

Welfare reform- Major challenge for the social management in Romania

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Abstract: The article analyses the main amendments brought by Law of the social work no. 292/2011 from the perspective of the social management and efficiency of social work system reform in Romania.

Given the necessity of restructuration of the system of social benefits and services, the reform project outlines the responsibilities of the social actors in providing welfare and proposes a block of measures aimed to contribute at reducing social sector spending according to the austerity measures imposed by the economic crisis. The new management vision focused on reducing costs does not seem to provide suitable solutions for institutions functioning as it enables the harmonization of the economic efficiency with the social one.

Received with scepticism by the public opinion and profoundly contested by the academic world, the reform project only partially succeeds in reaching proposed objectives of modernizing the social assistance system and supporting the people in need.

Key words: law of social assistance, welfare system, social services, social assistance, social benefits.

Mutual relations between the economic growth and social development are particularly complex. Development in the social sphere is strongly influenced by the characteristics and dynamics of economic environment. Long-term economic development and

social progress determine, support and stimulate each other. Nevertheless, the results of economic growth is not automatically transferred to the social field, since a prosperous economy is a necessary but not a sufficient condition for individual and social welfare. It

takes political will and vision to consistently lead a reform of the welfare distribution process so that the adopted decisions will allow not only reducing economic and social imbalances due to the transition period, but also improving the quality of life for as many of citizens. Reaching this overall objective can be made only by a strong will of construction and development doubled by a performant social management.

Recent evolution of the socio-economic situation brings to reality the alarming social-human cost problems that the Romanian society will be confronted with, which are caused not only by the economy failure, but also by the lack of vision or organization referring to the social work system being permanently in a process of construction and reforming. Since the relationship between social security and the national economy is determined by two types of factors having contradictory influences and evolutions, respectively increase of the social protection need due to deterioration of the economic situation and reducing spending and taxes with the view on the economic revigoration, the problem of financing social work comes back to reality accompanied by the numerous controversies generated by the current economic, social, political and moral crisis.

Solving this dilemma lies at the interference between the economic option and political decision and is significantly influenced by the quality of political leadership that must establish priorities and emergencies and identify new approaches in order to maintain the rhythm of changes without compromising the social balance.

In this context we can ask the following questions: What are the reform directions necessary to achieve effective social

protection under the circumstances of the economic crisis and limited financial resources? Increasing social protection expenditure can become a brake on economic development? How to reshape the social assistance system under the context of austerity, so that social protection can turn itself from a tension factor in a growth stimulating factor?

Formulating a response to these challenges has been the objective of social assistance reform outlined by the new law on social assistance.

Deeply contested by the academic world because of the proposed reform measures and received with scepticism by the public, the Law no. 292/2011 brings important changes in the social work system vision and conception.

Further on we will analyze and present some of the main modification.

The reform of the social work system in our country was started to meet the national target assumed to decrease the number of individuals being in risk of poverty and social exclusion with 580,000 (namely with about 15%) up to 2020, related to year 2008. To achieve these results, it is necessary to implement administrative measures to allow greater focus towards vulnerable groups alongside with a most efficient use of existing resources.

To this end was adopted the new law of social work no.292/2011, as a keystone of the reform. Subsequently there were also worked out the comprehensive reform strategy in the social field and national reform plan for the year 2011-2013 as elements of the ample project of the modernization of social welfare system of protection and assistance, financed by the loan agreement between Romania and International Bank for Reconstruction

and Development¹. Made to order, under the pressure of political and electoral emergencies, subject to budgetary constraints and only partially adapted to the concrete social realities which aims to modify, this ambitious reform is unlikely to succeed and may even compromise the most important objective namely reducing poverty and social exclusion. It is true that modernization was necessary, but it is not assumed to fulfill electoral and political targets or conditional loan agreement, but to correct existing deficiencies that did not allow the system to work properly, such as underfunding, fragmentation, lack of efficiency, errors and fraud in the system. The extent to which these important issues will be resolved through administrative reforms and increasing control is closely related to subsequent changes in secondary legislation, while substitution underfunding with administrative measures and management remains a challenge.

We develop these ideas in parallel with the presentation of the most relevant aspects promoted by the new Law of social

In order to reduce fragmentation and to insure a better focus interventions, the new law governing social assistance benefits and services proposes a package of interrelated measures and suggests new simplified ways for accessing social rights. The measure is useful in the context of the Romanian state grants not less than 202 forms of social assistance. These forms of support, some paid from the state budget, others from social insurance budget or local budgets, are actually a long string of electoral measures accumulated from year to year and from one election to another. The list is very long and

includes allowances of all kinds, maintenance aids, tickets, coupons, vouchers, allowances, gratuities, food aid, tax breaks and many exceptions to all sorts of forms of social contributions or insurance funds, health or unemployment. In comparison with other countries, aid is very much in terms of numbers but at the same time ridiculous or downright miserable. No grant system does not work effectively in many cases, assistance is given on a suspect in the complicated procedures and laws are not followed up and assignment.

The social services do not present a better situation either. Social services infrastructure does not provide minimal conditions of rendering social services because many buildings are in an advanced state of decay due to lack of investment required. Isolated and overcrowded centres completes the picture of an underdeveloped social assistance which has not adequately fulfilled the duties of support, although it has been reformed several times. Social services as means of intervention offeres only institutionalizing options and thus isolation, without a vocation for prevention or providing alternative support for keeping people in the community.

A sad picture, a prerequisite for inefficiency and an urgent need for change.

In this context, legislative initiatives regarding the reglementation of social benefits through the reorganization and simplification of procedures and checks are welcome and can lead to increase administrative efficiency and reduce fraud in the system. To achieve the objectives, the law promotes a series of reform-oriented measures, among which:

- reporting social assistance benefits to the social reference indicator (ISR) by

¹The loan agreement worth 500 million euros was ratified by Law nr.68/2012

applying a social insertion index (ISI) since 2012

- establishing a single form for requesting social assistance benefits financed from the state budget,
- granting the social assistance benefits by the payment of the taxes to the state budget and local budget
- establishment of maximum limits for welfare benefits that a person or family can have,
- Providing tax incentives or other fiscal facilities for the employers who employ persons receiving social assistance.
- unification of disability evaluation system with invalidity evaluation system and establishing common criteria, in accordance with the International Classification of Functioning, Disability and Health promoted by the World Health Organization

Changing these technical aspects, undeniably necessary, is complemented and supported by important reforms of the institution construction by abolishing the local departments of labor and replacing them by local agencies for social payments and inspection. Justified by the need to reduce system management costs and eliminate duplication of activities, this creates a conflict of interest, given the role of the Social Inspection to control, measure and monitor the actors involved in the provision of benefits and social services "Does not ever appear a conflict of interests, taking into account that the social payments agencies should be just some of the controlled operators?"².

Besides these technical aspects, the most important element of reform that the new law regulates is however the individual

² Stanescu, M.S., Dragotoiu, A., Marinoiu A., Social benefits administered by the Ministry of Labour, Family and Social Protection, Quality of Life XXIII, No. 3/2012,p.249

responsibility, the family and the community responsibility for the own welfare, while the state points in the alternative intervention only in time of crisis situations and subsidiarily³. This approach expresses the philosophy of the new vision and spirit of reform, to restrict the safety net represented by social assistance, is intensely contested by academics because it results in reducing the state's role in ensuring the welfare of its citizens. Criticism, correct in our view, is referred to the way of dealing with the social problems and with their assumption that aims to explain how social problems faced by people in need are rooted in their own inability to capitalize on the opportunities offered by society. Records contradict this hypothesis since many of the difficulties faced by individuals asking for social welfare due to social and economic imperfect contexts that even governments are responsible and not to the personal lack of capabilities. Therefore solving these problems cannot be limited to the increasing of individual competences, either familiar or group and it is also necessary for state intervention and the implementation of social policy measures designed to correct failures market and government.

" In the context of the withdrawal of the welfare of the classical functions of the state, promoting individual responsibility to ensure their own welfare (including innovative means of entering the labor market and social economy) and the tendency to reduce social spending, one of the major problems welfare system configuration option is the social orientation of system integration opportunities in the labor market."⁴

³ Social Assistance Law nr.292/2011,art.3

⁴ Stanescu, M.S., Dragotoiu, A., Marinoiu A., Social benefits administered by the Ministry of Labour, Family and Social Protection, Quality of Life XXIII, No. 3/2012,p.240

Promoting the philosophy of minimal state proposed by reform program a very important thing is ignored, that the state is not only a consumer of resources, it is also a welfare supplier by its services in education, health or social care provided free of charge. " Social expenditures have specific functions in society and probably their reduction would be dangerous if we don't know where and with what consequences " ⁵ being possible affecting social peace. Academic research conducted in recent years, among which Romania Study on Quality of Life in 2010 converge on this conclusion and reveals a disappointing situation that, after approx. 20 years of the revolution, the Romanian society continues to be rather one involving conflicts, especially in the political and social conflicts in the vertical (poor-rich, management - employees) " ⁶ .

This fragile context, aggravated by restrictions imposed by the contemporary economic crisis and the increasing interest in the European Union for assistance and social protection justify a different approach to welfare reform in Romania. From this perspective the solution adopted has not scored in European trend.

Reform ignores any concrete social realities such as the high degree of vulnerability of the population and the high potential for conflict, which is why social reform promoted by the social law nr.292/2011 is not saving, but deeply disappointing because, by promote state ideology produces a minimal shift in emphasis from the goal of achieving budget balance, which could be seen as a

temporary measure to reduce public funding and not as a permanent one. The proposed program is therefore more ambitious than the crisis: reform of the welfare state in all its components, and this means dismantling the welfare state. " ⁷ And finally the failure of the entire construction of adaptation and modernization of the social security system to cope with the social problems of globalization and their multiplication.

Finally, it should be noted that the principle of economic efficiency and the obsession absolutization to reduce costs seriously affect the quality of social services and, paradoxically perhaps, even effectiveness of social interventions that can no longer achieve the goal of being an active partner of public policies in the fight which in mid-twentieth century, Lord Beveridge name the five giants": deprivation, disease, ignorance, misery and inactivity. " ⁸ .

The most vulnerable point of the proposed reform, which may endanger the entire structure, is ignoring the basic principles of social and political management. "Increasingly interested in politics is not for "who gets what, when and how", but for values, each of which is considered something absolutely. Regarding economic interests compromise can be made, which is the biggest advantage of the policy reasons based on economic interests. Half a loaf means anyway having bread. But, half a child," as they say in the biblical story of Solomon, does not mean half of a child, it means a dead body or just a hunk of meat" ⁹

⁷ C.Zamfir (coord.) Romania : Responses to the crisis, Bucharest , ICCV, 2011, P.15

⁸ Buzducea Doru , Modern Sosial Work Systems, Ed.Polirom, Iași, 2009, p.17

⁹ P.Drucker, The Essential Drucker, Ed.Meteor Press, Bucuresti,2010,p 270

⁵ C.Zamfir (coord.) Romania : Responses to the crisis, Bucharest , ICCV, 2011, p.21

⁶ Mărginean I. and Precupețu I. (coord),, Quality of Life in Romania 2010, Bucharest, ICCV, 2010,p.7

The challenges of this century are particularly numerous, being generated by the development of science and technology, globalization and the crisis of values. The world today is a fascinating world full of contrasts and controversies. Opulence and poverty co-exist while vulnerable groups are becoming

more and more numerous. „ In this insecure high-tech world, the personal, familial and communitary problems exist as never before.”¹⁰

¹⁰ Fairley O.W. ;Smith.L.L ;Boyle.S.W.,Introduction to Social Work, ed.a XI-a, Pearson Education, Inc. 2009, N.Y., p.2

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