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THE ROLE OF MANAGEMENT IN GENERATING INSTITUTIONAL PERFORMANCE IN THE FIELD OF PUBLIC FINANCE MANAGEMENT

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Abstract: Contemporary tax systems can no longer be designed exclusively on the basis of coercion and control, but require the integration of effective mechanisms to stimulate voluntary compliance of taxpayers. In this context, the concept of voluntary compliance gains strategic importance, being considered a fundamental pillar in increasing the efficiency of budget revenue collection and reducing the phenomenon of tax evasion. Scientific concepts about taxes, as the object of administrative decisions, are reflected in all tax theories. Evolutionary development took place simultaneously with the development of different directions of economic reason, which reflect changes in production relations and the level of state participation in the reproduction process. In this scientific article, the authors present the role of management in generating institutional performance in the field of public finance management.

• Introduction

Analysing social structures and the way in which individuals interact, they formulated two central principles that explain the orientation of human actions, both in material and spiritual terms: the principle of utility and the principle of association of ideas.

From a philosophical approach, Adam Smith, in his work "Theory of Moral Sentiments", is noted for the way in which he integrates the moral dimension into the sphere of economic analysis, highlighting the interdependence between ethical behavior and economic mechanisms.

The modern concept of fiscal administration management involves a complex operational and organizational approach, through which the process of collecting public revenues is coordinated so as to both the legislative provisions and the rights of taxpayers are respected. Such an approach allows the authorities to consolidate the financial resource base necessary to support sustainable socio-economic development.

At the heart of this process is the idea of „fiscal optimum", namely the level of tax burden that taxpayers can bear without negatively affecting economic activity. The realistic and substantiated establishment of this level discourages evasive behavior and encourages compliance with tax obligations.

In the Republic of Moldova, the interest in institutional performance is particularly high, as it directly conditions the economic and financial results of public administration. Specialists emphasize that only high-performance management, exercised by competent officials, can generate high efficiency and effectiveness, indispensable elements of good governance.



• Material and method

At the methodological level, the efficiency of institutional management depends on the use of appropriate management tools regarding the organization of activities, the structuring of internal subdivisions and the designation of responsible persons, elements that decisively influence the ability of tax institutions to fulfill their mission. The analysis in this article is timely due to its topicality and originality and may be of interest to managers of economic entities in the economic sector, to decision-making structures, as well as to the scientific community.

• Results and discussions

Public finances have an essential role in the establishment and use of state funds, an activity possible only in the presence of two fundamental conditions:

1. The functioning of monetary relations, which allow the accumulation and use of public resources in monetary form
2. The state's capacity to formulate and implement its own responsibilities.

Structure of revenues and expenditures within the BPN

Year	Revenues, lei million	In % of GDP	Expenditures, lei million	In % of GDP	Budget deficit, lei million
2017	53 377,6	30,33	54 522,4	30,98	-1 144,8
2018	57 995,9	30,68	59 608,9	31,53	-1 613,0
2019	62 949,2	30,52	65 975,6	31,99	-3 026,4
2020	62 650,0	31,37	73 269,8	36,70	-10 619,8
2021	77 373,0	31,96	82 013,5	33,88	-4 640,5
2022	91 505,4	33,57	100 374,2	36,82	-8 868,8
2023	102 299,2	32,60	117 871,0	38,60	-15 571,8
2024	110 338,5	34,10	122 962,6	34,78	-12 624,1
2025	125 602,0	35,53	139 856,4	39,56	-14 254,4

In this regard, according to the table above, the evolution of the revenues and expenditures of the National Public Budget during the period 2017–2025 is presented, both in absolute values and as a share in the Gross Domestic Product, also highlighting the dynamics of the budget deficit.

In 2025, both revenues and expenditures reach the highest values in the analyzed interval, and the budget deficit remains at a significant level, confirming the persistence of pressures on the financial balance. The foundations of efficient taxation involve identifying those rules and methods for distributing tax burdens that satisfy a set of pre-established criteria. Following the analyses carried out on the specialized literature, two dominant criteria in the theory of optimal tax have been highlighted: allocative efficiency and equity between taxpayers. However, these criteria are often in contradiction, since a very efficient tax system can sacrifice equity, and a very fair one can reduce efficiency.

Currently, global society is in an accelerated process of transformation, determined by the continuous development of information and communication technologies. These developments have a significant impact on the modernization of public administration systems, including in the Republic of Moldova, contributing to the transition to a digitalized society. Information technologies, through their specific components and through their integration into managerial processes, are widely used in various fields of activity. Their application generates positive effects both at the strategic level, and at the administrative and technological level,

• Conclusions

The analysis conducted confirms that efficient tax administration implies a clear interdependence between the regulatory framework, institutional capacity and taxpayer behavior.

Clarity and predictability of legislation are essential conditions for increasing tax discipline.