

Theoretical approaches on international projects / programs

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Abstract:

The modern world of the beginning of the twenty-first century finds itself in a complex system of interdependences in which the economic factor has a definitive role to play. These realities produced by “the third wave” surprised both Europe and the rest of the world at the end of the sixth decade of the last century, trapped in an archaic depiction, but have resulted in a very different world. Project management has emerged in this process as a natural consequence of globalization processes manifested in all areas of economic, social, political, military, cultural, and legal. Whether it was the strategy of multinational companies or the visions of socio-political development of world states, the project in its essence as a possible solution to a problem has become a universally accepted way of getting things done, internationally. Conceiving performance projects that utilize resources effectively and respond timely to the needs of society has become the concern of specialists who founded and developed the science named management of international projects.

Keywords: globalization, programs, projects, project management, community programs, project cycle management

INCREASED COMPETITION BETWEEN states / associations of states for access to re-sources, to new markets, in the context of global population growth and living standards, the background being the emergence of

multinational companies, has led to a new approach and solving of various problems arising – in the form of projects. Initially the preserve of the industrial and electronics domains, this new form of synthesizing a scientific way of solving the various challenges in the act of leadership (management) was generalized, so today is the most commonly used formula in an integrated approach to problems in various sectors.

The appearance of international programs and projects

Globalization, in its complexity as a phenomenon that encompasses all spheres of society and being enhanced by the progress of humanity, ought to bring advantages to all individuals / states. (Stiglitz, 2006: 231) After a history of nearly five decades, the concept and phenomenon of globalization is extremely controversial, often blamed; complaints about the disadvantages come from poor countries or from those developing countries that were always skeptical, but at the same time come also from the rich countries. The common denominator of the detractors of globalization are multinational corporations accused of having seized the process, using it in their interest, except that those who pay the costs are equally the rich and the poor countries.

The term globalization emerged in the early '80s in American business management schools (Harvard, Columbia, and Stanford). It was later popularized by scientific works dedicated to economic issues. According to some views expressed in the literature it is considered to have been first used by Theodore Levitt in his "The Globalisation of Market" to characterize the great changes of the international economy in the context of capital mobility, technology transfer, trade liberalization and investment (Postelnicu and Postelnicu, 2000: 324).

Initially, it was used in the economic sense; then acquired other meanings such as political, military, environmental, social, cultural, etc.

In essence, globalization has added new dimensions over time, so that at present it covers virtually the entire spectrum of human concerns. Industrialization brought the first common practices in different societies both in terms of culture and geographical location. Modern technologies have revolutionized the labor productivity and went across all barriers of culture, language, traditions, efficiency, becoming the word that has guided mankind in those years of primitive accumulation of capital (Turner, 1990: 345-358).

Understanding the present meaning of the concept requires consideration of all aspects that it concerns (social, economic, political, etc.), starting with understanding its genesis to the effects it produces. One must also distinguish between globalization and internationalization, two concepts that are not synonymous, but independent.

Globalization can mean “different things in different contexts” (Postelnicu and Postelnicu, 2000: 28). From this point of view, it is not a new phenomenon, which is exclusive to the twentieth century. Nations / states, economic communities have always been connected to each other through economic relations, political alliances, etc. Thus, we can discuss the manifestations throughout history that have been emphasized and developed by the evolution of society, especially in the second half of the twentieth century (the scientific and technological discoveries, evolution of industry, communications etc.). On the one hand we find in the process of globalization the specific problems of local communities, and on the other hand we have the global society (a virtual one), towards which modern society seems to be moving inexorably. It is almost inconceivable for individuals today to put aside all the advantages of modern progress that were made available to all through an efficient mechanism of globalization.

Anthony Giddens says that “no political speech is complete without the presence of globalization in its content” (Giddens, 1999).

Globalization has contributed over time to rethink the existing political and economic arrangements.

According to M. Wolf “indebted countries are victims of their refusal to globalize”, stressing that the economies of the inward oriented countries are condemning them to “poverty and global inequality” (Wolf, 2000).

Valences of globalization, seen as a complex phenomenon (economic, social, political, legal, military) in the context of the end of the twentieth century and early twenty-first century, led to a series of views and theories on this phenomenon. Numerous approaches and controversial international scientific literature shows that globalization is perceived as a plurality of processes, current transformations of society and phenomena of the world in general, which basically reached all spheres and fields.

Throughout history, various economies, city-state (or other political organizations) were actually part of what could be called the international economy and that through the movement of goods, ideas and discoveries of science and technology, and not least through the persons who have traveled /

moved from one place to another according to economic interests or political situation in a given area. Therefore, some authors consider that state sovereignty has never been absolute; there is interdependence among nations to a greater or lesser extent (Drache, 1999: 4).

At the beginning of the century mankind deals with a new wave of globalization, but we cannot yet speak of total globalization. Developments on the international political and economic scene that have been produced partially due to globalization in the last three decades - the development of China, India, Brazil, Russia, South Africa (BRICS group) and other emerging economies, the issue of international terrorism after September 11, 2001 (the attacks on the WTC towers in New York and the Pentagon), the trend of depletion of fossil resources and the uncertainty of the future in this area, are just some of the variables that make the humans face global issues and whose solutions must be found and implemented only through a holistic, integrated approach, one which should take into account economic factors, but also social, environmental and political ones.

Programs and projects

In practice the two concepts use equivalent meanings, but there are still differences between them. In terms of project management, the program includes several projects, being the strategic framework in which a series of interrelated projects are developed, projects whose objectives can contribute to the achievement of a relevant common goal.

Within the programs are set directions, fields and methods of assessment, while the projects are operational fund-raising tools, guiding the activities and achieving results.

Definitions of programs

1. «The program represents an effort to achieve a major strategic objective, in the long-range» (Portney, 2001: 20).
2. “Complex interventions, which consist of implementing a number of projects” (European Institute in Romania, 2003: 46).

Comparative Approach: Programme - project

Characteristics	Program	Project
1. Scale	National or regional policy components	Local Initiatives or sub-programs
2. Duration	From a few years to indefinite	Months (most often) or years (2-3 years)
3. Budget	Budget allocated globally and modifiable	Fixed, targeted budget
4. Team play	Management (planning, coordination, control)	Execution, implementation, monitoring
5. Evaluation	Impact and performance	Outcome and performance

Source - adapted from C. Scarlat, H. Galoiu, 2002: 9

Organizations undertake projects to achieve development goals. Projects can be made to their own benefit or for client organizations. Most projects are carried out as part of a portfolio of multiple projects. Program management is how to coordinate several projects in a portfolio and determining the order of priority in which resources are allocated between projects, to achieve a higher benefit. Running them involves a considerable degree of risk and uncertainty.

To obtain good results organizations must comply with standard procedures and guidelines, based on international standards and at the same time on their previous experience and must also prepare their own manuals of procedure for the projects they run. For the implementation of procedures and the management of projects (programs) portfolio, the organization needs a system for monitoring and reporting the progress of evolution, so that it can take corrective action where necessary.

Community programs are a set of programs adopted by the EU for an entire financial cycle in order to promote cooperation between Member States in different specific areas in connection with the Union. Intended initially only for Member States, they were opened for participation of candidate countries in order to support their preparation for EU accession. Each country must contribute with its own resources to the budget of each program attended. Proposals submitted in competition with other applicants from all countries

are accepted as eligible. Grant schemes (grants) from the EU budget are intended for public entities (local governments, public institutions) and private ones (SMEs, individuals) depending on the specifics of each program. To obtain such funding, the EU has established a standard procedure according to each funding line, which includes several steps that must be followed:

Proposals

They must meet the format specified by the EC within the call for proposals. The applicant must bring all necessary documents that prove it is among the eligible applicants for funding from that line; it must prove that it has the operational and financial capacity to implement the project, this is why it must attach documents supporting accounting - balance, etc., and any other documents specified in the call for proposals.

The project budget must indicate the sources of funding, outlining expenditure eligible for financing from the EC budget.

Proof of eligibility of applicants

Applicants shall declare on their honor that they are not in one of the situations of incompatibility laid down in the Financial Regulation of the EC to qualify for grants.

The selection criteria

These are published in the call for proposals; according to them, the applicant must have stable and sufficient sources of funding for the activities during the period of the project and shall have the necessary professional skills of its implementation.

Criteria for award

Are specified in the call for proposals and are listed so as to lead to the allocation of grants to actions which maximize the overall effectiveness of the Community program.

Evaluation of project proposals

An evaluation committee is set, composed of at least three people from at least two organizational entities of the EC without a hierarchical link between them; the committee may request additional documentation or clarification from the applicants for the documents already submitted. Upon completion of the evaluation interval, the Committee shall prepare a report stating the proposals to be funded under a score obtained from the evaluation of the submitted applications.

Informing the applicants

Information of the successful candidates comes usually within 15 calendar days from the decision of the evaluation committee.

Payments and Control

For the projects in which the payments are made in installments, each installment is conditioned by the spending of at least 70% of the previous installment. For some grants the EC requests a security lock in a bank account in order to minimize the risks of the first installment. This guarantee shall be released as the applicant fulfills its obligations (Iliescu and Gherghinescu, 2005: 155).

There are times when suspension or blocking of payment may be asked if the beneficiaries did not meet the conditions assumed by contract funding.

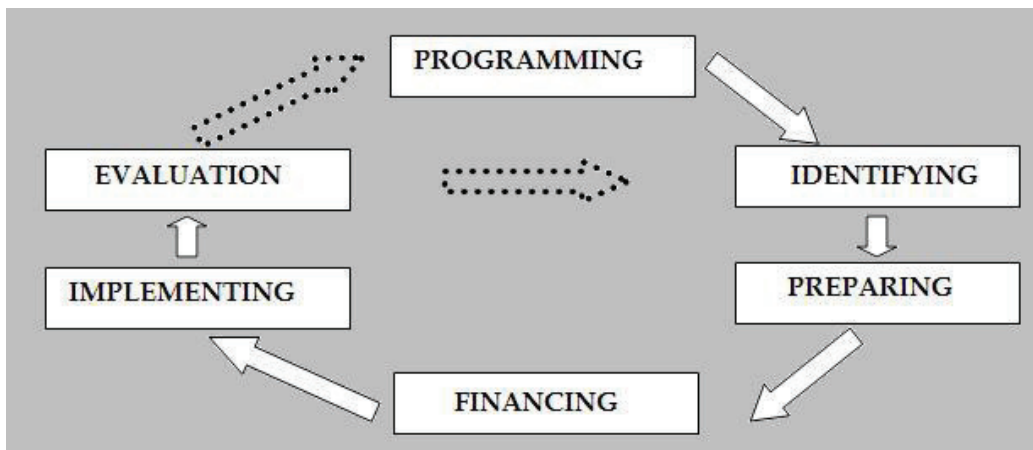
Consumer Categories

The funding guide developed for each call for proposal explains the types of expenses that are eligible or non-eligible in a project and, therefore, must be covered by the beneficiary. The latter will not be included in the budget as a grant, nor as co-financing. The percentage of these types of costs and their type depends on the funding line.

Initially, the funding from the EC, especially for the candidate countries, covered all costs / expenses for the implementation of a project. Now the principle of co-financing is in place, according to which the applicant must

contribute financially to the project at a rate set differently depending on the type of financing line (pre-accession funds if the minimum percentage ranges from 10% to 50%) of the eligible project and structural funds projects if this percentage is between 15% and 50%.

Project management for European funded projects



Source: Iliescu and Gherghinescu, 2005: 239

Running a program with grant adds organizational development and helps provide opportunities to beneficiaries. In this sense, this type of programs offered by the EU through various financial instruments available to Member States and thus across public and private actors should be exploited to the maximum by them, for in this manner, the Union aims to achieve development objectives on specific areas.

«Project» comes from the Latin “projectum” which means a planned intention or something already started. In the literature were given several definitions project. We enlist below some of these definitions which will allow us to analyze their components.

Definitions of project

1. *“projects are the way organizations adapt to changing contexts. They are points of stability, and organizations become fluid and revolve around them”* (Mowshowitz, 2000: 12) .

2. *“project is a unique company that has a clear beginning and end, undertaken to meet certain goals well established, subject to certain parameters related to cost, schedule and quality”* (Buchanan and Boddy, 1992: 8).

3. *“A project is made up of a group of people and other resources temporarily grouped together to achieve a particular objective, typically within a period of time and with the use of a fixed budget. Projects are generally associated with products and processes that are performed for the first time, or with known but changed procedures”* (Graham, 1985: 1-2).

4. *“a project is a temporary endeavor to create a unique product or service with limited resources”* (Project Management Institute, 2000: 4)

5. *“The set of activities performed and directed towards achieving specific goals clearly defined in a set period of time and on a budget size”* (European Commission, 2004).

6. *“A notice which is marked by unique conditions in their entirety, such as the existence of the objective temporal boundaries, financial, personal or otherwise, boundaries in relation to other intentions, the specific organization of the project”* (Deutsches Institut für Normung Normenausschuß Qualitätsmanagement, Statistik und Zertifizierungsgrundlagen 2009).

7. *“project is a scheduled search of a solution to a problem”* (Juran, 1995: 23).

Projects have applicability in all spheres of economic, social, political, cultural aspects, so we can then make their classification. Between existing classifications we will list some of them, without considering that we have depleted the subject.

So, from an analysis of these classifications we observe that there are some variables that are found in almost every one of them (duration, source of funding, subject / content of the project) – the elements that define the project itself.

Highlights of the project include: concept, definition, planning, execution and control and ending of the project (Chirileşan, 2008: 21). In the box below we illustrate each of these sub-phases of the project.

Concept	Marketing contribution	Competence study	
Definition	Problem definition	Vision development	Mission statement
Planning	Strategy development	Planning implementation	Risk control
Implementation	Control of the entire company	Making necessary corrections	
Ending	Final reports	Lessons learned	

Source: Dan Chirileșan, 2008: 21 (adaptation)

Implementation of the project involves the following steps (Iliescu and Gherghinescu, 2005: 16):

- 1) Definition and planning - This phase involves defining the scope, identifying objectives, impact studies, feasibility studies, project planning (financial, human resources, time).
- 2) Implementation and monitoring, including the following: the establishment of the project team, executing activities, make the necessary acquisitions required by the project.
- 3) Assessment aimed at estimating internal and external project results, dissemination, internal and external financial control.
- 4) Applying corrections / corrective actions if the situation actually requires such.

Project Management-advantages and disadvantages

Definitions of project management

1. "Project management is a process clearly identifiable, whose phases are: planning, organization, implementation and control and, through people, leads to formulating and achieving goals" (Lessel, 2010: 15)

2. "Project management means getting tasks done, tasks deriving from system objectives" (Lessel, 2010: 15)

3. "The use of knowledge, skills, tools and techniques in order to achieve project activities, provided that it meets the needs and expectations of various stakeholders involved in the project" (Project Management Institute, 2004: 8)

Here it is necessary to distinguish between project management and management thorough projects (Lock, 2010: 465-474).

Project management is a discipline whose object of study is a unique project that involves management methods and techniques specific to leading a project. Project management is an integrated management system with a limited duration of action, designed to solve complex problems, precisely defined, with an innovative character, by specialists with heterogeneous resumés and that are integrated temporarily into a parallel network to the backbone that allows the firm to become more efficient and dynamic.

Key features of project management are:

- innovation by putting into practice new ideas and solve problems;
- flexibility through rapid adaptation to change;
- planning activities, resources and deadlines;
- monitoring and control of project progress;
- project team leadership;
- generating documents that ensure strict control of the use of resources.

Project management is a management method that allows problems solving at the micro, sectoral, regional or macroeconomic level via control of the allocation and use of resources. As a management tool it was established along with NASA space projects, the aim being to find a way to increase the efficiency of the organization, the level of innovation, the degree of flexibility and value to the maximum human potential.

Management thorough projects is considering project-based organizational management; this implies the existence of a portfolio of projects, prioritization, organizational structures and rules. Thus, within an organization one can identify several projects that are developed in order to achieve leadership objectives. This type of management by projects is aimed for organizations facing strategic issues while pursuing solid solutions to their problems.

For an efficient allocation of resources of the organization and in order to create a portfolio of projects that will enable a sustainable and lasting development it is necessary to define the priority criteria and analyse periodically the project performance.

Advantages and disadvantages of management through projects

Advantages of managing projects through modern management are many and bring added value to the organization.

- It generates organizational change by solving complex problems with a strong innovation;

- It enables a specific organizational culture conducive to training professional managers;
- It increases the flexibility of the organization by promoting a matrixed organizational structures;
- It facilitates access to cheap financial resources;
- It enables a strict control of available resources;
- It contributes to better relations with customers and beneficiaries of project outcomes;
- It increases the quality processes and organizational efficiency due to oriented results.

Disadvantages of **management through projects** are generated by continuous challenge that involves project work, namely inertia of the traditional type organizations to new realities. This point as follows:

- Increasing the complexity of the organization by creating specific structures to manage a portfolio of projects;
- Deviation from the rules set by the organization's internal policies base due to the high degree of autonomy of the personnel forming the project team;
- Emergence of sync mismatch between the formal component of the organization and the specific project management;
- Difficulty in recruitment and training of professional project managers;
- Increasing conflict situations because of dual subordination to staff project leader and the formal authority of the organization (director, president, etc.).

Conclusions

Globalization leads to a permanent transformation of the use of efforts, skills and resources in management so that managers, officials and researchers can deal with new realities. Globalization has put us in front of an

interdependent world in which the interests of states, companies, and citizens meet on the common market. How will they be managed? We notice that the borders have ceased to be an obstacle to economic flows. Markets are continuously expanding and integration becomes a necessary process to harmonize interests. Globalization through fragmentation and then integration means a process in which actors must adapt to new rules for survival.

In the context of globalization and world affairs at the beginning of the 21st century (depletion of natural resources, financial crises, environmental issues, etc.), project management has become a necessity caused by the progress of mankind in an imperative of our time, proving its appropriateness, efficiency and meeting current challenges in a way that makes it indispensable in organizations with access to global interactions.

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