

# The institutional reconstruction of the public acquisitions in Romania

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The experience of the developed countries, that of the European Union – as institutional system, that of other countries and international organizations prove that the economy of the human society, as national systems, with their functional subsystems, but also as aggregated system, with multinational, transnational and even global-world wide character, is a live organism whose real life carries on normally if the inputs, the transformations and the output interact dynamically, providing the viability, at the level of each link and the level of the entire economical chain, which expresses the natural interdependencies generated by the labor social division – as the first «miracle» of the economic world.

## 1. The nature of the acquisitions' economy

Located in the space and the time of the economy between the outputs and the inputs, having an essential role in generating the real transformations, specific for each organization, the goods and services acquisitions, those of information and knowledge, form a distinct component of the economic and social life, which, in our opinion, is organically integrated in the third sector, besides and in an interdependence with the other services for production and consumption, for the protection of the environment and of the human life, for the control of the major risks at national, regional-international and world-wide scale.

Being a component of the entire circuit belonging to an economy, of the real monetary flows which define the micro- and the meso-circuits linking the outputs with the inputs of various sub-systems, the acquisitions' economy has been formed and developed in a proactive vision upon one of the basic functions of the economic organism, that of providing the control of the necessary economic changes – as real processes indispensable for any kind of organization.

In a economy with a competitive market, the acquisitions sector, having as object also selling-buying acts, therefore goods, is exposed to the requirements of the free market, institutionally regulated, the acquisition market representing, in our opinion, also a competitive market with peculiarities generated by the acquisitions object, but, also, by the presence of a specific buyer, using as payment instrument the public budget of an organization, if we are taking into account the public acquisitions.

Any intervention in the carrying on the economic activity within the acquisitions sector must lay down the bases of an institutional construction of rules, providing, at the same time, two categories of effects:

- a category related with the elimination, *ex ante*, of the irrational expenditure and/or illegal one of the limited economic resources, and
- the other category, aiming to avoid the perturbation of the adequate operation of the competitive markets.

In both cases, the institutional construction of operating the acquisitions economy must not provide unjustified advantages or disadvantages from the economic-social point of view to the economic agents, private or public ones, and must not, also, disturb the functionality of the loyal competition either, nor the equity and social justice.

## **2. The sector of the public acquisitions – a special component of the acquisitions' economy**

As special component of the acquisitions' economy, the economy of the public acquisitions includes public economic agents, such as the government, the regional and the local administrations, the public institutions, etc., in the mechanism of the competitive market in order to secure and manufacture those utilities of general, regional-local or micro-institutional interest, serving the normal functionality of the economic system as whole and that of its structural components.

Knowing that, as a rule, one is more careful when he must manage his own means, in private regime, than when the public means are at stakes, those provided by the tax payers, there is, naturally, an institutional need to impede, *ex ante*, and to keep under control both the their irrational expenditure and their provisions according to the rules violating the laws of the competitive market and the legal rules in force.

The natural existence of the temptations possible to appear at those involved in their administrations, but also at those wanting to approach them, such as it is proved by the entire experience in the field around the world, generates, also in a natural manner, the question of building an institutional system for the public acquisitions market aiming to minimize the marginal utility of wasting the public resources and to reduce as much as possible the unjustified net advantages of the exchange for the beneficiaries of these funds.

The core problem is, in our opinion, that, by means of a such institutional mechanism, to keep under control the negative externalities of the public acquisitions market and to be in a position to intervene for sanctions and corrections, within a normal time of waiting, both for the tax payers and for the interested economic agents in such commercial exchanges.

## **3. Reconstruction with the goal in mind**

For our country, being in a complex and dynamic process of transition from the economy with a planned market to that having a competitive market through the integration in the European Union, the institutional reconstruction of the public acquisitions economy is an integrant party of the institutional reconstruction of the functionality related to the entire economic-social system according to the principles and the norms of the free and loyal competition and those of the social justice.

In the vision of the present report, by institutional reconstruction of the public acquisitions economy we understand the re-thinking, from the organizational and functional point of view, of this economic sector on the basis of a set of economic and social-human principles, legal norms and rules, instruments, methods and operating techniques for a carrying on viable, real, but also directly depending on a watching, controlling and correcting-intervening system that provides keeping under control the major risks possibly to be generated in time and space.

The elements defining the institutional reconstruction of the public acquisitions in our country during this period of intense changes, when the waiting time becomes more and more pressing, can be placed as essence under the «roof» of the European Union by means of the system of common principles, the system of norms and rules, also common ones, and by means of the functional-organizational components, adequate for each structure, through the management of the human resources and of those economic-financial ones capable to manage the viability, even in crisis time, to provide the minimum optimal level for the risk factors, at the scale of the micro-systems involved in a such economic activity, one of a high social responsibility.

## **4. The reconstruction shaping**

Therefore, the modulation of the institutional reconstruction concerning the economy of public acquisitions services in our country must include the following functional blocks, each of them with the adequate motivation of principle with the legal basis necessary for a non distorted functionality, with the corresponding management for a normal carrying on, for watching and correction, direct intervention for the diminution or even the elimination of the damaging externalities for the economic agents and the collectivity.

The block of the principles concerning the competitive market necessary for the functionality of the public acquisitions market, whose hard core is represented by the regulation by supply and demand for the acquisition prices as close as possible to the correct price of the market equilibrium for each product, service, information or knowledge.

The block of the system related to the legal norms, allowing to the public acquisitions' bearers and to the offer bearers to participate in conditions of equality, *ex ante*, to the acts and the facts laying the bases of the future economic contracts, providing the transparency at all the levels of the carrying on the processes, including the periods of practical achievements post-consequences.

The block of self-regulating the system of public acquisitions and direct regulation through the participation of the interested parties, in an unjustified manner privileged or not, whose mechanism could correct in due time the deficiencies generated and/or acknowledged, being in a position to compensate the losses for the supply or demand bearers related to the public acquisitions, avoiding in this way the locking in march, with serious consequences for the individual and social interests expressed by the actors participating directly or indirectly on this special market.

The organizational-functional block, materialized in the institutional structures, with a macro, meso and micro-institutional character, foreseen with the adequate human and economic-financial resources and with the necessary management for their administration, according to the in force norms and rules, even in case of crisis time.

The block of the generated interactions, on the horizontal and on the vertical of the economy, with pointing out the positive elements, of impact but also of the negative externalities, for each efficiency or inefficiency being judged through the angle of opportunity costs involved by them in time.

These five modular blocks of the institutional reconstruction for the public acquisitions sector in our country must be in a position to correlate each and all together at the external block of the public acquisitions system, depending on the interdependences generated by the economic circuits within the integration and the globalization of the economic life.

## **5. The Group of the Public Acquisitions Agenda**

For an adequate functionality of the public acquisition system in our country, with a view to the advantageous integration of Romania in the European Union and within the world-wide process of the globalization, it is necessary, according to the theory of the complexity to be conceived the process of the institutional reconstruction as a whole.

Our vision concerning the normal functionality of the whole, represented by the public acquisitions sector, requires, in the same way as the law of gravity, to build with the goal in mind. Otherwise, the house is going to fall upon us, i.e. to fall into lacks of balance, wasting the resources, even so already limited ones, available for us, laying us down in a durable manner in the pit of a durable under-development, entering, as a matter of fact, in the vicious circle of a permanent transition, by means of a growth which impoverishes and does not complete the well being of the people.

Putting into practice such a viable system perfectible one as operation within the sector of the public acquisitions in our country must be done, in the vision of the same paradigm of the complexity from the angle of another whole to which this sub-systems belongs and so on, so that, by means of adding their qualitative functions to get the state of health for our national economy, characterized by

a development which completes the human individual and social well being. Each participant at the economic acts and facts receives what the competitive market gives to him and what the society is able to correct in the name of fairness and the social justice.

In the name of an public will adequate for execution of this institutional reconstruction, we propose the foundation of the Group Agenda for Public Acquisitions (G.A.P.A) by the institutional participants, according to those six functional blocks, which follows to execute, in a system vision, the Project of the Institutional Reconstruction of the Public Acquisitions System (P.I.R.P.A.S.), project that follows to be analyzed and approved in an adequate manner, until its approval by the Government and, where applicable, by the Parliament.

G.A.P.A. can remain as a permanent institutional structure, whose rounds are kept at certain periods of time or any time it is necessary, under the natural co-ordination of the government management and in a permanent relation with the components or the external components from the institutional zones where we are integrated or we have common interests.

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