Redesigning Social Policy Management through Value Management Perspective

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Abstract
In the social and economical context for both Romania and other European Union member countries it is essential to study the theoretical and practical aspects of financing the system. In order to perform properly the social reform and economical policies it is necessary to restructure the entire economical thinking based on the old paradigm, both theoretically and practically, and replacing it with the new paradigm of value.

Key words: value, methodology, entropy, employment, social policy

"For Economics defining the value concept is an essential element, the value representing the foundation of this science and the existence of the society. Therefore, the subject for scientific research in economics is the work of man in order to obtain necessary goods for existence. " According to the conservation of matter law, in nature nothing is lost, nothing is gained, everything transforms. For the economical processes, as well as for those of the natural environment and society, the outputs equal inputs, the results are only transformations of the entries. This happens because all systems for the processes that are employed in obtaining the value are open systems (environment, society, economy, business), they respect the requirements of the law of entropy, that transformation is achieved with loss, the results useful for those systems are smaller than the entries.

The current systemic crisis requires the reevaluation of economical theory and of the management standards and management in public finances, in the area of employment, failure (unemployment, pollution, economic imbalances, social ones) putting its mark on the employment of labor, the demographic processes. The dynamism of the economical developments that reflects both in the financial sector and on social policies and labor market changes not only the technical and material resources, but also the ethical and moral concepts of economical activity.

The chosen subject deals with the scientific research on building the theoretical model of value-entropy and testing in the budgetary system, in the management system and social policy system and in the financing system through capital markets and structural funds, by interdisciplinary application, adding significant value and economical arsenal of Economics paradigms. From the perspective of management by value "The value exists and
remains in the economy and society, if it is subject to permanent and effective changes in economical processes, processes from the society and processes from the natural environment.”

The current processes, which are seen both in the financial-budgetary system and in social policies, bring the need of attracting and implementing various tools, laws, techniques and models. In this context, reconsidering the processes involved in the mechanism for obtaining the value and redesigning the entire decision making – some principles to change the manager's vision, are designed on the basis of the main paradigms of value-entropy theory. Approaching economical and social problems of the labor market in terms of entropy law act in the direction of conceptual reconsideration and of the methodological reconstruction of economical science.

The value-entropic mechanism explains the problems in the budget, the social and labor market policies and allows the analysis of the physical support of the value in the value work theory (used during communism), and in the value utility theory applied by developed countries, which studied only the economical processes. The new model, of the entropic value theory, involves a multidisciplinary matrix and raises many issues, particularly adaptation and change in behavior and thinking in the society based on knowledge. According to this theory, the financial-budgetary management is addressed through social policy systems and processes employed in arriving at the value, an important role being held by the entropic constructions (including approaches on the financial, social and economical conditions in the financial-budgetary system, in the management system of social policies).

The reason of the study is the new paradigm shaping the image of value. This proposes practical application as a tool to assess the real situation in the financial-budgetary and social policies, of the development of its real potential for analysis and forecasting decisions within economical and information systems.

The main challenge for the fiscal policy in Romania in the coming years is to reduce the structural deficit while creating fiscal space for public investment expenditures (including infrastructure), with resolving the structural problems that are blocking factors for economic growth and ensuring long term sustainability of public finances in terms of the inevitable aging process. Main challenges to the sustainability of public finances lie in low collection revenues (including the high tax evasion) chronic deficit of the public pension, high losses of public enterprises, weak financial discipline in the local authorities, low efficiency of spending public money, very precarious financial situation of the health system leading to chronic accumulation of arrears, the need for strict control of social spending, establishing a set of priorities for public investment and their multi-annual budgeting (which exceeds the political cycle). The structure of tax revenues in Romania can be seen in particular by the high share of indirect tax revenue, 41% of total tax revenue compared to 34% EU 27 average, while the revenue from social contributions was 35% (EU 27 34%) and direct taxes is only 24.0% (EU27 32%). The taxes system in Romania is characterized by a poor collection of this taxes, inefficient administration and excessive bureaucracy, a relatively low tax base, with many exceptions and deductions and legal tax avoidance. Efficiency of tax collection can be assessed by the ratio of implicit tax rate (ratio of actual revenues collected for a particular type of tax and related tax base) and the statutory rate of taxation. This report is called the index of efficiency of tax collection. In 2009-2010, the effectiveness of taxation for VAT in Romania has decreased substantially.
compared to the previous economic crisis, in 2010 the collection efficiency being the same as in 2009, suggesting that better collection of the second half of the year did more than offset the efficiency losses in the first half of collection. When evaluating the VAT collection efficiency by using the standard VAT rate and household consumption as a proxy for the tax base there are disadvantages. First, total VAT base includes not only household consumption, but all components of final consumption, intermediate consumption and gross capital formation which gives the obligation to pay VAT which is no longer recovered.

The foundations of the Management Value Theory allows us to say that entropy – is a measure of uncertainty in status, or system behavior under the circumstances. Entropy is a measure of a state of uncertainty, or behavior in the current system, entropy opposing the existence of information volume. After the opinion of many specialists, there is no more complex, more rigid, more organized system, than the financial system, but also more exposed to the occurrence of entropy.

Given the macroeconomical situation, the application of Entropy methodology for estimating the efficiency of budgetary system and of the management system of social policies, is a very good thing.

The Entropy evaluation of the consolidated budget expenditures will identify entropy instability indicator of spending, which reflects the difference between the minimum and maximum. As spending increases entropy value, so the necessity of consistency of government policy objective to achieve financial stability and management of public money appears. Thus, while promoting fiscal policy, there is the optimization of the management of public funds, offering a steady socio-economic status.

The application of the management through value and the analysis of the economic value systems can extend the institutions from the budgetary system, starting from the philosophy of value, which is a social relation which expresses the importance attached to certain objects, facts, ideas, under the correspondence of their characteristics with social necessities, the human community and its ideals, generating functions of the organization that shows what it can do, or what the organization or institution subject to study has to do.

The analysis of value, addressing the organization as a system as a whole allows complementary and consistent articulation of parts of the system, is an alternative to a more analytical methodology. An important role is represented by the strategic reformulation, which takes the same form and the general objectives (economical and social) have to be able to reflect the content of that organization functions from the results, the overall objectives so that it can contribute to diminish the environmental factors pressures. The strategy through the organization functions, has an informational advantage (i), which judiciously used, is transformed into general objectives (s), both quantitative and qualitative, economic and social, embodied in products and service (s). Or, viewed in terms of functionality, the environment provides information that is retrieved (e) by the organization's functions and objectives materialized through (A), the products and services (s), which entered into consumption provides new information environment. The study suggests thermodynamic approach to the economy, addressing the overall objective approaching the analysis of the optimal processes and of the limited possibilities of applications of irreversible thermodynamics and the macro economy. A thermodynamic analysis is very important for self organization of the economical systems. It is proposed to approach to resolve the problem of building autonomous data classification procedures in
the budgetary system and in that of the social policies. The need of these measures is because it highlights the structural differences between the studied objects, objects that contain state information. Specificities of these measures are the existence of characteristics and differences, allowing the practice of classifying objects.

A special importance is given to that financial communication of the current economic activity. Financial and monetary dimension of human activity, economic, social, political, cultural, etc., becomes dominant functioning under the market economy conditions. Proper conduct of economical communication process through the knowledge and the application of money earnings to semiotic research. The financial communication is directly linked to the phenomenon of production and distribution of value in the economy and society, at national level. To achieve effective communication, one must enter into the intimate mechanisms of the phenomenon of value.

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