

The Effects of the Public Administration Involvement on Social Policy Implementation

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Abstract: The paper deals with the analysis of the public administration's performance in social policy and health care implementation. In order to realise it, the analysis takes into consideration four specific indicators: the impact of the social transfers on poverty reduction, general government expenditure by function, aggregate replacement ratio for pensions, children aged less than 3 years in formal childcare, self-reported unmet need for medical care and out-of-pocket expenditure on healthcare. The analysis in the paper is structured on two levels: a comparative analysis between the Member States and a regression analysis in order to point out the disparities. A special part of the paper is dedicated to the social policy in Romania. The analysis is supported by the latest official statistical data and pertinent diagrams. Moreover, dedicated software was used in order to compute statistical data and to obtain pertinent results. The main conclusions of the paper are connected to the huge differences between the EU average goals in social and health care policies and the reality from each Member States. On the other hand, Romania faces to great challenges related to social policy and public administration support for improving the situation of its citizens.

Keywords: Social transfers on poverty reduction; formal childcare; unmet need for medical care; out-of-pocket expenditure on healthcare

1. Introduction

EU adopted the European Pillar of Social Rights. It covers three main dimensions: equal opportunities and access to the labor market, dynamic labor markets and fair working conditions and public support (European Commission, 2017).

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The third component (public support) represents the main specific contribution of the public administration in each Member State (see Figure 1).

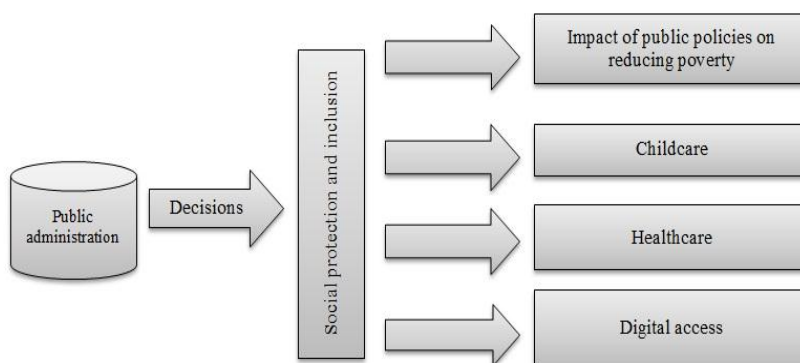


Figure 1. Public support

Source: Personal contribution

In order to quantify the above components Eurostat uses four specific indicators: impact of social transfers (excluding pensions) on poverty reduction; children aged less than 3 years in formal childcare; self-reported unmet need for medical care; and individuals who have basic or above basic overall digital skills.

The impact of the social transfers (excluding pensions) on poverty reduction is quantified by comparing the poverty rates before and after social transfers. In order to obtain the best result, Eurostat takes into consideration data related to income, social inclusions and living conditions.

The children aged less than 3 years in formal childcare is an indicator focused on the formal arrangements other than by the family. The indicator is built using the same above statistical data referring to income, social inclusions and living conditions.

The self-reported unmet need for medical care is an indicator which describes situations when individuals are not able to access the medical care system as a result of financial reasons, waiting lists or the travel distance.

Finally, the individuals who have basic or above basic overall digital skills cover those persons aged 16-74 who activate in information, communication, problem solving and content creation.

2. Related Work

The elements of the social policy were put into discussion in many scientific researches. One of them is focused on the connection between law and policy in social inclusion and protection. Basically, the book tries to find an interchange between these two elements and is focused on social protection and social inclusion in the EU. The authors try to understand the future of the Social Europe and to analyze the governance of health care and pension policies in the EU. The main conclusion of the book is that the EU needs an anti-poverty policy, maximum income protection and a specific social model (Cantillon, Verschueren & Ploscar, 2012).

Other approach puts into discussion the Social Protection Floor Initiative, which supports the universal access to essential social transfers and services. In this context, the social protection is analyzed in direct connection to the human rights and the specific policies. A distinct part of the book deals with examples of good practices. They refer to those countries which implemented components of the Social Protection Floor and succeeded in achieving its feasibility, affordability and impact. Basically, the author of the book proposes a policy mix based on the interdependency between demographic shifts, employment, labor migration, social protection, economic development and the environment. This approach becomes essentially as long as 80% from the planet's inhabitants face to social risks such as unemployment, ill health and natural disasters (Drolet, 2014).

The same approach based on the connection between the social protection policy and law was object of analysis at EU level. The author considers that justice means social protection, as well. The analysis puts into balance justice, EU legislation on social protection and health care in the context of the new challenges for the EU (Gulland, 2014).

An interesting case study was realized in order to reflect the public policy and administration impact on social protection in Latin America. The book analyses different programs and political tools implemented at regional level in the context of coordinating public policies within consistent and sustainable social protection

systems. The book is built on three distinct parts. The first part deals with the concepts and evolution of the social protection policies. The second part puts into attention social protection tools from a life cycle perspective, while the last part describes the social protection policy as a component of the universal social protection (Cecchini, Filgueira, Martínez & Rossel, 2015).

The Sustainability of the European Social Model EU Governance is analyzed by a very interesting book. The book puts the social and employment policies in the context of the global economic crisis. This is why the authors realize a comparative analysis of the EU economic governance with the national systems of social protection. The whole analysis is realized using two key policy areas: social services of general interest and the regulation of working time. In order to do this, the authors quantify social inclusion, active ageing policies and job quality (Barbier, Rogowski & Colomb, 2015).

Other specialists are focused on the health inequalities. They consider that the understanding of the causes of health inequalities becomes essentially. This goal can be achieved using multi-criteria analysis able to cover social, behavioral and biological components (Marmot & Bell, 2016).

The quality of the health care system depends on the economic development level. A recent analysis was focused on eight high-income countries from North America, Europe and Australia and pointed out the disparities between urban and rural health care units. These disparities are caused by the importance of medical education and telemedicine, the financial sustainability of services and the provision of quick transport to more specialized services (Rechel et.al., 2016).

All Member States, including Romania, have to implement common standards related to health status, health determinants, healthcare human and physical resources, health conditions, healthcare activities and healthcare expenditure (Eurostat, 2017).

3. Social Policy across the European Union

European Commission considers the social policy as one of the most important common policies. This is why the public administration from each Member State has to monitor some specific indicators as the following: the impact of the social transfers (excluding pensions) on poverty reduction, general government expenditure by function, aggregate replacement ratio for pensions, children aged

less than 3 years in formal childcare, self-reported unmet need for medical care and out-of-pocket expenditure on healthcare.

According to the official definition, the impact of the social transfers (excluding pensions) on poverty reduction had a fluctuant trend during the last decade across the EU (see Figure 2).

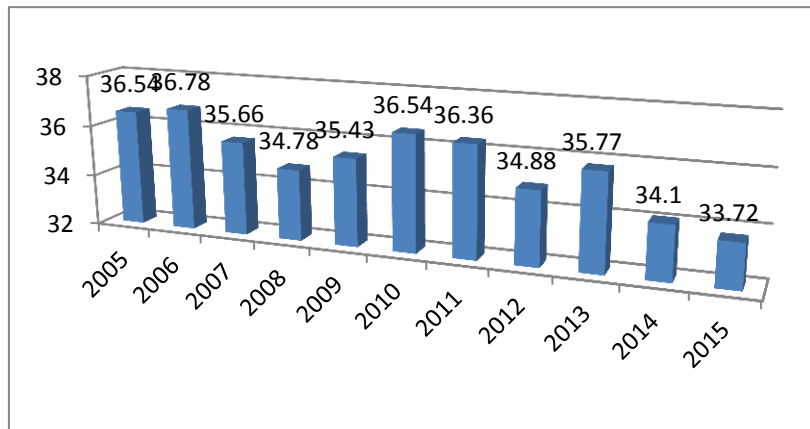


Figure 2. Impact of the social transfers (excluding pensions) on poverty (%)

Source: Personal contribution

According to Figure 2, the greatest impact on poverty was achieved in 2006, while the lowest one in 2015 (Eurostat, 2017b).

In 2016, Romania faced to the lowest impact of the social transfers on poverty reduction (14.24%). In the same year, the top position had Finland (57.04%).

In 2015, EU spent 19.2% from the government expenditure on social protection. Basically, this ration is almost the same during 2009-2015 (Eurostat, 2017c). Compared to 2004-2008, the increase was of approximately 2.0% (see Figure 3).

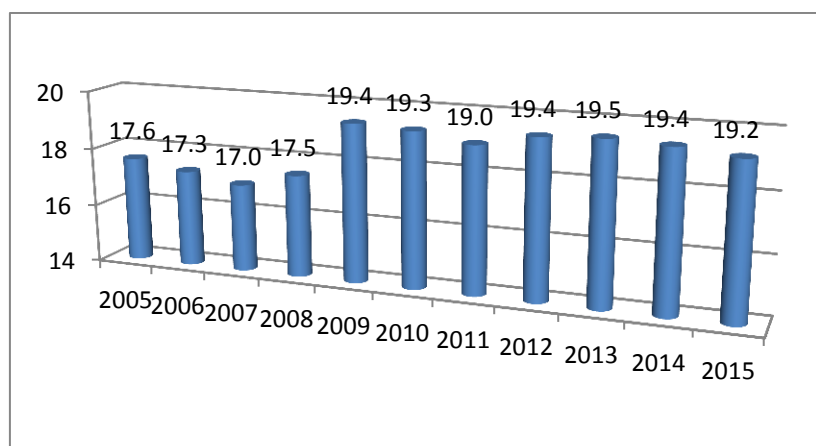


Figure 3. General government expenditure by function (% of GDP)

Source: Personal contribution

Finland allocated the greatest percent of GDP for social protection in 2015 (25.6%). It was followed by France (24.6%). The bottom of this indicator was in Greece (9.6%) which still faces to a painful economic recovery.

The third dedicated indicator is the aggregate replacement ratio for pensions. A very low increasing trend was achieved in the EU during 2008-2015. As a result, the EU average ratio represented 0.57 in 2015 (see Figure 4).

In 2016, this ratio had the greatest value (0.8) in Luxembourg and the lowest value (0.37) in Croatia. Only 12 Member States succeeded in achieving higher than EU average ratios in 2016 (Eurostat, 2017d).

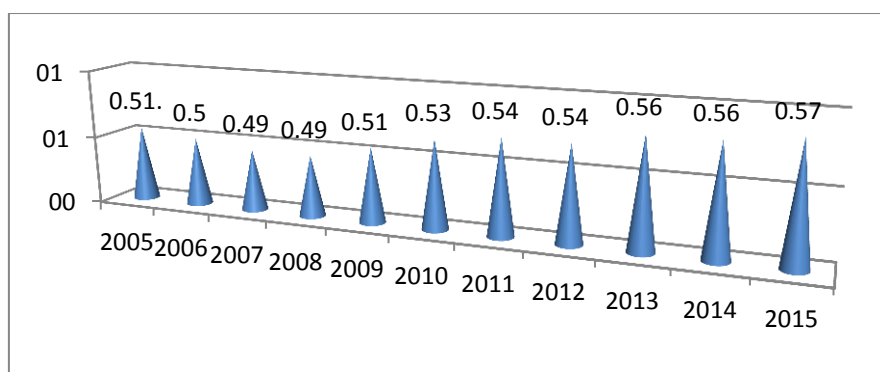


Figure 4. Aggregate replacement ratio for pensions (excluding other social benefits)

Source: Personal contribution

The public administrations from each Member State faced to a great challenge related to the children aged less than 3 years in formal childcare. The average value of this indicator across the EU fluctuated, but it increased during the last three years (see Figure 5).

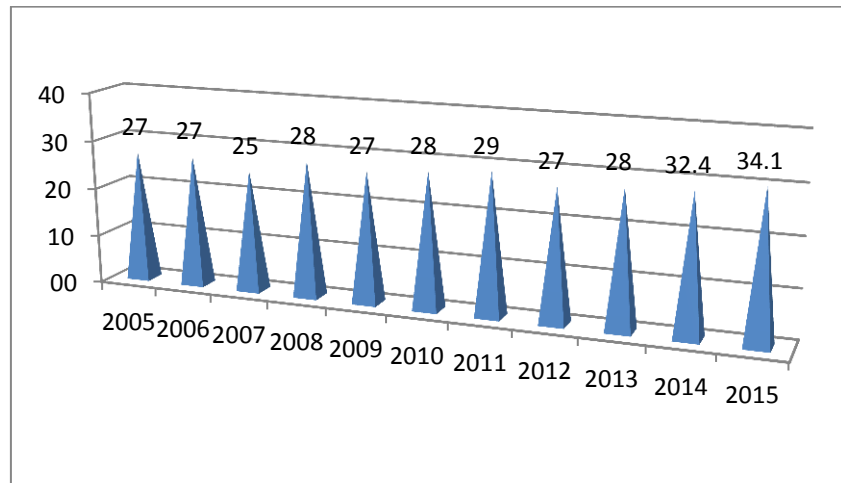


Figure 5. Children aged less than 3 years in formal childcare (%)

Source: Personal contribution

Under the above indicator, the disparities between Member States are huge. Luxembourg (51.9%) and Belgium (50.1%) had the top levels in 2015. On the other hand, Slovakia (1.1%) and Czech Republic (2.9%) were at the bottom of the indicator's values. (Eurostat, 2017e)

A pertinent indicator related to the health care system is self-reported unmet need for medical care. Moreover, the economic development, including revenues, pensions, etc. have great impact on the values of the indicator. The value of the indicator decreased almost continuous during 2005-2015. (see Figure 6)

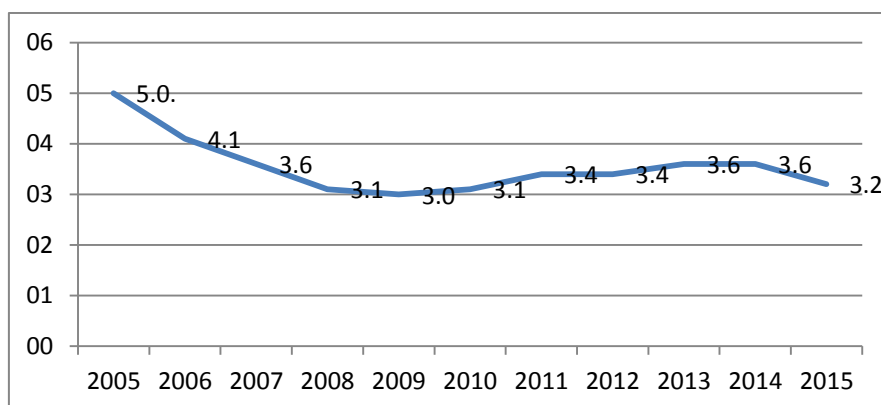


Figure 6. Self-reported unmet need for medical care (%)

Source: Personal contribution

In 2016, the extreme values of this indicator were in Estonia (12.7%) and Netherlands (0.1%). Only seven Member States faced to higher values of this indicator in 2016 compared to EU average (European Commission, 2017b).

The last official indicator took into consideration in analysing social policy management across the EU is out-of-pocket expenditure on healthcare. It is very difficult to analyse the trend of this indicator across the EU. Some Member States, as Bulgaria, Czech Republic, Denmark, Ireland, Croatia, Latvia, Poland, Romania, Slovenia, Slovakia and UK started to quantify this indicator in 2013 or 2014. Moreover, Malta doesn't report data about it. As a result, the official data for the last statistical report (2015) were presented in Figure 7.

According to Figure 7, only 15 Member States presented official data related to out-of-pocket expenditure on healthcare. Bulgaria and Greece faced to the greatest financial efforts for their inhabitants in order to achieve health care services. Netherlands and Sweden achieved the lowest value of this indicator in the same year (European Commission, 2017c).

The analysis of the above indicators leads to at least two intermediate conclusions. First is that there are great disparities related the social and health care systems between the Member States. The second conclusion points out the direct connection between the economic development and the quality of the social and health care systems in each Member State.

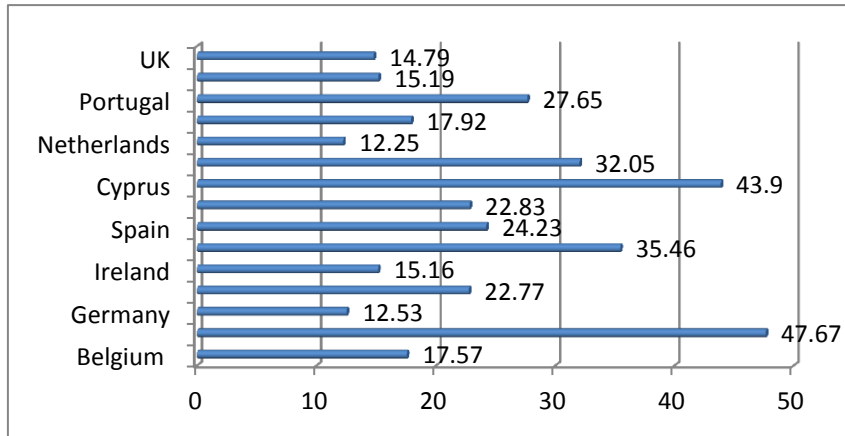


Figure 7. Out-of-pocket expenditure on healthcare (% of total health expenditure)

Source: Personal contribution

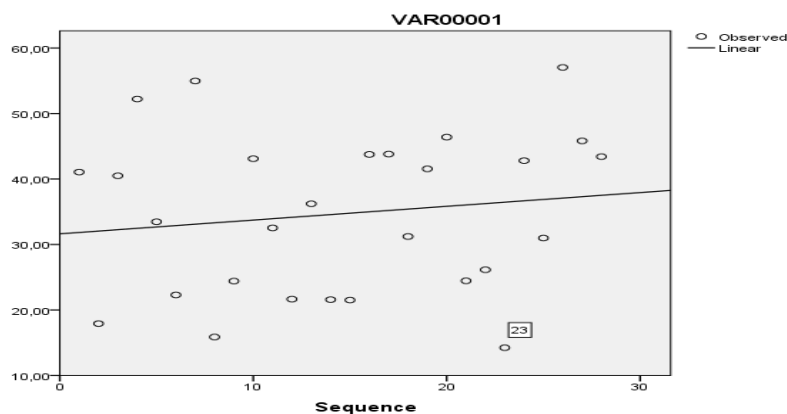
4. Social Rights and Policy in Romania

The public administration in Romania has as one of the main goals the ensuring of the social rights, including health care for all inhabitants.

The Romania's adhering to the EU brought new challenges for the Romania public administration related to the social policy. This is why the analysis of the official statistical specific indicators becomes very usefully.

The last official statistical data for the impact of social transfers on poverty reduction are from 2016. In order to quantify Romania's position the analysis uses regression. The dependent variables are the annual values for each Member State, while the independent variable is time. The regression is realized under ANOVA conditions (see Figure 8).

According to Figure 8, Romania faced to the lowest impact rate of the social transfers on poverty reduction in 2016. This is the result of inadequate and insufficient social transfers other than pensions in Romania. Basically, Romania is the bottom border of this indicator in the EU.

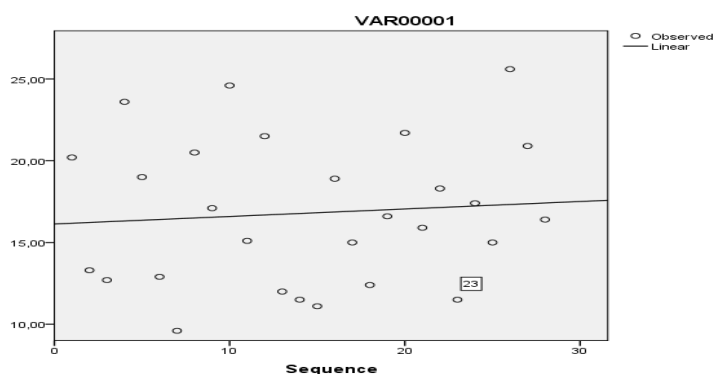


23-Romania

Figure 8. Disparities relates to the impact of the social transfers on poverty reduction

Source: Personal contribution using IBM-SPSS software

The economic development in Romania is not able to support the increase of the government expenditure to social protection. This is why Romania had a lower than EU average percent of GDP allocation for this indicator in 2015 (see Figure 9).



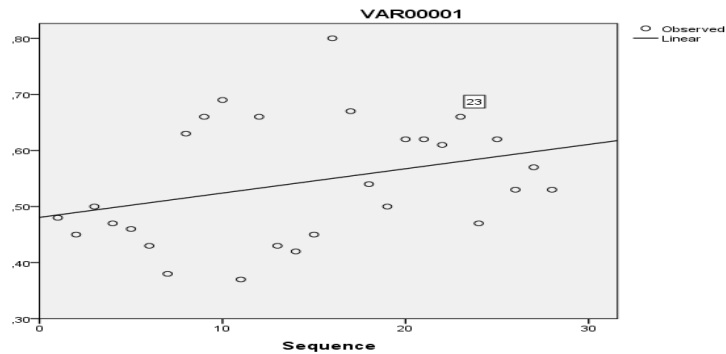
23-Romania

Figure 9. Disparities relates to government expenditure by function

Source: Personal contribution using IBM-SPSS software

During 2013-2015, Romanian public administration maintained the share of GDP for social protection at 11.5%. It is lower than in many other Member States and lower than EU average, as well.

The aggregate replacement ratio for pensions in Romania was one of the greatest across the EU and higher than EU average in 2016. (see Figure 10)

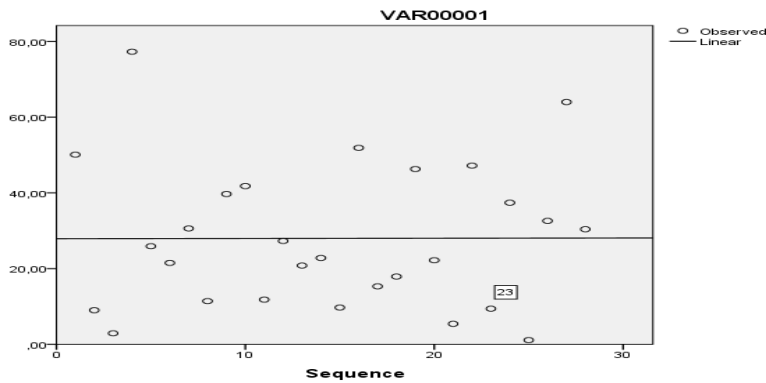


23-Romania

Figure 10. Disparities relates to aggregate replacement ratio for pensions

Source: Personal contribution using IBM-SPSS software

On the other hand, Romania had one of the lowest ratio related the children aged less than 3 years in formal childcare in 2015. This ratio was lower than EU average, too (see Figure 11).



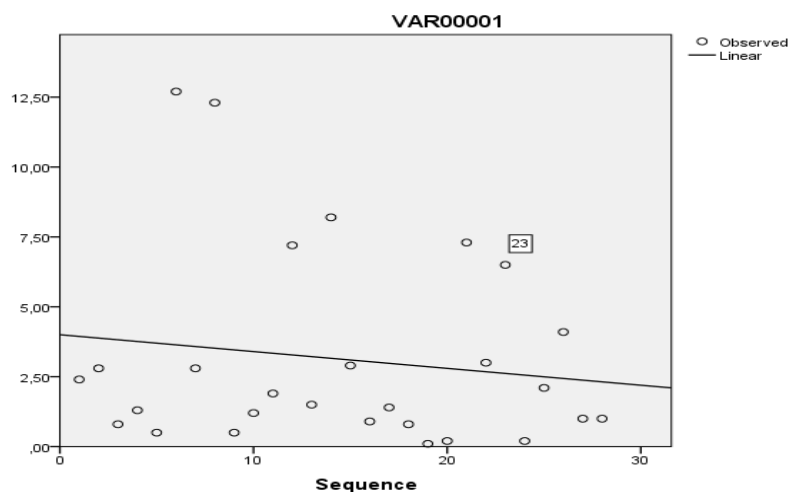
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Figure 11. Disparities relates to children aged less than 3 years in formal childcare

Source: Personal contribution using IBM-SPSS software

At least four elements support this ratio in Romania: family tradition, economic situation, insufficient childcare capacities, and cost per child.

The self-reported unmet need for medical care presented a decreasing evolution during 2011-2016 in Romania. However, the ratio of this indicator in Romania was two times greater than EU average in 2016 (see Figure 12).



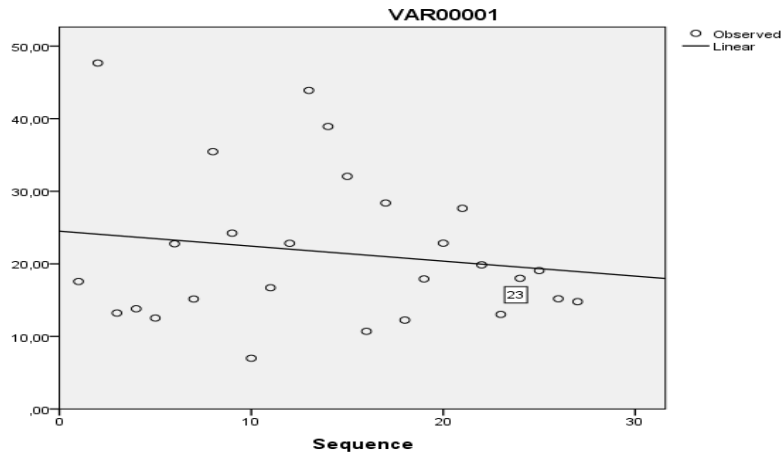
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Figure 12. Disparities relates to self-reported unmet need for medical care

Source: Personal contribution using IBM-SPSS software

According to Figure 12, only eight Member States faced to difficulties related to this indicator in 2016. Some other Member States succeeded in achieving ratios less than 1% for the same indicator in the same year.

The last indicator took into consideration for the analysis is out-of-pocket expenditure on healthcare. Romania has not the worst situation in the EU. On the other hand, 15 Member States had better results related to this indicator in 2015 (see Figure 13).



23-Romania

Figure 13. Disparities relates to out-of-pocket expenditure on healthcare

Source: Personal contribution using IBM-SPSS software

5. Conclusions

Is no doubt that the European citizen benefit by social rights and are object of the common social policy, including health care. The goals of the public support are high but they face to great disparities between Member States.

A more efficient implication of the public administration in solving social challenges implies better management and more money. This is why the social policy is directly connected to the economic development from each Member State.

As a general point of view the social policy had better results for all the above dedicated indicators. Unfortunately, the disparities between Member States are still great.

Romania is not in the best position regarding social protection and health care in Europe. It succeeded in making some progresses especially in the last five years.

On the other hand, the economic evolution and the weak management represent the greatest challenges for the public administration's decisions in Romania.

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