

DYNAMICS OF INSOLVENCIES/REGISTRATIONS OF ENTITIES IN CORRELATION WITH WAGE COSTS

Mihail Alin Stanciu*
LTAS Ploiești, Romania

Abstract

The paper aims to investigate the nature of the relationship between insolvencies or registrations and the wage cost in Romania. The study uses monthly / annual data covering the period 2014 - October 2019. In order to investigate the short and medium term dynamics of insolvencies, enrolments and the influence of wage costs, the data collected for the mentioned period will be examined, highlighting the causal links between the three concepts at the level of the country as well as in the field of constructions. This study highlights the existence of a relationship between the three variables, but it does not provide certainty regarding the information about the direction and meaning of this causal link. The subject deserves to be investigated from the perspective of the existence of a “long term equilibrium” property, for the pair of registration and insolvency variables.

The question we can answer by means of looking for actual relationships is whether there is a connection between the registrations and insolvencies of the entities in a certain field. The result of the study reflects a very similar evolution of the insolvency pairs - insolvencies in the field of construction, registrations - registrations in the field of construction, registrations - insolvencies.

Keywords

Registration of economic entities, insolvent economic entities, wage cost.

JEL Classification

E32, C33

* Corresponding author, **Mihail Alin Stanciu** – alin_mihail_stanciu@yahoo.com.