

Innovation through Digitalization of the Romanian Public Administration

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ABSTRACT: The article addresses the issue of innovation through the digitalization of public administration in Romania. Even though there are different platforms/portals for making different payments, such as fines, taxes, etc., it is easier to pay these "obligations" directly at a physical counter than through platforms. Objective: To identify the current situation regarding innovation through the digitalization of Romanian public administration. Approach: The research is theoretical but will illustrate along the way different aspects of the reality regarding the issue of digitalization in the Romanian public sector and position Romania in different rankings regarding innovation through digitalization. Results: Romania does not rank high in the digitalization rankings, and the main reason is that Romanian citizens do not trust new technologies and are not educated to use them.

KEYWORDS: innovation, public administration, e-governance, D.E.S.I. ranking, E.G.D.I.

Introduction

The relevance of the topic is ensured by the debates currently taking place both on national and European level on the digitalization process based on e-governance, but also by the importance of awareness in using digital public services.

It is very important for a state to seek to innovate and respond as quickly as possible to the requests of its citizens, but the way in which it responds is very important, as it must be accessible to all citizens (Rotaru 2005, 163, 172-174), be user friendly and most importantly the usefulness of the service offered should be well acknowledged.

Theoretical aspects

Over time, a multitude of definitions regarding the concept of innovation have emerged, but despite the fact that there are numerous, in all definitions the focus is on the main characteristic of innovation, namely the creation or development of an existing good or service. Thus, the following definitions can be listed:

Innovation is the commercial or industrial application of something new, a new product, process or production method, a new market or source of supply, a new form of business or financial organization (Schumpeter 1993, 353-363).

Another definition of innovation is found in the Oslo Manual, where innovation is defined as "the implementation of a significantly improved new product or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations" (The Organization for Economic Co-operation and Development 2005, 46).

The term administration comes from the Latin "administer" which means agent, helper, servant or even instrument. In the Dictionary of the Romanian Language, the verb to "administer" has the following explanation: to lead, to steer. And for "administration" we find the following: the totality of administrative authorities existing in a state, department, or service, which deals with the administrative problems of an institution or economic agent (Alexandru 2008, 72-73).

The work of the public administration is carried out by civil servants who are appointed by the head of the respective public institution. The role of public administration is very important because it must deal with stimulating innovation in the economy, but the hardest

thing it has to do is to stimulate public organizations to innovate in order to create public value. This created public value must respond to the demands of society.

The public sector - is a necessity for any state economy and performs the following functions: the allocation function, which emphasizes the state's involvement in the market mechanism to determine the type and quality of a public service (Apgar and Brown 1987, 292); the income distribution function (refers to how the state is involved in the market through the process of adjusting the income and wealth accumulated from economic transactions) and the stabilization function (ensures and protects public and private economic transactions). The public sector has a huge impact on each and every one of us, as it is a daily and undeniable presence (Miroiu and Rădoi 2002, 50-100) and it relates to the totality of decisions taken by the powers of the state as well as to the way these decisions evolve. The public sector is present in the economic life in many aspects such as: public (state) education, public goods, public expenditure, public interest, public services, etc.

Digital public services and the Romanian legislative framework on the public sector developed by emphasizing the digitalization of the administration. Also, in the same period, several normative acts were passed, requiring Romanian public institutions to develop e-mail communication with citizens, but also to accept documents in electronic format (Durach et al. 2021, 6). E-governance is one of the most exciting public administration challenges around the world (Vrabie et al. 2015, 5).

Looking into the past, e-governance has developed with the arrival of the Internet in Romania. Once the internet appeared, state institutions started to communicate much faster and more efficiently with the help of e-mail messages and, in addition to these, the same institutions created web pages where different information was displayed. Nowadays, the use of the internet is at a completely different level and the use of the internet by institutions is at a much more advanced level (now one can make payments online using a computer connected to the internet, etc).

E-governance (Digital Governance, E-Gov) aims to make the activities of the administrative apparatus as efficient as possible and to increase the quality of public services using new communication technologies by the central and local public administration. E-governance is the cooperative relationship between the Government, the Parliament and other public institutions and the citizens, which is achieved through electronic means (Anghel and Neagoe 2015, 19).

Among the benefits of e-governance are the reduction of tax evasion because it creates a modern, efficient system that also emphasizes the principle of transparency; and because the use of e-governance in the field of labor can reduce the costs of public administration, as well as increase the efficiency in the activities of economic agents which can lead to the benefit of increasing labor productivity. Within the e-governance process, four different stages/phases can be distinguished in terms of their usage:

- **Formative phase (Government-Government)** - this can include government employees. At this stage institutions exchange information using new technologies.
- **The distributive phase (Government-Citizen)** is based on transparency, effectiveness, and efficiency of public services. Emphasis is placed on the quality of public services as well as on the involvement of citizens in public sector actions.
- **Formative stage (Government-Business Environment)** - during this stage various interactions take place between private businesses and public institutions (e.g., employment).
- **The Transformation Phase (Business Environment-Citizen)** focuses on the e-market.

Digital Governance in an international context

On the international level, **Digital Governance** has been analyzed through different studies, namely: The UN study (measuring e-Governance using the EGDI index); The European

Commission study measuring the digital performance of Member States, using the DESI index; the IMD WORLD study. These studies are the most recent, between 2018 to 2021. From these three studies, the position of Romania according to the rankings given in the studies mentioned above was as follows:

- According to the UN study, Romania ranks 67th out of 193 (but it should be mentioned here that out of all the EU member countries Romania ranks last).
- According to the DESI report, Romania ranks last.
- According to IMD WORLD, Romania ranks 54th out of 63 (second last if we make this ranking a sub-ranking based only on EU member states).

Table 1. Studies on digitalization and Romania's place in the world and the EU

STUDY	ABOUT THE STUDY	ROMANIA'S RANKING IN THE WORLD	ROMANIA'S RANKING IN THE EU
UN STUDY(2018)	Focus on the efficiency of e-governance to deliver public services. The EGDI comprises the Telecommunications Infrastructure Index, the Human Capital Index, and the Online Services Index.	67th out of 193	Ranking last among the EU states
DESI REPORT (2021)	Includes: <ul style="list-style-type: none"> • Connectivity • Human capital • Use of the internet • Integration of digital technology • Digital public services 	This study observes only EU Member States	Placed last on this ranking
IMD WORLD (2021)	3 dimensions: <ul style="list-style-type: none"> • Knowledge for digital enhancement as well as understanding and learning new technologies • Technological factor (available capital, available infrastructure, and legislative framework) • Adaptability to new trends 	50th out of 63	Ranks among the last on the list

Source: PwC internal analysis

(<https://workspace.unpan.org/sites/Internet/Documents/UNPAN97453.pdf>)

UN Study

As mentioned in Table 1, Romania does not rank high in the EGDI ranking (67th out of 193). This is due to the fact that there is not enough emphasis on training Romanians in using the internet, the web, in gaining computer skills, etc. This is the reason why most Romanians use the internet only for social networking and to find different entertainment activities. At the same time, there is quite a big gap between the level of digitalization of people in cities and the level of digitalization of people in villages.

DESI-2021 ranking

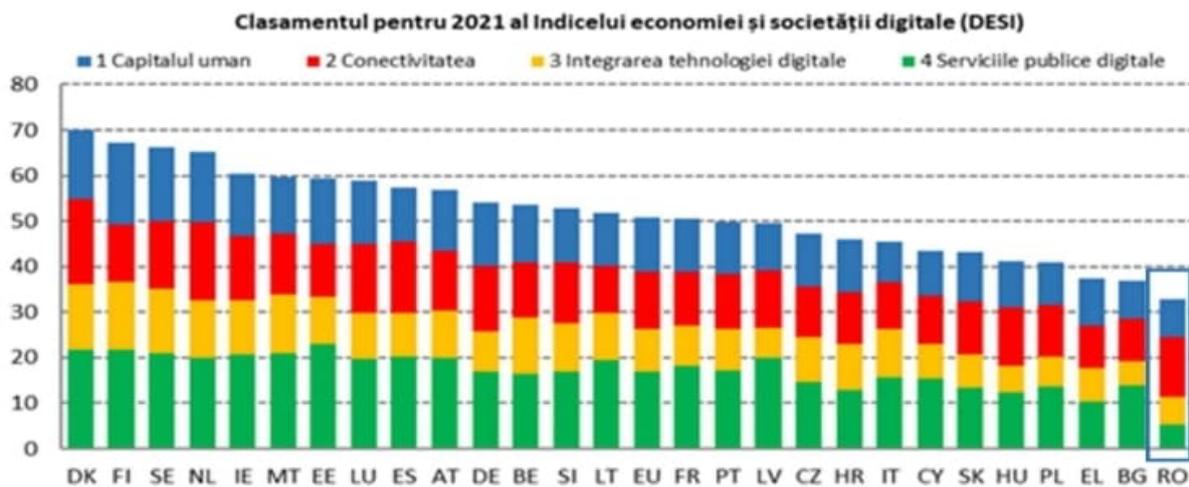


Figure 1. DESI ranking, 2021 (European Commission 2021)

The positioning of Romania

- In terms of connectivity - 10th in the European Union. In 2020, it improved its performance in terms of coverage, but stagnated in terms of overall usage (European Commission 2021, 9).
- In terms of human capital - 26th in the EU, as the industry's specialists prefer to work in other countries.
- In terms of digital technology integration - 25th in the EU because there is poor integration.
- Regarding digital public services - 27th place in the EU, because the Romanian population does not show a high degree of confidence in the use of banking services.

It is easy to see that in terms of digital public services, Romania is at the bottom of the ranking because we have a weak legislative framework on digitalization, we are not very concerned about developing skills in digitalization and the population does not have a high degree of confidence in the use of online platforms (such as those where payments can be made without having to queue at the counter).

IMD WORLD Ranking

According to the IMD World Competitiveness Ranking, Romania ranked 50th out of 64 countries in 2021, and 49th in 2020. In 2021, Romania has dropped one place in the ranking because there is a low level of trust among citizens in using "smart" platforms and because digital technologies are not easily integrated into public administration.

As mentioned above, Romania is seeking to become as innovative as possible and that is why some digital public services have already been implemented. These digital services include digital signature, allocation of resources for digital education, online registration of companies, platforms for filing tax returns, viewing/correcting VAT, etc.,

Digital governance in a national context

The integration of Romania into the European Union is a motivating and pressing factor. The European Union has been a supporter of e-governance applications in the new member states of Central and Eastern Europe, and the key institutions in the management of e-governance are represented by the Ministry of Communications and Informational Society and Romania's Digital Agenda Agency.

In Romania, even if in recent years there has been an evolution in the use of e-governance tools, the field of electronic public services remains underdeveloped (Dragoman et al. 2021, 51).

Conclusions

The main reason for the low level of public confidence in e-governance services is that there are too few people in Romania who really know the basics about digital, and that there is no investment in digital education programs in schools (Rotaru 2016, 326-334), libraries, and various centers. People still prefer the old-fashioned way of standing in queues at the counter because they feel safer in terms of making payments and they feel that if they were to make a payment from home using online, there is a possibility that they would be cheated and defrauded.

Another conclusion refers to the fact that, although Romania is at the bottom of the rankings of various studies on e-governance and digitization of public services, this does not mean that administrations do not want and do not make an effort to create various digital public services, but it is necessary that the population also want to use these services so that if they do not use them, the services would have no usefulness to citizens. That is why it is necessary to educate the public about what a particular online service is used for and what the advantages and disadvantages of using it are. At the same time, a good example would be to explain to them how the same services work in different countries so that they can gain confidence in using them.

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