

# The Effects of Budget Constraints in the Ministry of Internal Affairs in Romania

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## Abstract

*The main purpose of this paper is to demonstrate how important it is for the Ministry of Internal Affairs to have a sufficient budget to carry out the missions entrusted by law. The Ministry of Internal Affairs has very important responsibilities in terms of maintaining public order and intervention in emergency situations. The Romanian Police, the Romanian Gendarmerie, the Romanian Border Police, which are in charge of maintaining public order, as well as the General Inspectorate for Emergency Situations, which is in charge of extinguishing fires and providing first aid through SMURD ambulances, are active within the Ministry of Internal Affairs. In this paper, the possible negative impacts of the application of the Government's Emergency Ordinances regarding some fiscal-budgetary measures, adopted in 2023, will be presented.*

**Key words:** budget, internal affairs, public finance, accounting

**J.E.L. classification:** H83

## 1. Introduction

The Ministry of Internal Affairs, abbreviated MIA, is the most numerous and complex structure within the National Security System in Romania. The MIA is composed of institutions of particular importance, vital for the functioning of the Romanian state under normal conditions.

Within the MIA, responsible for public order are the Romanian Police, the Romanian Gendarmerie and the Romanian Border Police. Maintaining, ensuring and restoring public order covers a very wide range of operations, from the fight against organized crime, to anti-terrorist intervention or the protection of the borders of the European Union, i.e. activities of particular importance.

The other department that operates within the MIA is the Department for Emergency Situations. Through the General Inspectorate for Emergency Situations, the intervention of the Romanian state is ensured in special situations generated by natural calamities, fires, road accidents or the provision of first aid through the SMURD ambulances or helicopters for citizens who call the emergency number 112.

The Romanian Police, the Romanian Gendarmerie, the Romanian Border Police and the General Inspectorate for Emergency Situations, abbreviated GIES, have subordinate territorial units that they coordinate. General inspectors approve the budgets of subordinate units, for each county or territorial inspectorate.

However, the amounts allocated for expenses can be influenced by the stage of revenue collection to the state budget by the Ministry of Finance. In this sense, in order to ensure a budget balance and not to exceed the budget deficit negotiated with the European Union and assumed by Romania's leading factors, the Government decided to adopt emergency measures to reduce expenses in 2023.

The normative acts adopted in 2023 with a negative impact including on the activity of the Ministry of Internal Affairs, are the Government's Emergency Ordinance no. 34 and Government's Emergency Ordinance no. 90.

The need to adopt emergency ordinances is justified in the preamble of the normative acts by the Government’s obligation to conduct fiscal-budgetary policy prudently in order to manage budgetary resources and obligations.

## 2. Literature review

Unfortunately, most young Americans do not have an adequate understanding of the ever-increasing national debt, budget deficit, and the principles of fiscal responsibility or the budget process itself. As a result, they cannot analyze public policy options as they relate to the budget deficit nor responsibly engage in influencing those policy decisions in ways that reflect an informed point of view (Marri et al., 2011). Arguments against increasing government expenditure and budget deficits which invoke some form of ‘sound finance’ and by appeal to ‘confidence’ are frequently heard, whether rising debt being unsustainable, ‘government credit card maxed out’ and calls for some form of balanced budget (Sawyer, 2023). In the late 2000s, when the global financial crisis started and forecasts of reduced tax revenues were released, austerity measures were once again anticipated to hit (Donatella et al., 2023). The budget deficit is not harmful, and can actually be utilized in order to offset the tendency to waste resources under capitalism (Lopez-Gallardo, 2000). The fiscal austerity agenda is rooted in wrong-headed economic analysis. It was the wrong economic agenda before the economic crisis, and it is even more wrong in light of the deep economic weaknesses the crisis has revealed (Palley, 2011).

## 3. Research methodology

Regarding the research methodology, I have analyzed the legislation in force referring to the budgetary constraints, which entered into force in 2023.

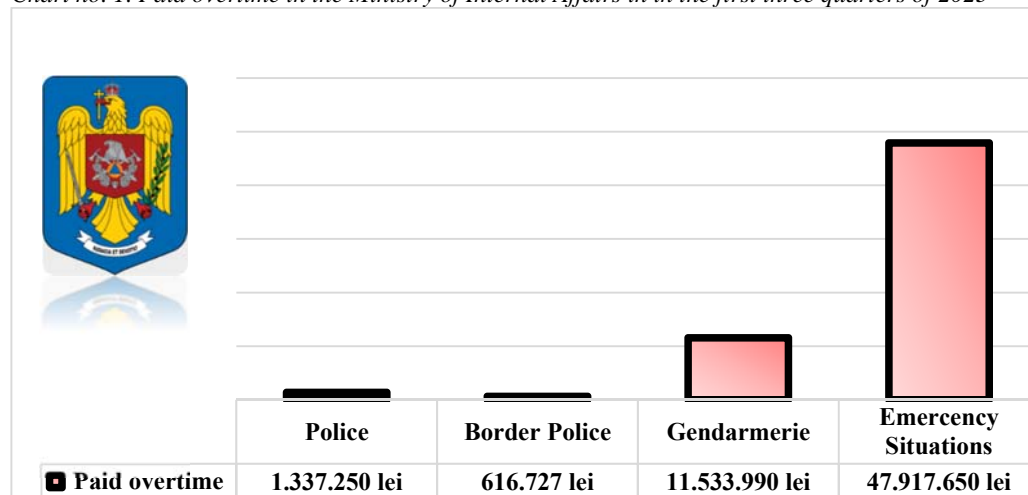
The information published on the Forexebug platform was also analyzed and processed. In this case, the budget execution accounts of the secondary authorizing officers from the Ministry of Internal Affairs were processed in order to estimate the impact of the Government’s Emergency Ordinances no. 34 and no. 90 of 2023.

## 4. Findings

By Emergency Ordinance no. 34/2023 it is forbidden to fill vacant positions in public institutions in 2023. But the shortage of personnel within the MIA is quite worrying, as employees from the public order system and interventions in emergency situations are forced to work overtime.

The situation of paid overtime is presented in Chart no. 1.

Chart no. 1. Paid overtime in the Ministry of Internal Affairs in in the first three quarters of 2023



Source: own processing, using the data provided by the Ministry of Finance (<https://mfinante.gov.ro/web/forexepublic>)

As can be seen from the information presented regarding the budgetary execution related to the payment of overtime, the institution most affected by the entry into force and application of the Emergency Ordinance no. 34/2023 by which the recruitment of personnel in public institutions was blocked, is the General Inspectorate for Emergency Situations. Due to insufficient staffing, the military firefighters are forced to work overtime to cover duty shifts for the intervention against fires, floods and providing first medical aid through the SMURD ambulances. The most worrisome effect of the staff shortage is the fact that firefighters, even if they are paid for additional work, can accumulate fatigue due to the fact that they do not have adequate recovery time, i.e. the normal number of days off after a duty shift.

At the level of the police structures, in the case of the Romanian Police and the Romanian Border Police, a significant percentage of extra hours were not provided, compared to the firefighters and gendarmes.

The most gratifying fact is that Emergency Ordinance no. 34/2023 no longer produces effects in 2024, since then the deficit structures of the MIA can be staffed.

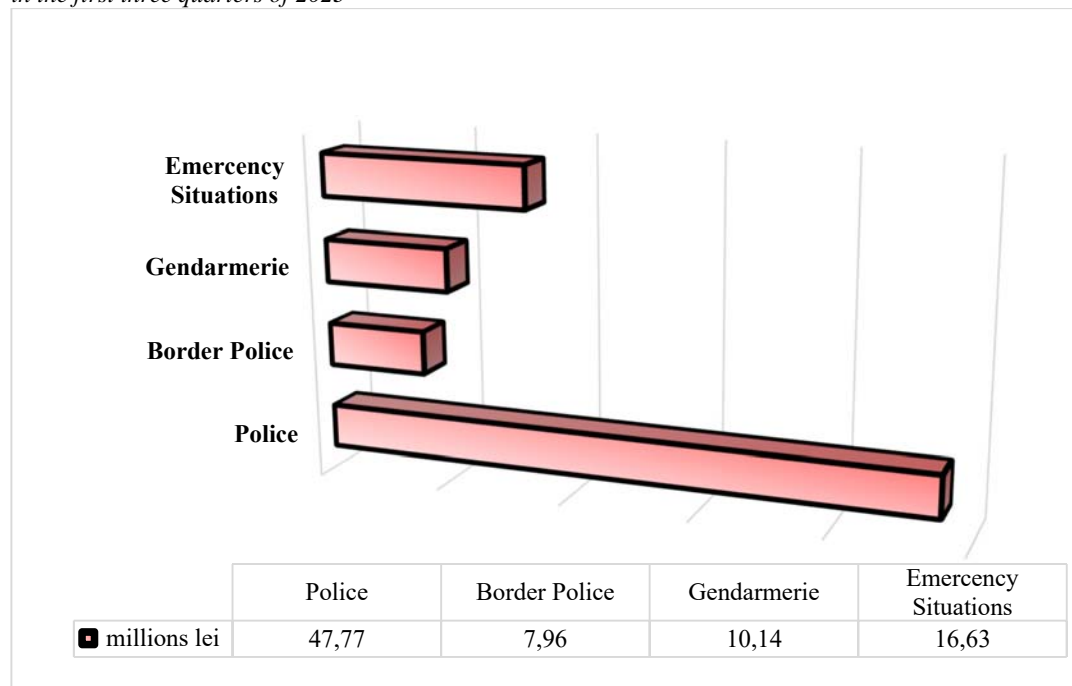
Starting with October 27, 2023, Government Emergency Ordinance no. 90/2023 has produced effects. The most important budget restrictions refer to the prohibition of concluding legal commitments, that is, contracts, for certain usual budget items. In this case, public institutions can no longer employ budget credits for the conclusion of contracts for office supplies, current repairs, inventory items, professional training or consultancy and expertise.

Also, in the months of November and December 2023, public institutions cannot make payments for goods and services in an amount higher than the monthly average of payments from the first three quarters of the year.

The biggest problem encountered is the prohibition to repair vehicles that are engaged in public order missions or specialized intervention in emergency situations.

The most worrying effect of the budgetary constraints implemented by Emergency Ordinance no. 90/2023 represents the fact that the system of public order and emergency situations would be unable to repair the equipment provided for the execution of missions.

Chart no. 2. The situation regarding the payments of current repairs in the Ministry of Internal Affairs in the first three quarters of 2023



Source: own processing, using the data provided by the Ministry of Finance (<https://mfinante.gov.ro/web/forexepublic>)

The expenses incurred with repairs within the Ministry of Internal Affairs amount to tens of millions of lei, in this case 47 million lei at the level of the Romanian Police and 16 million lei at the level of emergency situations. Most of these expenses were related to the repair of the equipment, i.e. the police cars and the fire brigade's intervention tables.

However, the Romanian Government granted within the Emergency Ordinance no. 90/2023 an exception for expenses for actions to maintain public order and intervention in emergency situations.

The effects of the budgetary constraints applied in 2023 can be mitigated at the MIA level through the exceptions proposed by the Government, otherwise the activity of public order and response to emergency situations could be blocked, this scenario creating chaos.

## 5. Conclusions

In this study, the normative acts adopted in 2023 were analyzed by which certain budgetary constraints were established, namely Emergency Ordinance no. 34 and no. 90 of 2023.

Through these legislative acts, certain restrictions and budgetary constraints were imposed, which included the Ministry of Internal Affairs, the most numerous ministry within the National Security System, responsible for public order and intervention in emergency situations in Romania.

In this paper, the negative effects of budgetary constraints were presented, namely the performance of an impressive and overwhelming number of overtime hours by the military personnel in the ministry, this factor leading to the accumulation of fatigue over time.

Again, the situation regarding the restrictions imposed in November and December for the contracting of repair services was presented and the related risks were presented.

In conclusion, the Ministry of Internal Affairs, through the very important missions imposed by the laws in force, should be exempted from the measures regarding budgetary constraints, because a blockage at the level of this ministry would have catastrophic effects.

## 6. Acknowledgement

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