

STUDY ON THE FINANCING OF THE NATIONAL DEFENSE SYSTEM, PUBLIC ORDER AND NATIONAL SECURITY IN ROMANIA

Alin Teodor HUSERAŞ*, Valentin PÎRVUŢ**

*“Lucian Blaga” University, IOSUD, Sibiu, Romania

**“Nicolae Bălcescu” Land Forces Academy Sibiu, Romania
huseras.alin@gmail.com, pirvut_v@yahoo.com

Abstract: This paper aims to review the legislative framework that regulates the organization and operation of the National Defence System, Public Order and National Security in Romania. And then, analyse the expenditures of the main public domains that are included in the concept of extended national security. Public spending is an extremely important component of the state budget, through which, according to the needs of society, a percentage of public resources is allocated in order to meet those needs, as well as for the development of public sectors of interest. This scientific paper is divided into two sections: the first chapter considers the theoretical approach of the legislative framework, the organization of the system (N.D.S.P.O.N.S.), the presentation of the objectives and main directions of action promoted by the National Strategy of Defence; the second chapter, is an quantitative analysis, which summarise the case study of expenditure in public sectors of national interest, with focus on the following areas: defence; public order; national security; health; and education. Therefore, based on these data, Romania's position is analysed, compared to the average of European countries (EU27), in terms of the maturity level of the public resource budgeting/spending.

Keywords: public spending, analysis, defence, security, indicators

1. Introduction

We are in a modern world in continuous development and change with a generous potential for expansion in all existing fields. In order to ensure sustainable development, the state has increasing responsibilities, in terms of adapting to the needs of society and ensuring the well-being of its citizens through the services provided. Also, all states face a real problem, in identifying a balance point in terms of ensuring the satisfaction of collective needs with existing financial resources in public budgets, which are otherwise limited.

These financial resources must be subject to the principles of collection and distribution as efficiently as possible.

The paper aims to highlight the legislative

framework governing the organization and operation of the National System of Defence, Public Order and National Security in Romania. Analyses will be made on the expenditures of the main public domains that are included in the concept of extended national security.

2. The legislative architecture that regulates the National System of Defence, Public Order and National Security in Romania

From a political and geological point of view, Romania is on the eastern flank of the European Union and NATO [1]. Being positioned at the intersection of areas with a higher level of security risk and at the external limit of these alliances, it can be

considered that the defence and security of this state become a subject of regional interest, exceeding the sphere of responsibility of Romania. In the European security system, the OSCE is an important element, but Romania's main security guarantor remains NATO.

The strength of the North Atlantic Alliance is closely linked to the contribution and commitment of the United States to Europe, but also to the way in which European allies will honour the commitments made regarding the allocation of resources and the development of defence and security capabilities [2].

A large state with strong politico-military influences in the immediate vicinity of community blocs is the Russian Federation. Russia's actions over the past decade have violated international law, affecting regional / international order and security, by annexing Crimea and military operations with direct or indirect participation in Transnistria, South Ossetia, Abkhazia, Donbas and Nagorno Karabakh [3]. All these elements, together with the vision of Russia's strategic doctrine [4] (whereby the EU and NATO are considered Russia's main opponents [5]) they bring to the attention of NATO - collective defence, and to the attention of the OSCE, the EU, the ECHR and the European Parliament the validity and resumption of security arrangements with Russia after the end of the twentieth century.

Traditionally, vulnerabilities, risks, security and defence threats are estimated in terms of the military dimension, but today the current security environment requires a broader approach. In this new approach, in addition to the elements of a military nature, the elements of a political, economic, social, technological, cyber, environmental, health, energy and other elements must be considered.

The current state of regional security requires knowledge of the vulnerabilities, risks and threats to which Romania is

exposed. The competent institutions are meant to continuously monitor the emergence and development of new forms of threat, influence and coercion, both conventional and unconventional.

According to the National Defence Strategy of Romania [6], the directions of action and the main ways of ensuring national security are:

- Defence strategy
- Public order strategy
- Information, counterintelligence and security strategy
- Economic and energy strategy
- Diplomatic strategy
- Crisis management strategy
- Educational, health, social and demographic strategy

According to the Law on National Security [7], the Supreme Defence Council of the Country, organizes and coordinates the activity of achieving national security. According to the same law, the state bodies with attributions in the field of national security are [8]:

- Romanian Intelligence Service (RIS);
- Foreign Intelligence Service (FIS);
- Protection and Guard Service (PGS);
- Ministry of National Defence (MND);
- Ministry of Internal Affairs (MIA);
- Ministry of Justice (MJ) - through specialized internal structures.

According to the Romanian Constitution, Law no. 415/2002 on the organization and functioning of the CSAT and the laws in the field of defence, public order and national security, in Romania operate institutions and structures with responsibilities in ensuring security, defence of the state, its values, interests and security objectives. All these institutions are subject to civil and parliamentary control. In the following image, it is rendered in a synthetic manner, the relationship diagram and the architecture of the national security system [9] expenses.

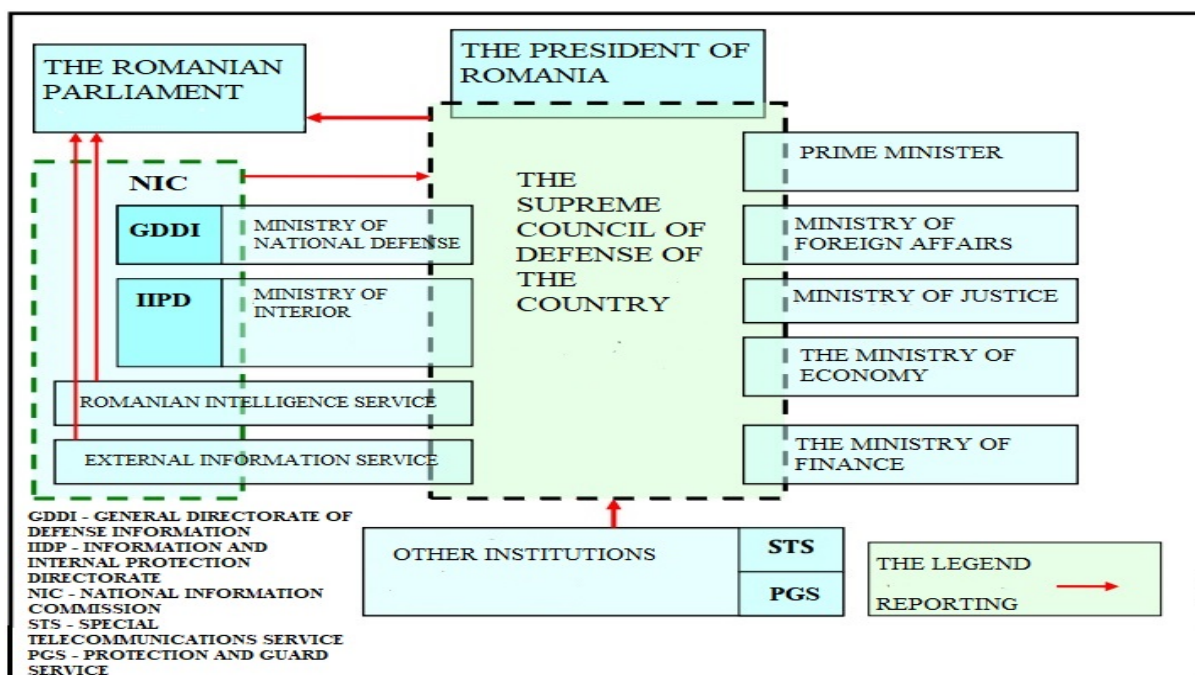


Figure 1: The architecture of the national security system

According to the previous subchapter, the specialized bodies and structures responsible for national defence and security are found in the three powers of the state, in some economic bodies and in civil society. According to the new concept of extended national security, stipulated in the National Defence Strategy, an integrative and multidimensional approach is achieved, in which the defence dimension is complemented by a series of other dimensions.

The directions of action promoted by SNAP, involve the treatment of vulnerabilities, risks and threats identified in the following dimensions: defence; public order; diplomacy; information and counter-information; economic and energy; to which can be added the fields: financial; environmental; critical infrastructures; crisis management; education; health; social and demographic; over which civic control naturally reigns.

3. Analysis of the consumption of public funds used in the National System of Defence, Public Order and National Security from the state budget

The main objective of researching capital

values is to assess the position from the perspective of the evolution of the consumption of public funds in the National Defence System, Public Order and National Security. In achieving the main objective, the following secondary objectives have been set:

- reflection of the situation of expenditures on defence, public order and national security in Romania;
- highlighting the evolution and dynamics of these categories of expenses, compared to the other main categories of expenses;
- analysis of the growth rate of these expenditures.

The analysis carried out in this chapter started from the research hypothesis according to which Romania registered a lower share of defence and public order and national security expenditures in the total budget expenditures, than the share registered by European states at EU27 level, for the period 2000-2018.

The research methodology uses as research methods: analytical method (economic analysis) - performed by case study and dynamic analysis method on changes that have occurred over time in the economic

processes studied.

The data required for the research were taken from reports and economic situations published on the NATO website [10], EUROSTAT [11], INSS [12] as well as from economic statements provided by the EU [13], OSCE [14], or found on the website of the line ministries. In order to process the data and obtain the results, the statistical-mathematical software Excel was used.

In the following, in order to present a broader picture of the cost of peace, the cost of maintaining public order and national security, in terms of the consumption of public funds, an analysis is presented, regarding the evolution of the expenditures of the National Defence System, Order Public and National Security in Romania, during the period 2000-2018.

In order to be able to compare the financing of this field, data were collected for all 5 parts of budget expenditures, namely: general public services; defence, public order and national security; social and cultural expenses; public services and development, housing, environment and water; economic actions.

Graph no. 1 shows the evolution of public expenditures during the years 2000-2018.

It is noted that over the whole period no category of expenditure decreased, except for some small fluctuations during the crisis. It can be stated that all the categories of expenses analysed had a slightly upward trend, except for social protection expenses which had a much higher growth rate than the other categories of expenses.

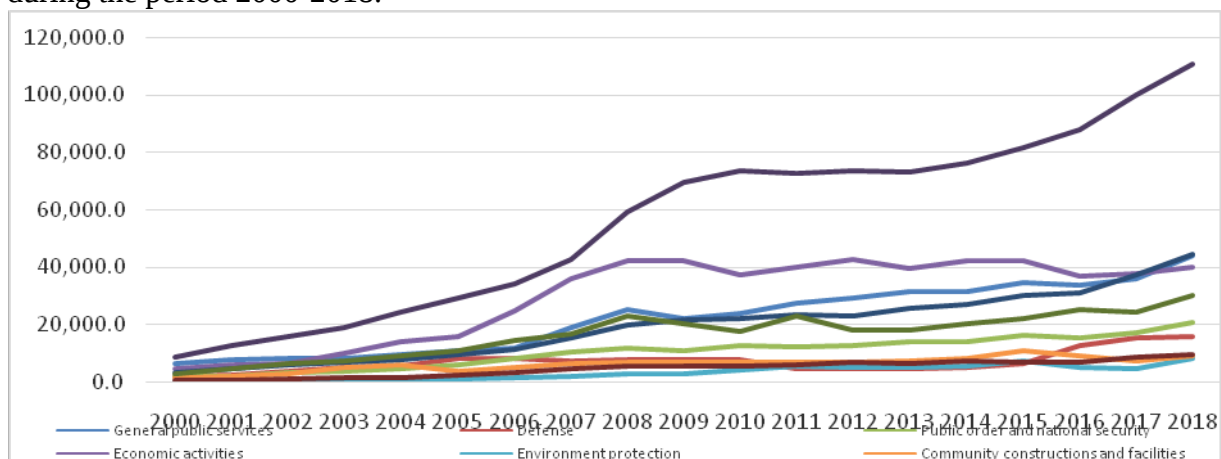


Figure 2: Graphic evolution of public spending over the years 2000-2018 (mil. lei);

The total budgetary expenditures of the Government, increase in volume for the entire studied period from 31,161.9 million lei registered in 2000 (meaning 38.5% of GDP) to the value of 211,244.6 million lei (meaning 40% of GDP) registered in 2010 and reach 332,451.2 million lei (34.9% of GDP) in 2018. As a share in GDP, there is a moderation of these expenditures during the years 2000-2005 from 38.5% - 35.5% of

GDP, then there are increases during the years 2006-2010 from 35.6% to 40% of GDP. During the years 2011-2018, public expenditures are reduced from 39.5% to 34.9%.

The following graph shows the structural evolution of the selected public expenditure categories, out of the total public expenditure.

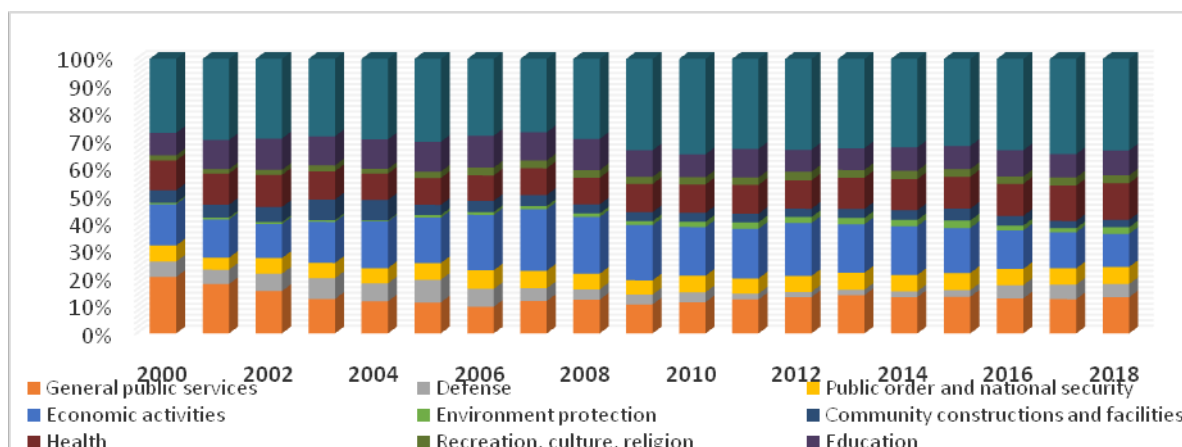


Figure 3: The evolution of the specific weight of public expenditures in total budgetary expenditures

Analyzing this graph, between the reference deadlines, we notice that each category of expenditure, out of total expenditure, has undergone the following changes:

- General public services - decreased from 20.5% (2000) to 13.2% (2018);
- Defence - decreased from 5.6% (2000) to 4.8% (2018);
- Public order and national security - increased from 5.8% (2000) to 6.2% (2018);
- Economic activities - decreased from 15% (2000) to 12% (2018);
- Environmental protection - increased from 0.6% (2000) to 2.4% (2018);
- Construction and community facilities - decreased from 4.5% (2000) to 2.7% (2018);
- Health: increased from 10.9% (2000) to 13.3% (2018);
- Recreation, culture, religion - increased from 1.9% (2000) to 2.9% (2018);
- Education - increased from 8.1% (2000) to 9.1% (2018);
- Social security - increased from 27% (2000) to 33.3% (2018);

The graphical analysis shows that public spending on social protection has had a continuous increase in volume over the reference period to the detriment of other categories such as education or economic activities. We can say that Romania has continuously invested at a consistent level in the sectors responsible for public order and national security, and in terms of defense there are fluctuations with spending cuts during the years 2007-2015.

The following graph shows strictly the evolution in volume of SNAOP expenditures on the main categories of this system, namely defense expenditures and expenditures on public order and national security. The graphical analysis shows that this type of expenditure had a continuous increase in volume, during the reference period. We can say that Romania has continuously invested in the sectors of defence, public order and national security

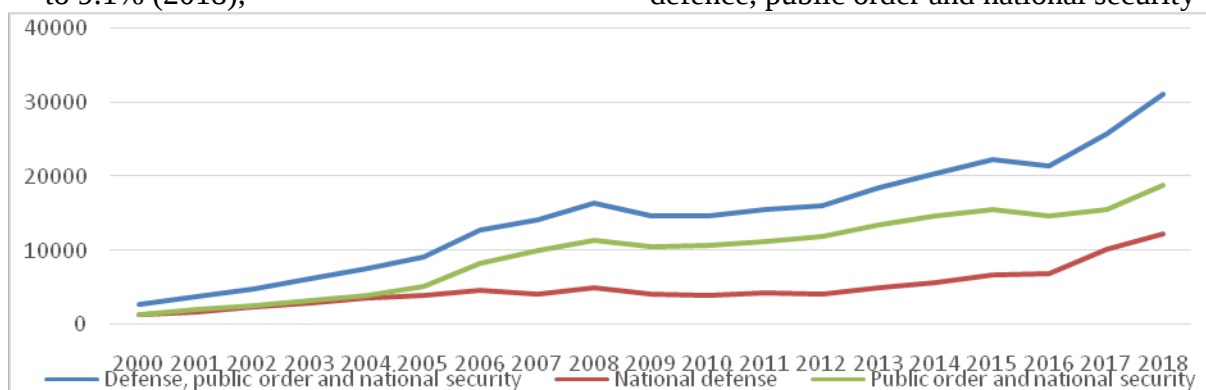


Figure 3: Evolution of public expenditures in the field of SNAOP (million lei)

The following graph shows a comparison of the evolution of the share of four main categories of expenditure in total expenditure (defence; public order and national security; health; education), during

the years 2000-2018. Moreover, the comparison is made between the data recorded by Romania and the data recorded at EU27 level.

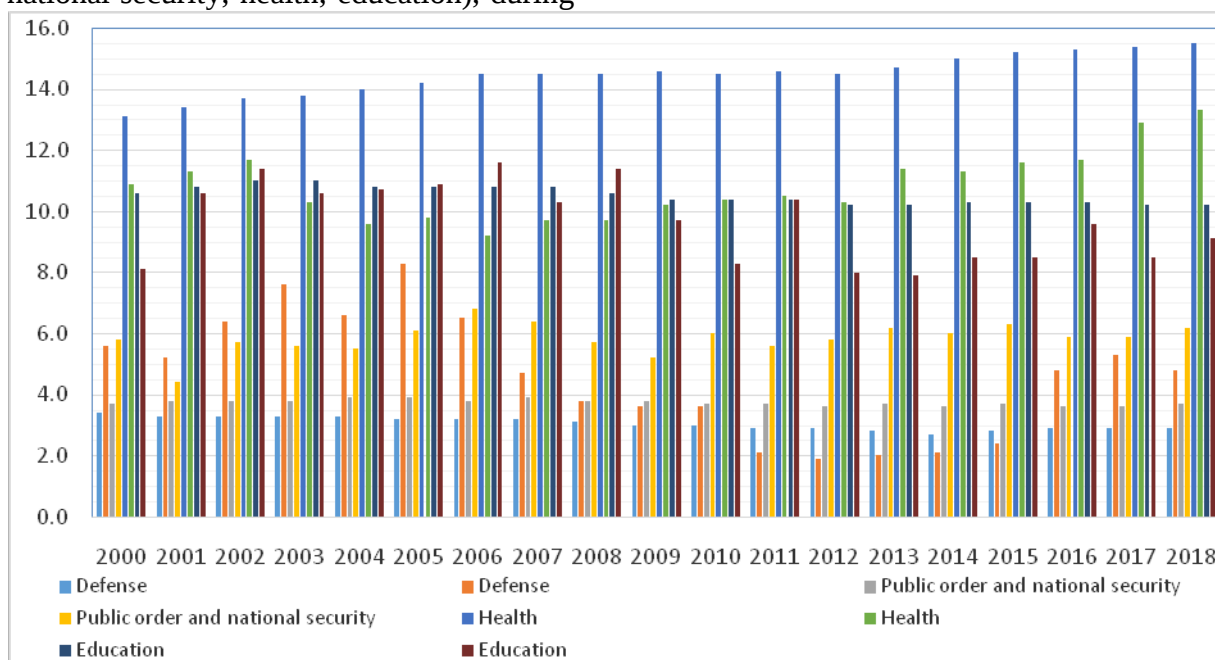


Figure 4: The evolution of the share of expenditures for: defence, public order and national security; health, education - of total expenditure (Romania / EU27)

Following the analysis of this graph, we can say that Romania invests more in sectors such as defence, public order and national security and less in the education and health sectors compared to the EU27 average, the difference being visible by comparing data pairs.

6. Conclusions

Based on the results obtained below, the main conclusions of this paper will be presented.

Regarding defence, we note that the share of defence spending in total public spending in Romania was lower than the share of defence spending in the EU27 only for the period 2011-2015, a period that can be assimilated to the financial crisis. Following that from 2016 the share of Romania's defence expenditures will increase, exceeding the share of EU27.

From the analysis of the share of public order expenditures and national security in the total public expenditures, it is observed that the share of these expenditures

registered by Romania was higher than the share of public order and national security expenditures at EU27 level throughout the analysed period.

On the other hand, regarding the share of health expenditures in the total public expenditures, it is observed that their share registered by Romania was lower than the share of health expenditures at EU27 level during the entire analysed period. But starting with 2006, Romania started to allocate more and more funds to this public sector.

From the analysis of education expenditures, it is observed that the share of these expenditures registered by Romania was lower than the share of education expenditures at EU27 level for a period of 13 years, and only for 5 years the share of these, in Romania, exceeded the weight of the same category of EU27 expenditure.

This invalidates the formulated research hypothesis, according to which Romania registered a lower share of defence and public order and national security

expenditures in total budget expenditures, than the share of the same type of expenditures recorded by European states at EU27 level, during 2000-2018.

References

- [1] <https://www.nato.int/nato-on-the-map/#lat=51.72673918960763&lon=4.84911701440904&zoom=0&layer=1> (NATO on the map) accessed on 24.04.2020;
- [2] according to the SNAPT guide 2015-2019 The capability represents: set of measures and actions comprising elements of doctrine, organization, command, preparation / training, endowment / endowment, infrastructure, personnel and interoperability necessary to achieve an objective and sustain the desired effect;
- [3] lit. K of the European Parliament's motions for resolutions in report PE30.526v02-00A8-0073 / 2019 on the state of play of EU-Russia political relations.
- [4] ibidem lit. U, available at: https://www.europarl.europa.eu/doceo/document/A-8-2019-0073_RO.html#_part1_def3 accessed on 14.03.2020;
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- [12] <https://insse.ro/cms>;
- [13] https://europa.eu/european-union/index_ro;
- [14] <https://www.osce.org/>;