

Management Strategies Required for Preventing and Combating Corruption in Public Administration

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Abstract *Corruption level is symptomatic of the economic, political and general social development and its manifestation is harmful to ethics and morals and undermines public confidence in the rule of law. In Romania we are witnessing a penetration of corruption in areas that should support the country's economic development. Companies from more and more zones of activity are pushed into gear economy. The immediate effect of this situation is reflected in a vicious circle in which endemic corruption is leading to lower revenues and public investment and weakens the credibility of the rule of law. It also generates negative changes in the economic development through inefficient transactions, sometimes lacking rationality, altering capital accumulation and its productivity, government revenues and the quality of public infrastructure.*

Key words Corruption, public administration, underground economy, strategy and law
JEL Codes: H26

1. Introduction

In our country measures to combat corruption are involved when there has been a violation of legal norms, but the consequences occurred are very serious, as they are rather having potential to generate corruption than being an act of corruption by itself. Within this category can be found administrative inspections, the auditing activity, inspection bodies etc. Sanctioning occurs when the corruption already happened, the consequences were found, the only intervention that may be arising, being criminalizing the culprits, to avoid perpetuating these facts and to be a model of specific consequences of these cases for the rest of the society (Transparency International Romania, 2008).

If at the government level there is suspicion of misuse of public funds, or on embezzlement etc. observing the law is of no importance. Also, if there is the possibility of establishing formal agreements with tax inspectors, tax evasion increases. Corruption is one of the most serious misconduct which distorts the public interest in favor of private advantages.

In Romania, high levels of corruption among public officials, high penalties, do not reduce tax evasion, on the contrary they lead to the growth of corruption, and

corruption gives birth to corruption, developing into a social pathology. It is known that about a fifth of the Romanian companies are paying bribes to tax inspectors.

As a consequence, corruption is not about giving and taking bribes, trading in somebody's influence, and receiving undue benefits, but it also means disrespect for law and morality (Pătroi, 2006).

Corruption is concerned with generating the growth of the underground economy in Romania. She reached extreme limits, even pathological, I would say, meaning that the immoral and illicit occupations are posed and made at a level that involves not only individuals in leadership positions or exercising a public function, but also interest groups and organizations (public and private), aimed at obtaining material benefits related to moral or social status by misrepresenting the administration of public affairs. To achieve personal, private goals they proceed to coercion, blackmail, fraud, bribery, intimidation, etc.

Favoritism and "pocket corruption" are considered minor infractions. There are also included other manifestations of corruption which are practiced on a large scale, resulting from the influence of money in politics, which is even more publicized, combined with local power decentralization, rapid urbanization and internationalization of economic relations (Dobrinou, 1995). As a result, it can be considered that one of the main causes of corruption is politicization, placing political capital before restructuring and before the economic- social development of the state.

Corruption spurs the economy. In this respect, assuming the risk of repeating myself, I must stress that the impact of corruption on the economy and business in general is extremely harmful. The orientation of investment to priority areas, not to other domains, distort sound principles on the free market, affecting honest competition and forcing investors to pay bribes to enter the sphere of interest. The immediate effect of such a situation in Romania resulted in the relocation of foreign direct investment and honest potential investors were eliminated by "strategic fraudulents" (fraudulent privatizations) (Pătroi, 2006).

2. Literature review

The different approaches, either analytic or synthetic, are oriented towards identifying the underground economy parts, their causes and consequences as well as the relative dimensions of this sector.

A series of authors (Popa and Cucu, 2000) define underground economy as *"the array of the economic activities done in an organized manner by breaking the social norms and economic laws, with the purpose of obtaining income which cannot be controlled by the state"*.

The Romanian experts in the field (Craiu, 2004) have generally agreed on the idea that "everything that escapes the regulations of public powers gives the possibility to

include under the umbrella term of underground activity a series of varied practices such as: *fiscal fraud, illegal labour, drug trafficking, illegal armaments, corruption, prostitution, theft, and hardware stores, gardening, household activities etc.*"

Internationally renowned authors and economists have provided - through definitions - a series of relevant characteristics regarding "underground economy", according to which it regards:

- "The production of legal or illegal goods and services, which escape spotting and inclusion in the calculation of gross domestic product" (Smith, 1994);

- "The production (or income) which escapes official statistics, [...] undeclared or undetected income from the fiscal authorities. [...] The first variant suggests that the country is richer than the official statistics show" (Tanzi, 1999);

- "... underground economy implies all private economic activities which are not included in the calculation of the gross domestic product, even if they contribute to the formation of added value" (Schneider and Enste, 2002).

According to the American professor Joseph S. Nye, corruption is "*the behaviour which deviates from the normal duties of a public role or violates laws against exercising certain types of specific influence such as bribery, nepotism, funds misappropriation*" (Nye, 1967).

- "Corruption can be differently defined but the most popular and simplest definition is that underground economy represents "*abuse of public power for personal interests*" (Tanzi, 1998).

Jurists Banciu Dan and Rădulescu Sorin (1994) are searching to define those crimes that presuppose obtaining illegal gains and define corruption as "*breaking the illegal and immoral transgression of norms referring to the duties of public clerks, economic agents or people who do different financial or banking operations*". Basically, it is about "*a break of social norms, power abuse in view of obtaining material advantages or other personal advantages, such as honours, titles, publicity etc. [...] it is considered as fulfilling the role of a simple "contract" based on deforming the well known principle that acted in the Roman law: "do ut des" (I give you in order for you to give me). The terms of this pseudo-contract are negotiated and done in absolute secret*" (Abraham, 2005).

Generally, the judicial approach to corruption relates these deeds to defective fulfilment or unfulfilment of professional duties by a state authority, and its clerks. In this sense, corruption is defined as representing "*the deed of offering or promises something, directly or indirectly, to a public clerk or a person who had been elected for this position in order to influence any decision over an official act*" (Gardiner, 1992). *It is about "illegal deeds or acts done by illicit or abusive use of power (political, administrative, judicial) with the purpose of obtaining personal advantages by public agents (clerks, judges, administrators, economic managers etc.) and deeds that regard other means of obtaining advantages"* (Dobrinioiu, 1995).

3. Methodology of research

The analysis of specialised literature identifies, from the point of view of the methodology used, three research categories: pure or fundamental research, applicative or empiric (technologic) research. There is a relation of reciprocity between fundamental and applicative research. If in the case of fundamental research the results are turned into inventions, theoretical discoveries or modelling of certain phenomena; applicative research generates solutions with the role to explain the analysed theoretical models. The domain of research is completed by empirical research which mediates statistic testing for different hypotheses or results obtained through the other forms of research. Thus, the position of empiric research is positivist regarding neutral hypotheses or causal hypotheses of the studied phenomena (Savall and Zardet, 2004).

The validation of the research hypotheses has been possible by using scientific reasoning whose purpose is to generate ideas turned into conclusions. As forms of scientific reasoning, deductive, inductive and abductive reasoning have been used. The application of the deductive reasoning has been done by establishing hypotheses, selecting the data needed in order to apply the adequate methods in order to validate the formulated hypotheses and determination of the validation degree of the hypotheses based on logical deductions.

Based on the inductive reasoning whose final products are new results at theoretical level (norms or principles that can be extended), one has searched to identify rules based on the observations made on the studied object and hypotheses formulation in relation to these observations.

The third form of reasoning, abductive reasoning, presupposes that the researcher consciously or not interprets the observations obtained by studying the object of research. Because during the inductive reasoning discovery is explicative and can be tested in order to obtain certain norms, it has to take place before undergoing the abductive reasoning.

The demarche of the present research has repeatedly used the first two forms of deduction (inductive and deductive) within observing the studied phenomena and elaboration of conclusions, while the analysis was done both from the general to particular and conversely. The case study was based on the data provided by the inquiry through survey conducted with the public institutions. Thus, it was possible to analyse activities at this level, means of implementation of specific strategies as well as the overall system performance.

4. Results and Discussions

As a result, there was validated the hypothesis according to which underground economy has favourable grounds in place with no culture for loyal democracy and

equal treatment and where the regulating body has loopholes and drawbacks. In societies where the citizens are tight-laced by confuse and complex information, the underground economy freely develops under informal norms, with too wide action margins. Another result is related to proving the fact that underground economy blocks reaching specific objectives for institutions and general economic development affecting the taxpayers' best interests. For this reason, the promotion of transparency at institutional level as well as honesty improvement has to be part of the strategy for underground economy fighting. The results of statistic modelling have shown that:

- The most important extent (47%) is held by the public institutions which have established a strategy of fighting underground economy which should be underdone in a period of over 5 years while public institutions with objectives extending between 2-5 years have the lowest extent of 23%.
- The average level of development for a strategy to fight underground economy was of 4 years, which has proved insignificant due to the fact that the variation measured with the variation factor of 51%. Half of the public institutions which took part in the survey have a strategy plan of over 5 years while the other half had a strategy plan below 5 years.

A model of institutional corruption, a criminal behavior extension model (Becker, 1968) is aimed at tax evasion as part of a corrupt bureaucratic environment. The model was developed by Professor Roger A. Bowles from the Institute for Fiscal Studies of the University of Bath in the UK and tries to highlight in a manner as transparent as possible the interaction between tax policy, tax evasion and corruption (Bowles, 1999).

The tax-evasion corruption is based on the following assumptions:

- Fraudsters, if caught, the state returns evaded amounts plus related penalties and fines rigor, even risking imprisonment;
- State officials who are caught that claim or accept bribes in exchange for favors tax, a superficial investigation of the taxpayer, the non-application of fines etc. are enforced by the law;
- Authorized agencies conduct complex investigations and punish specifically and systematically fraudsters and corruption, the work of these bodies being relevant and visible;
- Taxpayers decide whether or not to declare taxable income, whether to pay tax liabilities, being aware of the imminence of a tax audit and the likelihood of carrying a sentence in the case of dishonest statements;
- Taxpayers get the possibility to bribe a corrupt tax official if he would conduct a tax audit intended to avoid fines and penalties inherent;
- The attitude of taxpayers against tax evasion is different, but they manifest neutrality in taking risks;

-Taxpayers are either honest or they completely lack honesty; no taxpayer can opt for a middle way;

-The attitude of officials to bribery is different, but they manifest neutrality towards the risk. The taxpayers know the parameters of such an attitude, but are not able to immediately identify the exact position of the officer.

They will discover that they are corrupt or honest only after being put in a position to recognize the inadequacies found in their tax situation after a rigorous control and address to the official to clarify the situation created;

-the endogenous variables of the model are the size of bribes offered to a corrupt tax official and the proportion of corrupt officials from the tax administration.

Regarding the situation of taxpayers, we will consider the following parameters which determine its attitude before tax avoidance:

- Y - total taxable income of the taxpayer ;
- i - income tax rate (proportional share);
- a -the fine that the taxpayer pays if that was investigated and found to hide all or part of taxable income;
- p - the likelihood that a taxpayer to have the fiscal situation checked by the competent bodies;
- c - psychological costs of the taxpayer entailed committing tax evasion generating activities;
- 1 - probability, unified as a taxpayer after investigating activity control bodies to discover nature and its real value of income;
- r - probability per unit as a result of investigating the activity of a taxpayer inspection bodies to discover nature and its real value of income;
- d - the probability distribution of c uniform on $[c^1, c^u]$.

Similarly, the corruptible fiscal official is characterized by the following elements:

- q - the likelihood that the powers of officials of the tax control to be under investigation by the workers of the anti –corruption-division;
- S - the penalty with which the tax civil is threatened if it proves that he has made arrangements with the taxpayer checked; this penalty is subjective and is not felt or seen by the taxpayer;
- d' -the probability distribution of the variable S is evenly distributed between $[S^1, S^u]$.

The objective approach is to identify the expression to estimate the size of tax evasion in such a context. As one of the prerequisites of the model provides, the taxpayer considers the possibility or necessity of bribery of the fiscal officer. As a result, the corrupt official assumes some risk when accepting bribes and is aware of the possibility of unmasking its action by the superior control bodies. Then the bribe that is charged will be proportionate to the risks, i.e. the probability of being discovered (q) and the degree of punishment that will be inflicted (S). In those circumstances, the cost of accepting bribes can be written:

$$m = q \cdot S \tag{1}$$

The relation 1 it can be interpreted as representing an illustration of the correlation between the relative size of the bribe and corrupt officials proportion of the tax control system. However, it should be noted that whatever the value of the bribe there will be officials interested in accepting it.

The decision of the taxpayer to proceed to tax evasion can be framed in different contexts which involve certain costs for the taxpayer, their effective bear involving different probabilities of realization (Table 1).

Table 1. The Costs to the taxpayer's involvement in evasion activities in different contexts

Features of various situations	Costs to the taxpayer	The likelihood of achieving
- the taxpayer makes tax evasion; - he is found out and investigated by a corrupted official; - the official is in his turn checked by workers of the anti-corruption division.	$Y(1-a) - m - c$	prq
- the taxpayer makes tax evasion; - he is found out and investigated by a corrupted official; - the official is not checked by workers of the anti-corruption division.	$Y - m - c$	$pr(1 - q)$
-the taxpayer makes tax evasion; - he is found out and investigated by an honest official who does not accept bribe; - the official is in his turn checked by workers of the anti-corruption division	$Y(1 - a) - c$	$p(1 - r)q$
-the taxpayer makes tax evasion; - he is found out and investigated by an honest official, who does not accept bribe; - the official is not checked by workers of the anti-	$Y(1 - a) - c$	$p(1 - r)(1 - q)$

Features of various situations	Costs to the taxpayer	The likelihood of achieving
corruption division.		
- the taxpayer makes tax evasion, but he is not checked and he is not found out.	$Y - c$	$1 - p$
- the taxpayer does not make tax evasion.	$Y(1 - i)$	1

Source: Processed after Roger A. Bowles - Tax Policy, Tax Evasion and Corruption in Transition Economies in the Underground Economies in Transition - unrecorded Activity, Tax Evasion, Corruption and Organized Crime, Edgar L. Feige & Edited by Katarina Ott, Ashgate Publishing Ltd, USA, 1999, pp. 67-82.

For a taxpayer with risk neutrality the decision not to engage in fraudsters activities and to adopt a fair tax strategy is conditional on compliance with the following relation:

$$Y(1 - i) > [Y(1 - a) - m]prq + [(Y - m)pr(1 - q)] + [Y(1 - a)p(1 - r)q] + [Y(1 - a)p(1 - r)(1 - q)] + [Y(1 - p)] - c \quad (2)$$

The first four terms on the right side of the relationship represent the synthetic expression of the situations in which interfere tax evasions and the last term recovered psychological costs inevitably involved when the taxpayer engages in evasion activities. We will process expression 2 to determine a phrase meant to bring us closer to the possibility of estimating tax evasion correlated with other variables involved.

$$Y(1 - i) > [Y - Ya - m]prq + [(Y - m)(pr - prq)] + [Y - Ya)(pq - prq)] + [Y - Ya)(p - pq - pr + prq)] + [Y - Yp] - c \quad (2.1^a)$$

$$Y(1 - i) > -mpr - Yap + Yapr - Yaprq + Y - c \quad (2.1^b)$$

$$Y(1 - i) > Yap[r(1 - q) - 1] + Y - mpr - c \quad (2.1^c)$$

$$c > Y - Y(1 - i) + Yap[r(1 - q) - 1] - mpr \quad (2.1^d)$$

$$c > Y - Y(1 - i) - Yap[1 - r(1 - q)] - mpr \quad (2.1^e)$$

$$c > Yi - apY + apY(1 - q)r - mpr \quad (3)$$

The term 3. characterized tax evasion in relation to a relatively large but controlled variables. To highlight the changes arising from the different fiscal policy decisions we substitute, maybe a little forced variables m and r . To intervene in the evolution of tax evasion, bribery amount must be at a level that would ensure the satisfaction of the taxpayer, as well as the corrupt officials or corrupt. To ensure this balance bribes should be stabilized at a level somewhere midway between points signifying intention of accepting bribes to intervene without any penalty (\tilde{S}) and minimum satisfaction of the taxpayer. We can then write the following relationship:

$$m = \frac{1}{2}(aY - q\tilde{S}) \quad (4)$$

$$\frac{3}{2}q\tilde{S} = \frac{1}{2}aY \Rightarrow 3q\tilde{S} = aY \Rightarrow \tilde{S} = \frac{aY}{3q} \quad (5)$$

respectively

Replacing \tilde{S} in expression 1. obtain:

$$m = q\tilde{S} = q \frac{aY}{3q} = \frac{1}{3}aY \quad (6)$$

Therefore, returning to the previous expression and replacing the meters in this phrase and making the necessary calculations we get:

$$c > Yi - apY + apY(2 - 3q) \frac{r}{3} \quad (7)$$

Considering that there will always be corrupt officials, interested in obtaining undeserved advantages probability (r) that such an official to investigate a taxpayer evasion can be written:

$$r = \frac{\tilde{S} - S^l}{S^u - S^l}, \quad S : [S^l, S^u] \quad (8)$$

From equation 6, we determine $\tilde{S} = \frac{aY}{3q}$. Substituting this value in relation 8. and then in relation 7, we get:

$$c > Yi - apY + apY(2 - 3q) \frac{\frac{aY}{3q} - S^1}{3k}, \quad \text{where } k = S'' - S^1 \quad (9)$$

It is analyzed the question of how this condition will meet various parameters of the model change. To highlight the different influences we attribute to that value of c a variable x (relation 10), representing the net income obtained by the taxpayer as a result of tax avoidance and we will calculate the relevant partial derivatives.

$$x = Yi - apY + apY(2 - 3q) \frac{\frac{aY}{3q} - S^1}{3k} \quad (10)$$

$$1. \text{ Tax rate change: } x_i = \frac{\partial x}{\partial i} = Y > 0 \Rightarrow \mathbf{x_i > 0.} \quad (11)$$

Increasing tax rates results in increased psychological costs of the taxpayer, optimal costs conditioning honest behaviour towards tax obligations. In other words, if other variables do not change the number of honest taxpayers will be reduced while the numbers of those inclined towards tax evasion will increase. The fine is an independent variable to the rate of taxation, resulting in increased tax evasion which will only influence the size and the proportion of bribes to corrupted officials. Simultaneously, there is an increase in the incidence of corruption, all psychological barriers being eliminated, the taxpayer is minimizing costs and the official is maximizing the revenue.

2. Changing the likelihood that a taxpayer be subject to fiscal control:

$$x_p = \frac{\partial x}{\partial p} = -aY + aY(2 - 3q) \frac{\frac{aY}{3q} - S^1}{3k} = -aY + aY(2 - 3q) \frac{\frac{aY}{3q} - S^1}{k} = -aY + aY(2 - 3q)r$$

$$0 \leq r \leq 1$$

$$0 \leq q \leq 1 \quad (12)$$

Therefore, $\mathbf{x_p < 0}$.

Increasing likelihood that the taxpayer's income is subjected to tax audit reduces tax evasion. Fewer taxpayers will avoid the IRS (tax authorities) because the psychological cost becomes higher gain that can be achieved through evasion. However, any influence cannot be identified on the perceived level of bribe corrupt officials.

3. *Changing the level of penalties*

$$\begin{aligned}
 x_a &= \frac{\partial x}{\partial a} = -pY + pY[2-3q][aY-3qS^1]/9qk + [Y^2ap(2-3q)/9qk] = \\
 &= -pY + [pY(2-3q)/9pk][aY-3qS^1 + aY] = -pY + [pY(2-3q)/9pk][2aY-3qS^1] \\
 \text{Restriction is imposed } [2aY-3qS^1][2-3q]/9pk < 1 &\Rightarrow \mathbf{x_a < 0} \quad (13)
 \end{aligned}$$

Increased fines, given the other variables stability, reduce the level of tax evasion, and increased bribery levied by corrupt officials. Fewer taxpayers will avoid the IRS (tax authorities) because the costs of doing so outweigh the benefits hoped to be achieved as a result of bribing a corrupt official.

4. *Changing the likelihood that corrupt officials to get the attention of workers of Anti-Corruption Division:*

$$\begin{aligned}
 x_q &= \frac{\partial x}{\partial q} = [-Ypa/k][(aY/3q-S^1)] + [-3aY/9q^2][Ypa(2-3q)/3k] = [apY/k][(-3Ya/9q) + \\
 &+ S^1 - 3Ya(2-3q)/27q^2] = Ypa[-3Ya/9q][1 + (2-3q)/3q + S^1] = Ypa[-2a + 9q^2S^1]/9q^2/k \Rightarrow \\
 \mathbf{x_q > 0 \text{ sau } x_q < 0.} &\quad (14)
 \end{aligned}$$

The immediate effect of increasing the likelihood that corrupt officials be investigated by the competent authorities shall result in reducing the proportion of corrupt officials by interfering a greater likelihood that they will be caught and be subject to legal charges. This encourages honesty that leads to the reduction of tax evasion. Reducing the likelihood that corrupt officials be investigated by the competent authorities determine the reversal, respectively, increasing proliferation of corrupt official and tax evasion.

In conclusion, the model with the variable corruption is investigating subtle interactions that occur between different influence factors such as taxes, fines, social attitude and effort of the bodies with taxpayers' attributions to control and combat corruption. Increased level of taxation results in increased tax evasion. Sustained efforts to reduce tax evasion can however cause an increased incidence of corruption.

It should be noted however that, depending on the model applied, structure, conditionality and restrictions, the data used and the quality of the results can be different. While some models of the high taxation of labor are increasing illegal work, in others, taking into account the likelihood of detection and punishment severity, unlawful labor decreases. It is clear that high taxation causes concealment of

income, but in the context of risk aversion, the expected sentence exceeds the cost of the utility hoped by illicit labor.

Perception Index Corruption shows that efforts to stop corruption dimmed and growth is undermined when political leaders or senior officials are abusing power and allocate funds for personal gain," said José Ugaz, President of Transparency International.

Corruption Perceptions Index reflects experts' perceptions of public sector corruption. Scores of countries can be improved by open systems of government where the public can draw their leaders accountable, while a poor score indicates the predominance of bribery, corruption and lack of sanctioning public institutions that are not responding to citizens' needs.

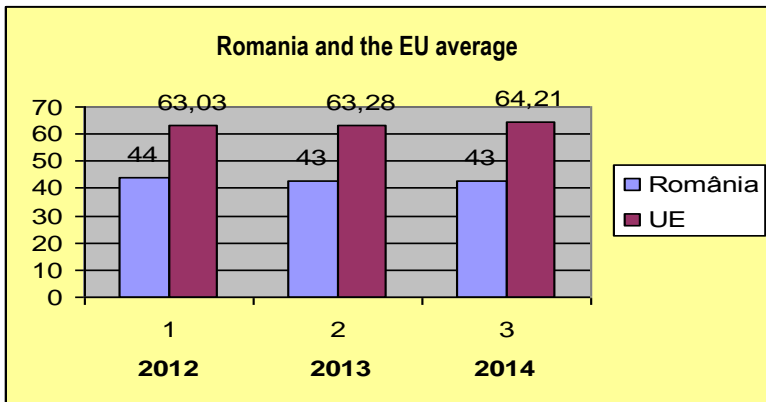
Table 2. Corruption Perceptions Index in Romania and European countries

Country	Increase		Decrease		Constant	
ROMANIA	-	-	-	-	43	43
BULGARIA	41	43	-	-	-	-
POLAND	60	61	-	-	-	-
CZECH	48	51	-	-	-	-
SLOVAKIA	47	50	-	-	-	-
LATVIA	57	58	-	-	-	-
LETONIA	53	55	-	-	-	-
ESTONIA	68	69	-	-	-	-
HUNGARY	-	-	-	-	54	54
SLOVENIA	57	58	-	-	-	-
MALTA	-	-	56	55	-	-
CYPRUS	-	-	-	-	63	63
FRANCE	-	-	71	69	-	-
NETHERLANDS	-	-	-	-	83	83
GERMANY	78	79	-	-	-	-
GREAT BRITAIN	76	78	-	-	-	-
ITALY	-	-	-	-	43	43
GREECE	40	43	-	-	-	-
SWEDEN	-	-	89	87	-	-
FINLAND	-	-	-	-	89	89
SPAIN	59	60	-	-	-	-
PORTUGAL	62	63	-	-	-	-
AUSTRIA	69	72	-	-	-	-
BELGIUM	75	76	-	-	-	-
LUXEMBOURG	80	82	-	-	-	-
DANEMARK	91	92	-	-	-	-
IRELAND	72	74	-	-	-	-

Country	Increase		Decrease		Constant	
CROATIA	-	-	-	-	48	48
ALBANIA	31	33	-	-	-	-
MACEDONIA	44	45	-	-	-	-
ICELAND	78	79	-	-	-	-
MONTENEGRO	-	-	44	42	-	-
SERBIA	-	-	42	41	-	-
TURKEY	-	-	50	45	-	-

Source: Transparency International România – National Report on Corruption

Transparency International has called on the countries with the best scores, where public sector corruption is limited to cease encouraging corruption in other countries through measures to prevent money laundering and to prevent secret companies to conceal corruption.

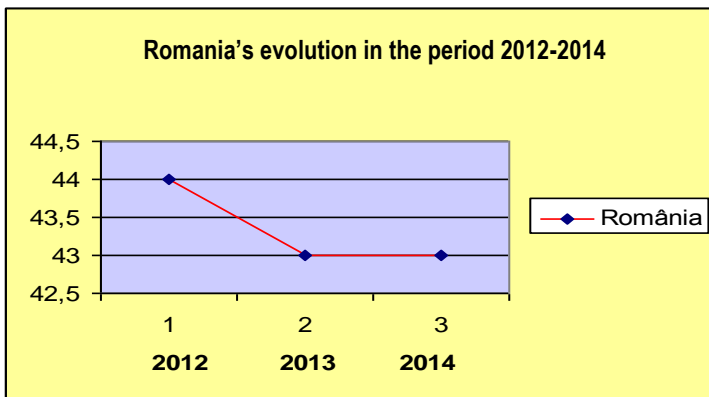


Source: Transparency International Romania – National Report on Corruption

Figure 1. Romania and UE average

Romania occupied last year, 69th with 43 points, compared to 2012 when our country ranked 66 th.

Experts have noted a decrease in the perception of anticorruption by one point, although the trend should be upward, based on increase of 8 points obtained in 2012 compared to 2011 (when our country was appreciated only by 36 points), as shown in the new guide of Anticorruption published on the website of the General Anticorruption Directorate.



Source: Transparency International Romania – National Report on Corruption

Figure 2. The Evolution of Romania during 2012 - 2014

6. Conclusions

If at the government level there is suspicion of misuse of public funds, misappropriation etc. in compliance with laws there is no longer interest. Also, if there is the possibility of establishing formal agreements with tax inspectors, tax evasion increases. Corruption is one of the serious misconduct which distorts the public interest in favor of private interests. In Romania, high levels of corruption among public officials, large penalties did not reduce tax evasion, but the growth of corruption and corruption gives birth to corruption, being a social pathology. It is known that about a fifth of the

But corruption is not just about giving and taking bribes, influence traffic and receiving undue benefits, but it means giving up the respect for law and morality (Pătroi, 2006).

Corruption is concerned with generating growth of the underground economy in Romania. It reached extreme limits, even pathological, I would say, in the sense that the supposed immoral and illicit occupations are made at a level that involves not only individuals in leadership positions or exercising a public function, but also interest groups and organizations (public and private) aimed at obtaining material benefits related to moral and social status by distorting the administration of public affairs. In order to achieve their personal, private goals they proceed to coercion, extortion, fraud, bribery, intimidation etc. The low number of cases in which corruption has been eradicated leads to another conclusion: this is a persistent

flagellum which once installed is difficult to be eliminated or even reduced. This pessimistic finding is important for our country. Should it be a based claim? Therefore, should our country's efforts in limiting this phenomenon be devoided of any chance of success?

Coming to the case of our country, all documents are related to this issue, surveys, studies of public institutions and non-governmental Romanian organizations but also reports and studies of international organizations which indicate a very high level of corruption. Among other things, classifications conducted by Transparency International ranks Romania far behind countries such as Colombia or Bosnia and Herzegovina. What we think of is debatable, but it is nevertheless a suggestive situation of our country.

The tradition, the weakness of state institutions and primarily lack of political will are the main causes supplying corruption in our country. The measures taken over time have proven ineffective, primarily because of their poor implementation. European Commission reports show that legislation against corruption that Romania has adopted in recent years is to a large extent compatible with that which exists in other EU countries, but there are major deficiencies in their application.

A finding which I think is necessary in the fight against corruption in our country is that the focus was almost exclusively on sanctioning such acts by the judiciary, even visibly above documents. No one can deny the importance of the judiciary in combating corruption. However, we believe that preventive measures through which opportunities and risks of corruption to be eliminated are equally important and sometimes even more effective. A proof of these are the results obtained from public policies to simplify administrative procedures conducted by the Ministry of Interior. Thus, the process of issuing passports, identity cards, driving licenses, registration certificates and criminal records of the vehicles have been significantly revised and simplified. Time for issuing these has been greatly reduced, which resulted in the elimination of corruption in this area. Following my view is that this should be the main method by which the public integrity in Romania could be improved.

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