

# INTERNAL AUDITING & RISK MANAGEMENT



YEAR XIV, SUPPLEMENT NO. 54, JUNE 2019



**ATHENÆUM  
UNIVERSITY**



# **INTERNAL AUDITING & RISK MANAGEMENT**

---

**Quarterly journal published by the „Athenaeum” University & Centre of  
Excellence in Financial Management and Internal Audit**

**YEAR XIV, SUPPLEMENT NO. 54, JUNE 2019**

**Disclaimer:** Facts and opinions published in Internal Auditing & Risk Management Journal express solely the opinions of the respective authors. Authors are responsible for the English translation of their text, their citing of sources and the accuracy of their references and bibliographies. The editors cannot be held responsible for any lacks or possible violations of third parties' rights.

**BREN Publishing House**  
12 Lucăcești Street, District 6, Bucharest, Romania  
Tel/Fax: 0318179384  
[www.editurabren.ro](http://www.editurabren.ro)  
e-mail: [brenprod@gmail.com](mailto:brenprod@gmail.com)  
ISSN 2065 – 8168 (print) ISSN 2068 - 2077 (online)

**Indexed by:**  
RePEc , CEEOL, SSRN, EBSCO, CiteFactor, Google Scholar

# INTERNAL AUDITING & RISK MANAGEMENT

Quarterly journal published by the „Athenaeum” University & Centre of  
Excellence in Financial Management and Internal Audit  
YEAR XIV, SUPPLEMENT No. 54, June 2019

---

## EDITORIAL BOARD:

### Editor-in-chief:

Emilia VASILE, PhD Professor, “Athenaeum” University of Bucharest, Romania

### Editors:

Bendic VASILE, PhD Associate Professor, Politehnica University Timisoara, România

Dănuț SIMION, PhD Associate Professor, “Athenaeum” University of Bucharest, Romania

Julia M. PUASCHUNDER, The New School, Schwartz Center for Economic Policy Analysis, USA

Nelu BURCEA, PhD Associate Professor, “Athenaeum” University of Bucharest, Romania

### Advisory board:

Ion Păun OTIMAN, Academician

Iulian VĂCĂREL, Academician

Lucian-Liviu ALBU, Academician

Emilia VASILE, PhD Professor, “Athenaeum” University of Bucharest

Gheorghe ZAMAN, PhD Professor, Corresponding Member of the Romanian Academy

Petru ANDEA, PhD Professor Eng., Politehnica University Timisoara

Eliodor TANISLAV, PhD Professor, “Athenaeum” University of Bucharest

Pavel NĂSTASE, PhD Professor, The Bucharest Academy of Economic Studies

Daniel ARMEANU, PhD Professor, The Bucharest Academy of Economic Studies

Dănuț SIMION, PhD Associate Professor, “Athenaeum” University of Bucharest

Brîndusa RADU, PhD Associate Professor, “Athenaeum” University of Bucharest

Nadir Ali KOLACHI, PhD Associate Professor, University of Fujairah, UAE

Djilali BENABOU, Professor PhD, University of Mascara, Algeria

Mimouna ZITOUNI, PhD Associate Professor, Mohamed Ben Ahmed University, Algeria

Alice BELCHER, PhD, University of Dundee, United Kingdom

Asli HASSAN, PhD, Khalifa University in Abu Dhabi, UAE

Hadiza WADA, PhD, Kaduna State University, Nigeria

Wenjing WANG, PhD, Aarhus University, Denmark

Niaz ALI, PhD, Shaheed Benazir Bhutto University Dir Upper, Pakistan

Raheem YOUNG, PhD, Argosy University, USA

Salam OMAR, PhD, Abu Dhabi University, UAE

Titilade AJAYI, PhD, Osun State College of Technology, Esa Oke, Nigeria  
Pellegrino MANFRA, PhD Prof., City University of New York, USA  
Ivana MARINOVIĆ MATOVIĆ, PhD, University of Nis, Serbia  
Willy TADJUDJE, PhD, University of Luxembourg, Belgium

### **Founder:**

Emilia VASILE, PhD Professor, “Athenaeum” University of Bucharest, Romania

### **Editorial Office: “Athenaeum” University of Bucharest, Romania**

Viorica BURCEA, PhD candidate, University of Valahia Targoviste, Romania

Felicia Mihaela NEGOI, “Athenaeum” University of Bucharest, Romania

## CONTENTS

THE EVOLUTION OF THE NUMBER OF PENSIONERS IN ROMANIA <i>Brîndușa Mihaela RADU</i>	9
KEY INSTRUMENTS IN THE FIGHT AGAINST FRAUD: THE IMPORTANCE OF FISCAL EDUCATION <i>Larisa R. MANEA, Viorica NEACSU, Emilia VASILE</i>	18
THE RIGHT TO TRAINING AND IMPROVEMENT OF VOCATIONAL TRAINING <i>Narcis Teodor GODEANU</i>	26
PERSPECTIVES OF THE PERFORMANCE OF INTERNAL AUDIT IN ECONOMIC ORGANIZATIONS <i>Cristian Virgiliu RADU</i>	38
THE LIFE OF WOMEN AND MEN IN ROMANIA A SHORT STATISTICAL PORTRAITURE <i>Radu GHEORGHE</i>	49



## THE EVOLUTION OF THE NUMBER OF PENSIONERS IN ROMANIA

**Brîndușa Mihaela RADU, PhD Associate Professor**  
Athenaeum University, Bucharest, Romania  
bmradu@yahoo.com

**Abstract:** *Pension systems are going through a crisis in the world. Many of the countries of the European Union, but not only, have impressive costs - generally over 8-10% of GDP, just to keep on the waterline a component of the social insurance system, respectively, that of granting the necessary income after the exit from the labor market. However, the situation is much more difficult, more complex, especially in perspective. Given the “particularities of the inherited pension system” and the factors that inevitably affect the century we are going through (population aging, reduction of the active population, macroeconomic problems mainly of the countries in transition, etc.) the budget necessary to ensure the payment of pensions as a share of GDP is anticipates that it will double over 40-50 years. Most countries have already started pension reform processes or at least plan for such changes / for the coming periods. Although the problems are apparently the same, the directions of change, though sometimes convergent, are different. 10 years ago, the main path of reform discussed and implemented was generally the parametric one (changing the retirement ages, the replacement rates, etc.) Zamfir (1999). The present paper has tried to review the main aspects related to the evolution of the number of pensioners in Romania since 1990.*

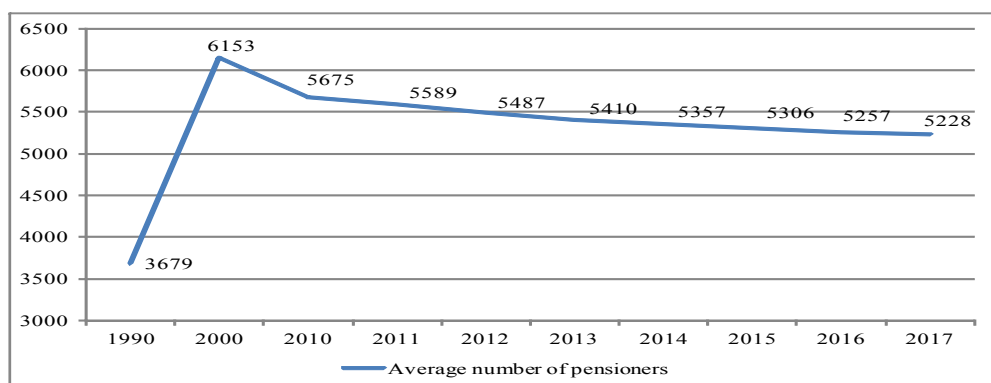
**Keywords:** *number of pensioners, pensioners by category, development regions*

**JEL Classification:** J26, J32

Romania registered spectacular increases after 1990, in terms of the number of pensioners (Barr, 1995). The abolition of large state-owned enterprises brought a massive wave of early retirement, which almost doubled the number

of retirees between 1990 and 2000 (the number of retirees increased from 3679 thousand people in 1990, to 6153 thousand people in the year 2000 in which a record number of the number of pensioners was registered - figure 1). Since 2000 the number of pensioners has registered an annual decrease, reaching in 2017 to reach the level of 5228 thousand people.

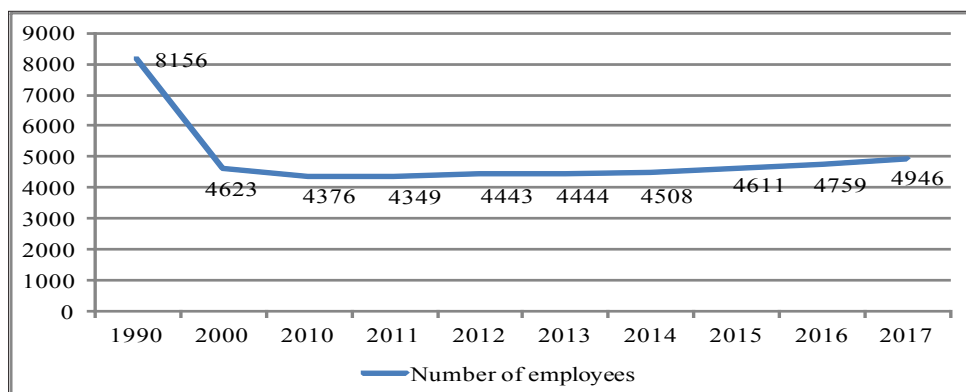
Figure 1. Evolution of the average number of pensioners (thousands)



Source: National Institute of Statistics (1991-2018), Statistical Yearbooks

The increase in the number of pensioners was achieved simultaneously with a decrease in the number of employees (Figure 2). If there were 2.5 employees in a pensioner in 1990, after 2000 there are more retirees than employees. The most dramatic situation was registered in 2011, since then the situation has improved somewhat, the number of employees registering an increase (with approximately 597 thousand people), and the number of pensioners decreasing (with about 361 thousand people).

Figure 2. Evolution of the average number of employees (thousands)

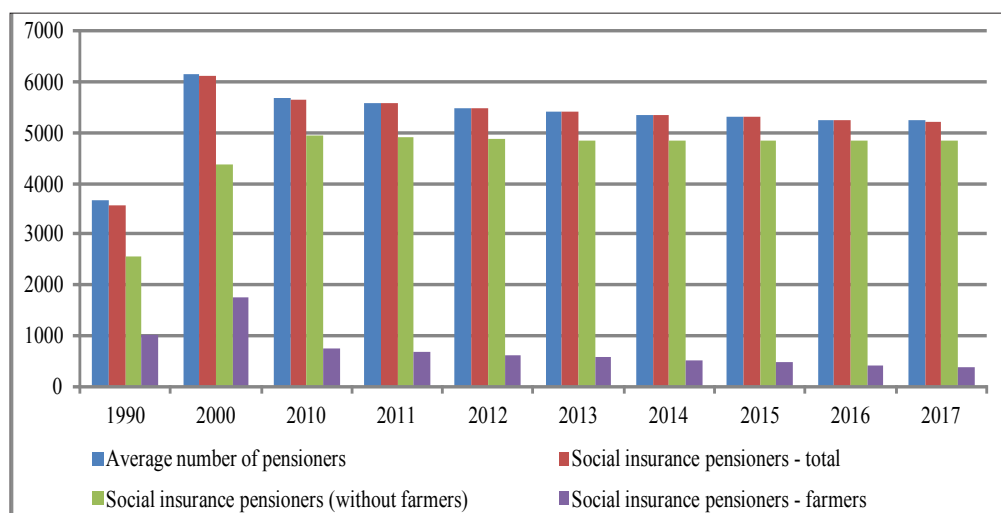


Source: National Institute of Statistics (1991-2018), Statistical Yearbooks

Analyzing the evolution of the number of pensioners by category (figure 3), we can note that between 1990 and 2017 all four categories of pensioners: the average number of pensioners, social security pensioners, social security pensioners (without farmers), insurance pensioners social - farmers, have registered significant increases. Between 2000 and 2010, three of the categories mentioned decreased in terms of the average number. The exception is the category of social security pensioners (without farmers), which has registered a quite significant increase. From 2011 to 2017, all four categories of pensioners analyzed decreased, even if these decreases are not very significant. Even if there have been decreases in the average number of pensioners, they remain numerically above the number of employees. This creates increased pressure on the social insurance budget, which continues to be deficient year on year.

For this reason, the current legislation in the field has led to an increase in the retirement age for women and the discouragement of early retirement. All these measures were taken in order to reduce the pressure on the budget for the payment of pensions.

Figure 3. Evolution of the number of pensioners by category



Source: National Institute of Statistics (1991-2018), Statistical Yearbooks

Table 1 shows the percentage increase of the number of pensioners (by categories), percentage calculated as compared to 1990. In the categories „with early retirement” and „with partial retirement”, the percentage was calculated compared to 2010, due to the lack of data until that year. Analyzing these data it is found that the highest growth registered had a category „with early

retirement”, which registered an increase of 255.6%, followed by the category „with full contribution period”, with an increase of 237, 3%. These two categories of pensioners increased by more than double the number existing at the beginning of the period analyzed. The categories „for old age” (increase of 195%) and „with incomplete contribution period” (increase of 125.3%), have registered lower increases, but still important numerically.

The only category that registered a decrease was the category „with partial early retirement” where the decrease was even important (-35.8% percent). The decrease in this category was recorded as an effect of the measures taken after 2010, to discourage and penalize this category of retirement which has become unattractive (Lambru, Chirițoiu, and Jacques, 2003)

All the evolution of these categories of retirement resulted in an increase of the total average number of pensioners by 142% in 2017 compared to 1990, after registering a maximum of 167.2% in 2000.

Table 1. Evolution of the no. of pensioners according to the contribution period

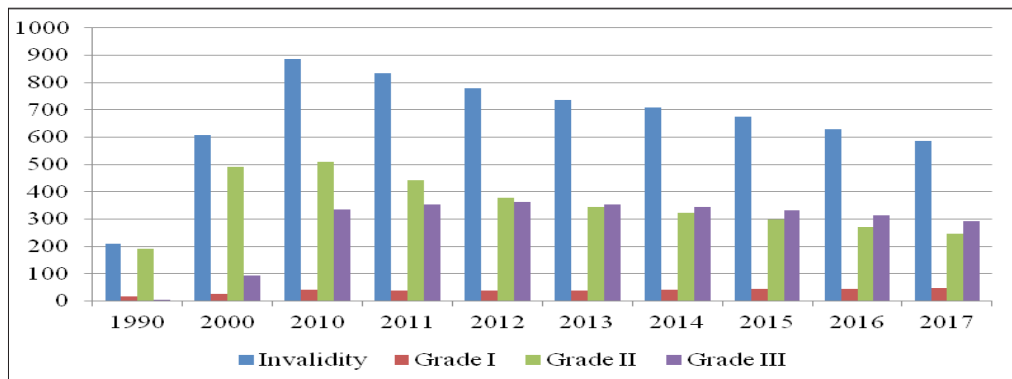
	1990	2000	2010	2011	2012	2013	2014	2015	2016	2017
Average number of pensioners	3679	6153	5675	5589	5487	5410	5357	5306	5257	5228
growth compared to 1990	100,0	167,2	154,3	151,9	149,1	147,1	145,6	144,2	142,9	142,1
For the age limit	1859	3087	3309	3350	3383	3418	3453	3500	3566	3629
growth compared to 1990	100,0	166,1	178,0	180,2	182,0	183,9	185,7	188,3	191,8	195,2
With a full contribution period	1160	2247	2282	2607	2579	2516	2537	2602	2675	2753
growth compared to 1990	100,0	193,7	196,7	224,7	222,3	216,9	218,7	224,3	230,6	237,3
With an incomplete contribution period	699	840	1027	743	804	902	916	898	891	876
growth compared to 1990	100,0	120,2	146,9	106,3	115,0	129,0	131,0	128,5	127,5	125,3
With early retirement	-	-	9	9	11	14	19	23	23	23
growth compared to 2010	-	-	100	100,0	122,2	155,6	211,1	255,6	255,6	255,6
With partial early retirement	-	-	123	125	114	101	96	86	75	79
growth compared to 2010	-	-	100,0	101,6	92,7	82,1	78,0	69,9	61,0	64,2

Sursa: National Institute of Statistics (1991-2018), Statistical Yearbooks

Figure 4 shows the evolution of the number of pensioners on grounds of invalidity, on total and on degrees of retirement. As you can see the total number of retirees in this category had a spectacular increase until 2010, the year in which there were almost 8 times more retirees compared to 1990. After reaching this year's maximum, the number of retirees disability has registered quite significant decreases from year to year 2017, however, remaining much higher compared to 1990. However, an increase registered the number of pensioners with the III degree of invalidity. If by 2012, the number of pensioners with the second degree of invalidity was much higher than the number of pensioners with the third degree of invalidity, after this year the report was reversed.

The decrease in the number of invalidity pensioners was also registered due to the fact that many abuses of this type of retirement were discovered. And at this type of pensions, measures were taken to discourage the registered abuses, by increasing the legal penalties granted to those who did not comply with the law and they granted these pensions to persons who did not fall into these categories (National Research Council, 2001).

Figure 4. Evolution of the number of invalidity pensioners (thousands)

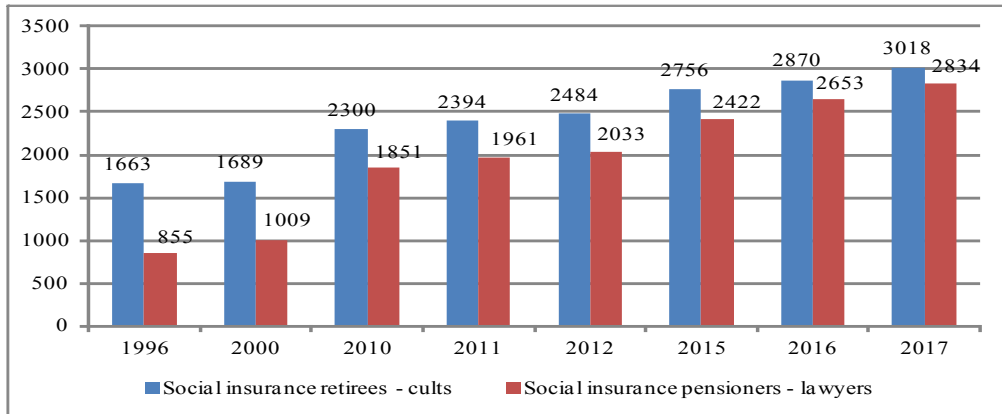


Source: National Institute of Statistics (1991-2018), Statistical Yearbooks

Figure 5 shows the evolution of other categories of pensioners: social insurance retirees - cults and social insurance retirees - lawyers. There were no data for these two categories until 1996. These two categories registered different increases: social insurance pensioners - cults (181.5% increase) and social insurance pensioners - lawyers (331 increase, 5%).

The second category analyzed „social security pensioners - lawyers”, registered a very large increase due to very attractive sets of measures for the retirement of these social categories. These measures are still in force and will cause the number of pensioners in this category to increase in the next period.

Figure 5. Evolution of the number of other categories of pensioners



Source: National Institute of Statistics (1991-2018), Statistical Yearbooks

An important analysis is also the evolution of the number of pensioners in the development regions of Romania (Table 2). Romania is divided into 8 development regions as follows:

1. North-West region
2. The Center Region
3. North-East region
4. South-East region
5. South Region - Muntenia
6. The Bucharest - Ilfov region
7. South - West Oltenia Region
8. West region

We have made an evolution of the share of the number of retirees from each region in the total registered at the country level (World Bank, 2003). Two types of regions are distinguished from the analysis:

- regions where the share of the number of pensioners in the national total has decreased, and of these regions we list: the Centru, Bucharest Ilfov and West regions;
- regions where the share of the number of pensioners in the national total has increased, and among these regions we list: the North - West, North-East, South - East, South Muntenia and South - West Oltenia regions.

The regions where the number of pensioners decreased in the total number are the most developed regions of Romania, and the regions where

the share of the number of pensioners in the national total has increased are the regions that are less developed but have an older population than the other regions where - there were decreases.

The region with the largest decrease in the number of retirees in the national total is the Bucharest Ilfov region with a decrease of - 4.2%, and the region that recorded the largest increase in the number of retirees in the national total was the South region - East with an increase of + 2.4%.

Table 2. Evolution of the share of the number of pensioners in the development regions of Romania

	1990	2000	2010	2011	2012	2015	2016	2017
<b>TOTAL</b>	2380038	4246061	4766566	4743756	4702120	4682624	4677708	4678090
percentage of total	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
<b>NORD-VEST region</b>	302374	554251	629598	625239	619971	614969	613768	613348
percentage of total	12,7	13,1	13,2	13,2	13,2	13,1	13,1	13,1
<b>CENTRU region</b>	314094	516946	580462	580325	575948	575135	576690	578473
percentage of total	13,2	12,2	12,2	12,2	12,2	12,3	12,3	12,4
<b>NORD-EST region</b>	293032	596839	712120	709347	703308	702124	701761	702398
percentage of total	12,3	14,1	14,9	15,0	15,0	15,0	15,0	15,0
<b>SUD-EST region</b>	236758	479474	559197	562093	561305	570089	573816	577144
percentage of total	9,9	11,3	11,7	11,8	11,9	12,2	12,3	12,3
<b>SUD-MUNTENIA region</b>	363185	692175	754929	748721	739667	727700	724259	721277
percentage of total	15,3	16,3	15,8	15,8	15,7	15,5	15,5	15,4
<b>BUCURESTI - ILFOV region</b>	383802	558416	571179	566970	560567	558332	557229	557151
percentage of total	16,1	13,2	12,0	12,0	11,9	11,9	11,9	11,9
<b>SUD-VEST OLTENIA region</b>	211363	422882	503035	496421	489482	482401	479831	478541
percentage of total	8,9	10,0	10,6	10,5	10,4	10,3	10,3	10,2
<b>VEST region</b>	275430	425078	456046	454640	451872	451874	450354	449758
percentage of total	11,6	10,0	9,6	9,6	9,6	9,7	9,6	9,6

Source: National Institute of Statistics (1991-2018), Statistical Yearbooks

Regarding the gender distribution of the number of pensioners, it can be stated that the economic and social development of Romania in the second half of the century resulted in a higher share of men in the number of state social security pensioners until In 2009, in other words, at that time employees were predominantly men, women choosing the status of housewife. The change in this report took place in the first half of 2009, in which, in addition to female mortality at lower ages, the number of pension entries in terms of the number of women exceeded the number of men.

As of 2018, the number of male pensioners will be greater than the number of female pensioners, the difference cannot offset the effects of differential mortality, significantly lower in women, and the share of women in the total number of social insurance pensioners is expected to increase moderately but steadily, from 51 % how many are today.

## **Conclusions**

The present paper has tried to review the main aspects related to the evolution of the number of pensioners in Romania since 1990. Following the analysis of the evolution of the number of pensioners, the following conclusions can be identified:

- Romania registered spectacular increases after 1990, in terms of the number of retirees. The abolition of the large state-owned enterprises brought a massive wave of early retirement, which almost doubled the number of retirees between 1990 and 2000;
- the increase in the number of pensioners was achieved simultaneously with a decrease in the number of employees. If in 1990 there were 2.5 employees per pensioner, after 2000 there are more retirees than employees;
- the evolution of the number of pensioners due to invalidity, total and by degrees of retirement had a spectacular increase until 2010, year in which there were registered almost 8 times more retirees compared to 1990;
- in the category of pensioners due to invalidity reasons, many abuses were discovered so that measures were taken to discourage the registered abuses, by increasing the legal penalties granted to those who did not comply with the law and granting these pensions to persons who did not fall into these categories;
- regarding the distribution of the number of pensioners by regions, two situations are noted:

- ✓ a regions in which the share of the number of pensioners in the national total has increased, and among these regions we list: the North - West, North - East, South - East, South Muntenia and South - West Oltenia regions;
- ✓ a regions in which the share of the number of pensioners in the national total has decreased, and of these regions we list: the Centru, Bucharest Ilfov and West regions;
- The region that recorded the largest decrease in the number of pensioners in the national total is the Bucharest Ilfov region with a decrease of - 4.2%, and the region that recorded the largest increase in the number of pensioners in the national total was the South region. - East with an increase of + 2.4%;
- Regarding the gender distribution of the number of pensioners, it can be stated that the economic and social development of Romania in the second half of the century resulted in a higher share of men in the number of state social security pensioners up to In 2009, in other words, at that time, employees were predominantly men, women choosing the status of housewife. The change in this report took place in the first half of 2009, in which, in addition to female mortality at lower ages, the number of pension entries in terms of the number of women exceeded the number of men.

## References

- Barr, N. (1995). *Labor markets and social policy in Central and Eastern Europe*, World Bank, vol 2.
- Lambru, M., Chirițoiu, B., Gregoire, J. (2003). *The Romanian system of social insurance and accession to the European Union*. The European Institute of Romania.
- National Institute of Statistics. (1991-2018). *Statistical Yearbooks*.
- National Research Council. (2001). *Preparing for an Aging World*. Washington DC: National Academy Press.
- World Bank/ (2003). Law on pensions and other copyrights.
- World Bank. (2012). *Portfolio Limits, Pension investment restrictions compromise fund performance*. Washington, DC: World Bank. World Bank Pension Reform Primes. Available at: [www.worldbank.org/pensions](http://www.worldbank.org/pensions).
- Zamfir, C. (coord). (1999). *Social Policies in Romania*. Bucharest: Expert Publishing House.
- Zamfir, E., Zamfir, C. (1999). *Social policies. Romania in the European context*. Bucharest: Expert Publishing House.

## KEY INSTRUMENTS IN THE FIGHT AGAINST FRAUD: THE IMPORTANCE OF FISCAL EDUCATION

**Larisa Roxana MANEA, PhD**

University of Valahia Targoviste, Romania  
larisamanea@yahoo.com

**Viorica NEACSU, PhD Student**

University of Valahia Targoviste, Romania  
viorica.burcea@yahoo.com

**Emilia VASILE, PhD Professor**

Athenaeum University, Bucharest, Romania  
rector@univath.ro

**Abstract:** *This article is not about changing laws, many of which are sound and necessary; it is about understanding 'why', as humans, we look for easy ways out, and also how we can rise to the challenge and really keep fraud and corruption by making more room for morals. Tax revenues are the key to maintaining the State sustainability and wellness. In a moment of crisis like the current one, it is transcendental to deepen in the fight against fraud, as a fundamental tool for achieving this goal. However, it is worth asking: is that possible, based on greater tax education, detailed and transparent with information on the different tax measures implemented, as well as the responsible use of resources by their managers, to improve the attitude of the population before paying taxes? In this article, we try to respond to the importance of these aspects to end the fraudulent actions and improve the collection efficiency of the Public Administration.*

**Keywords:** *fraud, fiscal awareness, tax education, public resources*

**JEL Classification:** G2, G18

## Introduction

In a crisis environment, such as the current one, we believe that how we deal with fraud and corruption, needs to be re-thought and the need to increase tax collection is one of the main objectives to manage the return to growth and of course a correct redistribution of income that provides the maximum welfare to the population.

The fight against tax fraud, within a framework of increased communication and information to the population, will contribute to their awareness and will reduce the tolerance with actions, which ultimately harm the citizens themselves, diminishing the Welfare State.

We believe that business people need to acknowledge moral responsibility for their decisions and conduct, which, after all, can have widespread social consequences. It is therefore important to find practical and constructive measures to counter corruption.

As a solution for this to end, in addition to the objectives of transparency in the management of resources and transmission of knowledge on the importance of the tax system, a message of non-impunity must be given to offenders, confronting the behavior of those who they evade their responsibility towards the rest of the population. It must be clear that, not contributing, according to its capacity, with the income of the State, is equivalent to reducing resources available to manage public services and carry out the social actions that could eradicate social exclusion in favor of a more just and solidary society.

### 1. Fiscal conscience

The concept of „conscience” encompasses different definitions, being able to consider it as: «*The moral knowledge that the human being has about himself, his existence and his relationship with the world* » (Stanford Encyclopedia of Philosophy, 2003), or as: «*The ability to discern between good and evil from the which behaviors can be judged* ».

An ancient view, still popular today, is that moral knowledge must ultimately be based on the will or commandments of the Creator. This view faces two major problems. First, there is the obvious difficulty that skepticism about God's existence is at least as difficult to lay to rest as skepticism about moral knowledge. Second, there is the further difficulty that even if we are confident about God's existence, it is not clear how we can interpret the will

or commandments of God without first having moral knowledge, thus making this reply to the skeptic question-begging.

It is evident that, the perception that citizens have about the tax system and public spending, is influenced by the evaluation they make about the management of these taxes. An increase in trust in public institutions reverts to a greater fiscal awareness of the individual.

When the individual is aware that the rights he holds are intimately linked to his duties and that thanks to the existence of a tax system can benefit from a series of goods and services that otherwise could not exist, increases the positive aptitude towards payment of taxes, becoming actively involved in the effectiveness of the tax system.

The greater degree of understanding and knowledge made the operation of income and public expenditures undoubtedly result in a greater willingness to pay taxes.

An argument of David Hume (1740) provides a more direct threat to the possibility of moral knowledge based on the fact that morals excite our passions and motivate us to act. If morals are based on reason so that they consist in true or false ideas, they would have to be in themselves incapable of having this direct influence on our actions.

Of course, when citizens consider that the use of their taxes leads to greater social welfare, confirming their knowledge about the functioning of the public income and expenditure system, they immediately increase their fiscal awareness, both individually and collectively, since society tends to internalize the experiences of each of its members, especially when they are, in some way, made public. In this sense, we can not forget that the work of the media is also of great importance, since they provide information on the functioning of the institutions and, therefore, on the way in which public managers act.

## **2. Objectives of the Administration**

It is becoming increasingly clear to many people that today's wealth of rules and regulations and checklist box-ticking is not having a real impact on the root cause of fraud and corruption. On the contrary, probably the more copious and confusing the rules become, the more opportunities are created for the fraudster.

Therefore, what are the objectives that the administration faces in order to make citizens aware of the need to fight against fraud and the underground economy?

There is a „main strategic objective”, which is to increase the level of fiscal awareness of citizens, for whose achievement it is necessary to follow up on certain lines of action as :

1. Improve individual awareness (civic-tax education).
2. Change behaviors of social tolerance to fraud (need to be measured through periodic surveys, fiscal barometer conducted annually by the Institute of Fiscal Studies).
3. Modify the perception of taxes and their social acceptance.
4. Modify the perception of inefficiency and inefficiency in public spending.

In order to improve individual awareness and following the line of the above, a series of „general approaches” must be followed, which inevitably pass, and in the first place, by the increase of citizen awareness of the efficiency and effectiveness in public spending. On the one hand, there is a need to raise to be able to subsequently invest in public spending: productive spending, public services and social expenditure (pensions, health, education and social services) and, on the other hand, measures must be promoted that improve efficiency in spending, using it responsibly the resources withdrawn. Second, the previous actions should be linked to an adequate communication strategy, aimed at strengthening tax awareness. That's it important to speed up and facilitate the relationship with the taxpayer through electronic means. It is essential at present, to highlight the relevance of TIC ( internet) in communication to the citizen in a reciprocal sense and the positive externalities generated by the adaptation of these to the needs of the population.

Finally, and due to the current situation, all measures must be adapted to the new circumstances of the economic scenario. The current crisis and the environment of budgetary austerity, make tax fraud even more reprehensible if fits. We can not forget that, at this moment, we are moving in a scenario of economic crisis, that will affect to a greater or lesser extent all economies, due to the growing globalization and the interrelation existing among all international markets. This situation among many other circumstances, has led in the past to a notable increase in the phenomenon of poverty, increasing the number of people who are below the so-called „poverty threshold” (Martinez and Miquel, 2011). For this reason, it is more necessary than ever to perform a correct redistribution of wealth with the objective of assisting the most disadvantaged, which, consequently, increases the need for citizenship be aware of the importance of the tax system.

### **3. Civic-Tax education**

Situations encountered and role models in formative years are likely to affect the level of moral dissonance a person experiences.

Closely related to the objectives set, and as we saw earlier, the importance of civic-tax education should be emphasized. On the one hand, it is essential to promote awareness from the earliest educational levels, both through the training of teachers, and the inclusion of a tax education program in the curricula of the teachings socks and baccalaureate.

Greater education helps to change the social behavior of social tolerance against fraud and offenders. To evaluate the success or failure of these plans the following aspects should be taken into account:

- Social perception of tax fraud and changes in tax behaviors tolerance towards it.
- Measurement of said behaviors through periodic surveys:
- Fiscal Barometer performed annually by the Institute of Fiscal Studies in which diverse issues are analyzed about fraud and estimation of fiscal compliance costs and the opinions of citizens in relation to basic public services (health, education, social services) are facilitated.
- Opinion polls from the Center for Sociological Research: where evaluates the opinion of citizens about compliance with obligations tributaries and their perception of fraudulent behavior, as well as the quality of public services.
- Promote various qualitative and quantitative studies that, through analysis of the possible variables correlated with the attitude of taxpayers against fraud, allow to alter the degree of fiscal awareness of citizens.

### **4. Fight against fraud**

Traditional moral philosophy has addressed the topic of freedom and determinism in order to assess the extent to which people can be held morally responsible for their decisions and actions. How far are individuals free to choose between different courses of action? To what degree are events decided in advance and outside our own sphere of influence? Strawson believes that the practice of holding people morally responsible for their actions does not have

to rest on a theoretical platform, which, once and for all, proves that people have freedom and are not determined by external forces. We consider people to be morally responsible for what they do, unless we receive information that they did not possess the normal capacity to reason.

Today, businesses are bombarded with rules and regulations from all sides. Almost half of the companies around the world surveyed by PriceWaterhouseCoopers (PwC, 2018) reported that they suffered one or more instance of economic crimes.

"Small businesses tend to be very informal in nature. A lot of times they're either formed with friends or family members, and all the formalities are not in place as they would be in a larger business," (www.lougoboop.com) says Elena N. Lougovskaia, co-founder of Lougovskaia Boop, LLC, a law practice in Cleveland, Ohio, focused on business law and commercial litigation. "Employees wear many different hats and perhaps decision makers should be separated from people who sign the checks or one person should be responsible for signing check and a separate person should be responsible for accounting, processing invoices, and purchasing."

The types of fraud can vary wildly, from accounting scams carried out by employees to fraudulent returns from customers to data theft by outsiders. Businesses have less protection than the consumer and, in some cases, can be held responsible in a business fraud scheme, owing liability to banks, shareholders, insurers, credit card processors and other entities. New laws also hold businesses accountable for liability in the event of some types of fraud perpetrated by third parties, such as data breaches.

In order to understand the types of fraud that your business may be vulnerable to, you must first understand the different sources of these crimes.

Most professionals agree that the top sources of business fraud, ranked in the order of frequency and cost, are as follows:

- Employees and Officers
- Customers
- Contractors
- Third-Party Attacks (by electronic means).

There are ways to deter fraud. One of the most important steps a business can take is to create a system of awareness at the top level of management. Internal controls are one of the great fraud deterrents. Internal controls involve the processes by which a business operates and goals are achieved.

In accounting, it refers to the reliability of financial reporting and compliance with laws and regulations. Setting up good controls is important for a business to detect and deter fraud.

Opinion on how well we are doing as a whole in the war against fraud, bribery and corruption is bound to vary from person to person but there is, we submit, a broad consensus that a lot more needs to be done and that if we continue in the same vein the situation will probably deteriorate. True change will happen more readily if we recognise a well of discontent around us rather than try to ignore it. In other words, we should allow ourselves to experience our own dissonance, not try to neutralise it as quickly as possible.

## **Conclusions**

In order to increase tax collection, as a step prior to a better redistribution of income and sustainability of the Welfare State, it is necessary to fight against fraudulent actions in the payment of taxes. For this, a first step should be an adequate regulation that increases the sanctions of fraudsters, as well as a greater fiscal inspection with a clear message of impunity.

Likewise, the behavior of citizens in the face of tax fraud becomes a tool for great relevance to increase the fiscal awareness of citizens and the degree of fiscal awareness requires a true communication strategy, which on the one hand show the importance of the correct payment of taxes in the operation of the system and the financing of public services and that, on the other, increase the information of citizens on the responsible management of public resources by those responsible for it and sanction attitudes of little rigor. Therefore, the main points that should be highlighted as a conclusion of the above are:

- The citizen must be aware that the main victim of fraud is the own taxpayer, as well as society as a whole. In this sense, we must consider that the fall of the tax collection as well as an inefficient management of it, affect the level of social welfare.
- For this, it is essential to increase the communication strategy and information to the taxpayers. An equitable application of standards is a key issue in improving the degree of fiscal awareness. Therefore, compliance with the principles of equity, justice, contributory capacity, progressivity and non-confiscation, must be guaranteed and respected.
- The best tool to combat tolerance against tax fraud, in addition of the fight against mime itself, is the deepening of tax education, the which

should be promoted from the average educational levels. It is necessary that public institutions initiate actions aimed at improving information and make citizens trust public administrations.

- It is essential to boost the efficiency of public spending through improvement in the management and in the quality of services, since the degree of fiscal tolerance of fraud is influenced by the efficiency and quality of public services, as well as in the correct evaluation of the managers.
- Improve the fight against fraud by increasing the penalties applied to fraudsters in an equitable manner.

## References

- Hume, D. (1740). *Treatise of Human Nature, Book III*, Part I, Section I, Paragraph 6.
- Martinez, Z., J. A., Miquel A. B. (2011). *La España del siglo XXI*, en Estudios de Economía y Sociología. Valencia: Tirant Lo Blanch.
- PwC (Price Waterhouse Coopers). (2018). *Global Economic Crime and Fraud Survey 2018* [online]. Available at: <https://www.pwc.com/gx/en/newsroom/docs/pwc-global-economic-crime-survey-report.pdf>. [Accessed 20 May 2019].
- Stanford Encyclopedia of Philosophy. (2003). *Moral Epistemology*. [online] Available at: <https://plato.stanford.edu/entries/moral-epistemology/> [Accessed 20 May 2019].

## **THE RIGHT TO TRAINING AND IMPROVEMENT OF VOCATIONAL TRAINING. COMPARATIVE ANALYSIS REGARDING CIVIL SERVANTS, CONTRACT STAFF FROM PUBLIC ADMINISTRATION AND EMPLOYEES FROM THE PRIVATE SECTOR**

**Narcis Teodor GODEANU, PhD Associate Professor**

Faculty of Legal and Administrative Sciences, “Spiru Haret” University  
narcis@godeanu.eu

**Abstract:** *Our study intends to analyze comparatively the improvement of the professional training for civil servants, the contract staff from the public administration and the employees from the private sector. As far as civil servants are concerned, the training and improvement of the professional training has the particularity that it represents, equally, a fundamental right and a duty, being reflected in the Law no. 188/1999 regarding the Statute of civil servants, partially repealed, at present the regulations are taken over and supplemented by Government Ordinance no. 57/2019 regarding the Administrative Code. In the case of the contract staff, the Labor Code and the labor law also recognize it, specifying that we consider that a differentiation of its legal regime is required, as we refer to the contract staff in the public and private sectors. Regarding the contractual personnel in the public sector, we express ourselves in the sense that certain dimensions of the legal regime of the professional development of the civil servants also reverberate in the matter of the professional improvement of the contractual personnel in this sector. We embrace and strive to develop through our study the thesis formulated by Professor Ion Traian Stefanescu, according to which elements of the legal status of civil servants and of the legal situation influence each other, the two staff categories “borrow” each other characteristic traits, what it is natural, on the other hand, because, as we have already mentioned, the status of those*

*who carry out their activity in the public sector does not have a determining relevance, especially, the content and the purpose of the activity they carry out. And it aims, in essence, to provide public services that meet the general interest needs of the beneficiaries of these services, starting with January 1, 2020 the exercise of public power prerogatives returning exclusively to civil servants as a result of the entry into force of the Administrative Code.*

**Keywords:** *civil servants, contract staff, employers, employees, status of civil servants, public sector, private sector, budgetary personnel, public services*

**JEL Classification:** *H83, J21*

## **1. Constitutional foundation of the vocational training improvement**

In analyzing this problem we must start from two hypotheses, which complement each other: on the one hand, the general provisions regarding **the right to education**, given that **the improvement of the vocational training is a component of the right to education**, and, on the other hand, those regarding **the right to work and the general status of the employees**.

Regarding **the right to education**, it is regulated in art. 32 of the Constitution of Romania, being a constant of the Fundamental Laws in regulating, guaranteeing and consecrating the essential elements of its legal regime (For example, the Constitution of Germany regulates it in art. 7, the Constitution of Italy in art. 33, that of Spain in art. 27, of Greece and Hungary in art. 16, of Poland in art. 70, corresponding to the structure of each of them). The connection between this right and the problem analyzed by us is found from the first paragraph of the text, according to which “*The right to education is ensured through compulsory general education through high school and vocational education, through higher education, as well as by forms of instruction and **improvement**.*” We find, from the interpretation of this text, that **improvement is a component of the right to education**, which, in turn, is “*considered a part of the right to education. (...) The purpose of guaranteeing this right is complex, on the one hand, it ensures the education of the person to be able to fit, according to his performances and aptitudes, in the social structures. On the other hand, the right to education imposes a series of obligations on the person, in the relations between parents and children, but also at the end of the educational process*” (Selejan-Guțan, in Muraru, Tănăsescu, 2008, p. 306).

The second constitutional reference to which we refer is **art. 41** which regulate **the labor and the social protection** and which, in par. (2) provides that

*“Employees have the right to social protection measures. These concern the safety and health of the employees, the working conditions of women and young people, the establishment of a gross minimum wage in the country, the weekly rest, the paid annual leave, the provision of work under special conditions, **vocational training**, as well as other specific situations, established by law.”*

Analyzing comparatively the constitutional regime of the two fundamental rights, **the right to education** and **the right to work**, we notice that **if in the case of the right to education the *improvement* term is used, which is a component of it, in the case of the right to work we find the concept of *vocational training*, which is a component not of the right to work, but of the right to social protection.** Moreover, from art. 41 we find that **between the concepts of *right to work* and that of *social protection* there is an indissoluble connection, one without the other cannot be.** Why is the right to vocational training a component of the right to work? Because, through it, the employee acquires the knowledge, qualifications, skills, abilities, competences and expertise necessary to cope with any changes in his professional evolution and in the effective exercise of the right to work, including the situation in which certain changes occur, which can also materialize in the effective ceasing of the employment or employment relationship - certain situations. Vocational training allows him to adapt, to reorient himself, to face new demands and even challenges in his activity. All this, with the concession of assuring the capacity to continue work, to support himself and those who owe him, according to the law of morals and accepted principles of morality, the maintenance assurance.

The two constitutional texts must be interpreted in relation to each other. *Learning* represents preparing someone to work, to earn his own living, for himself and his family. We can say, without the fear of error, that the **purpose of learning is the professional expression, personally and socially, of the individual.** It is a component of **the right to education**, without overlapping with it. Education is a continuous process, which each individual has to go through his entire existence, to face the challenges that technology faces, with its most evolved component, computerization, the phenomenon of globalization, which “swallow”, with greed, all domains, complex hypostases of the times we live. Intuiting their coming, the people expressed this truth by the following saying: “It is never too late to learn”, whose meanings, initially related to the common life, must be transferred to the professional life plan, to cover something that cannot be challenged: the fact that it is necessary to constantly evolve, to adapt to all changes, to be able to respond to all the expectations we have of ourselves or others of us.

In pedagogy, a parable full of core and teachings is used. It is about a teacher, who was the object of an evaluation, which he passed very well, obtaining the maximum result. As this assessment took place periodically, at the next evaluation, he was surprised when he found that he obtained the minimum grade. He rebelled against this situation, whose correction he pursued, explaining to those who evaluated him *that he does not understand why the qualification obtained is so low, because he proceeded in a manner identical to that used three years ago, when the results had been maximum.* The answer of those who evaluated him, on both occasions, was that **this is precisely why they did not find any change in his working method, in his teaching and learning techniques.**

Not only in pedagogy, but in every field it is the same situation. We must constantly perfect ourselves, in order to be able, on the one hand, to succeed, in the profession we are pursuing, and on the other, to convince ourselves that we have the resources to respond to future tasks.

In this sense, in the evolution of the internal vocational training, organized by the public authority and institution for its own staff with lecturers or trainers among the employees, in the public system has developed in addition to the formal education and the non-formal education, besides the “lecturers”, being placed very great emphasis on the **trainers training** and the distribution, mainly, in their task of organizing activities, together with the personnel of the department within the structure of human resources with attributions in this regard, and supporting the courses of internal vocational training.

It is necessary to clarify the use of the title of *lecturer* compared to that of *trainer*, strictly in the field of public administration, so the *lecturer* is the person who organizes and has courses of internal vocational training without having **the professional qualification of trainer**, defined according to the Romanian Occupational Classification (COR) thus: “*specialists in training and staff development plans, develops, implements and evaluates the training and development programs, to ensure that both the management team and the staff acquire their skills and develop the competencies required by the organization to achieve the organizational objectives.*”

## **2. Improving vocational training: law, obligation or law and obligation?**

In close connection with those previously expressed, the question arises which represents the professional improvement: a right, an obligation or, equally, a right and an obligation. The answer, in our opinion, is undoubtedly the one

expressed by the last proposed variant, in the sense that **the improvement of the vocational training must be understood, interpreted and applied, both as a right and as an obligation of the man in general and of the one who pursues a profession in particular.**

We will customize and substantiate this assertion by referring to different categories of personnel, who carry out an activity or a job, in the broad sense of the term. As far as **civil servants** are concerned, things are extremely clear, because the legislation that regulates their legal status, consecrates the vocational training under its dual legal regime, of law and obligation of the official, from which derivative rights and obligations correlate for the individual and the employer. We consider, on the one hand, the name of the third section of chapter V of Law no. 188/1999 regarding the Statute of civil servants (republished in the Official Gazette no. 365/ 29.05.2007), bearing the name of “*professional training of civil servants*”, as well as the actual content of the first article in this section, which stipulates, expressis verbis, that “*civil servants have the **right and obligation** to and continually improve your skills and vocational training*”.

At the time of writing this study, we are in the situation, in the normative plan, of the adoption, by emergency ordinance, of the Administrative Code (Government Ordinance no. 57 /2019), which regulates the status of civil servants in Part VI, even under this name, where we find the same conception, of law and duty, of the vocational training. This normative act has gone through *a real epic* in the last years, being adopted by the ordinary parliamentary procedure in July 2018, declared unconstitutional by Decision no. 681/2018 (published in the Official Gazette no. 190/11.03.2019) so that, in almost a year, the procedure for adopting it will be resumed and it will be adopted by emergency ordinance, a procedure that contains certain critical aspects, when it is used without the conditions provided by art. 115 of the Constitution. However, we agree with the opinions expressed by the theorists of administrative law who support the usefulness of adopting this normative act and we confess that, although it does not concern our strict preoccupation in the field of the legal discipline to which we have devoted ourselves, respectively the labor law, we cannot assert that it is foreign to us. The public administration represents the segment of activity that influences the professional and private life of each one of us (Beyond these aspects, our doctoral thesis aimed at researching the status of civil servants, which legitimizes and maintains our concern regarding this legal institution, including from a comparative perspective with the legal situation of the employee).

As we have already shown, the professional development for the civil servant is qualified *expressis verbis* as representing, equally, a **right** and an **obligation**.

By entering into force of the Administrative Code, the scope of exercising this right and the obligation established by law was extended, being regulated by art. 458 “**Training and professional development of civil servants**”, provisions that also apply to contract staff in the public administration. We note that a distinction is made between the two types of vocational training, the regulation being adapted to the needs of competences and qualifications of public authorities and institutions.

Unfortunately, although Law no. 188/1999 regarding the Statute of civil servants, currently repealed by the Administrative Code, has been adopted for almost two decades, we consider that, in terms of legal realities, such a vision is not yet fully accepted, with all the consequences that derive from it. We consider at least the following aspects:

- the lack of concern of the public authorities and the state in including and securing, through their own budgets, the necessary funds to guarantee the right to perfect the vocational training, as a rule it is on the “*minimum resistance*”;
- lack of interest in the actual results obtained after completing the training programs, including the way they are carried out in concrete. We consider the formalism that manifests both on the part of the staff, as well as of the public authorities and institutions, to take these courses and to grant them other validities than those of contributing to a real evolution of the professional competence and even of the quality, personality of those who graduate.

Even the media contributes to maintaining this state, presenting too often the participation of local officials or dignitaries in such courses as “walks or tourism on the state money and our own money”. In fact, they should be considered as real investments in the public administration, as the exercise of the powers conferred by the law and, without exaggeration, in the future.

Regarding the analysis of the problem of the professional training of the employee, if “*the organization and functioning of the national education / education system belong, as a rule, to the administrative law*”, in the object of analysis of the labor law enters “*with priority those legal norms that establish concrete- by positions, positions, trades - the conditions of studies for employment*” (Ștefănescu, 2017, 215-216).

Common to the employees in the private domain, the contract staff from the public administration and the civil servants is the fact that **their vocational training is carried out both in the education system, whose regulation we find in the Law of national education no. 1/2011** (published in the Official Gazette no. 18/10.01.2011), **as well as outside the education system**, through training and professional development modalities regulated by different normative acts, and more recently and by non-formal education, which through art. 330 paragraph (3) of Law no. 1/2011, is regulated in this way “learning in non-formal contexts is considered as integrated learning within planned activities, with learning objectives that do not explicitly follow a curriculum and may differ in duration. This type of learning depends on the intention of the learner and does not automatically lead to the certification of the acquired knowledge and skills”.

For the public sector, the activity of the National Institute of Administration (I.N.A.), created for the first time by Government Ordinance, is of particular relevance. no. 81/2001, abolished by Law no. 329/2009 regarding the reorganization of some public authorities and institutions, the rationalization of public spending, the support of the business environment and the compliance with the framework agreements with the European Commission and the International Monetary Fund and **recreated** through Government Ordinance no. 23/2016 (published in the Official Gazette no. 658/29.08.2016), even if in the name of the ordinance and in its first article it is foreseen that it is **established**, in reality it is **re-established**, as critically observed in the doctrine (Vedinas, 2018, 134). The role of this Institute, as it results from art. 2 paragraph (1) of Government Ordinance no. 23/2016, is *to implement the strategic directions of the Government regarding the efficiency of the public administration by professionalizing the personnel from the central and local public administration*. It is interesting to note that **the National Institute of Administration does not organize courses only for civil servants and, eventually, public officials**. As it results from art. 2 paragraph (2) lit. a) of the text, **the National Institute of Administration** “*organizes specialized training programs for the occupation of a public function in the category of senior civil servants, civil servants, **contract staff**, persons elected or appointed according to public dignity or assimilated to them, elected local, public managers, as well as for other categories of persons established by law*”. We find that within the organized courses not only holders of a public function or dignity but the contract staff from the public administration also can improve the training.

The Administrative Code states that (2) “specialized training programs designed to develop the competencies necessary for the exercise of a public management role are organized by the National Institute of Administration, according to the law”, regulations against which we consider that it is intended to ensure a management superior within the public authorities and institutions by the management personnel, by developing competences within an institutionalized framework with the purpose of applying unitary management methods, a situation that will, in our opinion, effect the efficiency of the activity. At the same time, in the situation of the change of the management personnel, the execution personnel will benefit from continuity in the coordination and organization of the activity by implementing the same methods or improved methods, accepted institutionally, accepted and verified in terms of the positive effects.

In the Labor Code, we find the regulation of **vocational training** in Title VI, which bears this very name. According to art. 192 para. (1), the professional training, for the contract staff, has several objectives, among which are *the adaptation of the employee to the requirements of the job, obtaining a professional qualification, professional conversion, but also acquiring advanced knowledge, modern methods and procedures, necessary for carrying out professional activities as well as promoting in work and developing professional career. In the doctrine it is appreciated that „the objectives of the training activity listed in par. (1) in art. 192 are not exhaustive, others can be established ...”* (Ezer in Ștefănescu, 2017, 309).

If it is to analyze comparatively the regime of professional development, on the one hand in the case of civil servants, and on the other hand of the contract staff from the public administration and of the employees in the private sector, we can say that in the first situation the improvement is a condition of the career development of the civil servants public, whereas in the case of contractual employees it is more of a consequence, it entails promotion in work and career development, without proposing to draw lines of rigid demarcation between the two categories, at least under this aspect. Moreover, as the doctrine has already pointed out, we share the opinion that the legal regime of the civil servant, of the contractual staff of the public administration and of the employee in the private sector lends itself permanently to elements that influence them and bring them closer, at the same time, without overlapping them to identity. In this regard, it is noted that *“For over a century, there has been a mutual movement to influence labor law by rules of public law and the law of public function by protective rules of private labor law”* (Ștefănescu, 2017, 27).

In agreement with the ideas expressed in the doctrine (Ezer in Ștefănescu, 2017, 311), we largely agree with the view that **the modalities** in which the vocational training of the employees in the private sector is materialized are, from the point of view of their source, of three categories: modalities provided by art. 193 of the Labor Code;<sup>1</sup> modalities provided by the Government Ordinance no.129/2000 regarding the adult vocational training (republished in the Official Gazette no. 110/13.02.2014), whose provisions are implemented by Government Decision no. 522/2003; modalities provided by Law no. 76/2002 regarding the unemployment insurance system and the stimulation of employment (published in the Official Gazette no. 103/06.02.2002), modalities that are also used in the public administration, as it results from the provisions of art. 458 paragraph (2) of the Administrative Code which stipulates that “The public authorities and institutions have the obligation to ensure the participation for each civil servant in at least one training program every two years, organized by the National Institute of Administration **or by other providers of vocational training, according to law**”.

We note that, distinct from the normative acts that previously regulated the public function and the contract staff in the public administration, the Administrative Code ensures the cyclicity of the designation of the personnel who will take courses, in our estimation, in order to eliminate the “favoritisms”, regulations that have proved necessary and of nature. to ensure the fulfillment of the duties regulated by the Administrative Code in the task of the management personnel, respectively “to ensure equal opportunities and treatment regarding the development of the career of the subordinate personnel”. We recall that in Law no. 7/2004 regarding the Code of conduct of civil servants and in Law no. 477/2004 regarding the Code of conduct of the contract staff from public authorities and institutions, this obligation is regulated by art. 16 - Objectivity in evaluation.

We consider, however, that the sphere of the three categories of modalities should be supplemented by a fourth one, which concerns **the modalities provided by the Government Ordinance no. 23/2016 regarding the establishment, organization and functioning of the National Institute of Administration, as well as of other normative acts**, considering that the contract staff in the budgetary system, mainly follow the training courses organized by the National Institute of Administration, but also by other training

---

<sup>1</sup> Art. 193 of the Labor Code lists the following categories: participation in courses organized by the employer or by the providers of vocational training services in the country or abroad; internships of professional adaptation to the job requirements; internships in the country and abroad; organized apprenticeship at the workplace; individual training; other forms of training agreed between the employer and the employee.

institutions. For example, for the staff in the Romanian banking system, there is the Romanian Banking Institute, for the one within the Ministry of Public Finance, regardless of whether we refer to civil servants or contract staff, we find specialized forms of training and improvement, as well as conducting courses through the School of Public Finance and Customs, and examples can continue.

Relevant to the legal regime of vocational training of employees in the private sector is art. 194 of the Labor Code, which stipulates **the obligation of employers** who have **at least 21 employees**, to ensure the participation in vocational training programs at least **once every 2 years**, and of those **under 21 employees**, to ensure the participation **at least once every 3 years**. This obligation is also **a right of the employees**, so that *the expenses with the participation in the training programs* provided under the aforementioned conditions **are borne by the employers**. In the absence of express provisions of the legislature, we appreciate **that the participation in the training programs can be initiated by both the employer and the employee**. In the case of those initiated by the employer, in order to fulfill their obligation under art. 194 of the Labor Code, the amount of the expenses incurred by the following program is borne by the employer. But another is the problem if the employee is the one who has the initiative to take a certain course. We consider, in agreement with the opinion expressed in the doctrine, that, *“because there is no express legal provision, it is not excluded that the employer accepts, from one case to another, to bear all or part of the expenses incurred by a course of vocational training identified by the employee (whether or not the employee has already fulfilled the obligation to ensure the professional training of the employees)”* (Ezer in Ștefănescu, 2017, 311). Equally, we consider that it is not excluded the imposition of conditions in order to achieve this, by which the employer will ensure a certain benefit in the future from the improvement of the training of his employee.

In the case of vocational training in public administration, the Administrative Code regulates the conditions and limits in which training and professional development programs can be followed at the initiative of public administration employees, establishing also the restriction of rights and obligations according to the period in which such programmes are taken, the budget from which they are paid and their usefulness in carrying out the duties of the public authority or institution.

## Conclusions

The issue of vocational training is important and sensitive, at the same time, for both the civil servant and the contract staff in the public administration,

as well as for the private sector employee. The administrative code brought changes and completions regarding all the dimensions of the status of the civil servant, including that of his vocational training and improvement, applicable also to the contractual staff of the public administration. This is because the old Law no. 188/1999 was included in its contents, without a content identity between the new and the old regulations.

Regarding the contract staff, we find a framework regulation, to which we refer in the present study, to which other normative acts are added, from the level of the primary law but not only, which establishes rules regarding the training for different employee categories. Technological changes, which have an alert rhythm, also force them to adapt, to specialize, to create the premises that employees can adapt to new technologies.

These changes must be reflected more developed also by express provisions adopted in the legislation, by the establishment of regulations that protect, equally, the public or private sector personnel, as well as the employer. And guaranteeing the right to improvement, by supporting its value, must be realized for the benefit of both parties and those who are the recipients of the activity provided by them, in order to improve the quality of public services, public interest services and the quality of services and products from the private sector.

## References

- Ezer, M., in I. T. Ștefănescu (coord.) (2017). *Labor Code and the Law of Social Dialogue, Comments and Explanations*, op. cit., pp 309- 311.
- Government Decision no. 522/2003 for the approval of the methodological norms for applying the Government Ordinance no. 129/2000 provisions. Bucharest: Official Gazette no. 346/ 21.05.2003, with subsequent amendments.
- Government Decision no. 681/2018 Bucharest: Official Gazette no. 190/11.03.2019.
- Government Ordinance no. 23/2016. Bucharest: Official Gazette no. 658/29.08.2016.
- Government Ordinance no. 57 /2019 regarding the Administrative Code. Bucharest: Official Gazette no. 555/ 05.07.2019.
- Government Ordinance no.129/2000 regarding the adult vocational training. Bucharest: Official Gazette no. 110/13.02.2014.
- Law no. 188/1999 regarding the Statute of civil servants. Bucharest: Official Gazette no. 365/ 29.05.2007.
- Law no. 76/2002 regarding the unemployment insurance system and the stimulation of employment. Bucharest: Official Gazette no. 103/06.02.2002.
- Law of national education no. 1/2011. Bucharest: Official Gazette no. 18/10.01.2011.

- Selejan-Guțan, B. in I. Muraru, and E.S. Tănăsescu (coord.). (2008). *Constitution of Romania, Commentary on articles*. Bucharest: C. H. Beck Publishing House.
- Ștefănescu, I.T. (2017). *Theoretical and practical treaty of labor law*, the 4th Edition, revised and expanded. Bucharest: Universul Juridic Publishing House.
- Vedinas, V. (2018). *Theoretical and practical treaty of administrative law*, Volume I. Bucharest: Universul Juridic Publishing House.

## PERSPECTIVES OF THE PERFORMANCE OF INTERNAL AUDIT IN ECONOMIC ORGANIZATIONS

**Cristian Virgiliu RADU, PhD Student**

University of Valahia Targoviste, Romania

cerradu@hotmail.com

**Abstract:** *The paper focuses mainly on documentary research and critical analysis, addressing important theoretical issues such as: definition of internal audit, positioning of this function in economic organizations, including public ones; objectives, functions and field of public internal audit; the importance of internal audit of economic organizations; the internal audit mission, the internal audit risk, etc. Based on the critical analysis of the definitions of internal audit: the international standard definition and the definition of internal public audit in Romania, improved concepts have emerged that give them wider applicability and greater availability for creative intervention and ingenious resolution by stakeholders on the development and efficiency of public institutions through the internal audit. In this paper, we have proposed an approach to the various issues of the audit, starting from the premise that the synthesis is essential for increasing the knowledge and appreciation of the role of internal audit in the economic sector and they can become real lessons of applicability practice the various aspects of the audit, thus having the opportunity to outline the good practices of the performance management in general and of the audit in particular.*

**Keywords:** *audit, risk management process, organizations*

**JEL Classification:** *M42, G11, G30*

### **1. The efficiency and impact of internal audit on the performance of economic organizations**

A generally accepted definition of value added does not exist, there are significant differences in value added from one entity to another.

Some studies show that some internal practitioners believe that we can only talk about added value when internal audit helps management improve its business as opposed to a compliance audit that only checks compliance with policies and procedures in the same time for other specialists is true the exact opposite case. Last but not least, an essential aspect is related to the necessity and benefits of the collaboration between the public internal audit and the external public audit, as well as ways to cooperate in complementing the internal and external audit activity.

Following the study of the specialized literature, we could conclude that external public audit is an independent activity carried out by specialized bodies outside the audited entity with the purpose of analyzing and evaluating how to achieve the objectives of the entity's activity, verifying the legality and regularity of the establishment and use public financial resources, their economic, effective and efficient use, the organization and functioning of control systems, and the effectiveness of internal auditing.

The reality in all countries of the world shows that, in fact, the most credible attestation of financial reporting in the public sector belongs to the Supreme Audit Institutions, institutions whose independence is guaranteed by the laws of organization and functioning or constitutional provisions on which they were founded.

The main purpose of the Supreme Audit Institutions is to examine report and express pertinent opinions on the sound administration of public money. In addition, some institutions are also empowered to examine the economy, efficiency and effectiveness of public funds being used.

Documentary research has allowed us to notice that in order to promote and develop best practices on external audit of the training and use of public funds, the Supreme Audit Institutions have formed their own professional bodies, either international or the International Organization of Institutions Supreme Audit (INTOSAI) or regional ones, such as the European Organization of Supreme Audit Institutions (EUROSAI). These bodies have developed their own audit standards, which they develop and promote in the work of the Supreme Audit Institutions of each member country. The available information on how the Supreme Audit Institutions report and demonstrate their own performance are relatively low, but there seems to be a concern in this regard as early as the late 1990s when researchers began benchmarking performance audits and public management from some European institutions. Thus, among the most important studies in this regard are those carried out by Pollitt and Summa (1997), Pollitt et al. (1999), and Pollitt (2003), which compared the

role and impact of the National Audit Office of the United Kingdom, the Public Audit Office of Finland, the Swedish National Audit Bureau, the Netherlands Court of Auditors and the Court of Accounts of France.

The conclusions of these studies demonstrate that the work of the Supreme Audit Institutions has had an impact on changing the behavior and practices of audited entities but also on political decisions, the legislature and the general public with the help of the media Pollitt (2003, pp. 157-70), so we can state that for the Supreme Audit Institutions Audit has become a challenge to measure the impact of their work both qualitatively and quantitatively.

It is extremely difficult to measure the value that a Supreme Audit Institution generates over the activities and performance of public sector entities. Even on a small scale, the impact of SAI auditors' recommendations is hard to quantify.

The review of the annual public reports of the two supreme audit institutions compared has attracted attention not only to the important contribution to protecting the public budget but also to the impact of the recommendations made on the economic and social environment (sustainable development and quality of life).

## **2. Models to quantify the performance of internal audit in economic organizations**

Starting from the extremely important issue of the role of the Supreme Audit Institutions in promoting and enhancing sustainable development and implicitly increasing citizens' quality of life, which is crucially based on transparency and increased government accountability as developed in the previous subchapter, we can conclude that there is a link between the quality of external public audit and the standard of living, and a future direction of research may be the study of the link between the audit performed by the Romanian Court of Accounts and the standard of living of the population at regional level/or national as a basis for ensuring the increase in the efficiency of resource management of economic organizations.

The logic of the analysis of the link between the results of the external public audit performed by the Romanian Court of Accounts and the standard of living of the citizens, calculated with the GDP per capita indicator, may be based on the assumption that the existence of a lower standard of living would be one of the determinants of generating frauds from public money.

In order to verify this hypothesis, we believe that it is necessary to correlate the results obtained as a result of the external public audit performed by the Court of Accounts by quantifying the estimated additional damages and revenues during the last 10-20 years with the value recorded by the regional GDP per capita indicator and national. The issue of reducing the prejudice reported by the Romanian Court of Accounts' reports on public budgets / consolidated general budget is a topic of topicality and reality for our country to find effective solutions to stop or even reduce this phenomenon.

The analysis of living standards as a basis for increasing the efficiency of resource management of economic organizations is important because all economic activity must be subordinated to a single goal, namely to create better conditions for meeting the concrete needs of the population.

We conclude that, although there is a serious difficulty in quantifying the added value created by internal audit, and despite the diversity that carries the concept of added value, if the internal audit function really wants to expand its contribution, to address this challenge of measuring added value and demonstrating to the management of entities that they can create real value from all their activities.

Starting from the fact that both the internal and the external public audit have as common goal the improvement of the economic and financial activity of the public entities, it is imperative that there are complementary relations between the two activities. However, we cannot fail to notice the fact that although the issue of the complementarity of the two activities is now legally regulated, it is very brief, it is not indicated the concrete way of achieving the collaboration of the two forms of audit in order to ensure the complementarity of the audit activity with positive effects in the plan to increase the efficiency of the training and spending of public funds. It is necessary to improve the legal framework and to involve the Court of Auditors more actively in solving this essential issue in order to improve the public audit activity.

In our opinion, the collaboration between the internal auditing and external auditing structures involves a whole range of benefits for both parties and for entities. Performing a quality audit implies the adequate communication of both sides and contributes to the strengthening of the relations of collaboration and in time, to the mutual trust.

We consider that the efficiency of public audit activity could be achieved by:

- permanent communication that can be the key to success;
- professionalism and respect for audited entities;

- the existence of a desire to share the findings;
- effective collaboration, useful for both sides, but also for the audited entity;
- communication and mutual exchange of information that will contribute to the better organization of activities and to the provision of increased quality of work;
- the need to increase mutual trust between the two audit structures;
- the basic motto should be collaboration and communication.

Another aspect that must always be taken into account in the audit missions, especially those of public external audit, should address one of the most serious phenomena facing Romania in the current stage, namely corruption. Corruption disrupts society's resources from their destination, affecting financial order and discipline, efficiency in the use of public money, with adverse consequences for public entities, but also for honest citizens. Identifying the concrete forms of corruption, assessing its size and controlling the phenomenon implies external public audit that should focus its actions on the protection of public financial resources. Adapting audit methodologies to the professionalism of criminals, expanding cross-border collaboration, aligning internal and external auditing to international standards and good practice in the field, should become an absolute priority, so the audit can prove to be the basis for assuring increased administration efficiency resources of economic organizations.

In fact, the efficiency and effectiveness of the internal public audit is the result of the joint action of organizing the audit structure and its degree of integration within the public entity, coupled with the quality of the human factor and their performance management. Although there have been doctrinal divergences, due to the early age of public internal audit in Romania, which have the source of confronting two opposing concepts, namely repressive (police) and preventive (counseling and consulting), the last of them imposed as the prevalence, both in national legislation, in practice, and in the organizational culture of audited entities;

The effectiveness of the operational audit can be expressed on the one hand in figures (recovered losses, avoided losses, achieved gains), but also in other at least equally important results: the pertinence of the recommendations formulated, the updating of the entity's risk geography, the identification of the identified opportunities and the improvement internal control. The performance of the internal audit system's management and its value are highlighted by

the self-evaluation and evaluation of the superior hierarchical structure, but especially by the way it is reflected in the organizational culture of the audited entities as beneficiaries of the audit.

The audit structure as a whole generates performance and efficiency to the extent that it brings new elements of good practice, formulates and promotes pertinent proposals to improve the organizational, normative and procedural framework that are agreed and implemented by management. Internal audit is a recognized tool for changing the management mentalities and employees of public entities, from the current state to a new state, the one supposed by the concept of corporate governance, which means that a public entity must be run the same as a business, all the more so as public money is concerned.

### **3. The system of indicators on the current performance of public internal audit**

By addressing an international audit over the last period, the audit concept has been refined more and more by creating a stand-alone field with its own objectives, but also with specific methods and techniques, although initially only an investigation was carried out of the entity's transactions. At the same time, as in any economic field, the different types of audit, their purpose, means and techniques are constantly evolving and adapted to the transformations in the existing environment, which implies continuous professional training of auditors. Following the study of the specialized literature, I was able to identify and group the types of audit according to several criteria. In our opinion the most eloquent criterion is the one according to the way of organizing the activity, according to which the public audit can be: own to the public (internal) entities; exerted from outside the entity (external). The usefulness of the audit is given by the impact of this activity on the performance of public entities.

Public auditing should be done on the basis of the cause-effect-correction-prevention analysis of the audited activities. It should not be limited to finding deficiencies, but it is imperative to focus on preventing negative states in preventing imbalances and dysfunctions that may arise.

In defining the underlying subject of public audit work, it is necessary to understand the functions of public finances and through which they carry out their social mission. The subject of the audit activity is public financial funds as well as public patrimony. The features of public finances are a transfer of value and not a change in form of value, always a form of money, a non-

reimbursable title, and the absence of direct and immediate consideration, and aim at satisfying the general interest and well-being of society.

In our opinion, the basic subject of public audit is the formation and use of public financial resources. The clear reality that public financial resources materialize much of the gross domestic product is a solid argument that advocates public audit work on public financial resources, maintaining integrity and good governance of public goods. Public external audit reports have generally highlighted insufficient concern from public entities to ensure the accuracy of financial statement data and a sound financial management governed by sound economic and financial management. It confirms that public funds and public assets are managed in a regime where their use is not a priority criterion. In order to eliminate the confusion that still exists between internal audit and other internal forms of public administration control and to customize the internal audit work, we consider it necessary to delimit the objectives of these concepts. In the current stage, at the level of public entities there is still a series of confusions between the budget credit coordinators and even those with internal audit duties, as this is considered internal audit as a verification operation, even if in the current context, in which all entities, including the public, are interested in performance, this activity is a good tool for the efficiency of public entities' activity.

Through its assurance and advice missions on the management of public funds, the assessment of risk management and internal control processes, internal audit work contributes to public accountability in public money management and, ultimately, to increased performance financial management of public entities. So internal audit is not an end in itself but a result of the need to improve the activity of public entities and should be treated as such. From the analysis of the particularities of the internal audit activity towards other forms of internal audit and financial management of some public entities, we found that in practice there is no clear distinction between the responsibilities of the internal audit and those of the financial management control.

A rebate from unauthorized legislation, it seems to us that in some public entities the management control is performed by internal auditors, although one of the essential roles of internal audit is precisely the assessment of internal control and management control. This inappropriate state of affairs leads to a subjective assessment of internal control with repercussions on good patrimonial management of public entities. Underlining the supreme role of public audit by adding value to entities managing public resources and assets

and presenting how value added could be quantified. The public auditor is a promoter of value added by:

- the savings and efficiency it generates in the use of public funds,
- the opportunities it creates,
- through losses or negative conditions that can be avoided due to its actions,

but also a factor that ensures transparency in the organization's activities and contributes to streamlining its policies.

Elements that add value to the entity through audit work are concretized to track the integrity of the patrimony by identifying fraud, damage and non-economic costs, preventing damage, identifying opportunities and savings, proposing and implementing internal control procedures and devices, in conjunction with updating the risk mapping of audited entities based on the most significant findings of audit engagements.

Indicators are the most important tool for assessing the effectiveness of internal audit. From the analysis of the specialized literature, we identified the main indicators devoted to assessing the activity and the quality of the internal audit, as shown below.

The main quantitative indicators are:

- achievement of the annual audit plan - calculated as a ratio between the number of missions performed and the number of missions foreseen in the plan. The indicator may be detailed by measuring, in relation to the plan provisions, the number of ongoing missions, the number of deferred missions or the number of missed missions but also those made and unforeseen;
- the average duration of audit engagements - measured as a ratio between the number of audit days and the number of missions;
- the amount of audit time in total available time - is calculated as the ratio between the number of audit days and the number of days worked. It is an indicator whose tracking allows to identify the evolution of the time for the performance of audit activities compared to the total available time of work;
- the share of the time allocated to professional training - calculated as number of days of professional training related to the number of days worked. Measures the evolution of the training time assigned to each auditor;

- the average number of pages of audit reports - is calculated as the ratio between the number of pages of internal audit reports and the number of reports. It allows measuring the average number of pages of audit reports, from one mission to another, from one month to the next.

We consider that it is not advisable to define what could mean “appropriate evolution” or “optimal evolution”. It is clear that an audit report should contain no fewer pages than necessary for clear, unambiguous expression of assurance on the audited objectives. There is a non-productive and inefficient view, according to which the audit report should have as few pages as possible.

The main quality indicators are:

- the proportion of unplanned missions in total missions - is calculated as a ratio between the number of unplanned missions and the total number of missions deployed. Allows tracking the quality of the audit plan;
- the degree of acceptance of recommendations - is calculated as a ratio between the number of unsupported recommendations (refused) and the total number of recommendations made. Express the pertinence and the degree of appreciation of the recommendations formulated by the representatives of the audited entities;
- implementation of recommendations - calculated as a ratio between the number of recommendations fully implemented and the number of recommendations accepted. It provides a view on the quality of the implementation process of the recommendations, but also on their relevance by tracking the existence of recommendations that although accepted, are impossible to implement because this process does not depend exclusively on the audited entity. In our opinion, the formulation of such recommendations should be avoided;
- the share of managerial activities in total working time - is calculated as the ratio between the number of days devoted to managerial activities and the total number of days worked. Express the reserves to improve the use of available working time;
- completion of audit files - is calculated as a ratio between the number of incomplete audit files and the number of missions. Express the quality of the completion of the audit engagement stage;
- preventive damage - calculated as a ratio between the amount of damage that has been prevented and the amount of damage. Express the evolution of the quality of the counseling and preventive activities carried out by the internal audit;

- the share of the damages in the totality of the presumed damages - is calculated as the ratio between the amount of damage determined as a result of the internal audit mission and the total value of the presumed damages. Express the correctness of the internal audit calculations and findings, as well as the quality of the recommendations made and the process of their implementation;
- the degree of implementation of recommendations during the audit engagement - is calculated as the ratio between the number of recommendations implemented during the audit engagement and the total number of accepted recommendations;
- the extent of damage recovery during the audit engagement - calculated as the ratio between the amount of damage recovered during the audit engagement and the total value of the presumed damage identified during audit engagements;
- the opportunity to spend - is calculated as a ratio between the amount of inappropriate expenditure and the total amount of expenditure incurred in a financial year. Express the reserves to improve the efficiency of spending public funds;
- relative efficiency of internal audit - is calculated as the ratio between the total amount of the damages plus the value of the damages prevented and the total value of the expenses determined by the audit engagement. Expresses the economic “profitability” of the internal audit and the degree of coverage of its expenses. Efficiency is “relative” because it fails to include in figures other very important aspects of the quality of internal audit (relevance of recommendations, impact of counseling, updating of risk geography, risk analysis, etc.).

The main cost indicators are:

- auditor costs - is calculated as the ratio between the total cost of the audit structure and the number of auditors. It is a budget indicator that allows tracking the evolution of the budget and of the staff;
- the average cost of a mission day - calculated as the ratio of the total cost of the audit structure to the total number of mission days. The indicator allows tracking the evolution of the average cost of a mission day and comparing it to similar market costs. The analysis can be detailed on direct and indirect costs, salaries, travel expenses, accommodation expenses, etc.

## Conclusions

In the perception of the internal auditor, good risk management needs to be ensured by all employees of the economic organization, but this requires sustained efforts to raise awareness of the need. Internal public auditors are most aware of the essential role of public internal audit in increasing the accountability of entities involved in the formation and use of public funds, as well as the need for collaboration between public and external public audits, although at present, as a general perception, little credibility is given to the internal audit report. Identifying the possibilities to increase the efficiency of public audit through the collaboration of external public and internal audit in terms of good public money management as well as good communication with UCCAPI are solutions that internal auditors of the department can continue to use in the future. The completion of this positive research has confirmed certain assumptions about the issues studied, especially regarding the impact of the results of internal auditors' findings in an entity on the achievement of corporate governance objectives.

## References

- Pollitt, C. and Summa, H. (1997). Reflexive Watchdogs? How Supreme Audit Institutions Account for Themselves. *Public Administration*, 75(2), pp. 313-36.
- Pollitt, C., Xavier, G., Lonsdale, J., Mul, R., Summa, H. and Waerness, M. (1999). *Performance Audit and Public Management in Five Countries*. Oxford: Oxford University Press.
- Pollitt, C. (2003). Performance Audit in Western Europe: Trends and Choices. *Critical Perspectives on Accounting*, 14(1/2), pp. 157-70.

## THE LIFE OF WOMEN AND MEN IN ROMANIA – A SHORT STATISTICAL PORTRAITURE

**Radu GHEORGHE, Lecturer PhD**

Athenaeum University, Bucharest, Romania

radu.gheorghe@univath.ro

**Abstract:** *Although the majority of democratic States recognise equality of the opportunity between female and male, it seems that tradition is much more than a mere psycho-social barrier. From this perspective, statistics show that the female is still located in a inferior position to the male. There is still a preference for the occupation of jobs with more poorly paid female and a visible discrimination in terms of remuneration on similar posts. It is true that research had positively evaluated trends, appreciing until recently that will be necessary about 100 years to close the global gender gap. But the latest data indicate on the contrary, an increase in the gap between male and female. The most recent Global Gender GAP report, which tracks progress on gender equality, points out that progress in gender equality has been uneven over the last few years, and in some areas there are still major obstacles. According to data presented by the World Economic Forum, Romanian it ranks last in this respect in UE-28 (ranked 72th in the world). It seems that the lack of a functional social protection system remains for our country the main generator of gender inequality, with female generally having to stay at home to care/support the older/younger members of the family. The present article seeks to achieve from this last perspective a short statistical portraiture of the gender inequalities in Romania, seeking rather to issue than to try to find an explanatory response.*

**Keywords:** *discrimination, employment rates, equal opportunities, employment pattern, gender parity, health perception, household type, internet habits, life expectancy, life satisfaction, nutrition habits, retirement*

**JEL Classification:** *A14, Z1, Z13*

There are many differences, but also similarities when we call into question the lives of men or women. From this perspective we can record many similarities but also differences between the EU states. The fact is that behind the manifest life of each of us there is a dependency on the path. Beyond the gender difference we also depend on the starting dates of each, on the mountains of information that support us when we need to make a decision or when we choose conventionally to a certain direction of walking. It is the place where otherwise the tradition plays very well its roles. This article seeks to assemble all this statistical data by trying to focus them in a puzzle together to set up a statistical portrait of the life of women and men in contemporary Romania. Why is this approach important? Under Article 10 of the Treaty on the functioning of the EU for the implementation of its policies, it is aimed at including combating discrimination of any kind, the one based on sex being as important as the others (ethnic origin, religion, disability, age, sexual orientation).

## 1. Living, growing, ageing

### 1.1 Lifeline of women and men

Table 1 is enlightening to understand the differences between women and men with regard to the most important moments of life:

Table 1. Lifeline of women and men

	UE		RO	
	MALE	FEMALE	MALE	FEMALE
<b>Start of compulsory education (2016)</b>	6 years	6 years	6 years	6 years
<b>Start of first employment (2017)</b>	22 years	23 years	23 years	24 years
<b>Leaving parental home (2018)</b>	27 years	25 years	29,9 years	28 years
<b>Birth of first child (2017)</b>		30,7 years		27,9 years
<b>Retirement (2012)</b>	59,4 years	58,8 years	58 years	56,1 years
<b>Average life expectancy (2019)</b>	75 years	82 years	71,6 years	79,0 years

Source: The author

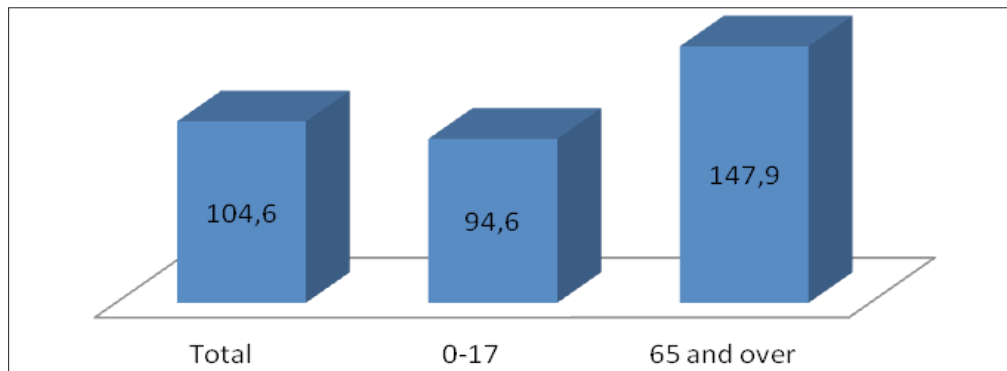
- With regard to the beginning of compulsory education there are no differences - 6 years for both women and men in Romania and the EU;
- The data show that the men start their professional life (first job) earlier with one year than women (22 years in Romania/on average 23 years in the EU);
- Generally at the age of 25, women in EU leave the parental home, two years earlier than men (on average, at Romania level, 28 years is the age at which women leave the parental home, while men at 29.9 years);
- 27.9 years old is the age of the birth of the first child for women in Romania (the European average is 30.7 years);
- The women in Romania retire about two years earlier than men – 56.1 years (the average of the latest data dates back to 2012) and live longer than men with 7 years and six months – 79 years (in all EU member states women live more than men).

## 1.2 Living together

### 1.2.1 Women per 100 men (Eurostat data)

The average lifespan influences the number of women, which was on average in the year 2017, in Romania, 4.6% higher than men (see Fig. 1). Interestingly, until around the age of 17 the report is reversed (in Romania there is a higher rate of birth of boys). The situation is otherwise similar in almost all Member States, with the most significant differences being recorded in the three Baltic states who are among the countries with the largest female populations, in While in Luxembourg, Sweden and Malta the number of men is slightly higher than the women's number.

Figure 1. Women per 100 men, 2017, Romania



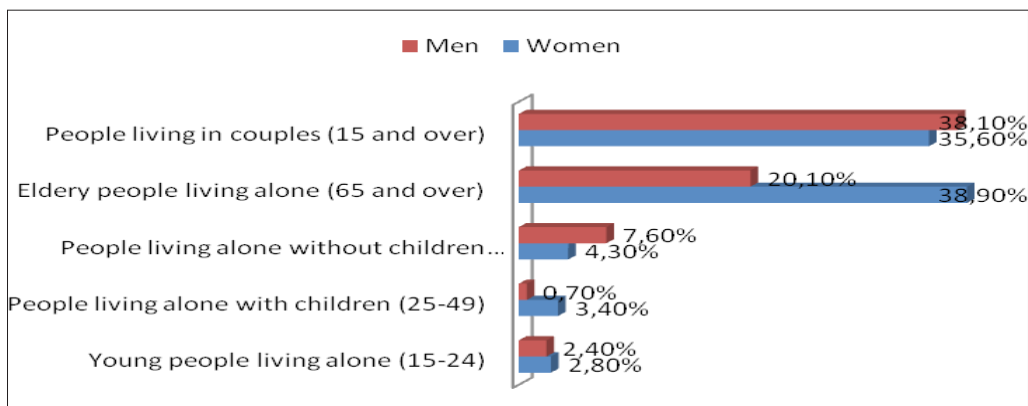
Source: Ec.europa.eu (2017a)

### 1.2.2 Household types

The analysis of households Romania's data emphasizes significant differences in the way of life of women and men (see Fig. 2):

- Among people aged 15 years or over 35.6% of women, respectively 38.10% of men lived in a couple (the EU average was in 2017 45.10% for women and 48.40% for men);
- The percentage of elderly people (65 years and older) who lived alone in 2017 in Romania was 38.90% for female and 20.10% (in the EU the percentage was 40.40% female / 20.10% male);
- Only 4.3% of women in Romania lived in 2017 without any children (7.6% men), while in the EU the percentage was 9.6% (16.3% male);
- 3.4% of women aged 25-49 years lived alone with children in 2017, in Romania, (0.7% of male) while at EU level the ratio was 7.6% to 1.1%;
  - When looking at the way **women** and men **live – in a couple**, single, with or without children – in the **EU** in **2017**, 7.6 % of **women** aged 25-49 **lived** alone.
- 2.8% of young girls from Romania aged 15-24 years lived alone in 2017 comparative with 2.4% of young men of the same age category (at EU level the ratio is 8.5% to 8.1%).

Figure 2. Household types, Romania 2017



Source: Ec.europa.eu (2017a)

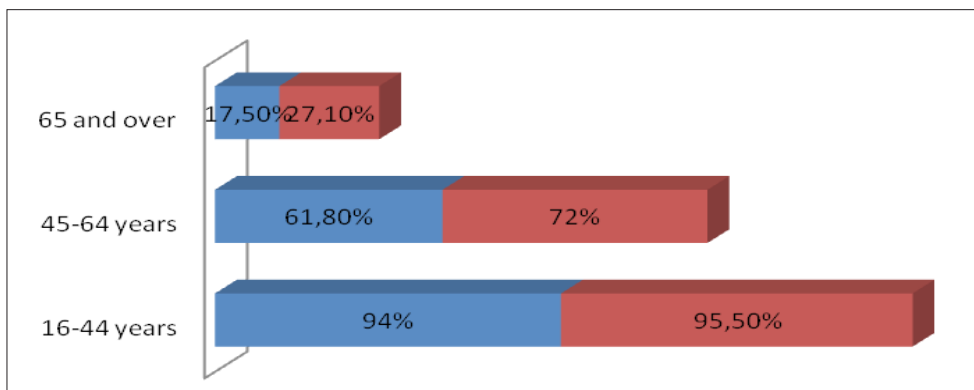
### 1.3 Health perception

#### 1.3.1 Self-perceived health: good and very good

There are many factors that influence the perception about of the own health (among the most important are socio-economic, environmental and cultural conditions). As shown in Figure 3, in 2016, in Romania the likelihood of perceived health as better is greater in the case of men than women:

- 94% of women aged 16-44 years and 95.5% of men of the same age group have considered in 2016 that their health was good and very good (at EU level the ratio was 86% to 87%);
- 61.8% of women aged 45-64 years and 72% of men in the same age group have considered in 2016 that their health status was good and very good (at EU level the ratio was 61% to 65%);
- Only 17,5% of women aged 65 years and above and 27,10% of men of the same age have considered in 2016 that their health status was good and very good (at EU level the ratio was 35% to 41%).

Figure 3. Self-perceived health: good and very good, Romania, 2016



Source: Ec.europa.eu (2016a)

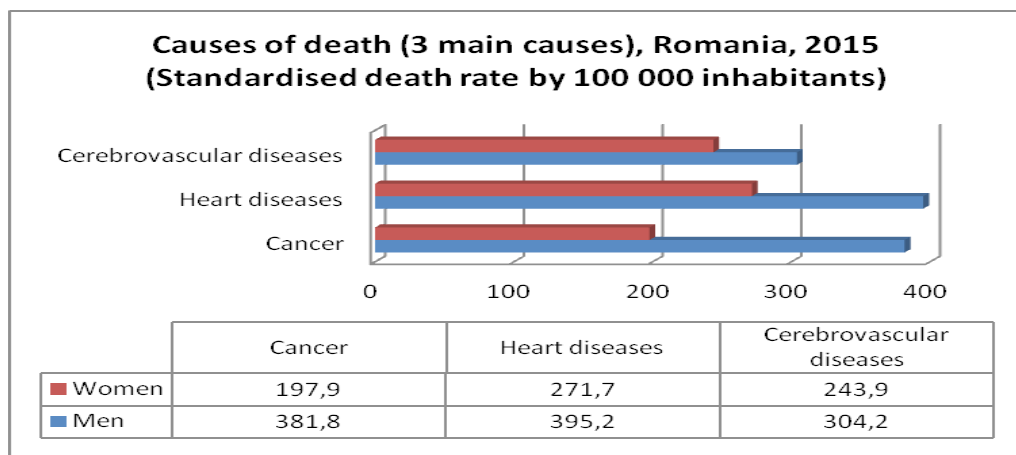
#### 1.3.2 Causes of death

According to statistical data, in 2015:

- In general, both in Romania and in the EU, cardiac diseases, cancer and cerebrovascular diseases are the main common causes of death for both men and women;
- For all three types of causes the number of deaths among men is significantly higher than women's;

- In comparative terms, a different pattern is observed in Romania versus that of the EU as regards deaths caused by cerebrovascular and cardiac diseases (about a double frequency in Romania).
- 395.2 men at 100,000 died of cardiac disease in Romania compared to 271.7 women (at EU level the ratio was 171 to 94);
- 381.8 men at 100,000 died of cancer in Romania compared to 197.9 women (at EU level the ratio was 349 to 201);
- 304.2 men at 100,000 died in Romania of cerebrovascular disease compared to 243.9 women (at EU level the ratio was 93 to 79).

Figure 4. Causes of death



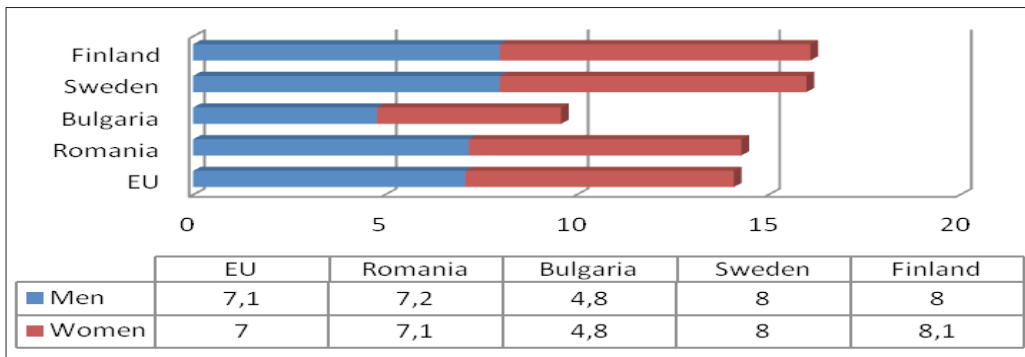
Source: *Ec.europa.eu* (2016b)

#### 1.4 Life satisfaction

There are no significant differences concerning the perception of the satisfaction of life (Romania is very close to the European average):

- Women aged 16 years and over was in 2013 to 7.1 level on a scale of 0-10 satisfaction with their own life (7.2 for men of the same age category);
- Significant deviations from the European average has recorded in Bulgaria (4.8);
- In Sweden and Finland has recorded the highest perception of life satisfaction (around 8.0).

Figure 5. Overall life satisfaction, Romania, 2013



Source: *Ec.europa.eu* (2013)

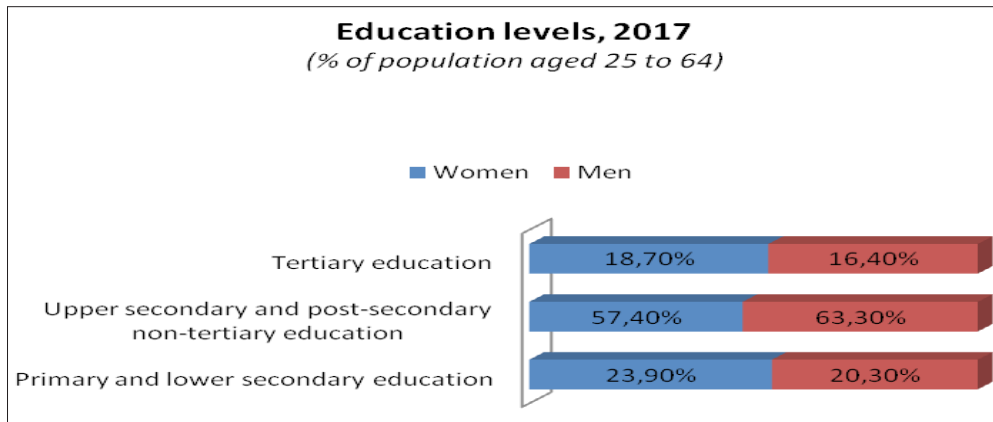
## 2. Learning, working, earning

### 2.1 Education

Generally for lower levels of education there are no significant differences between women and men in the EU. We notice different patterns as we advance towards higher levels of education (the number of women with higher education is higher than of the men with the same level of education). In the case of Romania, for the population between the ages of 25-64 years, the statistical data of the year 2017 have described the following (see Fig. 6):

- If 23.90% of female have graduated from gymnasium, the proportion was at least 3% lower for male - 20.30% (at EU level the proportion of female and male was equal -23%);
- The proportion of female who have graduated the high school or postsecondary education was less than the proportion of the male – 57.40% female, 63.30% male (the situation is somewhat similar at EU level – 45% female, 48% male);
- The situation is favourable for female in higher education, 18.70% of them have graduated this education cycle, compared with 16.40% of male (at European level 33% of female were graduated of higher education compared to 29% male).

Figure 6. Education level, Romania, 2017



Source: *Ec.europa.eu* (2017c)

## 2.2 Employment patterns

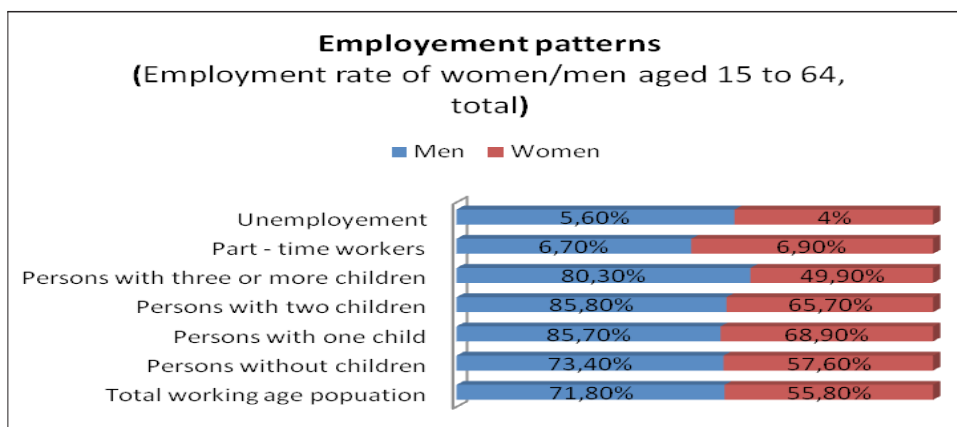
Overall, across the EU the employment rate of male is higher than the employment rate of female. Also, an important feature is that the number of children in a household is an important variable in the process of differentiation of employment rates between female and male. If we carefully watch Fig. 7 at the level of 2017, for the population in Romania between the ages of 15-64 years we see the following patterns in terms of employment:

- The percentage of female who do not have a job is higher than of the male – 5.60% versus 4% (in the EU 9.7% of female versus 8.4% of male);
  - The highest EU-level differences were in Greece – 28.1% for female compared to 19.9% for male;
  - There are also opposite patterns – in Ireland while there were 6.5% unemployed female, the percentage of male was one higher - 9.1%;
- The proportion of female who working part-time is higher than the proportion of the male who working part-time - 6.90% versus 6.70%;
  - One of the highest percentages for female working with a fraction of time in the EU area were registered in the Netherlands (77%), while at the opposite pole, the lowest percentages for female working with a fraction of time were registered in Bulgaria – 2%;
  - The highest percentages for male working with a fraction of time in the EU area were registered in the Netherlands (26%) and

Denmark (17%), while at the opposite pole, the lowest percentages for male working with a fraction of time were also recorded in Bulgaria – 2%.

- In the case of female with children, the highest occupancy rate is with one child – 68.9% ( 85.7% for male, while in EU the ratio is 71% to 85%);
- The employment rate of female with two children decreases to 65.7% (for male slightly increased to 85.8%, while in EU the ratio is 70%to 89%);
- The employment rate of female with three or more children decreased to 49.90%, while for male was 80.30% (in EU the ratio is 55% to 84%);
- The occupancy rate for female without children was in 57.60% (73.4% for male).

Figure 7. Employment patterns, Romania, 2017

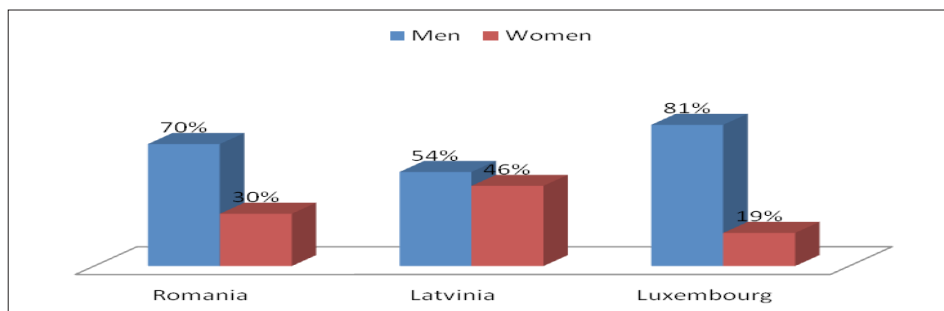


Source: *Ec.europa.eu* (2017d)

### 2.3 Careers

In all EU countries the share of women occupying a managerial function is much lower than men. At the level of the year 2016 only 1/3 of EU managers were women. Practically in no European state the proportion of women manager did not exceed 50%. In such a ranking the highest values were registered in Latvia (46%) and the smallest in Luxembourg (19%). In Romania, in 2017, only 30% of women have occupied a managerial function.

Figure 8. Managers, 2017

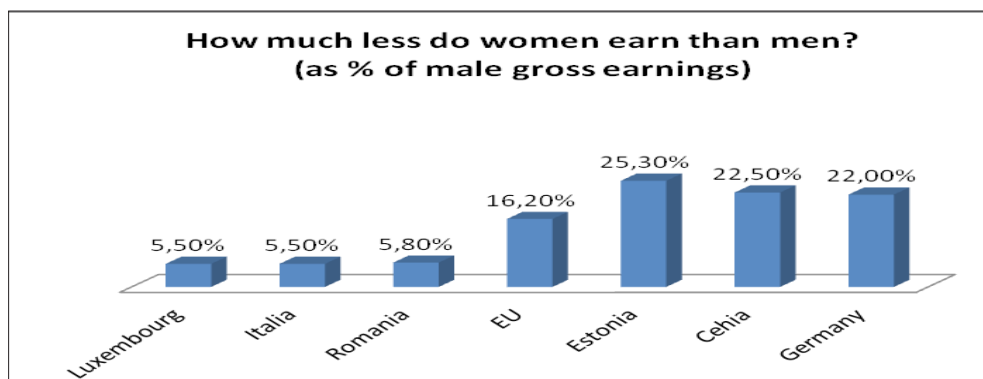


Source: *Ec.europa.eu*. (2017e)

## 2.4 Earnings

At EU level in general a female earns on average less with 16% than a male (16.3% in 2015). Even if the pay gap varies from state to state, on average female earn less than male in all EU countries. If the biggest differences between female and male in wage gains were recorded in Estonia (26.9%), at the opposite pole, the smallest were registered in Luxembourg and Italy – 5.5%. As seen from Fig. 9 in Romania the gender pay gap was not very high: 5.8% in favour of male.

Figure 9. How much less do women earn than men  
(as % of male gross earnings), Romania, 2016

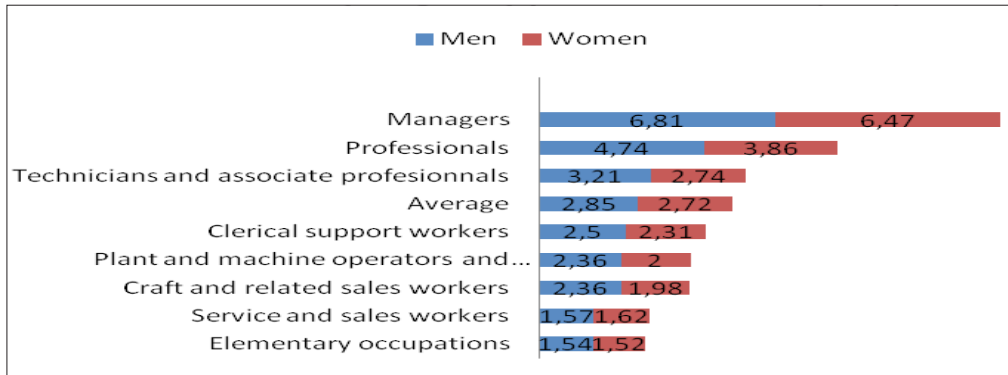


Source: *Ec.europa.eu* (2016c)

The pay gap between women and men is a consequence of several factors (cultural, legal, economic, social). The fact is that when comparing wage earnings per hour, for all nine groups of professions and in absolutely all EU countries, including in Romania, women generally won in 2014 less than men.

Figure 10 is very clear for the description of the salary differences in Romania in 2014 (the only area in which women had higher earnings than men was that of workers in services and sales).

Figure 10. Mean hourly wages by profession, Romania, 2014 (EUR)



Source: *Ec.europa.eu* (2016c)

### 3. Eating, shopping, surfing, socialising

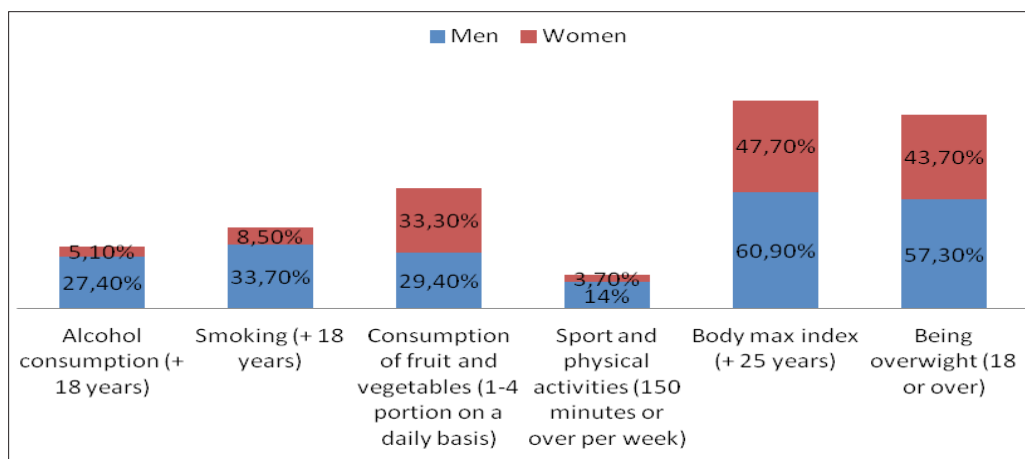
#### 3.1 Nutrition habits and sports practice

The analysis of food habits or sports practice also highlights major differences in behaviour between male and female. As seen in Figure 11 Romania does not make a distinct note, so:

- A higher percentage of male than female (18 years and over) consumed weekly alcohol-27.40% versus 5.10% (in the EU 38% male versus 23% female);
  - In the case of male (extreme situations) on alcohol consumption has situated Latvia at 21% and in the UK at 51%;
  - In the case of female (extreme situations) regarding alcohol consumption, Romania is located at 5% and Lithuania and the UK at 40%;
- The situation is somewhat similar in terms of smoking (18 years and above) – 33.70% versus 8.50% (in the EU 24% male versus 16% female);
  - The percentages differs greatly from one country to another – for male between 40% (Cyprus) and 10% (Sweden), and for female between 9% in Romania and 23% in Austria;

- In the case of regular consumption of fruit and vegetables (condition for healthy eating) the situation is balanced – 33.30% of female, respectively 29.40% of male ate in 2014 between one and four portions of vegetables and fruits daily (in the EU 54% of female, respectively 49% of male);
- With regard to regular physical activity (condition of a healthy life) the differences are high, if 14% of male have allocated at least 150 minutes weekly to sporting activities, only 3.70% of female have had regular frequency in practicing of sport (in the EU 36% male and 26% female);
- In 2014, in Romania have considered overweight approximately 57.30% of male compared with 43.70% of female (in the EU 57% male, 44% female).

Figure 11. Nutrition habits and sports practice in the Romania, 2014



Source: *Ec.europa.eu* (2014a)

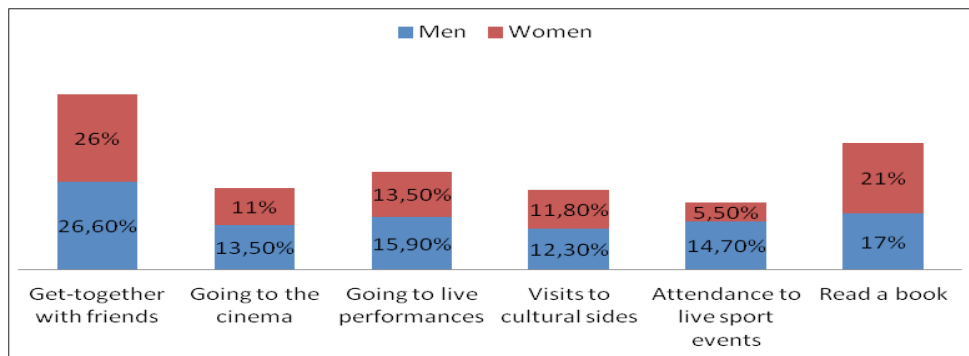
### 3.2 Cultural habits and social relations

Including in terms of cultural activities there are behaviour differences (Fig. 12):

- 26.60% of male and 26% of female agree to meetings with friends;
- 13.5% of male and 11% of female go to the cinema;
- 15.9% of male respectively 13.5% female go to live performances;
- 12.3% of male respectively 11.8% of female visit places of cultural interest;

- 14.7% of male, respectively 5.5% of female are assisting in various sporting events;
- 21% of female, those 17% of male read a book.

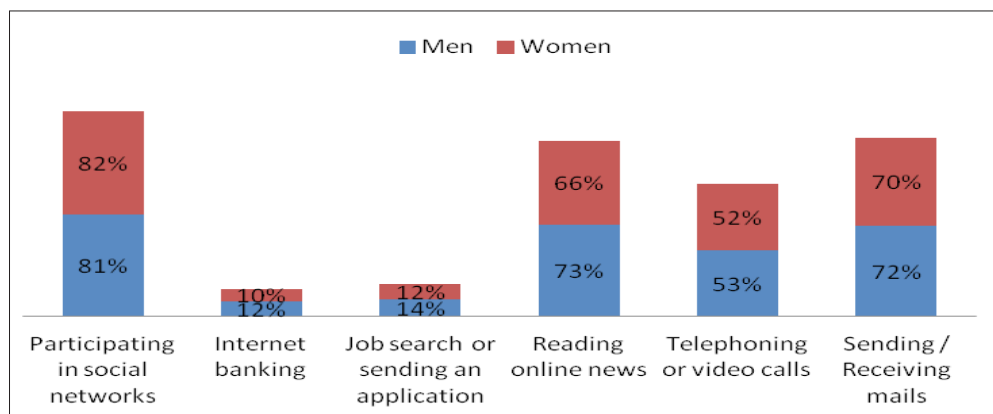
Figure 12. Cultural habits and social relations

Source: *Ec.europa.eu* (2015)

### 3.3 Internet habits, 2017

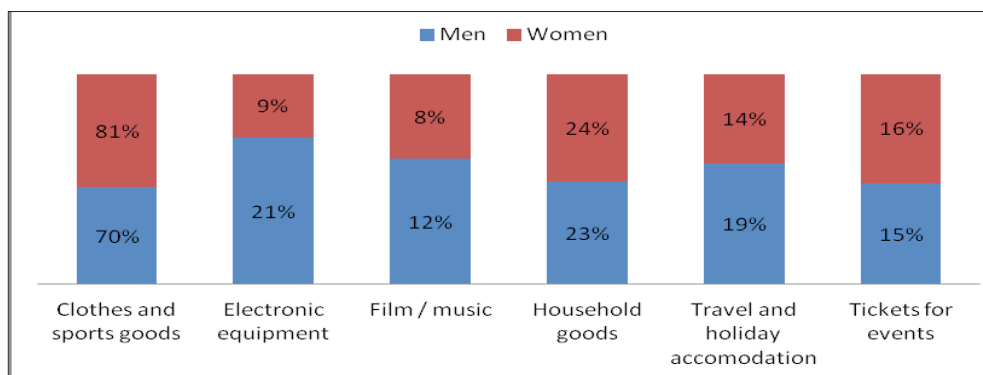
Generally in the use of the internet there are no significant differences (see Fig. 13). Perhaps the male (73%) are reading more than female (66%) online news. But there are no major differences in the use of the Internet for participation in social networks (81% male / 82% female), internet Banking (10% male / 12% female), sending/receiving e-mails (72% male / 70% female), job search (14% male / 12% female) or telephone calls (53% male / 52% female).

Figure 13. Internet activities, Romania, 2017

Source: *Ec.europa.eu* (2017f)

There is also different behaviour in terms of online shopping (see Fig. 14): For clothing 81% Female / 70, 3% Male, and for electronic products 21% Male / 9% Female. However, the differences are very small for the purchase of films (12% Male / 8% Female), household goods (24% Female / 23% Male), tickets to various events (16% Female / 15% Male) or reservation of transport and accommodation (19% Male / 14% Female).

Figure 14. Online shopping, Romania, 2017



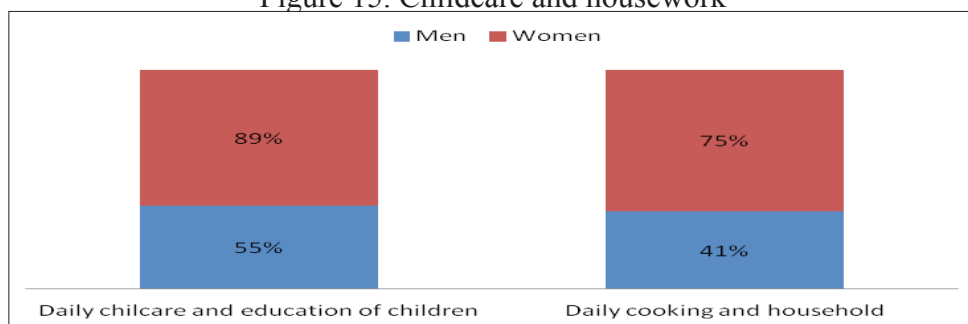
Source: *Ec.europa.eu* (2017f)

### 3.4 Childcare and housework

In all EU member states the time devoted to childcare or household activities is much higher for women than for men. The situation is also similar in Romania where:

- Only 55% of male (compared with 89% of female) took care of their children daily,
- Only 41% of male (compared with 75% of female) performed daily household activities.

Figure 15. Childcare and housework



Source: *Ec.europa.eu* (2016d)

## Conclusions

- There are still major differences in the proportion of female in the employment of managerial functions in Romania;
- Only 30% of female in Romania were in 2017 on a leadership function, although the proportion of licensed female was in 2017 higher than of the male (18.70% versus 16.40%);
- In Romania, female continue to be preferred in the worst-paid economic sectors;
- In the case of the female the highest occupancy rate is for a family with one child – 68.9%, compared with 85.7% for male;
- In Romania, only 55% of male (compared with 89% of female) take care of their children daily;
- In Romania only 41% of male (compared with 75% of female) perform household daily activities;
- The lack of a functional social protection system remains for our country perhaps the main generator of the gender inequality, with female generally having to stay at home to care/support the older/younger members of the family;
- Even if in a European Commission study on female in the digital age, it is indicated that female's employment in the digital sector could lead to an increase in GDP by 16 billion euros annually in the EU, only 24.9% of women who follow higher education obtain a degree in the technological fields, while only 14.8% of the founders of start-ups are female;
- Romania was placed from this perspective in 2018 in the 27th place, ahead of Bulgaria, being noted with the 33.2 index, while the European average is 49.1 points (in this ranking Finland, Sweden, Luxembourg and Denmark have achieved the best results, while Bulgaria, Romania, Greece and Italy have the least points).

## References

- Ec.europa.eu. (2017a). *Lifeline of women and men / Age at retirement*. Available at: <https://ec.europa.eu/eurostat/cache/infographs/womenmen/bloc-1a.html?lang=en>.
- Ec.europa.eu. (2017b). *Women per 100 men / Household types*. Available at: <https://ec.europa.eu/eurostat/cache/infographs/womenmen/bloc-1b.html?lang=en>.

- Ec.europa.eu. (2016a). *Health perception*. Available at: <https://ec.europa.eu/eurostat/cache/infographs/womenmen/bloc-1c.html?lang=en>.
- Ec.europa.eu. (2016b). *Causes of death*. Available at: <https://ec.europa.eu/eurostat/cache/infographs/womenmen/bloc-1c.html?lang=en>.
- Ec.europa.eu. (2013). *Overall life satisfaction, Romania*. Available at: <https://ec.europa.eu/eurostat/cache/infographs/womenmen/bloc-1d.html?lang=en>.
- Ec.europa.eu. (2017c). *Education*. Available at: <https://ec.europa.eu/eurostat/cache/infographs/womenmen/bloc-2a.html?lang=en>.
- Ec.europa.eu. (2017d). *Employment patterns*. Available at: <https://ec.europa.eu/eurostat/cache/infographs/womenmen/bloc-2b.html?lang=en>.
- Ec.europa.eu. (2017e). *Careers*. Available at: <https://ec.europa.eu/eurostat/cache/infographs/womenmen/bloc-2c.html?lang=en>. <https://ec.europa.eu/eurostat/documents/2995521/9643473/3-07032019-BP-EN.pdf/e7f12d4b-facb-4d3b-984f-bfea6b39bb72>.
- Ec.europa.eu. (2016c). *Earnings / Mean hourly wages by profession, Romania*. Available at: <https://ec.europa.eu/eurostat/cache/infographs/womenmen/bloc-2d.html?lang=en>.
- Ec.europa.eu. (2014a). *Nutrition habits and sports practice*. Available at: <https://ec.europa.eu/eurostat/cache/infographs/womenmen/bloc-3a.html?lang=en>.
- Ec.europa.eu. (2015). *Cultural habits and social relations, 2015*. Available at: <https://ec.europa.eu/eurostat/cache/infographs/womenmen/bloc-3b.html?lang=en>.
- Ec.europa.eu. (2017f). *Internet activities / Online shopping*. Available at: <https://ec.europa.eu/eurostat/cache/infographs/womenmen/bloc-3c.html?lang=en>.
- Ec.europa.eu. (2016d). *Childcare and housework*. Available at: <https://ec.europa.eu/eurostat/cache/infographs/womenmen/bloc-3d.html?lang=en>.



ISSN 2065 - 8168 (print)  
ISSN 2068 - 2077 (online)