

RESOLUTION
of the International Scientific-Practical Conference
"ECONOMIC GROWTH IN THE CONDITIONS OF GLOBALIZATION",
October 12-13, 2022

The XVIth edition of the International Scientific-Practical Conference "ECONOMIC GROWTH IN THE CONDITIONS OF GLOBALIZATION" took place on October 12-13, 2022, under the auspices of the National Institute of Economic Research of the Republic of Moldova. The Conference was attended by representatives of the academic and university environment from the country and abroad, representatives of business and decision-makers, experts, and a large number of young researchers. The Conference brought together for debates and exchange of views about 150 participants from the Republic of Moldova, Romania, Ukraine, Belarus, Italy, Poland, Estonia, Turkey, Azerbaijan, and Bulgaria. During the plenary session and the five thematic sessions, 115 reports were presented and discussed.

The conference participants discussed topics of major interest for the economic, social, and demographic development of the Republic of Moldova and the countries in the region, approached from a theoretical and practical perspective. Among the most important topics were the following:

- ✓ the main macroeconomic indicators, the energy crisis and the skyrocketing prices of goods and services, uncertainties and risks caused by the Russian-Ukrainian war, as well as the consequences of the Covid-19 pandemic, drought, etc.;
- ✓ ensuring food security in the context of the current crises, the efficiency of agricultural production, trade in agri-food products on international markets, ecological agriculture, sectoral analyzes dedicated to soil properties, the goat sector, the growth of cherries and mushrooms, the meat and milk market, the analysis of the grain market and the wine sector, the role of small farms in the agricultural sector, the role of quality schemes and consumer perception, as well as addressing issues related to agricultural higher education;
- ✓ the new models of business development and the promotion of the circular economy, the constraints, and the results obtained in the course towards sustainable development. The determining role of digitization, the social and economic priorities, the risks, but also the advantages of this process were emphasized;
- ✓ the need to adapt societies to demographic changes, especially to the aging of the population, by adjusting economic and social policies to support citizens and communities to mitigate the negative effects of these changes. The importance of ensuring intergenerational solidarity, and creating favorable conditions for capitalizing on the human potential of all generations were emphasized;

- ✓ the priority directions of development of the Republic of Moldova in achieving the commitments undertaken by our country as a candidate country for EU accession, recovery policies, and resilience;
- ✓ the prospects of continuing cooperation between research institutes, developing joint projects aimed at solving the pressing problems of society, and generating economic and social progress.

It was found that:

- Economic resilience means not only recovery but also a remodeling of balances, a "new normal". The risks and vulnerabilities of post-crisis economic recovery are not correlated with social resilience and sustainable development. Supportive policies are necessary but should be adjusted at the local level. Their partial implementation or ineffectiveness of adjustment measures has divergent/adverse effects on the allocation of national resources and human capital.

- The implementation of the National Transfer Accounts methodology registers a significant economic life cycle deficit when the population's income does not cover consumption, this phenomenon is determined by the low demand for labor and the undervaluation of human potential.

- Consumption is ensured through intergenerational transfers. Due to low salaries, vacancies are not exploited, and the population continues to move towards migration, whether temporary or long-term. This situation jeopardizes the prospects of the economy's evolution, the sources of GDP formation, and its distribution.

- In the last two decades and, in particular, recent events - the Covid-19 pandemic and the military conflict between the Russian Federation and Ukraine, have highlighted various vulnerabilities of national and regional economies, which are proliferating, and governments are in a position to review their development patterns to revive their economies and make them more resilient to shocks. Competitiveness, in these conditions, remains one of the key elements, which must be the basis of the strategies of governments, in particular, but also of companies, in particular, for relaunch and development both in the short term and in the long term.

- Unlike the previous periods, currently, the agriculture of the Republic of Moldova is subject to concurrent and quite pronounced risks: pandemic, climatic and economic, including the risks caused by the state of war in Ukraine. And the countries analyzed in the presented reports are also facing a series of economic, climatic, economic, and financial challenges.

- The models applied in the circular economy, the collection of waste under the conditions of the circular economy, the sustainable use of natural resources, and the impact on the environment are to be evaluated and implemented in practice as quickly as possible, and the role of science and researchers consists in facilitating this transition through informational assurance, through consultations and education actions and awareness of this by all actors involved in the construction of this new

economic model, starting from the population, local authorities, the educational and civil community and ending with the business environment.

- Digitization is an indispensable tool of the circular economy model, that's why the participants drew special attention to its risks, as well as their management, opportunities, and advantages of digitalization. At the same time, some aspects related to social inequalities that can be generated by digitization were also mentioned.

- The presentations and debates in the financial field extended to all its components: monetary, budgetary-fiscal, investments, and green finance. Thus there was a convergence of opinions and fundamental benchmarks regarding relevant trends, policies, and practices, but also concrete solutions to overcome the identified barriers. A current and provocative topic put up for debate was the phenomenon of "capital flight" aka "the phenomenon of illicit financial flows". The need to identify these flows, analyze the international framework and implement good practices for the Republic of Moldova was emphasized, with the aim of combating and recovering illicit financial flows and recommending solutions to reduce the impact on the state budget.

- Regarding the demographic situation, it was found that the decline of the population of the Republic of Moldova is largely caused by the problem of migration, which is urgent for several reasons: the context that influences migration intentions; the impact on children whose parents are working outside the country; the challenges faced by migrants in destination countries and the consequences for national security.

- Changes in the age structure of the population influence the formation and redistribution of national resources. The population is aging, the burden on the active population is increasing, and the economic deficit of the life cycle for (pre)retirement age groups is increasing significantly.

- The policies regarding paternity leave have positive implications for the well-being of the child and the parents, but in their implementation, a series of difficulties arise: the precarious information of parents regarding the right to paternity leave; lack of encouragement and discrimination from employers; constraints related to time and circumstances at work (labor shortage); neglect of specific circumstances (premature birth, disability or health status of the mother or child; dependence on additional income from work)

- The analysis of the mortality phenomenon revealed the maintenance of a high level of deaths among the adult population due to non-communicable diseases (cardiovascular diseases, neoplasms), as well as liver cirrhosis and pneumonia. Depending on the place of residence, it was found that, regardless of the cause, mortality is consistently lower among the urban population than among the rural population. However, the socioeconomic crisis of the 1990s and the COVID-19 pandemic affected the urban mortality rate more.

In order to solve the problems presented above, the conference participants formulated suggestions and recommendations intending to remedy the situation in various fields, adjusting the economic, social, and demographic policies in the conditions of internal vulnerabilities and external risks, as follows:

1. Improving entrepreneurial activity and increasing the competitiveness of enterprises:

- Associating companies in clusters, resulting from the urgent need to increase the competitiveness of companies and regions in the Republic of Moldova. The proposal of a theoretical model for evaluating the competitiveness of cluster management, the development of clusters representing an important parameter of the degree of business complexity and a determining factor of innovative activity.
- The adoption of new standards in the development of human capital in the extractive and oil industry to increase the countries' resilience to the energy crisis, caused by the war between the Russian Federation and Ukraine, but also the need to make the transition to the green economy.
- Consolidation of research and the competencies of decision-makers in the field of improving risk management at the micro- and macroeconomic level, associated with the volatility of foreign trade during crises - foreign trade being one of the main channels of transmission of external shocks;
- Increasing the efficiency of external assistance, offered by the EU to the Republic of Moldova to respond to various critical challenges in the development process, which determines the country's resilience to internal and external shocks, produced by the economic crisis, the Covid-19 pandemic and the war between the Russian Federation and Ukraine.
- The development and strengthening of international scientific and technical cooperation to overcome the current global economic and humanitarian crises through the exchange of experience, the joint organization of public events, the use of infrastructure, and informational and analytical resources.

2. Sustainable development and increasing the resilience of the agri-food sector

- Applying the principles of sustainable development and the circular economy in partnership between urban and rural areas. It is necessary to strictly develop an official document regarding the circular economy in the Republic of Moldova.
- Promoting a new development path for rural regions, namely by implementing innovative solutions to improve resilience, and capitalize on local strengths and opportunities. They rely on a participatory approach to develop and implement their strategies, to improve their economic, social, and environmental conditions, in particular by promoting the solutions offered by digital technologies and circular business models.
- Identification of illicit financial flows, analysis of the international and national framework in the field, implementation of the best practices in combating this phenomenon in the Republic of Moldova, application of modern methods of recovery of illicit flows to reduce the impact on the state budget.

- Taking into account the fact that the most important source of ensuring food security in the Republic of Moldova is local agriculture. It is necessary to take urgent and effective measures to increase the production capacities in the agricultural sector, as well as to increase the state reserves of agricultural products, first of all - wheat, barley, corn, etc.
- Establishing at least three levels of responsibility for ensuring the food security of the country's population, including socially vulnerable beds: the first level is the family, and the household; the second level is local public administration bodies (mayors and districts); the third level – the corresponding state bodies (state reserves).
- Continuing the process of diversifying agricultural production based on the application of technologies, plant varieties, and/or productive animal breeds, resistant to droughts, diseases, pests, and other risk phenomena.
- Increasing the support offered to small farmers and young entrepreneurs developing agricultural businesses. Increased support with a special purpose must be given to producers trained in organic agriculture.

3. A complex approach to promoting social and demographic policies:

- The use of wage subsidies in order to reduce the risks of poverty among the vulnerable population. Development of social infrastructure and smart social inclusion measures for disabled people and pensioners.
- The sustainable application of digitization to transform the labor market in the context of social and economic imbalances, ecological problems, and the polarization of social groups. Implementation of social economy structures through the development of social enterprises and capitalizing on the potential of vulnerable groups of the population.
- Implementation of intelligent policies to mitigate the negative consequences of demographic decline and population aging that have reached large proportions and are inevitable in the coming decades. Improving the policies regarding active aging and developing a resilient support system for the post-retirement period, adapted to the specifics of the age group and its needs.
- Intensification of mortality reduction policies with an emphasis on increasing the accessibility of quality medical services for the entire population, especially for those in rural areas, promoting a healthy lifestyle and preventing health-risk behavior.
- Focusing social policies on interrupting the cycles of disadvantages between generations and preventing the perpetuation of a self-replicating population category and the reproduction of poverty by increasing the standard of living of families with children, optimizing and modernizing the educational process, etc.
- Development of multidisciplinary research teams, ensuring the systemic and periodic character of studies, applying complex methods such as National Transfer Accounts, socioeconomic forecasting, longitudinal studies, and demographic projections, in order to identify long-term risks, and develop and implement social programs.