

## **IMPLEMENTATION OF PERFORMANCE IN ROMANIA'S HEALTH SYSTEM**

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### **ABSTRACT**

*The paper aims to analyze the state of the healthcare system, the cultural and social capital in Romania and to discuss the possibility to use a systemic approach in the management of the Romanian healthcare system. The topic is researched using a methodology built on the systemic approach, complemented with a synergy approach in order to identify possibilities to implement performance in Romania's healthcare system. The analysis of the healthcare system provides theoretical and methodological input for the management of other public systems such as education, justice, culture, politics etc. which are also going through a crisis. The paper has a practical value for central and local public authorities, who are facing the challenges of state modernization and performance implementation for public expenditure. The decisions that are important at local and central level must be endorsed by scientific analysis and the results of this research could be supportive in this respect.*

**KEYWORDS:** *cultural capital; health system; performance; social capital; system approach.*

**JEL CLASSIFICATION:** *H11, H83, I18, P17*

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### **1. INTRODUCTION**

We can speak of the performance when "the level of results obtained in time and space concomitantly satisfies the company, as well as of the employees who were appointed to produce default desired results" (Stoica, 2011). In Romania, not only that there are not produced positive results, but the entropy existing in public institutions undermines the rule of law. The low level of politicians' training and the corruption adversely affected both the social capital, respectively "institutions, relations and the rules that define the quantitative and qualitative cooperation and social interactions of a society" (Halpern & Fitzpatrick, 2002), and the cultural capital, respectively "system of values, moral rules and ethics, the philosophy of the nature/environment and universe, religion, traditional knowledge on processes and means of sustainable use of natural resources, knowledge base and data that have been developed through the deployment of the research programs of green, social, and economic systems and of the technological development programs." (Berkes & Folke, 1994). This resulted in a weak state in that the systems with distinct roles – education, health care, justice, culture etc. – that are functionally interconnected do not function normally because of the unbalances occurring among them. As long as the health system is regarded, although there have been many attempts to improve effectiveness, structure, size and to implement reform most of them failed to succeed.

The real cause does not rely only in the health system, which is a component of the social and cultural capital of the country, but also in other systems that have been adversely affected by reforms and palliative measures, improvisation. These actions did not succeed because they were not preceded by a performance audit as a system audit. The health system will not perform as long as the other systems – education and research, justice, economy, culture, environment etc. – will also not perform. The system theory, with its categories and principles, could provide the support to

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develop a methodology to improve performance. This would be possible by outlining the systems, assessing the connections among systems, followed by the implementation of performance in each component of the system represented by the social and cultural capital of Romania.

## 2. LITERATURE REVIEW

In the early 1950s there are emerging new research methodologies, among them system theory being one of the most prominent. This approach originates in the exact sciences, but its application spreads over many other fields. The system theory was developed by Ludwig von Bertalanffy within Biology as the General Theory of Systems (GTS). According to Heylighen and Joslyn (1992) the system theory is the trans-disciplinary study of abstract organization of phenomena, independently to their substance, type or time and space scale.

In the 1950s political science embraces system analysis. Easton (1953) publishes "*The political system: An inquiry into the state of political science*". In this study the author uses the basic concepts of system theory, such as inputs, outputs, and feedback. Further Almond and Coleman (1960) develop the concepts of inputs and outputs for the social system. The difference between the generalized theory of social systems and the synergy approach consists in the fact that the first one focuses on the issue of complexity and attempts to find solutions to reduce it, while synergy theory uses principles to analyze complex and chaotic systems such as the social systems that could be simplified, being studied taking in account their natural state of self-organization and of continuous transformation. The concept of synergy originates from the Greek term of *synergia*, meaning common action. In ancient China, some of the philosophy concepts regard certain system concepts used by synergetic. These concepts occur in the philosophy of Lao-Tzi who stated that small actions with high resonance influence systems more effectively.

In the field of management, system approach consists in approaching the organization by using a multidisciplinary, holistic, analytic and synthetic vision, its representatives being in France Malese and Lobstein, in North-America Drucker, Johnson, Kast, and Porter, in Russia Popoc and Gutstein.

## 3. METHODOLOGY

For the purpose of the study in the analysis there was used mainly the system method. This was applied to identify and investigate the interactions occurring among elements of the health system and the cultural and social capital and to highlight certain system drawbacks. System approach is the only technique that allows optimizing the functioning of the systems taking account multiple goals, restraints, and limited resources (Drucker, 2001).

The analytical approach is based on the principle according to which by the exhaustive and independent analysis of each component could be obtained a good knowledge of the overall system. This theory was developed by Decartes (1637) in his work "*Discourse on Method*". On the contrary, system theory postulates the idea according to which even if the knowledge of each component is only approximate, a thorough analysis of the interactions occurring among them could lead to a good overall vision on the system. Therefore, system approach is more appropriate for the study of managerial issues, including the one of socio-economic, technic-economic or ecological complexes.

In system approach the basic premise is the principle stated by Aristotel: *the whole is more than the addition of its parts*. Meanwhile, the paper is underpinned by research methods that are characteristic to the methodologies of dialectic and traditional science, such as:

- Synergy method, supported by principles regarding the analysis of complex and chaotic systems' such as social system, that cannot be simplified, being studied in their natural state of self-organization and continuous transformation;
- The structural-functional method, used in the analysis of the structure of health system, social capital, and cultural capital and their functionality;

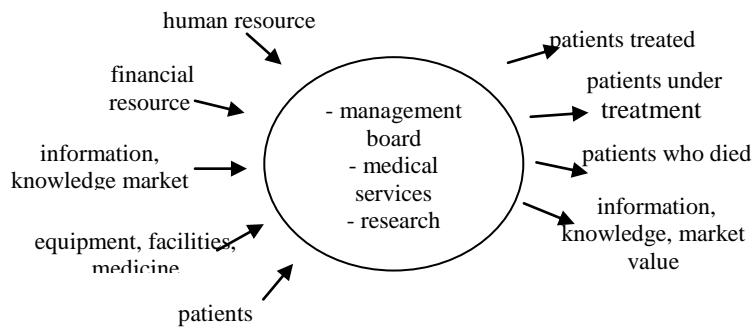
- The modernization theory, used complementary with the synergy theory for the identification of performance implementation possibilities in Romania's health system.

## 4. FINDINGS AND DISCUSSIONS

### 4.1. The main factors that influence the functions of the health system

Conceptually, the health system is defined as a sum of institutions and resources that are acting in common for improving health. This definition is belonging to the World Health Organization being published in the "*Report on the health in the world 2000*". The main functions of the health care system in Romania are (figure 1):

- Managing all inputs entering the system via institutions, that is to say: the Ministry of Health, National Health Insurance Fund, National Agency for Quality, and Information in the Health Care System; the College of Doctors, the System of Quality Assurance in the Health Care System;
- Provision of medical services by all public and private institutions such as hospitals, clinics, pharmacies, laboratories of audits, investigations and analyzes etc.;
- Research for the exploitation of available resources for the purpose of increasing the performance of medical activity.



**Figure 1. The functions of the health care system**  
*Source: author*

The health care system performance is determined by the performance level of each function which depends on the level of performance of the components parts, on the quality of connections that are established between components and the entries in the system. Entries are of both types quantitative and qualitative:

- Human resources: depend on the performance level of the education-system and material and professional satisfactions provided by the health system, therefore being influenced by the performance of the economic system which determines the level of GDP allocated to the health care system;
- Financial resources: GDP allocated to the health sector. It depends on the performance of economic system, which is influenced qualitatively and quantitatively by the performance of human resource;
- Information, knowledge with market value: depend on the performance of human resource and quality of Romania's social and cultural capital;
- Patients: depend on the educational level of the population regarding health and its economic situation.

We find that entries in the system depend on the human resource and on the economic system.

#### **4.2. The situation of cultural capital and its implications for the health care system**

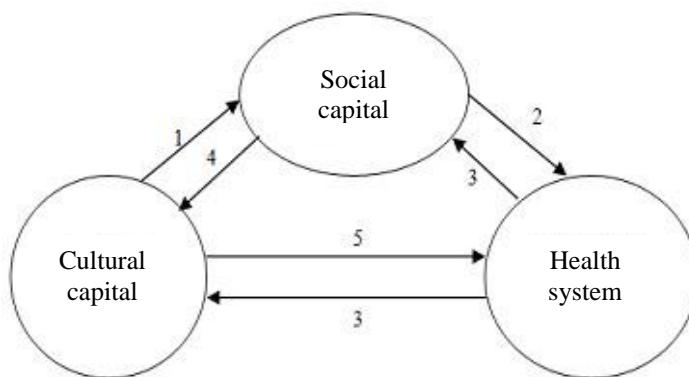
At the level of a nation, social and cultural capitals have decisive influences on the historical evolution. If we take into account the status and its implications of these two components on the health care system we found a number of interdependencies that are presented in table 1.

**Table 1. The status of the social capital and of the cultural capital in relation with the situation of the health care system**

<b>Health system</b>	<b>Social capital</b>	<b>Cultural capital</b>
<ul style="list-style-type: none"> <li>- Technical facilities subjected to a slow process of modernization, imposed by the adoption of EU quality standards and guidelines;</li> <li>- Closing up of certain hospitals and institutions for health and research in the field without taking into account the national interest, population's health and domestic endowment in the field;</li> <li>- Lossing of infrastructure for the production of medicines, health care materials, equipment and the research and development activities enhanced the national insecurity and lack of safety;</li> <li>- High dependence on import medicinal products, materials, equipment, facilities and the health services, which determined and stimulated corruption in public procurement;</li> <li>- Low financial support of the health care system has generated and sustained unfairness between hospitals, between localities and patients;</li> <li>- Turmoil, uncertainty and panic created by government through the implementation of incoherent reform measures;</li> <li>- Lack of medicines, medical supplies and equipment, small salaries, weak services, accidents force physicians and assistants to go abroad;</li> <li>- The bureaucracy is blocking medical act and true autonomy of public health institutions such as hospitals.</li> </ul>	<ul style="list-style-type: none"> <li>- Sector-based management approach to the problems country;</li> <li>- The institutional support created for the achievement of management by consensus of the country does not work, being disengaged from the real problems of the country;</li> <li>- The development strategies have no continuity, are drawn up sequentially, are not engaged and have been drawn up on small horizons of time, over the period of an elective term;</li> <li>- No reform of a budgetary system has been based on an audit of the performance of the system;</li> <li>- Decisions taken under the pressure of the street are post-factum for the purpose of managing crisis situations;</li> <li>- Lack of responsibility in the management of the natural capital;</li> <li>- Immature and corrupt policy makers are in opposition with the interests of disadvantaged social classes, and fail to come up with viable and useful solutions;</li> <li>- The management of public institution that is determined by political affiliation destroyed economy, the system of culture, health, justice and control institutions;</li> <li>- The corruption has reached alarming proportions which has led to excessive vulnerability of all public institutions and has affected the credibility of reforms and of Romania in general;</li> <li>- Failure to comply with law and moral values by public institutions.</li> </ul>	<ul style="list-style-type: none"> <li>- Low interest of the authorities for moral, cultural, domestic, and traditional values;</li> <li>- There is no database that comprise of the results of the domestic research;</li> <li>- The results of domestic research are not taking into account by public authorities;</li> <li>- Emigration of researchers with good results in order to value them abroad, since in Romania the time between outcomes and their application is very long;</li> <li>- The restructuration of scientific and technological research has led to depletion of valuable indigenous scientific heritage;</li> <li>- Knowledge on the natural capital's productive and support capacity are not implemented;</li> <li>- The education system has surpassed the current and future requirements of the economy;</li> <li>- Culture and authentic Romanian values are ignored by unmotivated generations engaged in false competition that lacks valuation and values;</li> <li>- The so-called cultural personalities are struggling to be in trend and are canceled within one season;</li> <li>- Culture has become a fictive edifice in which all forms of culture were falsified, and media became the fourth power of the state harnessing the public's lack of culture instead of the value of the one who write or what they write.</li> </ul>

*Source: author*

The above analysis allows us to notice that the health system depends strongly on the state of social and cultural capital.



**Figure 2. Relations occurring between cultural and social capital and the health system**

Source: author

Figure 2 reveals how the health system is influenced by the cultural and social capital. The interactions represented here are the following:

1. Knowledge, information, traditions, rules and moral values;
2. General management, and the promotion of rules, laws, strategic decisions for the orientation of all stakeholders in the production and distribution of health services, collecting, management and audit resources used to finance health care services; formation of human resources and materials which enable the supply of health services;
3. The provision of health care services (health);
4. Financial and institutional support;
5. Domestic endowment in the field: results of the research, the traditional knowledge base, technologies and infrastructure

The recently enforced austerity measures fuels the sickness of the health system, which on its turn, will have a decisive contribution to the decimation of the cultural capital due to the lack of interest for authentic values and to the preservation and amplification of corruption within the social capital. The general austerity amplifies the inequities occurring in the Romanian health system and will have profound negative implications on the social and cultural capital on the long term, on the health of the human capital, jeopardizing national security and safety.

#### 4.3. Factors which require performance in the health care system

The main factors which impose performance in the system of health are strongly harmed by the condition of the social and cultural capital of the country, and are represented by the following:

*Competition:* the public health care is blocked due to corruption and lack of motivation of the medical staff and even the lack of performance for the qualified personnel. The lack of competition within the public health system, which is supported by patients, generates low quality of services that are poor and unreliable.

*The level of staff training:* although Romania has traditions in the provision of high quality training in health, corruption and politicization have contributed to the maintenance and promotion of the least skilled in both administrative area of the health care system and in the delivery of medical service.

*Motivation of health care staff:* is the main cause and, at the same time, the effect of the "health status" of the national health system. Staff motivation is an important performance driver. Low wages are the main cause of graduates' migration, while the lack staff shall be added as another

important cause of poor quality of the medical service since it leads to the overloading of tasks on remained staff.

*Technical endowment of the health system:* beside the motivation, this is another cause for migration of physicians and specialized personnel. Corruption in the public procurement is fuels ineffective management of funds the system together with an inefficient management and corruption.

*Scientific research and innovation:* represents a secure chance to obtain performance in the health system. But in this case too, corruption and lack of interest on the behalf of policy makers for Romanian research reduce the application of findings, the availability of funds for implementation, and the quality of outcomes.

*Crisis:* could be envisioned as a necessary constrain since it enforces performance in public, competence, morality, ethics, cleaning the system and leaving. Nevertheless, in Romania the crisis depleted hospitals, physicians, well trained specific personnel, amplified corruption and reduced the number of contributors and the amount of contributions to the health system, reduced wages and endowments. Palliative crisis management measures are not productive, consuming time and money.

## 5. CONCLUSIONS

The performance of the health system – component of the cultural and social capital of the country – is given by the quality of these pillars that underpin the state. In fact, the performance of the system is determined by the performance of its component systems.

The outperforming state of the health system will not be exceeded unless major transformations occur at the level of social capital, transformations that induce a healthy evolution on the cultural capital. The synergy of these pillars would allow the optimization of the health system.

Social capital comprises the important resource of a country – the human resource. This resource supports the functioning of state's mechanisms. We will never benefit from a performing system (health, pension, administration, justice, policy etc.) unless the performance of the education system is not improved, because this system is responsible for the performance of each graduate. The state reform in Romania should be made considering the interest of tax payers and the national interest and a high priority should be granted for the education system.

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