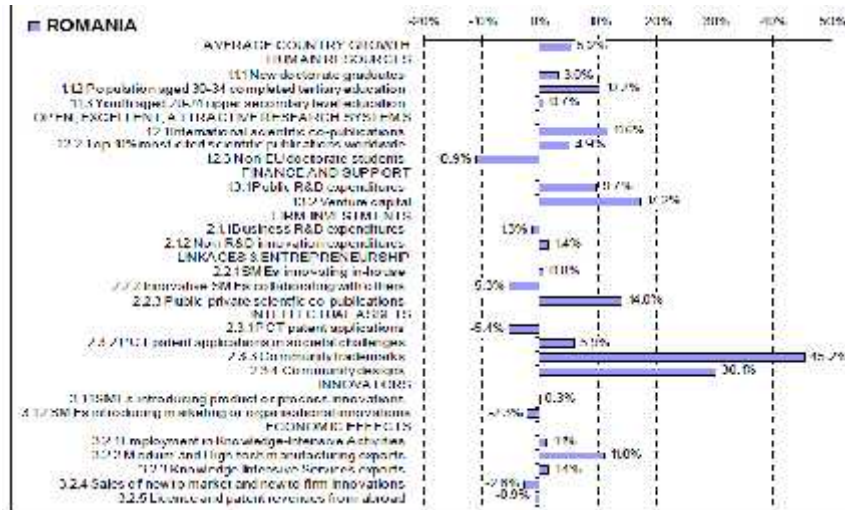


Figure 2. Annual average growth per indicator and average country growth

Increasing the competitiveness of the Romanian economy through innovation by the transfer of the research results from theory to practice, providing in this way to the economy viable engines of growth, providing relevant technological solutions to local, regional or national problems. For this objective to be achieved there should be made partnerships between universities and different economic operators over a long period of time.

- increasing social quality and the standard of living of the population, improving health policy, environment, infrastructure, natural resource use.

The Internet has a significant contribution at the increasing of our rhythm of life generally by obtaining any information with minimal effort. The great paradox is that modern human, although it has more information and ways to improve its life, is constantly running out of time. The multiple and varied offers that assaulted him make him undecided in his election and this in the context that has to take a decision if not quickly than now. Basically the consumer no longer has patience to wait so consequently, producers and service providers meet this need by continuing adaptation through online services, schedule of 24 hours a day, 7 days a week, thunderbolt offers, immediate reward. We become in this way addicted to

consumption. But the economic crisis has forced us to reevaluate what makes us happy and to adapt to the conditions imposed by the market and society giving up in this a way to the life based on consumerism.

In Romania people felt the need to offset the effects of the new lifestyle defying the consumerism by trying to refocus on areas as personal development, spirituality, authenticity, asceticism, to close the Facebook account and spend more time with the family, to refrain from spending hours watching TV, to focus on those products and services necessary, affordable and effective after the excess of alternatives that has consumed in the past.

In an economy characterized by the increasing of the competition, the competitiveness is a condition "sine qua non" for the existence of firms producing goods or providing services. In this context, the policy of service providers had to change and to meet the modern consumer, by adapting the supply of services to their needs by folding in a natural and beneficial way to the values created through the Internet.

The desire of any entrepreneur is to improve the competitiveness of his society through a strategy focused on quality:

- improving the product quality simultaneously with reducing costs;
- expanding the markets - due to a favorable price-quality ratio for the consumers;
- expansion of production capacity and hiring new employees;
- adapting of the existing services to the changing customer requirements, designing and placing on the market of new services.

2. Analyzing the Way the Crisis has Affected Business and Public Sector in Romania

After a long period of economic growth, Romania had to face a period of crisis starting with the second half of 2008. The growth strategy adopted by the government for 2002 till 2008 based primarily on household consumption focused on debt, foreign direct investment (FDI) and capital inflows and not on a sustainable development started to manifest its downside, leaving the country defenseless to the financial crisis.

According to the European Commission's, the growing labor shortages, the expansionary fiscal policy with no credible and predictable medium-term framework, the non-restrictive fiscal and public wage policies hampering competitiveness, rapid increases in household borrowing, as well as the sudden increase of inflation from august 2007 after a long period of successful disinflation, have affected in a negative way the Romanian economy. The economic crisis has spread rapidly throughout all the economy sectors, the results being catastrophic for everyone: decreasing GDP, rising unemployment, bankruptcies.

The anti -crisis plan proposed by the government at the beginning of 2009 totaling EUR 10.5 billion covered a package of 74 financial, social and economic measures. No explicit innovation neither research measures have been included in this miraculous plan proposed by the government, which reflects the low visibility and importance of innovation policies in their opinion. But business people had to survive to this wave using their own methods: new business ideas, reinvention of the old ones or small changes that would bring to them unless the profit at least the survival. A second plan with anti-crisis measures was announced by the government in May 2009. This time, unlike the first plan it feels a gentle strategy of the measures taken. Are targeting the strategic sectors such as agriculture, construction, infrastructure, tourism, environment and health.

However the business environment has suffered both overall, but especially the service sector. The population began to drop everything that was not a full requirement, especially, tourism services, health, shops, restaurants, services catering, etc. In order to offer an image of how the Romanian entrepreneurs reacted to the crisis and how professionally they acted it is presented the following research.

2.1. Research Methodology and Results

The perception regarding the crisis among entrepreneurs from Romania has been assessed through a survey conducted on a sample of 473 companies (about 2 ‰ of the total number of companies currently active in Romania). The information was retrieved through the use of a short yet comprehensive questionnaire and the data collection was carried out in the city of Bucharest. The target of the study was represented by the entrepreneurs from Romania.

The paper conveys qualitative and quantitative analysis results with the ultimate goal of observing which is the perfect model that an entrepreneur must follow in order to be successful.

The process of data collection achieved a number of 473 valid and complete questionnaires, over a period of three months, ranging from May to July 2012. The aim of the sample was to not being representative in terms of overall structure of Romania SMEs vs large companies. We wanted only the existence of an sufficient number of firms in each category in order to be able to analyze it.

The demographic features are depicted below: Company size, and age of the firm.

Table 1. The structure of the companies by size (n=473)

| Company size^{1*} | No. respondents | [%] |
|----------------------------------|------------------------|-------------|
| Micro-enterprise | 308 | 65% |
| Small company | 110 | 23% |
| Medium size company | 47 | 10% |
| Large company | 8 | 2% |
| Total | 473 | 100.00% |

Source: Original material, constructed based on survey data.

Most of the companies are micro-enterprise with 1 to 9 employees. It is good that their percentage is so high, because they represent economic engine. Most of the companies make business over four years, while only 26% said they began their business since the crisis has begun.

Table 2. The structure of the companies by age (n=473)

| Company age² | No. respondents | [%] |
|--------------------------------|------------------------|-------------|
| Less than one year | 11 | 2% |
| Between 1 and 4 years | 112 | 24% |
| More than 4 years | 350 | 74% |
| Total | 473 | 100.00% |

Source: Original material, constructed based on survey data

¹ According to the Romanian legislation – harmonized with the EU legal framework.

² In years since the legal establishment.

It is not surprising to note that more than almost 52 % of the companies have been very 'catastrophically' or 'very highly' affected by the economic crisis, while only 33% declared they had not been affected at all, and 15% declared that they were forced to restructure their business.

Table 3. The changes in the companies' strategies – by company size

| Company size ¹ | Strategy change | | No Change | | Confusion ² | | Bankruptcy | |
|---------------------------|-----------------|-----|-----------|-----|------------------------|-----|------------|-----|
| | No. | [%] | No. | [%] | No. | [%] | No. | [%] |
| Micro-enterprise | 118 | 38 | 138 | 45 | 20 | 6 | 32 | 10 |
| Small company | 84 | 76 | 12 | 11 | 9 | 8 | 5 | 5 |
| Medium size company | 36 | 77 | 5 | 11 | 6 | 13 | 0 | 0 |
| Large company | 6 | 75 | 1 | 13 | 1 | 13 | 0 | 2 |
| Total | 244 | 52 | 156 | 33 | 36 | 7 | 37 | 8 |

Source: Original material, constructed based on survey data

It's easy to observe that the most vulnerable in front of the crisis are micro-enterprises. Of all the companies micro-enterprises holds the largest share of bankruptcies. In addition is observed the lack of professionals in these companies. 45% from the companies don't change their strategies, and almost 6% are in confusion. Can be noticed an increasing trend of those who have changed their strategy once the size of the company increase.

Lack of effective of the anti crisis measures taken by government was the main opinion of the respondents in the survey conducted. 83% of respondents felt that government hadn't a precise strategy for exiting the crisis, 12% believe that government measures have been satisfactory, and only 5% of the surveyed firms stated they had benefited from state aid since the beginning of 2008.

In terms of information it was found that 97% of the entrepreneurs think that as a service to be innovative it must be new. The others identified several different forms of service innovation: new ways of promotion, new methods of selling, new strategies to penetrate the market.

¹ According to the Romanian legislation – harmonized with the EU legal framework.

² Confusion means that the respectively company called a routine decision as a strategic one.

In terms of legislative barriers that have hampered the smooth running of the business, all entrepreneurs have placed the increase of the VAT on the first place followed by the large number of taxes that shall be paid to the State Budget. On the last place were set the taxes that an employer has to pay to hire legally a person.

The most interesting question that the entrepreneurs have had to answer is if they resort to illegal methods of tax evasion to survive on market: 82% were in favor of illegal tax evasion measures to survive on market, while the remaining 18% said they would never go to such measures.

To evaluate what the risk attitude is among the entrepreneurs from Romania after crisis have begun, they were asked if they agree with the statement: "I am ready to take big risks in order to obtain big profits".

Table 4. The risk attitude of the entrepreneurs from Romania

| I am ready to take big risks in order to obtain big profits | No. respondents | Rate of respondents |
|--|------------------------|----------------------------|
| Totally agree | 101 | 21% |
| Agree | 247 | 52% |
| Neither agree nor disagree | 17 | 4% |
| Disagree | 94 | 20% |
| Totally disagree | 14 | 3% |

Source: Original material, constructed based on survey data.

Most of the companies prefer to risk a lot, in order to obtain big profits, because they are aware that in times of crisis, only those who try and take high risk can survive.

3. Identifying the Innovative Services that Lead to Sustainable Development

In Oslo Manual 2007 innovation is considered 'a new or significantly improved product (good or service) introduced to the market or a new or significantly improved process introduced within an enterprise The crisis is the one that offers the greatest number of opportunities for innovation, especially in services sector. Creativity and innovation can move society forward toward prosperity. To cope

with competitive markets post crisis, companies must become inventive; react to the consumer needs and preferences. When we speak about innovation in economy we have to take into account the following:

- product innovation which means inclusion in the market of new goods and services, or of those that have significant improvements;
- process innovation which refers to the implementation of a new or improved process;
- marketing innovation represents the implementation of new sales and ways of presentation and display of products and services;

Innovation must be understood as a multi-faceted phenomenon, denoting both a process and its results. Innovation is very strong connected with competitiveness in terms of economic processes, products (or services), opening up new markets, business start-ups or work organization, having a major role for social and economic progress of Romania, and also for the success of the European knowledge-based society.

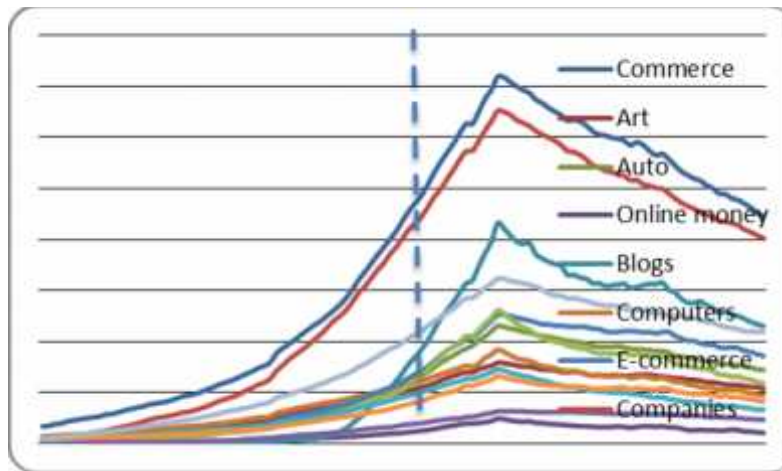


Figure 3. The evolution of sites in Romania between 2003 and July 2012

Source: Original material

As we observe from the graph bellow from 2003 until early 2009, there were an increasing number of sites. This fact has generated a large volume of transactions, and the direct beneficiaries that experienced primarily were the banks, private processors, and international organizations issuing cards through the collection of

processing fees. A surprising boom is registered by E-commerce sites, which recorded a surprising increase from July 2006 through early 2009.

This structure is self speaking: during three years of liberalism (2005-2007), there were more start-ups than in previous three years (2003 – 2005) – which is probably true for the whole enterprise population. Romanian trade starts therefore since 2006 to show its real value. We can observe shy attempts until 2006 to make Ecommerce, the majority of sites being in fact extensions of the existing businesses from traditional retail. We cannot speak about volumes in this period or recordings, because Ecommerce concept itself was treated as an additional marketing channel, often considered speculative and unregulated. Although increases are impressive overall the growth that we might note is from 2007 to 2008. According to www.traffic.ro the increase is 250%.

It can be noted in each year a particular increase in popularity of certain product segments. For 2007: laptops, stationery, networking, software, toys, automotive, footwear, audio, video, music. In 2008, the enthusiasm is also found at computers, telephones, movies, art, industrial, automotive and clothing. The further development bring in front stores of products for which there is clear demand that was not satisfied: clothing and footwear, films, video equipment, art (this more as an involvement of the women element in e-commerce).

From this boom obviously carriers have to gain. Romanian Post Office remains the largest carrier of goods in Romania, although its monopoly remained currently only for shipments in the country, where has maintained its market share due to the lower prices. Online store build their own logistics solutions.

Although in 2009 the number of sites begin to decrease does not mean that the number of transactions registered the same trend. 2007 is the first year in which the overall balance of RomCard made public is greater than the one from 2005. Basically in 2007 the Romanian e-commerce exceeded the volume of cross-border transactions from 2005, reaching the value of 35 million Eur. In 2008 there was an average of 51,000 transactions per month, reaching the total amount of 53 million Eur.

E-commerce grew in 2009 with 75% compared to 2008 reaching the value of 92.8 million EUR. The number of transactions recorded in 2009 was 1,246,130, two times higher than the previous year. In the first half of 2010 the number of online transactions processed was double compared to the same period last year, meaning 1.195 million transactions totaling 68.5 million EUR. Regarding the development

of electronic commerce for 2010, experts from RomCard believes that online transactions by card will register an increase compared to 2009 with about 30%, reaching the value of 120-130 million EUR.

The question is why the upward trend of new sites did not maintained after the crisis has begun. Most businessmen believed that the mere transition from the real the online world environment is enough to survive on the market. The reality was quite different, and many companies began to fail because have not complied with some basic principles. Since the beginning of the economic collapse in early 2009, online shops have also been affected so that very many were closed, and others who have remained have had to adapt, because it haven't complied with some basic principles: Products, Placement (distribution), Price and Promotion (marketing mix), valid principles in the online environment too.

However, innovative services that leads to sustainable development in times of crisis and who respected the principles of survival in times of crisis were: sports betting agencies, websites with discount coupons, more tourism companies visible only online, sites with online contests, sites that teach you how to build your online business, Introduction to Forex trading site.

4. Conceptualizing a New Model of Service Innovation

Gallouj and Weinstein (1997) outlined six innovation models that could be used for describing service innovation. They distinguish between radical innovation, improvement innovation, incremental innovation, ad hoc innovation, combinative innovation and formalization innovation, as we can observe in the following figure.

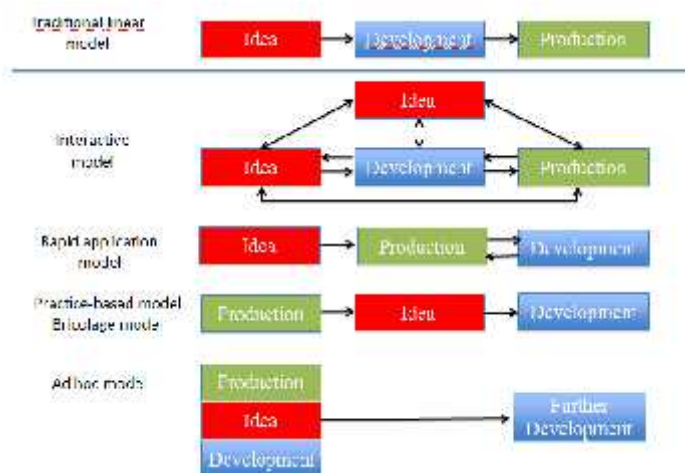


Figure 4. From a linear to an open innovation model

Source: (Gallouj & Weinstein, 1997)

After 3 years, Pim Den Hertog (2000) presented four dimensions for service innovation: the service concept, the client interface, the service delivery system/organization, technological options.

Innovation in services, rarely represent just changing certain characteristics of a service. Offering a completely new service may differ considerably from offering an existing service using a new distribution channel. For example the reason why most of the companies didn't survive in the online environment is that they didn't have a particular concept for online. More than that, they did not follow a precise strategy that can approach them with customers. The way the service provider interacts with the client can itself be a source of innovation. They didn't take into account the technological innovation. The linking between these four dimensions is very important, because a complete new service will mean that a new service delivery system will have to be developed, employees will have to change the way they work or relate to customers (the client interface), the way IT is used in business processes, while a new service concept may also be involved.

Based on the principles of Gallouj and Weinstein (1997) and Pim Den Hertog (2000) this research propose for analyze a four-dimensional model of service innovation in the online environment. The four dimension are presented first followed by the linkages between them.

a. The First Dimension: The client

In times of crisis, the one from which you must start when you develop / open your business is the client. Unlike the traditional sale when you are the one who is looking for the client to sell, in the online environment, the client is the one that is looking for you, and if the site has a constantly updated content and enrolled in several directories, than the client will find you without too much effort. Furthermore, the client must be involved in designing and structuring the product range. In times of crisis will lose those organizations who believe that "they know best what to sell and how, and not the consumer" and will survive those that will learn to listen to their customers. In times of crisis it is preferable that all costs to be borne by the store. Thus the customer will have the impression that win in terms of time and money.

b. The Second Dimension: The strategy

The strategy is always the best response to a crisis situation. In times of crisis, whatever its form of manifestation, the random action without any direction and without clear objective is likely to result in impulsive and risky behaviors with adverse effects. The strategy is the one that lucid examines the showing factors; correlate them with the growth and potential that the organization demonstrates, analyzing its efforts to specific, controllable and reproducible objectives. When the entrepreneur wants to start his online business must take into account that a large number of consumers that are not young, still present reluctance to using the internet for services and acquisitions because they have to offer their credit card data and sites for trade transactions are not always sufficiently reliable. So the strategy should also take into account this aspect.

c. The Third Dimension: Promoting

Finally, in vain you identified the client; in vain you have the best strategy, if not keep in mind the promotion. In fact most companies have fallen into the online environment because they have no longer allocated financial resources to marketing and promotion with the coming of the crisis. Promotion is the key to success in the online environment too. Internet advertising campaigns are very facile and at a very low cost to anyone. To squeeze the maximum value you should choose keywords that best describe your shop profile and find locations where you have to start to advertise. An unfrequented site is something nonexistent. As a site to be visited, to reach his goal, should be visible to his current and future clients and visitors.

d. The Fourth Dimension: Clustering and Networking

Affiliation and the creation of new networks offer benefits to the sites. This makes it possible the achievement of division of labor and companies are encouraged to learn from each other to improve their efficiency. The evidence of development that have appeared until now demonstrates that relations of cooperation and joint action are most likely to occur when companies operate in proximity. Proximity in the online environment means to be part of the same groups or clusters. Besides the fact that fixed costs are smaller the websites are easier to be coordinated, being fostering mutual knowledge and trust. Proximity in terms of the distance to the client means a mouse click away.

e. Linking the Four Dimensions

Any service innovation in the online environment involves some combinations of the above-mention dimensions of service innovation. A completely new service is the more difficult to be sold online, than on the traditional market. The four dimensional model that we propose, can be observed in figure no. 5.

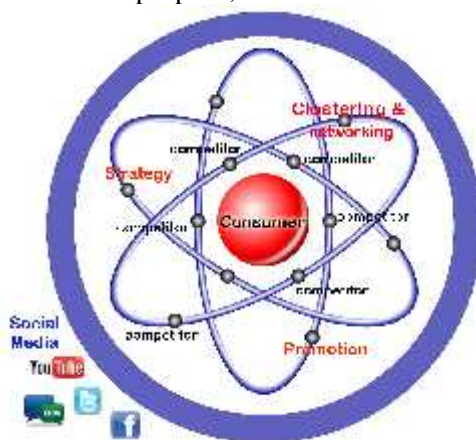


Figure 5. A four-dimensional model of service innovation in online environment

Source: Original material

To cope with competition, and to maintain on the market, the service must respond exactly to the customers' needs, in this case to the needs of a customer that experiment an economic crisis. In times of crisis, customers place great emphasis on the financial resources, because this is what they lack. Thus, the service offered must have a competitive price. To develop it you need a very well planned strategy. Alone is hard to manage, that why the membership in a network and cluster will

help you not to start from scratch. Last that must be taking into account is promotion. The online environment offers many advantages in this aspect: the space used on the internet is unlimited and cheap, fact for which you can create new posts for different types of buyers: those who are seeking for information, those looking for the best price, ones value-oriented and so on. Messages can be with or without images and movies. Can be achieved an interactive communication and even build a relationship between the customer and the company generating loyalty.

Once established the strategy, and promotion realized, the plan has not be put aside and forgotten, because competitors are one step behind. They must be renewed each time, improved with new ideas. We sustain therefore that an e-business is the perfect solution for the company that want to be competitive in the new digital economy.

To demonstrate the four-dimensional model of service innovation in the online environment will take as an example the online stores with discount coupons. Focused on the customer's financial resources from the very beginning they put him in the spotlight. They had a very well planned strategy. Reductions exceeding 50% every time that are attractive in this way. The range of products and services offered by these discount sites is very wide being made from categories like personal care, excursions, language courses, dental care, arrangement of the house, children's activities, subscriptions to gyms and aerobics, auto maintenance services, relaxation massage, ophthalmology, weight loss products and more. Currently the group discount market in Romania is totaling a number of 45 sites for discounts. 2011 recorded a spectacular increase, given that more than 350,000 users have bought of 18 million Euros, according to analysis by www.redutti.ro. In January 2011, the sales in this sector amounted at only 1.7 million lei. In 2011, 60,000 people went to the mountain, 24,000 in Italy, 20,000 went to the sea, 16,000 went to Bulgaria, 6000 visited Paris, and 4000 were to Venice. Over 3,000 partners have had offers 2011. They formed a network and have successfully survived during the crisis.

Worldwide, the electronic commerce is no longer a just simple business activity that focuses only companies efforts, under the competition for new customers and to better meet their requirements. Today, electronic commerce has become a core component of economic development policies of governments in developed countries (U.S., European Community, Japan, etc.). Electronic commerce offers

unique opportunities for reorganization the business, redefinition of markets or the creation of new markets. Ecommerce initiatives can generate cost reductions, increased revenues and operational efficiencies for companies seeking to gain a competitive advantage in today's economic environment.

The unprecedented development from the last two decades determined by the need for storage of information technology and rapid transmission of information with the lowest costs, has revolutionized the global commerce, and the retail trade, redefining the traditional principles of marketing. This development led to a positive impact on certain economic sectors, macro economic performance and economic policies. Therefore, the electronic commerce provides a new way of conducting commercial transactions.

5. Conclusions

The present research convey qualitative and quantitative analysis results with the ultimate goal of observing if service innovation in Romania will lead the country out of crisis and in the end to sustainable development.

After a detailed analysis upon the business environment from Romania, it is proposed a new model of service innovation in online environment. The information provided by this survey illustrates that most of the companies 52%, have changed their strategy once the crisis was triggered, and only 33% did not adopt any strategy. There is a strong correlation between those who declare that were very affected by the economic crisis, and the ones who changed their strategy and between those who declare that they were forced to restructure their business and those who declare bankruptcy. If before the crisis, everyone was doing sites, or opening new businesses, after crisis have came, only those with clearly defined strategies have managed to survive.

The non-stop electronic businesses are the solution for companies that want to be competitive in the new digital economy. For this purpose, the companies must fulfill some basic conditions: to operate nonstop, to be present on the Web, to maintain permanent contact with the clients, partners, employees, suppliers, to have networked storage solutions that allows the management of a huge volume of information, to have solutions for virtual applications through which to ensure the permanent availability, scalability, performance and security.

6. Acknowledgment

This work was financially supported through the project "Routes of academic excellence in doctoral and post-doctoral research - READ" co-financed through the European Social Fund, by Sectoral Operational Programme Human Resources Development 2007-2013, contract no POSDRU/159/1.5/S/137926.

7. References

- Arundel, A.; Cruysen, A.; Hollanders, H. & Kanerva, M. (2007). Innovation Statistics for the European Service Sector, *INNO Metrics*, pp. 1-43.
- Bobirc, A. & Dr ghici, A. (2011). *Measuring Romania's Creative Economy*. 2nd International Conference on Business, Economics and Tourism Management, IPEDR vol. 24, IACSIT Press, Singapore.
- Dobusch, L. (2007). *Schumpeter vs. Path Dependency: Innovation Lessons from breaking through Innovation Barriers*, The Fifth International Critical Management Studies Conference – Stream „Apollo Ante Portas! — Critical Perspectives on the Creative Age.
- Gadrey, J.; Gallouj, F. & Weinstein, O. (1995). New modes of innovation. How services benefit industry. *International Journal of Service Industry Management*, 6(3), pp. 4–16.
- Gallouj, F. & Weinstein, O. (1997). *Innovation in services*. Elsevier Science B.V. From a linear to an open innovation model.
- Hagedoorn, J. (1996). Innovation and Entrepreneurship: Schumpeter Revisited. *Industrial and Corporate Change*, 5(3), pp. 887-821.
- Hertog, P.D. (2000). Knowledge-intensive business services as co-producers of innovation. *International Journal of Innovation Management*, vol. 4, no. 4, pp. 491–528.
- Miles, I. (2000). Services innovation: coming of age in the knowledge-based economy. *International Journal of Innovation Management*, vol. 4, no. 4, pp. 371-389.
- Miles, I. (2004). *Innovation in Services*. The Oxford Handbook of Innovation, Oxford University Press, Chapter 16.
- Schumpeter, J.A. (1934, 1980). *The Theory of economic development*. London: Oxford.
- *** <http://www.dti.gov.uk/innovation/technologystrategy/tsb/>Innovation Policy Progress Report 2009, European Commission.
- *** Innovation Policy Trends in the EU and Beyond (2011). An Analytical Report 2011 under a Specific Contract for the Integration of the INNO Policy TrendChart with ERAWATCH (2011-2012) - Contract Number: X07.
- *** European Commission (2009). INNO-Policy TrendChart – Innovation Policy Progress Report, Romania.
- *** EU Member States Innovation Performance, <http://www.proinno-europe.eu/sites/default/files/innometrics/IUS2011.html>.
- *** (2011). The Innovation Union's performance scoreboard for Research and Innovation.