IMPROVING THE SOCIAL SYSTEM AND INSTITUTIONAL LEGITIMACY IN ROMANIA

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Abstract:This article presents a very brief analysis of the condition of social policies reform, observing the state's goodwill to create well-being of its citizens. The main purpose is to investigate new social policies, political actors and the environment, in that way to confirm or infirm the sustainability and efficiency of social system. The methodological approach is settled in sociology and social science, based on a qualitative research. The tendency to reform the social policy system based on the restriction of the state's role and an increase of individual freedoms is observed in the laws adopted at national level. Findings from the analysis reveal that legitimacy crisis is based on the lack of performance of the institutions responsible for social policies and, at the same time, the low satisfaction of citizens is caused by the failure of the state to provide wellbeing.

Keywords: social policies; sustainability; reform; legitimacy crisis

Introduction

The social policies reform is one of the most present issues on the political and public agendas since 2009, apparently more discussed after the economic crisis. Social policies are designed to meet the new challenges of the capitalist system, to generate social well-being and maintain the social order, thus clarifying the importance given to specific themes in the public space. The programs and measures adopted by the state are not always well received and well seen by the citizens or by the political class, but this does not confirm the failure or the success of some political changes.

The institutional capacity to absorb and implement new measures is difficult to investigate and analyze on short and medium term. It is important to observe new political policies, political actors and the environment, in that way to confirm or infirm the sustainability and efficiency of social system. So, improving the social system and institutional legitimacy in Romania**,** especiallythe state's goodwill to create well-being of its citizens is the central element of this research. The research focuses on the period after 2010, the year when there were some legislative changes meant to reform the social system.

When we relate to personal success in Romanian space, there is a tendency to say that most of the times *we rely on people rather than on laws. Regarding public careers, there are no genuinely known and respected social norms that one might plan their success.*[1]But what happens when we refer to the success of reforms? Can we find aspects of the success or failure of governmental measures, especially that ones designed to bring sustainability to the system (private pensions, keeping the elderly active in society as much as is possible)?

To investigate how social policies are received in society, the theories promoted by German sociologist Jürgen Habermas is the starting point of the analysis. With all the transformations in modern society, it relies on capitalism as the only variant that brought the welfare of society and recommends the restoration of the "public sphere". The term "public sphere" refers to the place where citizens have information about state actions (transparence), but also gives citizens the opportunity to organize and influence state policy (public

[1] Daniel BARBU, *Indistincția - O cronică a sfârșitului politicii românești*, Editura Art, București, 2010, p. 176.

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opinion).[2] This revival of the public sphere should include better information for citizens about state programs, activities and projects, as well as an increase in citizens' possibilities to organize and influence the political decision. These are the main directions followed in the research.

More, the legitimacy crisis[3] is closely linked to the social integration crisis. The modern capitalist society feels not only an economic and cultural crisis, but also a de-legitimation of the state institutions. Legitimacy is not related only to the sovereignty of the people, being more precisely caused due to lack of competence or lack of administrative efficiency. The exit from the legitimacy crisis, based on that kind of performance, is achieved by combining the citizen's satisfaction with the measures of reforming and recreating the real values for the rule of law.

The role of the government is to maximize the well-being of its people and to manage the policy-making process. Although, the European Union promotes the active life of the elderly, integration and sustainability of the entire social system, but not all policies have a concrete purpose. A particularly interesting distinction[4] is between instrumental policies (that try to effectively solve a problem - e.g. the minimum social pension) and symbolic policies (which do not really aspire to the achievement of objectives) that pursue some political or electoral, or image interests, etc. The harmonization of the acquis communautaire has brought many such bare content proposals (with no concrete implementation mechanisms).

The main hypothesis is: the reform of social system, especially the social policies for el derly, reflected in the sustainability of the system, reveals the lack of political success and the failure of state institutions. Secondary hypothesis are the following:

- recently a withdrawal of support in the promotion of private and voluntary pensions has been encountered;
- reform measures are without content (resources, qualified personnel, equipment) and do not meet the real needs of the Romanian society;
- there is a lack of institutional transparency regarding the programs provided and there are no important actions to combat symbolic policies and transform them in instrumental policies (programs for an active civic life, health promotion through sport, involvement of the elderly in projects with social benefit, etc.);

Nicholas Barr mentions in a study that the reform requires a number of connected factors in order to obtain concrete results. „The implementation of the reform implies the development of institutional capacity: involvement of specialists and officials in the design phase of the system, digitalization of registrations distributions and calculations, issuing detailed regulations on law enforcement; all in order to minimize mistakes and delays."[5] So, the analysis of the success that the reforms are supposed to have should be directed both towards those who are addressing, but perhaps more, to the institutions and the way they apply the new programs in society.

Materials and Methods

The present study proposes to examine the reform of social system, especially the social policies for elderly, reflected in the sustainability of the system, which reveals the lack of political success and the failure of state institutions in producing social welfare.

[2]Jürgen HABERMAS, *Sfera publică şi transformarea ei structurală : Studiul unei categorii a societăţii burgheze*, traducere de Janina Ianoşi, Editura Univers, Bucureşti, 1998, pp. 93-105.
[3]Jurgen HABERMAS, *Legitimation Crisis*, Boston: Beacon Press, 1975, pp. 68-75.
[4] Werner BUSSMANN, Ulrich KLÖTI, Peter KNOEPFEL (éd.), *Politiques publiques : évaluation,* Paris, 1988, pp. 201-210.
[5]Marian PREDA, Cristina DOBOŞ, Vlad GRIGORAŞ, *Sistemul de asigurări de pensii în România în perioada de tranziţie:probleme majore şi soluţii*, Institutul European din România, Bucureşti, 2004, pp. 24-25.

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To investigate this particularly issue, we have used several published research reports, statistical data analysis, the analysis of official documents and also some interviews with representatives of the public authorities, and the elected ones that are relevant to our study. The methodological approach is settled in sociology and social science, based on a qualitative research.

The interview is a structured research instrument, based on an interview guideline, conducted face-to-face with no timing of the discussion, recorded, and in some cases, due to limited time, the responses were received by email.

These materials are personal interviews on the topic of social policy with political actors and civil society leaders (made in 2014 to investigate the impact of the social policies in private life of elderly, on period 2009-2012), conducted in order to clarify the issues related to the success of social policy reform. Some important statistical data were also used in order to highlight the evolution of the sustainability of the social policy system.

Results

1. Statistics, official documents and research reports

The first important indicator linked to the reform of the social system and more exactly to the measures which directly affect the social policies for the elderly was the private and voluntary pensions (an instrumental policy).

Even if the study conducted by the World Bank was published in the early 1990s, Romania has not rushed to implement its proposals, so the situation of the system and pensioners was exposed to the risks of social exclusion, marginalization and to a private life without civic activities. It was only in 2007 that the Romanian state introduced private pension to sustain the system, which would be a support for the next generation of pensioners. The private pension system is made up of mandatory pillar II and optional pillar III.

According to the information provided by the Private Pensions Supervisory Commission, "the pension reform means extending the pension system bases by adding two more sources of pension (Pillar II and Pillar III), in addition to the state public pension (Pillar I). Pillar II is the name given to the privately managed pension scheme with defined contributions, mandatory for people under the age of 35 and optional for people aged between 35 and 45 years old. Pillar III is the name given to the voluntary pension scheme administered by private companies, a system based on individual accounts and optional membership"[6] and it is regulated by Law no. 204/2006 on voluntary pensions.

In terms of supporting reform measures, one aspect that deserves to be mentioned, that affects both the pension system and the private life of future pensioners in the long run is the measure adopted by the government that reduces the contribution to Pillar II from 5.1% to 3.75%. The Association for Private Administered Pensions in Romania (APAPR)[7] considers that the first reduction of the contribution from the percentage of 5.1% to 3.75% (instead of the increase to 6%, according to the law) translates into smaller private pensions with at least 20% for future pensioners and potentially lower financing of Romanian businesses through the capital market.

[6]Comisia de Supraveghere a Sistemului de Pensii Private, *Despre Pilonul II*, disponibil la adresa: http://www.csspp.ro/pilonul-2, accesat in 03.12.2011

[7] Asociatia pentru Pensiile Administrate Privat din Romania (APAPR), *Dupa ce au experimentat in trei etape inghetarea contributiei la Pilonul II, romanii se confrunta acum cu scaderea acesteia si, implicit, cu reducerea semnificativa a economiilor lor pentru pensie*, disponibil la adresa: http://www.apapr.ro/comunicate-presa/page/2/

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Income and expenses	Year	Unit	Valoare
Income	2014	Millions of lei RON	99652
Income	2015	Millions of lei RON	106347
Income	2016	Millions of lei RON	106347.1
Expenses	2014	Millions of lei RON	98584
Expenses	2015	Millions of lei RON	103886
Expenses	2016	Millions of lei RON	103886.2
Sold (+/-)	2014	Millions of lei RON	1068
Sold (+/-)	2015	Millions of lei RON	2461
Sold (+/-)	2016	Millions of lei RON	2461.3
The share of spending in GDP	2014	Percent	14.8
The share of spending in GDP	2015	Percent	14.6
The share of spending in GDP	2016	Percent	14.6

Table no. 1. Income and expenses for social protection
Source: National Institute of Statistics

The data from the table confirms that there is a small percentage allocated for social protection, but the expenses did not exceed the income. We noticed that the share of social expenditures in GDP has not increased during the analyzed period.

Achieving the objectives of the reform started in 2010 is essential for the sustainability of the pension system, especially in the coming years when a growing number of people (people born in the communist period, 1966-1989, as a result of Decree 770), are threatening the pillar I and the quality of elderly life. Going further with the research on the sustainability of the social system, the focus is on the income and expenses used for social protection, the capacity units operating costs and the evolution on types of social insurance.

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Types of social insurance	Year	Unit	Value
Total Tickets - State Social Insurance	2014	Thousands	210
Total Tickets - State Social Insurance	2015	Thousands	207
Total Tickets - State Social Insurance	2016	Thousands	212
Tickets - state social insurance - balneary treatment	2014	Thousands	210
Tickets - state social insurance - balneary treatment	2015	Thousands	207
Tickets - state social insurance - balneary treatment	2016	Thousands	212
Expenditure incurred for rest and treatment - state social insurance and farmers	2014	Thousands lei RON	288616
Expenditure incurred for rest and treatment - state social insurance and farmers	2015	Thousands lei RON	283568
Expenditure incurred for rest and treatment - state social insurance and farmers	2016	Thousands lei RON	288416

Table no. 2. Types of social insuranceSource: National Institute of Statistics
Source: National Institute of Statistics

Treatment tickets in the public pension system are made by distributing treatment tickets at the level of counties. Pensioners who prove the existence of a medical condition can benefit from treatment.[8] Data from the National Institute of Statistics indicate a slow evolution in the number of this kind of tickets, so it can be interpreted as a proof for the difficult living conditions and the influence of the economic situation of elderly observed especially in their private life.

Capacity units operating costs	Year	Unit	Value
Public homes - Number of units	2014	Number	105
Public homes - Number of units	2015	Number	118
Public homes - Number of units	2016	Number	123
Public homes - capacity (seats)	2014	Seats	7019

[8] Information available on the website of the National House of Public Pensions, http://www.cpmb.rdsnet.ro/, accessed on 12.03.2013

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Public homes - capacity (seats)	2015	Seats	7693
Public homes - capacity (seats)	2016	Seats	7630
Number of pending requests	2014	Number	2379
Number of pending requests	2015	Number	2797
Number of pending requests	2016	Number	1017
Private homes - number of units	2014	Number	141
Private homes - number of units	2015	Number	194
Private homes - number of units	2016	Number	246
Private homes - capacity (seats)	2014	Seats	5601
Private homes - capacity (seats)	2015	Seats	7778
Private homes - capacity (seats)	2016	Seats	9659

Table no. 3. Capacity units operating costs
Source: National Institute of Statistics

Proceeding with the problem on private and public homes for elderly, the situation was predictable. There is a larger number of elderly in need of care than the institutional capacity can handle. A private system has developed (it is a positive aspect for society), but the institutional incapacity to provide enough space in public homes denotes a lack of interest and benevolence for those who do not afford the luxury of paying for private services. Data from the National Institute of Statistics indicates a decrease of those who are waiting for a place in 2016, a decrease that is based on the increasing number of places in the private space.

2. The analysis of the interviews

For our study it was used only the first section of the interview, entitled General Questions, that contains a series of information related to: the experience of interviewees in activities targeting the elderly; the evolution of social policies for the elderly in 2009-2012; how the state measures are taken by older people and about the social and civic activity of the elderly. The analysis refers only to some of the information gathered through the interviews conducted in 2014, those that bring extra light to our present research on social policies for elderly.

From the answers, the necessity of the public - private partnership is seen as a favorable option, especially for the local authorities, who have difficulties in implementing projects for the elderly people.

The pressures of the economic crisis on social policies for the elderly have been widely recognized in the content of the interviews. The following extracts from the interviews illustrate this point of view:

"... the economy and the Romanian labor market have crossed the longest period of economic recession [...] Thus, the evolution of the policies for the elderly has not followed an

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ascendant course"

R1, Deputy, Romanian Parliament

"Especially after the crisis in the EU, the new European Commission focuses on social policies, given the deterioration of the quality of life."

R2, MEP, European Parliament

The socio-economic situation of the elderly is identified and interpreted differently, depending on the respondent's interaction with the system and his position. The main difficulties encountered during 2009-2012 are related to management and lack of monitoring the key issues in society. Indeed, there is a high level of dissatisfaction with the evolution of social policies during the analyzed period, but also a low hope for a better future, all highlighted and expressed directly in interviews.

"Unfortunately, during the period 2009-2012, the situation has regressed in terms of the national strategy for the elderly [...] In the period 2009-2012 there were extremely inappropriate measures, such as the maintenance of non-indexed pensions with the inflation rate, the introduction of the CAS payment on pensions from 0 lei, although the law only provided for what exceeds the value of 700 lei. There was no specific program for spending the free time of the elderly, practicing sport to prevent illness and maintain health. “

R2, MEP, European Parliament

The economic crisis, whose presence economically emerged since the end of 2008, has defied the satisfaction of the elderly and of all social categories, the peak of tensions being reached in 2012 (social protests and political instability). The majority of respondents, both those working in various levels of state authorities and those working in the private sector, considers that the 2009-2012 period was an involution in social policies for the elderly.

"[...] social policies were almost inexistent, at least at tangible level; it was a boom in 2012, the year of active aging, materialized in many roundtables and manuals, but in what concerns the social policies, they were almost nonexistent. [...] at the theoretical level there had to be an action plan on the issue of the elderly at the Ministry of Labor, but it was not achieved. There was a kind of approval but no deadlines and no quantitative and qualitative targets, so in the end it was almost inexistent. "

R8, Program Coordinator for Elderly, NGO

The transparency and informing the elderly about rights, obligations, programs and projects have not been priority issues in the Romanian social policy. The elderly are not well informed about the actions and programs initiated by the authorities, the administration having a poor communication with the elderly through social assistants. If the elderly are not in the hands of local authorities or in the NGO’s databases, they do not know about the existence of any programs (low impact at national level)

"[...] access to information on State measures -when they exist-which directly affect them,linked to the increase in the pension ceiling or pension measures, is very limited [...] They would be well received if they come to the pensioners. "

R8, Program Coordinator for Elderly, NGO

Finally, in order to emphasize the direction of the responses, and to have a quantitative aspect of the interviews, a chart was made, with the information received from the respondents. It was scored on a scale of 8 to -8, depending on the respondent's opinion on the evolution of social policies. For those who consider that there was an evolving trend on social policies, we have offered the maximum of 8, and for those who consider social policies almost didn’t-exist, we have offered the minimum of -8.

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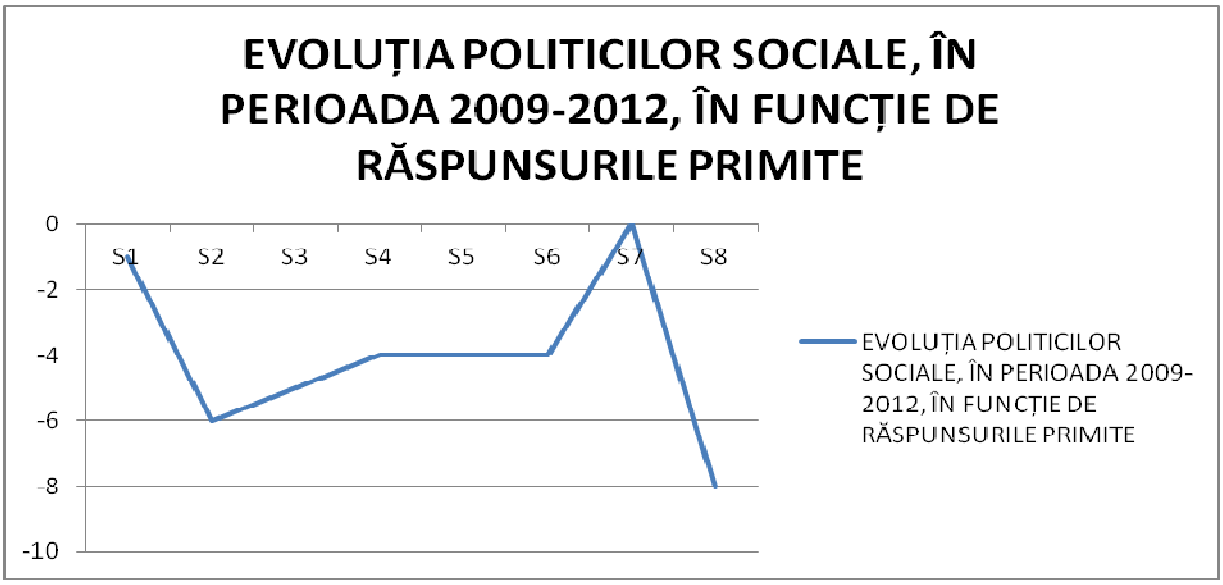


Figure no. 1. Evolution of social policies in 2009-2012, depending on the responses received from representatives of the authorities in interviews.

Respondent 1 and respondent 7 were almost neutral (0) in terms of assessing the evolution of social policies, being politicians. In conclusion, for this stage of the analysis, the answers were contextualized, observing the tendency to rate the social policies more negatively than positively. These answers are relevant for the period 2009-2012 and demonstrate the negative impact of the evolution of social policy conducted by public and private authorities acting on the social arena in Romania.

Conclusions

The main hypothesis of the paper is confirmed, which means that the reform of the social system, especially the social policies for elderly, reflected in sustainability of the system, reveals the lack of political success and the failure of state institutions.

The analysis of interviews also confirms a "rigid and incomplete" legislation that hinders access to services and fails to meet the real needs of the elderly. The absence of projects to support the reform of the system was demonstrated, confirming the symbolic policies (with empty content). There are mentioned some small projects offered by the state's authorities in partnership with various organizations and associations, but without an impact on the development and modernization of the social policy system, with only local impact, meaning for few people.

The situation observed in the interviews is also reflected in the statistical data analysis, published reports and the analysis of official documents. The study covers the period after 2010, but the statistical data is for the period 2014-2016, in order to observe the possible effects of the 2010's legislative changes. There were no national measures, projects or programs to promote the independence of the elderly (referring to the promotion of health, participation in society, financial security, personal development and human dignity) to stimulate their integration into society and the reform of social policy.

To conclude, the tendency to reform the social policy system based on the restriction of the state's role and an increase of individual freedoms is observed in the laws adopted at national level. The legitimacy crisis is based on the lack of performance of the institutions responsible for social policies and the low satisfaction caused by the failure of the state to provide wellbeing.

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- Information available on the website of the National House of Public Pensions, http://www.cpmb.rdsnet.ro/
- Comisia de Supraveghere a Sistemului de Pensii Private, *Despre Pilonul II*, disponibil la adresa: http://www.csspp.ro/pilonul-2

Annex no. 1 The main socio-political aspects mentioned in the interviews

Respondent	Important aspects mentioned in the interview
R1	economic recession, the value of the pension point, the inefficiency of the authorities, the rigid and incomplete legislative framework, the pension system, the guaranteed minimum social pensions, the voluntary pensions, the elimination of inequities, the diversification of the types of pensions;
R2	public debate - promotion of active aging, concrete proposals, extremely inappropriate measures, maintenance of non-indexed pensions, introduction of CAS payment, prevention of illness, maintenance of health status, associations, NGOs, local governments, political parties, meals and shows;
R3	dissatisfaction, reductions in salaries, social security, public pension fund, violation of constitutional provisions, state obligations, decent living, Ceausescu regime, revolution, humiliation and impotence, poverty, intergenerational struggle, denigration, "social assisted";
R4	CAS and tax, pensions, economic reasons;
R5	stopping CAS evolved for the worse;

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R6	the health and medicine system, increasing the retirement age, limiting the right to work, the budget system, falling incomes, meeting basic needs;
R7	cutting the amount of pensions, active aging, economic crisis, social activity, reorganizing priorities, medical services;
R8	non-existent social policies, action plan, quantitative and qualitative targets,

Source: Information gathered from public and private authority interviews and shared on social policies for the elderly.

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