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EFFICIENT BUREAUCRACY IN THE PUBLIC SECTOR FOR SAFE ENVIRONMENT IN ROMANIA

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Abstract

Bureaucracy is an important phenomenon in all European countries, with significant consequences over the public and private systems. After the recent economic crises, European governments made efforts to reduce bureaucracy and to speed up the process of absorbing European funds and to encourage the business environment.

The aim of this paper is to present some particular aspects of positive bureaucracy and how efficient bureaucracy is facilitating a healthy business sector, a modern public administration and a safe environment in Romania.

Keywords: *bureaucracy; government; entrepreneurship.*
JEL Classification: D73, H70, L26

Introduction

This paper seeks to present some aspects of growing bureaucracy all over the world and how a significant level of bureaucracy could become a negative phenomenon, but without bureaucracy there will be a general chaos and no control on the public funds. In our opinion, a smooth running clean bureaucracy could be a good thing, with rules and regulation enforced to

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keep a safe environment in each European country. Efficient bureaucracy is a good measure for avoiding disasters or inconvenience in the public sector or social services, but also for reforming the business environment.

Bureaucracy is related to the government administration and large public institutions, usually connected with public funds, state and local budget, expenditures, administrative procedures and high level of hierarchy in the public sector [Ionescu, 2012a]. The damaging effects of bureaucracy were observed in all European countries, such as increasing taxation, several levels of public management, significant number of documents, corruption in public sector and complicated fiscal reporting in connection with the lack of transparency, because the useful information is lost in forms and statements. However, there are some positive aspects of bureaucracy and we think that normal bureaucracy is imperative in order to maintain the safe public system and a growing business environment. The Romanian bureaucratic system is well-known and is affecting investors' decision to open business or to develop an international or regional network in the East-European space. According to the experts, Romania has an old bureaucratic system, legacy of the socialist economy, characteristic for the communist East-European countries [Ionescu, 2012b]. Thus, many of the administrative structures from the local communities are developed on the old foundations with many public servants and old infrastructure, not adapted to new European regulation. Inefficient government bureaucracy is one of the most problematic factors of doing business in Romania, as we could see in Table no. 1:

Table no. 1. The most problematic factors for doing business in Romania for 2015

Indicators	Score
Tax rates	15.8
Inefficient government bureaucracy	14.7
Access to financing	14.0

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Inadequate supply of infrastructure	12.6
Corruption	8.7
Complexity of tax regulations	7.4
Inadequately educated workforce	6.8
Restrictive labour regulations	4.7
Poor work ethic in labour force	4.3
Policy instability	3.3
Insufficient capacity to innovate	2.5
Inflation	1.3
Poor public health	1.3
Foreign currency regulations	1.2
Crime and theft	0.8
Government instability/coups	0.6

Source: http://www3.weforum.org/docs

Analyzing the most problematic factors of doing business from Table no. 1, we observed that tax rates, inefficient bureaucracy and access to financing are on the first three positions that affected business decisions and economic development in Romania. Despite significant government stimulus adopted to simplify and modernize the administrative system, there is still a strong perception of high level of government bureaucracy in the Romanian public system and most of the citizens consider the politicians and public managers responsible. Although in the last 40 years impressive efforts have been made at the level of regional and global institutions [Gârdan & Gârdan, 2014], there is inefficient government bureaucracy. The use of the Internet offers a large amount of information [Popescu, 2015] and could reduce bureaucracy.

Literature Review

There are some important theories about bureaucracy and its consequences, as we identified:

M. Weber (1921) published the famous essay *Bureaucracy*, which presents the most important aspects of classic and modern bureaucracy, the

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influence over the public administration and society in general. He presented for the first time the principles of modern European bureaucracy and the persistent character of bureaucratic system that affects the main level of the German state. Bureaucracy is damaging for all levels of society, if it is badly managed, but bureaucrat servants could perform better if they are more qualified.

Weber identified some specific aspects of administrative bureaucracy, such as: rigid division of labour, administrative chain of command, regular and continuous fulfilment of these assigned duties. The bureaucratization for Weber is indispensable to the modern world and public administration is characterized by hierarchical organization with a rational control.

E. Page and B. Jenkins (2005) in *Policy Bureaucracy* explain how policymaking is often assumed to involve activism, advocacy, and asserting preferences in the cut and thrust of politics. Yet, it also brings with it the active participation of people whose main connection with the policy in question owes little to any normative, still less emotional, attachment to the issue. "Policy bureaucracies, parts of government organizations with specific responsibility for maintaining and developing policy, have to be mobilized before most significant policy initiatives are launched – although, as we will see, they may also be mobilized to make sense of policy initiatives after they have been announced by politicians. The key players in policy bureaucracies are not the top civil servants alone, the ones we know most about, such as permanent secretaries." Page and Jenkins said that in policy bureaucracy responsibility for maintaining and developing a specific area of policy rests to a large extent on middle-ranking officials, and our study concentrates on their role within policy bureaucracies.

C. J. Coyne (2008) presented the nature of public bureaucracy and its consequences over the public system. In his research *The Politics of Bureaucracy and the Failure of Post-war Reconstruction,* he explained the ability of the United States of America to impose liberal democratic institutions in foreign countries. Always bureaucracy is directly involved when publics funds are used and government provides goods and services for the citizens or public institutions. The development of the modern society involves

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overlapping public bureaucratic structures, while information deficiencies are a central issue facing any bureaucratic organization.

Bureaucracy could be found in all non-market forms of organization, such as government agencies, internal organization structures, within many private firms or non-profit organizations. Coyne thinks that bureaucrats coordinate people using a strong set of rules and procedures in all central or local institutions. "Public bureaucracies face major difficulties not just in coordinating interactions within existing institutions, but also in generating sustainable change over the broader economic, political and social meta-institutions of a society. These difficulties become glaringly evident in the case of reconstruction where information deficiencies, incentive compatibility and compliance enforcement are intensified and magnified." [Coyne, 2008]

The Perception of Bureaucracy in Romania

An interesting indicator of bureaucratic perception is the score from Global Competitiveness Report (GCR) that indicates every year the responses weighted according to their rankings. According to this Report, bureaucracy is different in each country in connection with taxation, financing, employment, policy instability, fiscal transparency, etc. We present the collected data and our estimation in the table below:

Table no. 2. The bureaucracy perception in Romania, Poland, Bulgaria and Greece, period 2012-2016

Country	Score				
	2012	2013	2014	2015	2016
Romania	12,8	10,2	9,9	14.7	14,0
United Kingdom	8,6	11,0	8,5	10,1	10,0
Poland	13,4	13,2	14,6	11,1	12,0
France	7,5	8,8	10,3	12,1	12,0
Greece	21,0	21,2	19,8	17,7	16,0

Source: http://www.transparency.org and authors' estimation

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We observe in Table no. 2 that bureaucracy score for Romania is similar to other EU countries such as Poland or France and much better that Greece for the period 2012-2015. Our estimation for year 2016 shows a high level of bureaucracy in Romania, Poland and France, but still higher in Greece. We noticed a constant growing of government bureaucracy in Romania due to enforcement of new regulation and the fiscal reforms with positive consequences over the safe environment.

In order to better understand the perception of bureaucracy in Romanian society, we developed our research based on the survey over more than 200 entrepreneurs, managers and employees of small business organizations in Bucharest. The questions were referring to existence of bureaucracy in the business market and if the evolution of bureaucracy will be positive or negative. About 20% of the participants were entrepreneurs and 80% employees, most of them had university/college degrees. Thus, on the first question, we wanted to know if according to their opinion there is bureaucracy in Romania, the results were: 65% of respondents said YES (there is bureaucracy), 30% of respondents said NO (there is no bureaucracy) and the difference of respondents said they do not know. We present the results in the figure below:

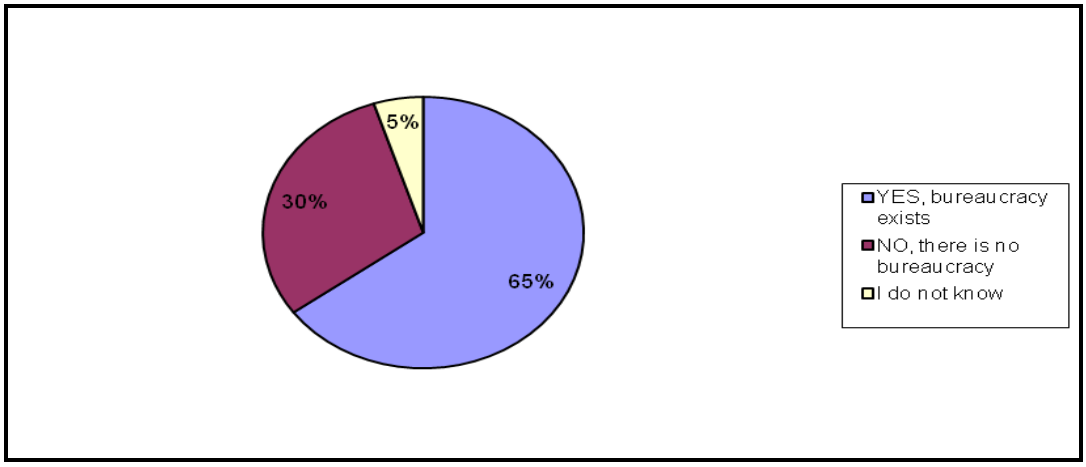

Figure no. 1. Bureaucracy perception in Romania, 2015
Source: Data collated by authors

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Thus, on the second question, we wanted to know according to their opinion how will be the level of bureaucracy in Romania in the next few years and the results were: 70% of respondents said the bureaucracy will grow, 25% of respondents said that bureaucracy will be reduced and the difference of respondents said they do not know. We present the results in the figure below:

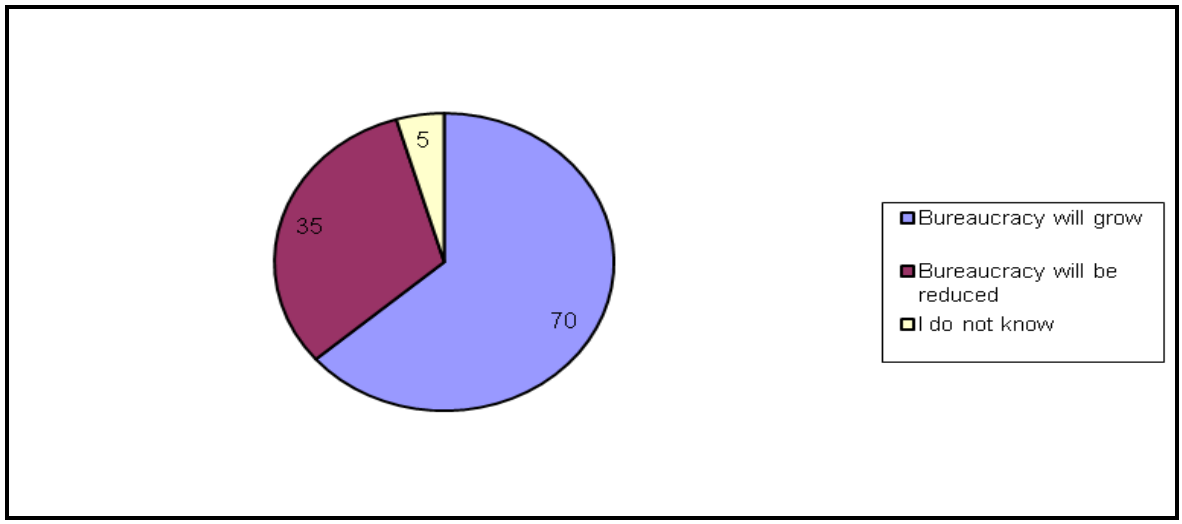

Figure no. 2. The perception of bureaucracy evolution in Romania
Source: Data collated by authors

Despite the high level of bureaucracy perception in Romanian public system, we could identify some positive aspects of bureaucratic elements that include the safety management systems for airports, safety procedures in place to minimize risks to health and hygiene in government buildings and offices, etc. Efficient bureaucracy could be found in many ways and indicators such as: road signs, safety fences, warning signs, city hall banners, information on the radio, television, internet, etc. In most European countries, there is a balance between individuals and the civic authorities to provide safe environment, but sometimes citizens could have an individual choice if they decide to follow the safety procedures or not.

Efficient bureaucracy is observed on the procedure to start a business in Romania. According to the information from the Bucharest Trade Register Office, is a very fast process to start-up:

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Table no. 3. The steps to start a business in Romania

The efficient bureaucratic steps
Reservation of the company name
Opening a bank account
Deposit the social capital
Fiscal certification of officers and/or representatives
Company registration in the commercial registry
VAT registration
Employee contracts

Source: Bucharest Trade Register Office

We consider these steps as elements of efficient bureaucracy that facilitate small business and develop partnerships with local or European investors. Bureaucracy in the public sector became more efficient as a result of improving public policies process in Romania (Gurgu and Zorzoliu, 2016).

Conclusion

In this paper we presented the analysis of the positive aspects of bureaucracy, how efficient bureaucracy is facilitating a safe environment in Romania and the perception of the people about it. Our research presented that most of the people considered that public bureaucracy has a high level in Romania, despite de positive aspects and the safe environment. In most European countries the bureaucracy in the public sector is accelerated due to EU regulations, globalization and terrorist attacks.

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