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## Administrative Simplification in the Context of the Global Economic Crisis. The Case of Romania

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### Abstract

The economic crisis has developed new challenges for public institutions in the EU member states. These institutions experience a notable economic pressure on their decisional process. The EU has been boosting the member states to reduce the 'administrative burden' of public institutions by promoting measures of institutional and legislative adaptation to the challenges set by the crisis, measures appropriate to the techniques of adaptive public management. The goal of this article is to analyze the administrative simplification processes undertaken as a result of the implementation of adaptive public management in the Romanian public administration. The targeted fields of reform analyzed relate to public investments, public expenditure, public procurement, the fiscal policy, the level of beaurocratisation, and the support for business development. Methods of research refer to the analysis of official documents regarding the 'administrative burden' and possible solutions for reducing it, as indicated by the EU or member states that succeeded in doing so, as well as the method of data analysis regarding the indicators of improvement of the targeted fields and the results of administrative simplification. The conclusions underline the level of implementation in the Romanian public administration of the action courses promoted by the EU in the direction of reducing the 'administrative burden'.

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## 1. Introduction

The global economic crisis produced a domino effect in the Euro-Atlantic basin propagating its effects throughout the EU as well. This has brought a series of wanted consequences both on the private and the public sectors. From monetary instability, to increasing public debts, to numerous cases of bankruptcy, or the mortgage crisis, this period has reshaped governmental policies in order to counteract the administrative burden resent. The European Commission has provided the necessary background for these reforms through regulatory and administrative programs. Romania, member of the European Union has proven the political will of the government to reshape and reform regulation and institutional framework, thus implementing a series of regulatory measures aimed at reducing the administrative burden.

## 2. The administrative burden in the context of the global economic crisis

As imposed by the financial crisis, the public sector has become preoccupied for reducing the administrative burden in order to better connect with the private sector, as a consequence of the new public management implementation (Matei and Matei, 2010). Numerous reports issued by EU authorities have depicted the undesired impact of the economic crisis. The *Report on the impact of the financial and economic crisis on human rights* (2012/2136(INI)), issued by rapporteur Inese Vaidere in 2012 lists the main threats and malicious effects of the global economic crisis effects such as:

- the increase of social instability (generating anti governmental protests)
- a decrease in exports of developing countries
- a raised public debt
- the apparition of new risks for the business environment
- the reduction of aids issued for countries strongly affected by poverty
- an increase of the level of corruption
- new cases of labor rights denial

Regarding human rights protection, the report draws attention to the respect labor rights have in the time of crisis. An ETUI policy brief underlines that social measures undertaken by EU member states in the time of the economic crisis deny social dialogue partners the required implication in formulating governmental policies (Laulom, Mazuyer, Teissier, Triomphe, and Vielle, 2012).

All of these unwanted effects heled increase the administrative burden in the European Union. A report issues in 2005 by The CPB Netherlands Bureau for Economic Policy Analysis defines the administrative burden as the effort required for supplying mandatory information associated under national laws and regulations (Kox, 2005). As this effort has increased in the time of the economic crisis, the main solution became a better regulation. This technique is considered to be the motive of reform in central governments across Europe and OECD countries. (Wegrich, 2010).

Another perspective on the administrative burden is provided by The Better Regulation Unit of Malta. The BRU defines the administrative burden as a cost imposed on businesses in order to comply with Government regulations and to provide information regarding their activity, adding to the administrative costs in the private sector ([www.bru.gov.mt](http://www.bru.gov.mt)).

Furthermore, a document issued by the Romanian Government, known as The Operational Program Under the 'Investment for Growth and Jobs' Goal regards the relationship between public administration and citizens as defined by difficult procedures, long document procedures and deadlines, or redundant paperwork, developing a real burden that affects the activity of businesses. This only justifies the need to provide a simplification of administrative processes, through programs such as REFIT established by the European Commission.

## 3. Guidelines of administrative simplification

In order to provide a viable response for the need to simplify administrative and normative processes, the European Commission launched the REFIT Program (Regulatory Fitness and Performance Program) aiming to assist

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