

STUDY OF INVESTMENT AND ECONOMIC RELAUNCH

VĂDUVA MARIA

ASSOCIATED PROFESSOR PHD., “CONSTANTIN BRANCUSI” UNIVERSITY, THE FACULTY
OF ECONOMIC SCIENCES
vaduvamaria09@yahoo.com

VADUVA CECILIA ELENA

ASSOCIATED PROFESSOR PHD., “CONSTANTIN BRANCUSI” UNIVERSITY, THE FACULTY
OF ECONOMIC SCIENCES
vaduvamaria09@yahoo.com

Rezumat

Investment is the main route of economic growth, and for carrying out a modern structures branches of production. By investments to ensure economic and social development of our country,

Cuvinte cheie: country industrialization, social development, investment theory, economic growth

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1. INTRODUCTION

By investments, has been satisfied in the first place, creating and improving technical base-material of all branches and sectors national economy. The expression in this direction of the role played by investment has resulted in the context of converging processes: country industrialization, social development for the counties and cities of Romania.

Secondly through investment is not only carried out quantitative side of tangible assets, but also ensure the quality of the training and their modernization. Both in the case of investments for new lenses, as well as in the case of development, modernisation, it is a matter of ensuring that a high level quality of equipment, units and equipment.

Thirdly, through the volume and their orientation investments intended to ensure making better use of natural resources and the workplace. It must be noted in such upper deziderentul capitalization of the natural resources of the country, the protection of the environment and natural resources scarce, hard renewable (ores, forest resources hydrocarbons, etc.), increasing the degree of processing of the products.

Fourthly, the investment constitutes a pry bar in ensuring territorial distribution of the forces of production. The role of investment on this line is justified and more if we consider that our country has inherited an irrational territorial distribution, of the production apparatus. The fifth point is noted special role that investment in terms of new jobs and ensure use reproductive rate active population in relation to changing needs of some branches and subramurile national economy. It is necessary and the role played by investment in the international division of labor.

Investments have a decisive role in economic growth and justifies the need for development of a "theory of investments integrated in economic growth theory.

For this purpose may be invoked more arguments. In the first place, under the aspect of theory investment. Assuming that your investment means an act decision-making involving spending of resources but also economic results obtained on a act, lead to the conclusion the purpose with the theory economic growth.

Secondly, the flow of the process being linked to investment of time (pre-electoral period taking the decision, the period of performance and the period of operation) the effect on investment is a multiplier of resources spent which can be felt in the economic development for a long perspective.

Thirdly, the development and operation of the investment objectives cannot be separated from issues of labor resources, the built-in technical progress in capital assets created, of external economic trade, which is to the theory concerns economic growth. In the light of those arguments may be admissible theory that investments shall be entered in economic growth theory.

However, there are other reasons which lead to the need to address the two separate theories. For example, the fact that theory to analyze investments can better certain specific aspects which could complicate things theory

economic growth, such as those concerning the process of turning productive investment in fixed funds, economic operation of capital assets, withdrawals from service due to wear physical and moral, depreciation capital assets, activity concerning the export of investment, etc.

2. Theory of investments for economic growth theory

Investment theory extended economic growth in the space employers' associations consider and take into account the particularities of the production targets, knowing that each of these constitute a special problem at least in terms of locating on the national territory and the location within the framework of localities, sources of raw materials, destination production technology used.

In the space, the theory macroeconomic investment is concerned, in the first place, of the training and the allocation of primary volumes of investments, as a result of improving correlation between accumulation and consumption, then to perform in time and efficiency of the use of capital assets, which causes as a last resort, the growth rates of national income.

At the level of production units, investment theory to focus on aspects of the duration of their development, the replacement of the plant and of the technology, of economic efficiency in the use of labor force, capital assets, the use of raw materials.

Investment theory will have to examine the investment concept development for the purposes of modern. This concerns not only defining investment activities, the purpose of which is to study, to choose, to develop and to achieve capital goods, but also an extension up to economic results. In this direction it is necessary to provide for a special position investments made abroad within the framework of actions for cooperation. The meaning of modern concept of investment concerns and to the fact that investment expenditure does not create physical objects only intended to increase production materials or of the standard of living. It may be admitted that expenditure for research and scientific process-orientated, as well as for entering its results in the economic activity, are of such a nature as investments. There are opinions that the costs of training for the staff, for improvement of vocational training, or even the ones to preserve the health are the nature of such investments.

Investment theory will have to propose new methods and new indicators for the analysis of the effectiveness of the investment objectives for a long period, which requires the use of techniques of transfer time calculations values by means of coefficients of the update. In our country, and the interest which it shall submit improvement concept of economic growth and shaping a theory of investment is linked to the following points:

(a) the increase of importance economic decisions, especially of those investments by increasing material and financial resources committed by their implications for other sectors of the economy and by the fact that they undertake for a long period of time. So there is a risk that a decision to investments which do not exist within an economic strategy and does not take into account causes changes on the domestic or international, may be reached after a few years in a situation of an unprofitable venture, although economic analysis at the time when the decision was favorable conclusions. From this point of view, there is a need for investment theory to provide any show likelihood that the investment to remain effective for a longer period and to allow that in the interval to assess its contribution to economic growth;

(b) increasing pace of science and technology that lead inherently to a accelerated obsolescence of capital assets, makes it necessary to a theory of investments that appreciate economic implications of technical progress on the goals of production will be carried out over a given period;

(c) magnification and international economic diversification trade as well as the ability to use effective opportunities for cooperation with other countries;

(d) inward processing methods for matching investment decisions with major objectives of economic growth and for outlining options to achieve these objectives with the lowest labor costs.

Economic growth theory aims to analyze and to make valuable main relations between growth factors that determine economic development over a long period, the theory investment is aimed at in the economic growth and closely linked with the this, to lay down the basic relations that highlight the contribution volume, structure and efficiency investments, economic growth.

3. The role investment to the national economy

In the national economy, the investment is an accelerator which has the role of duplicate entries of material resources and the workplace thus causing an increase in the output of the system[1]. So in the system factors which makes economic development of a country, investment occupies a strategic spot. This is why investments constitute the main means to achieve economic growth.

Economy has faced more and more with the implications scientific, whose "products" requires for their implementation in major production investment funds. Mechanization, automation, and cibemetizarea robotizarea production may not become realities outside spending by the company of important investment funds.

For developing countries investment should be considered as a single factor which can help to ensure that reduce lag time from advanced member economic of the world. Only by use of adequate investment resources can be used to create new jobs, may be increased gross national product per capita, increase labor productivity and, on this basis, the quality of life people. No internal offsets of a country, between classes, areas can be eliminated and decrease without the addition of value to local resources, natural and, creation of new economic objectives, all possible only by the allocation of investment funds.

On the other hand, investments represents one of the most important structure of modernization national economy, whereas all changes to be attained in technology structure and techno-economic, the ability of the economy to keep up with scientific and technical requirements shall be the subject of investment. Investments constituted and an important factor qualitatively-intensive structure of modernization national economy.

Investments are for the most part a pervasive factor of economic growth, which compels us to consider it as in a close interdependence with heavy factors, with all those who have the effect of increasing economic efficiency of the resources employed in the national economy. It is necessary to increase national income on both extensive path (new investment), but especially on intensive path (increase labor productivity, reduce material, etc.).

Investments influence on economic development is conditional on the structure tangible assets in which translates. It is about the share they hold active elements of fixed assets-machines, equipment and tools - through which the process is carried out; the this share is higher in total, with both, as a rule, is more than economic efficiency.

Economic growth dynamic and balanced depend to a large extent on their own base widening of the raw materials, for attracting new economic circuit of natural resources, the processing efficiency upper and all national resources.

Development and diversification provision of services, scientific research, health care, the improvement of living accommodation, extending commercial network, as well as the equipments social - cultural, in accordance with the requirements of the population require increasing investment. This whereas for all activities listed must be in the first place, developed and upgraded basic material, in fact not effective, without investment.

Economic growth in all countries triggered and filmed numerous opinions, as well as models on the same economic growth. Between factors influencing the level of this increase include: human potential, the volume and quality fixed and circulating capital, natural resources and attracted in existing economic circuit, scientific and technical progress, the level of organization of production and labor, efficient external trade and investment allocated to and carried out.

Economic growth and prosperity of countries depend essentially an expansion capital invested, as proved it development it's imposing stare across a U.S. rate of increase in the U.S. economy was based on the fact that the investments have represented 21 % of gross national product (GNP), with peaks of 28% in a period of prosperity, while during periods of war or crisis, the ordinance was reduced considerably. The role investment in the context of the market economy starts at purpose investment, in the sense that these investments means an increase in a portfolio of assets with the two components:

- Fixed assets, which may be incorporated (buildings, machinery, etc.), incorporated (patents, technologies, software) and financial (shares, bonds, other securities), thus for a very long time of use;
- current assets, which are necessary current exploitation and are therefore subject to a turns, referring to stocks materials and loans and advances to customers, but also debts contacted for production.

It is a matter of technical withdrew from all branches and sectors of the national economy, but this renewal means financial efforts internal and external, which are required to be supported on the domestic production today, and by the participation of foreign investors. Renewal means investment orientation toward fixed assets, which will attract and a specific structure of current assets.

In the Romanian economy, the first problem is in the case of the restructuring of property to institutionaliza the three types of properties encountered in all countries: private property, public and joint venture, at the same time as having taken place restructuring Romanian economy, putting on an underlying design real economy, rational, democratic and used, in accordance with national interests, but also with international economic life.

A particularly important role is granted restructuring strategy investment in production capacity. This, whereas restructuring production capacity employers' associations consider there may be carried out in the sphere investment process.

Can distinguish between two trends in investment business: investing to produce better and investing to survive. Transition to market economy is for many enterprises, in the first place a matter of survival. Survival is just a way to delay and to prevent economic collapse. Practice underlines how important they have investments in support of strategies assets of enterprises, as well as: manufacture of new products, conquer new markets, specialisation notable, rapid adaptation take customer requirements. Promotion of these strategies give much greater chance of success to those undertakings which is intended only reduce costs, producing always the same product.

Operators' interest is to impose and to strengthen its position on the market, to analyze offensive component investment strategy with a view to restructuring production capacities and occurrence of adaptation to the mechanism of supply and demand.

Any capital investment, long-term or in the short term, for the purpose of obtaining a profit is an investment. Regardless of the fact that the funds shall be placed in non current assets or current assets, investing represents a immobilisation of capital importance in terms of volume and sustainable over time, and most cost-effective service best future. Consequently, the decision of investment lead to mortality of capital made at present, in the hope of future and most cost-effective service and which are to be carried out on several financial years.

The investment decision is an integral part of the general policy of the enterprise. It marks not only a immobilisation of the capital, but also a certain useful work placed in a specific segment of the market, hiring a certain quantity of natural resources, human and financial, initiation, and maintenance of certain relations with companies in related by branch of activity, whose turnover is influenced positive.

In view of the cost, as a general rule of investment, a matter of first-order as to find and the choice of sources necessary for financing, as well as their cost-effectiveness assessment, comparing the financing costs with foreseeable financial results.

Procedure on the choice of investment involves, however, in addition to assessing and comparing cost-effectiveness of projects envisaged, in the context of the company's general strategy, and the difficulties in obtaining the financing sources. If the selection of investment projects shall be made on the basis of financial criteria, it must be taken into account, at the same time, and the priorities dictated by business policy within the framework of the development strategy of the business. Obviously that each project shall be adopted on the basis of a business case, technical and financial opportunity to justify their investment.

Under financial aspect investment causes a large initial expenditure, which must be followed in the perspective of inputs of funds, i.e. the financial flows of recovery provided for to take place gradually over the entire period of economic life of the lens built (as a rule, the period of economic life or normal duration of operation).

If initial expenditure for the acquisition assets and negative or streams of detention, known bill general, future financial flows, also called positive or feeds the input and consisting of annual depreciation provisions in respect and benefits to be carried out on objective following the exploitation should be quantified. After establishing financial flows both positive and negative, follows comparing them with a view to establishing whether execution of return on investment.

Establish positive financial flows is an operation involving difficult to be carried out for two reasons: first, because there is always a certain uncertainty forecasts and, secondly, for the weight to separate the contribution of a particular asset immobilised in general flows positive (profit, in particular) of the enterprise. All this is added and weights tax incidence quantification, respectively contribution of the project to gross profit which must be corrected by profit tax.

An investment policy is defined in the light of the objectives employed by a company which has, at the same time the necessary resources. But actual carrying out of the objectives, the training resources and revenue resulting from the operation objective to be effected on several consecutive periods, and for this reason it is necessary to determine their value at a given time, i.e. that value which it is possible to assigned to assets and liabilities detained in investment process.

Accounting approach has in view the assets (of the market) respectively of monetary consideration for purchase/sale of the asset at a time, and which may be the value of purchase, the value of the winding-up proceedings or the replacement value. In contrast to this, approach to financial economic value of an investment, the date the size of revenue streams up-to-date on the basis of the cost of opportunity, he himself determined its own economical investment project and the degree of profitability of other opportunities offered.

Any decision to breathe or maintain a lens built takes place in circumstances when economic value is greater than or at least equal to the market value thereof, as any decision to deinvestire will take when economic value is less than the market value.

Rentability an investment project shall be established not so much in relation to the duration of the normal operation of the lens, as well as the duration of economic life, i.e. the period of time over which the objective generates optimum profitability.

The normal duration of operation is long, on grounds of prudence, there is no practice to determine financial flows in input (positive), for a period of less than - for example, over 10 years - and the rest is to be considered as residual value which, corrected by fiscal impact (value-added tax on sale to third parties the residual value) will increase the input flow in the final year of economic life of the lens.

Investment plays a central role in economic growth multiplier influencing demand and supply on the market. Practically, it is as follows: the investment firm receiving are addressed, for carrying out the project, suppliers of machinery, entrepreneur, etc. If they are in the country, the investment decision triggered a series of moves to the country and investor economy: increase turnover of domestic suppliers, increase the wage fund, the benefits, taxes to the state, increase in related branches such as in light industry, food processing, etc. It appears that investing in a given sector has a multiplier role economic activity generated. If suppliers or contractors are external, the increase in turnover and of the benefits will positively impact economy exporting goods and services. The country's trade balance investor will be requested, and positive effects in chain will get tighter on the economy exporting country.

Therefore, the state is interested in to intervene in order to stimulate domestic investors and to create favorable conditions to survive in the struggle to international competition. Practically, all States with a market economy developed is involved in various forms, in the economy.

Interventionist policy of the member in the economy is aimed at certain objectives and shall be carried out by various techniques.

For the choice of the butt of intervention in the economy, the state uses two criteria: sector understanding and brief indecisiveness yielded to her purpose.

The criterion understanding has in view the sector to which you can straighten state aid, such as agriculture, food industry, aerospace, steelmaking, computing, etc.

Sector choice is made on the basis of a number of factors: sectors in the future which has great market prospects, but which require a great expenditure of research, that was the reason for which the undertakings he hesitated to undertake; the existence of certain sectors "heavy", such as iron, which creates significant difficulties for the financing; highly exposed to international competition which, if they weren't supported, it could not survive; or some sectors with social end points, such as construction of new homes, which is necessary to print a sustained pace to solve more quickly some of the problems of the people, etc. The choice of sectors for intervention of the member in the economy follow the two conditions: the state help investing and not exploitation objectives; intervention by member shall be temporary and permanent.

The criterion brief indecisiveness yielded to her purpose starts from the idea that it is easier and more efficient for the state to act for the purpose of maintaining production potential existing at any given time, than to assist passive to disappearance (bankruptcy) to enterprises or sectors of activity, then, of national needs, to support recreating that potential. Appropriate to areas of activity as well as basic research, the launch of new products, automatic transmission, new manufacture, technologies. Means that you can use the state for the achievement of such targets are the first to export, production, tax relief, cheap loans, etc.

Such aid from the state budget is also used to stimulate for action to be taken to prevent the pollution and protecting the environment in the event of restructuring in production, services, etc.

In countries with market practice took shape different modes of State intervention in the economy: subsidies, grants repayable, participating interests, tax exemptions, guarantees.

The subsidy is a non-reimbursable funds transfer to the state budget by an economic operator, comensurata depending on foreseeable losses and which shall be granted in one installment or spread over time. Depending on the actual losses. It is intended to maintain productive capacity of the undertaking which may not recover full costs by selling prices charged.

Repayable subsidy is, in fact, an intermediate between subsidy and credit that works as follows: if work is carried out successfully will be refunded, if the project fails or doesn't work the subsidy becomes final, that is, it may be reimbursed. Such a technique is applied, in particular, for the sector fundamental research or applied.

Join the state capital at a given operation economic, along with private entrepreneurs, seek to supplement funds for end of a project, which is an aid given private agent which would otherwise, he could procure the necessary funds. But at the same time, participation implies a financial interest of the State to take part in the distribution profits. Tax exemptions, reductions or delays in payments to the account and the amount of taxes owed by private agents.

Fiscal facilities offered by the state are intended to enable the economic operators access to credit, acting as a factor that compensates for high volume of interest paid. The security of state, the date banks, to ensure that operators are able to obtain bank loans.

Guarantees are intended to cover a risk banks, in whole or in part. They may be described, as a general rule, in letters of approval and which are given especially for units with innovative activities such as the construction branch of machines.

Through the techniques used the State aimed at rationalising safety economic operators, as well as avoid generalized character, whether mandatory or permanently by its interventions. State intervention is contractualizata, expressed as amounts and deadlines and is thus organized, as to exclude arbitrariness and favoritism. As a general rule, it shall establish a system of inferred the conditions under which aid may be granted by the state, shall be laid down precise criteria for granting that are published so that all the undertakings to be aware, so that those who satisfy the conditions may automatically get help from part of the state.

A first step in the line of investment is shortlisting projects, in such a way that they respond to general objectives of the undertaking, to be within the maximum financing possibilities, as well as recruiting employment objective for the purpose of exploitation.

Remaining projects in the race after pre-selection to be studied under commercial aspects, financial, technical, etc.

The study commercial or marketing it is, without doubt, the most important, whereas itself profitability is a function of turnover as possible to be carried out. In this order of ideas appropriate to decide on quantity of the products or services will be launched on the market with the new project, taking into consideration of the possibilities of competing undertakings, the internal or external conditions of production or sales outlets.

The study technical and economic constructive solutions to the problems, the solutions adopted, the order of the execution, the total cost and the components of the project, the cost of exploitation after commissioning.

Fiscal study starts from the fact that investirile, with their consequences on growth of materials, are subject to tax imposition, under various aspects: profit, value added tax, etc. The study tax shall take account of any fiscal measures to encourage investirilor, especially during the period of unemployment or recession; it may proceed to an inventory of these tax rules to which it is eligible an investor: subsidies, partial relief, accelerated depreciation, etc. tax incentives have, as a rule, limited times, in such a way that the investor must be alert to full benefit from or to wait for a period favorable.

The study of survey commensurates somebody's voting personal needs as the number and categories of staff used in phase of execution or operational costs for staff training.

Finally, the study analyzes financial possibilities for the use of the various sources of financing, the possibilities of self-financing, the possibilities of obtaining long-term loans and Middle East, possibilities for increasing the equity capital, the cost of capital.

Trust status has a strong influence on marginal efficiency curve of the capital. In such a way that, between curve marginal efficiency of capital and the confidence to create a interaction, with effects on investment volume.

If at first, the company's investments depended on the existence of a sufficient number of individuals devoid of wires and an inclination toward construction, in present, but especially in the light of the prospective, they get a great importance as accurate calculation of profits.

At present, with separation of ownership of management of undertakings and the development of the financial markets organized, appears a new factor which sometimes makes investments, but sometimes emphasizes in significant degree system instability.

Daily fluctuations of profits from existing investments are another factor that affects an urge investment.

Responsibility for the organization of direct investments in the public sector is another factor. Actual occurrence of this responsibility will result in a higher consumption of capital goods, while no such liability or decreasing they may have adverse effects.

Along with these factors, an urge investment also depends on the general condition of national economy. This can result in stability and instability economic factors and social policy. An economy in decline economic needs, first, to stop this negative trend, and then to begin the action factors which stimulates an urge to investment. In close connection with the latter factor, an urge investment also depends on the world economy situation, which resulted in the change in the expansion phases or crisis, ascending and descending slopes of economic cycles. Determined by normal factors of my life, but also of the factors antibodies, variation in economic cycle phases acts favorable or unfavourable, directly or indirectly, on the remaining domestic factors influencing an urge to investments, with positive or negative consequences.

All these factors influence an urge to investment in an economy with competitive market operates in close interdependence, with the reverse connection loops positive or negative.

The concept of investment has two rounds out of coverage. Enlarged sphere is represented by financial investment, which is, in essence, any capital investment in order to obtain a certain profit. Purchase of shares or other securities, investments of financial amounts to banks, the allocation of funds for the initiation of business - in order to get dividends, interest and profits - means financial investments. Restricted Scope refers to the purchase of new fixed assets and is called significant capital investment. It is, of course, understood that the first sphere and on the second, but, typically financial investment relates to capital investment examples. The capital investments are taking place in real economy as well as in the areas social and cultural, constituting the support material of economic growth and development of social and cultural activities in any country in the world.

By capital investments must understand not only construction of new lenses, but modernization of the existing ones. In the field real economy, our country has no need of new lenses, but especially the modernization of the existing ones. Policy to attract foreign capital affects just modernising existing firms, who have aging equipment which may not be current rate economic competition and the requirements of consumption of the population.

Almost never a new investment fails to reproduce exactly the amount of investment. Conversely it can be said that any investment bring something new. Investments are propagatoare again, it is their own innovatory nature, they bring change always existing situation, the occurrence of other components other than those previously known. Always undertake future investments, where arising from association feature a significant risk factor to any investment process.

An economic operator investments may be made in his own country or in foreign countries. A fault can be placed and thus: investments in a country have internal sources and sources attracted. We can say that the process has investment determinations endogenous and exogenous. Situations resulting from combining the two origins are what in our country are called joint investment. Separately, foreign companies may be to new investments, Romanian participation. In our country it may be possible to make three types of investments:

1. their own, Romanian, to tell them soaring;
2. investment joint ventures, with foreign and Romanian capital;
3. foreign investment, with foreign capital.

4. Government policy and economic growth

The most obvious aspect of the policy implications posed by new theories of economic growth appears to derive from the importance attached to positive externalities associated with the growth process.

Presentation of positive externalities justify government intervention usually understood in liberal optics. In fact, when an agent produces positive or negative effects on others, it usually does not take them into account in its decisions. If the production has a beneficial effect on the collective, the individual chooses production volume according to private advantage that you get without taking into account the higher social benefit is associated. In terms of the community, in this case there is underproduction in relation to the social optimum desired. Thus, specifically, when individuals determine the level and duration for their training, they take account of improving their individual performances, but neglect the productivity gain resulting global welfare for the community. "Production" social optimum is superior to private education.

Government intervention is therefore justified to approach the social optimum economy. Standard reaction of governments in such a situation is to subsidize products that exhibit characteristics of positive externality.

If it applies the principle and to the new theories of growth, means that there are arguments for subsidizing items such as research and development, human capital (education and training) and perhaps even the entire field of investment. In addition, it may even use public investment programs subsidized by funds resulting from general taxation. The ideal solution would be to establish a subsidy equal in value to the positive externalities so that businesses produce goods and services at the level that the social marginal cost of production equals marginal social benefit.

The only problem that arises here lies in the unpredictable and uncertain nature of externalities for growth, which means that identifying the ideal level of subsidy is an extremely difficult task. Research and development is probably one of the most conclusive examples, because by yourself nature, this activity has usually results impossible to predict. Let us note, however, that vizibilele theoretical implications of these models is the fact that many governments have already started to apply concrete. There are many countries where education services are free or subsidized from the budget, as well as investment projects in the public sector, research and development, and generally everything related investment, a situation that could be considered by it yourself a model example of the theory catch economic practice in this area. This new approach aims to establish the state's role in long-term growth, provided that policies promoted return from investment Keynesian term to sustain demand in favor of structural actions reaching scientific research, technological innovation, education and training, infrastructure quality public.

Another idea suggested by theories of economic growth, would be that, in compiling their tax systems should take into account the positive externalities associated with investment activity. Which could mean that taxes on savings and profits would be set at a lower level than other taxes on income, as profits are associated with savings and investment promotion.

The most direct way of doing this would be based on a tax system that only tax the consumption, thus providing a tax advantage savings.

It is worth noting here that the authors of the new theories of economic growth have been reluctant in general to support the need to significant growth in the state, for reasons of failures theory of state participation in the economy. An example of government failure, has already been mentioned, namely the difficulty in assessing the size of the positive externalities posed by the growth process, on the other hand, however, any subsidy involves the use of tax distortions, which might be undesirable for the economy . In addition, other problems may occur due to utility maximization behavior of its politicians, which could lead to situations where subsidies are provided to private interest groups instead be based on simple economic calculations.

Another explanation of the new growth theory, suggested the government economic policy direction refers to the amount of luggage attempt to foster greater knowledge shared between different nations. In this regard, the promotion of free trade seems to be an advantage, especially to the extent that can facilitate learning through observation. Thus, some countries could benefit from this through completion of a single market in Europe, although the issue may be even more relevant in the case of less developed countries, which would come to benefit from existing knowledge economies highly advanced through free trade with countries that have such savings. This could be considered an important component of development policy.

Concurrently, and it specifies that new theories have only very little to say in relation to a number of factors which are deemed to be significant elements in the growth of many nations. The investigations undertaken have shown that one of these factors is the legal and institutional framework of the countries considered (eg. work of Crafts, 1992). So collective bargaining system that works in one country may be seen as a significant factor in determining the level of investment. On the other hand, and financial systems that favor long-term planning - or both, short - intentions producers could be an equally important element in this direction. In conclusion, there is every likelihood that such factors to behave different from those suggested policy implications far - changing institutional system could therefore be a precondition increase growth rate.

The new theories of economic growth, have made important contributions to the study of economic growth. In particular, new theories seem to explain some empirical observations which were considered in contradiction with the

traditional theory. Besides, they seem to support the need for state intervention through subsidies, given the emphasis on the role occupied by the positive impact on growth. Unfortunately, given the uncertain nature of these externalities and the likelihood of government failures, new theories do not provide a clear and irrefutable argument in favor of state intervention. There are other determinants of growth momentum, which remains outside the theory, although it may be significant elements in the government's policy action.

5. Conclusions

The correlation between investment and economic growth is of the type of the double: on the one hand, investment influences economic growth by their volume, and on the other hand, economic growth is influenced by the quality investments, look that is reflected in economic efficiency of the investment. As well as it is known, the main role of the banking system is to assign available resources of the company as effectively. In this way, capital borrowed bring maximum profit of those who own them. Events during the last years of our country shows that depositors' money have not been managed with due care and responsibility required, for which the risk has increased substantially, the losses banks have become very large, in some cases there is even a danger of bankruptcy banking sector. In this area, the most significant aspects of administrators devoted and management investments in real economy

Investments are a very sensitive area of human activity. The orientation monetary funds to specific objectives shall be made according to your needs, but also on existing trends in the world, the economic status of consumer wishes and even fashion, for reasons for which always investments must be treated with utmost attention by the developer.

Investments directly or indirectly economic growth. As tomorrow depends on the day, all that and the future of society depends on the investment present.

In conclusion, in all countries is aimed at promoting an investment policy, and for Romania effective investments is one of the essential problems in the process of economic growth.

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