

GHIODEL Florin

University of Craiova, Doctoral School, Romania
floghi@yahoo.com

Abstract: *Human society is approached / studied by the integrated system of sciences in all its aspects, ie multicriterial and multidimensional. A particularly important area of investigation is represented by the economic or social relations or relationships, respectively the links between the members of society as individuals or constituted in different communities; an essential subsystem of these, in this case the distribution relations, are those of a financial nature, which are the subject of the preoccupations of the science of finance with all its branches, among which the public finances. As such, we perceive the finance / public finances, on the one hand, as an economic category or an economic concept, and on the other, as a science that studies the many aspects resulted from the development of specific relationships in all their complexity. The conclusion or finding that we need is, in our opinion, that the finances, including the public ones, are an area of human activity of both cognitive and pragmatic nature. The scientific character of the knowledge and practices specific to the public finances, respectively their scientific status, is unanimously recognized today as a natural result of the theoretical and practical accumulations gained over the years, especially after the works/ studies of A.Smith and D. Ricardo. The systematic preoccupations for defining and delimiting the object of study and action and / or manifestation of public finances have been intensifying since the last century, but concerns have been in the most advanced states of the world since the nineteenth century, but not only. The opinions expressed generally refer to the common elements, but there are also inconsistencies between them.*

Keywords: *financial economy; public economy; public finances; local finance; financial policy; financial flows; financial system.*

JEL Classification: G32.

1. Introduction

The hypothesis on which our scientific / doctoral research is based, is that the significance and timeliness of the field under consideration derives from a few fundamental elements, from which we consider that at least the following three are of major interest: the first of these is the *legacy of the past*, namely the authority / the reputation or notoriety and the contribution of those who have set the conceptual-methodological bases; the second is the way it is now seen its position in the scale of humanity, and the third is the implications, actual and potential, it can have on the dynamics and evolution tert take time path of economic and social for *the welfare* maximum possible *to all the* inhabitants of Earth, respectively, to solve as much as possible the great global problems faced by humanity.

We appreciate that the *finance / public finances* and *the financial phenomenon* surround this context in all its complexity. We consider this to be a pertinent / justified reason for their approach, which is what we intend to do in the further on, from a double perspective, in a dual quality, posture: on the one hand, as an objective,

natural outcome of the past social evolution, from very old times, marked by the emergence and development of the production of commodities, with its corollary the *money*, and of the state, under its various manifestations, and, on the other hand, as an *economic / social subsystem* called / asked to contribute to the lasting, without extreme convulsions, of the human progress. It is easy to see that the mission of *finance / public finances* is particularly difficult and, quite often, in some aspects, contradictory, controversial and controversable. We will highlight in the paper the contributions we consider the most valuable, starting with the moment of the *germination* of the science of finance, of the science of *public finances* and of the connections, which we consider the most significant of the *public finances* with the exercise of the *functions* the contemporary state.

The subject matter of the present *study* is illustrated and represented in a generous manner in the literature of economically developed countries as well as in Romania, especially through elaborate scientific papers and unquestionable notoriety. We start our documentation and analysis by investigating the concept of the one considered as the *parent / creator* of economic science, in particular the political economy, *Adam Smith*, exposed in the *Wealth of Nations*, without ignoring the precious expectations of the *Theory of Moral Feelings*. We will complete the investigation with the *remarkable contributions* of modern *financial science / finance public finances* in France, Germany, Italy, the United States and Romania. An important part of the study (research) will have as an object or focus on the dissemination of the most significant directions in which *public finances*, including the *local* ones, can be manifested in the most beneficial way. The economic analysis is doubled, especially in the situation of Romania, by the presentation and commenting on the legal framework. At the end of the *paper / study* we will formulate and present the conclusions that are required, and then attach the selective list of bibliographic references.

Our conclusion is that the existence and manifestation of *public finances* in the contemporary societies has an objective nature in the sense that all the conditions that led to their autonomy in the overall economic relations are maintained. In other words, it is absolutely necessary and possible to make money at the disposal of the state and public institutions and organizations for the satisfaction of certain needs; the cash flows generated by those processes are financial flows. The complexity of the satisfied needs on financial funds, through financial relations, also implies a complex character, which requires different treatment of their different segments. The totality of financial relationships forms a system, which we call the system of public finances or public financial system, and its different segments, differentiated according to various criteria, form links, subsystems or structural elements thereof.

2. Paper Body

The Public finances, inextricably linked to the existence and evolution of public communities at different levels, more or less centralized or decentralized, but especially the state (at the central level), are a prime component of contemporary economic and social life, and this is because of the considerable, rather large, 40% -60% of the national product or national income concentrated, distributed and used through central and local public authorities. Mobilizing and distributing the product or national income through public authorities involves an important transfer of purchasing power from individuals and businesses to public money and from them

to beneficiaries. As a result, *the public finance* and private consumption dimensions, the gross capital formation, the volume and the structure of the foreign economic relations of the country / state, ultimately the very general dynamic of the economic and social development, of the economic and social development of the country, social progress. *The public finances* of a central and local state produce / generate notable effects on the international level by integrating into the complex system of relations with global, regional or sub-regional financial and banking organizations - Romania's accession to the European Union is a significant example through its participation to the establishment and use of Community budget funds.

The evolution of global society, but not only, is accompanied by essential transformations in all its components. Mutations in *public finance*, including *public finance* ve *local* are both quantitative, structural and qualitative. As far as Romania's *local public finances* are concerned, we note that their development is deeply marked in the present stage by efforts to build an open, functional, competitive and competitive economy, with all the complexity and diversity of the social and other issues that they leads the path / dynamics to a new way of producing wealth. *Local public finances* feel and take over, more or less, all the shocks that rock the current Romanian society - the multidimensional, economic, financial world debt, especially the external debts, and the enumeration can continue, demonstrated and still demonstrates this thing.

The *designation of public finances* of a state, implicitly of *local finances*, regardless of the organizational level and of the political and civilian power in which they take place or manifest themselves, is to represent an active and powerful instrument, theoretical and practical, in order to achieve the declared strategic objective of the period that Romania is currently pursuing - namely the democratization of society on all levels and in all its compartments on the basis of a modern, high efficiency and competitive relationship in international relations, whose corollary is to increase the level of civilization of the country's population with the full range of beneficial consequences. The way or the means of achieving this goal is to modernize all economic, social, political, ecological and scientific-technological structures, according to the requirements of the contemporary progress - associated with the emergence of the new economy. The answer to this challenge is to bring these structures into line with the requirements of the world's scientific and technological revolution, along with the proper restructuring of the thinking and management system at the macro and microsocial level. One of the major coordinates of the contemporary societies is the increase of knowledge, information; knowledge is power, and the increase or augmentation of knowledge about knowledge is the one that will matter most in the future society, as claimed by well-known and reputable journalist Alvin Tofler. Knowledge becomes the most important resource of development. The target of *public finances*, especially by decentralizing them, is, among other things, to increase the degree of knowledge (The purposes of this research go beyond the detailed presentation of the subject of study of science addressing the issue of public finances, but, by way of example, we recall the most representative contributions in the field over time (over a century and a half). They are French, German, Italian, American, and Romanian economists who can be considered as pioneers or paths in the dense and complex hurdle of financial relations, by those who have contributed to the creation of a coherent system of rigorous concepts on which the building of the science of finance, public finances,

along with other elaborate foregrounds of human thinking and practice has been built - it goes without saying that they have also started from an inherited heritage). As it comes forward from the list of attached bibliographic references *of the work*, valuable ideas about what *public finances* are and should be *publicly* expressed since the end of the first half of the nineteenth century (Gandillot MR, 1840, p. 1) when it was argued that *public finance science* exposes laws levying and spending of economical values for public services, indife rent if they are or not retrieve evate budget, it accounted for cash or other goods, whether from taxes or other sources. The state being perceived as a special reality / entity that embraces private life, unites them and protects them, which provides them with a multitude of advantages at a reduced price, in other words, they procure public services, *public finances* are presented as a number infinite vital cells resulting from the millions of *existence* to centralize in the hands of the state and then sharing it according to its needs.

3. Conclusions

The documentation for the substantiation and elaboration of the present paper led us to a series of conclusions, some presented hereinafter.

1. We start from the evidence that the existence of *public finances* and, implicitly, of *local public finances* in contemporary societies has an objective nature in the sense that all the conditions that led to their autonomy in the economic relations as a whole are maintained, In other words, it is absolute making it necessary and possible to make funds available to the state and public institutions and organizations and to use them to meet certain needs; the cash flows generated by those processes are financial flows. The complexity of satisfied needs on financial funds also implies a complex carater, which requires separate treatment or analysis. The entirety of financial relations forms a system, which we call the *system of public finances* or *public financial system*, and its different segments, differentiated according to various criteria, form links, subsystems or structural elements thereof.
2. A constituent element of the organization or management of the national economy, the society as a whole, is the organization / management of *public finances* and N trick organizational structures of the State, public enterprises and institutions a role in determining the financial efforts required by the country's economic and social development and fulfillment of other categories of needs. Also, the management of the national economy involves decisions producing / generating financial effects over different time periods in the most varied fields of activity; programs, plans, strategies and economic forecasts contain provisions regarding the establishment and distribution of financial resources, the correlation between material and monetary flows and the ways of ensuring the financial, monetary and foreign exchange dynamic balance, and the monitoring of the implementation of financial decisions, the management of the patrimony public areas of interest in *public finance*.
3. There are a multitude of organs involved in solving the financial problems, components of the representative democracy system, administrative authority or special bodies of executive power or financial compartments in enterprises and institutions. The representative democracy bodies are the organs of the central and local state power, including the parliament and the county councils and the Bucharest municipality, Bucharest, municipal, urban and communal sectors. Under their direct guidance, the bodies of the central and local state administration, the

government, the ministries, other central bodies of the state administration, the prefectures and the townhalls, operate. The category of specialized financial institutions includes the Ministry of Public Finance, the banks, the Savings and Consignment House, the insurance and reinsurance companies, but not only. The financial compartments operate in ministries and other central bodies of state administration, in prefectures and townhalls, as well as in autonomous administrations, state-owned trading companies and public institutions. Some of these bodies are invested by law with the right to make decisions, others are responsible for the execution of decisions of the higher bodies with decision-making powers within certain limits, as well as control and guidance powers. They are specialized bodies and institutions with responsibilities in financial planning, implementation of plans, guidance and control, while others have only control responsibilities.

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