Quarter Century of Quality Management and Consumer Protection in Romania

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Quarter Century of Quality Management and Consumer Protection in Romania

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Abstract- The former socialist/ communist rule kept Romania almost isolated from the Western World during about half a century (1945-1989). All about 7000 Romanian former state-owned companies (which were operational at the end of 1989) were obliged, by Law, starting the years ’60, to organize their own so-called “CTC (Technical Quality Control) Department”, in order to only inspect the quality of their products. In 1992, two years only after the fall of Ceausescu’s dictatorship, in Romania were published both the first Romanian edition of famous ISO 9001 standard (in 1987, when ISO published its first international issue, the former Romanian regime did not allow the translating of it in Romanian!) and the first Consumer Protection Act in Romania’s history. This paper introduces - from both historical and professional insider’s perspective - the most important facts, challenges, issues and outcomes of these very important events, happened a quarter century ago.

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I. Introduction

Romania is the ninth largest country of the EU by area [about 238,400 square kilometers (92,000 sq mi)] and has the seventh largest population of the EU (with over 19 million people). Its capital and largest city is Bucharest - the tenth largest city in the EU (with a population of around 2 million).

Romania joined NATO on 29 March 2004, the European Union on 1 January 2007 and is also a member of the Latin Union, of the Francophonie, the OSCE2, the WTO3, the BSE4 and the United Nations.5-6

Like for other former “socialist” countries, the transition of Romania to the functional free market economy, between years 1990-2000, included the transition of companies and of other organizations from State "Quality Control" towards the much more efficient "Quality Assurance" and "Total Quality Management" approaches.

II. Former Passive-Repressive Approach of Quality

The former “socialist” rule kept Romania isolated from the Western World for almost half a century (1945-1989).

Starting years ’60, all Romanian industrial companies (large, medium and small - all Stateowned) introduced the so-called State „Quality Control” as were obliged to expression of the Passive-Repressive Approach of Quality [4]. Its characteristics were the following:

1. Over 12,000 mandatory State national standards (called “State Standards” - STAS)
2. Legislation and rules implementing exclusively the State „Quality Control”

According to the former legislation, all Romanian industrial companies were State owned and compelled to adopt, since their founding, the microeconomic (“Technical) Quality Control” approach. This was very frequently understood and achieved - thanks mostly to the lack of resources - as only “Inspection” approach (also called “passive Quality Control” approach, without “corrective actions” and with few efficient “corrections”). The “Inspection” approach - invented in industrialized countries over a century ago - is considered today to be only the first step of all other more efficient “Quality Management” approaches (like “active Quality Control” or “Quality Control”, “Quality Assurance”, “Total Quality Management”).

The “Quality Assurance” approach was implemented before 1989, in Romania, only in some very few companies, operating mainly in the nuclear, aeronautics, electronics and defence sectors.

The “Total Quality Management” approach models, principles and practices were, until years 2000, practically ignored in Romania.

3. Establishment and operation of central and local governmental agencies (the so-called “State General Quality Inspectorate” - IGSCCP nickname “Quality Police”) aimed to over-check manufactured products and „H to punish - especially financially - companies’ staffs and employees found “guilty” for not having provided quality products.

2 OSCE - Organization for Security and Co-operation in Europe
3 WTO – World Trade Organisation
4 BSEC - Organization of the Black Sea Economic Cooperation
5 http://en.wikipedia.org/wiki/Romania
6 IGSCCP – Inspectoratul General de Stat pentru Controlul Calității Produselor (State General Inspectorate for Products’ Quality Control)
These three above mentioned features characterized the so-called “Passive-Repressive Approach of Quality”, a former State quality policy that was specific to Romania and to other centrally planned economies from Central and Eastern Europe as well as from Asia, during some decades (1960 – 1990).

Many Romanian quality professionals do agree now that this approach came in Romania and in other ex-“socialist” countries from USSR (via GOSTSTANDARD) that, in turn, imported it - after the Second World War - from USA. (“The US approach has historically been command-and-control oriented. This might be the result of a history of political and military management as a basis for business management.” [4].

This situation was reflected in a negative way as well in the educational system as in creating a solid quality culture, especially regarding “prevention” versus “detection”/ “correction” attitudes and behaviours.

In December 1989, this Romanian authoritarian approach was abandoned and the “Quality Police” dismantled. But their counterproductive heritages – especially at the level of people mentalities, attitudes, behaviours, etc. – still remained.

III. CNSMC - A New but Ephemer al Governmental Agency which Drafted Romania’s First New Laws and Government Decisions on Quality Matters

After 1990, like other Central and Eastern European countries, Romania was facing the great challenge of rapidly implementing and adjusting its accreditation and certification systems according to the EU Quality System as well as implementing quality standards and quality systems in its private and state owned companies. In order to cope with these objectives, starting years 1990-1992 and till 2006, new legislation was adopted and new infrastructures were established in the fields of standardization, certification, accreditation, metrology and consumers’ protection.

A new but ephemeral governmental agency – the National Commission for Standards, Metrology and Quality (CNSMC ), employing over three thousands people within six organizations8 and managed by author, as Minister State-Secretary – was established in February 1990, in order to identify needs and to propose necessary legislative and institutional changes, compatible with democracy, free market economy and EEC policies [4]. During its only two years action, the CNSMC drafted over twenty Government Ordinances (GO) – future Laws - and Government Decisions (GD) on standardization, metrology, certification, accreditation and consumers’ protection matters. The last one was a new concern in all emerging European democracies intending to become freemarket based “capitalist countries” with “consumer societies”9. These drafts attempted to start the harmonization of Romania’s legislation, standards, structures and procedures with those existing in EC Member States.

In 1990, CNSMC established or re-established memberships of its component organizations – as Romania’s specialized bodies - in different international organizations like: International Standardization Organisation (ISO), Comité Electrotechnique International (CEI/ IEC), European Telecommunications Standardization Institute (ETSI), Bureau International de Poids et Mesures (BIPM), Organisation Internationale de Metrologie Legale (OIML), European Organisation for Quality (EOQ), etc.

During the same year, after thorough documentation, some expert teams of CNSMC started to elaborate first drafts of Government Decisions and Laws. It was a difficult task because CNSMC’s action domains – standardisation, metrology, quality and consumers’ protection – were heterogeneous and full of innovations (in rapport with their levels of development in Romania before 1990).

Simultaneously, CNSMC supported the initiatives of some of its employees and collaborators aiming to establish new specialized non-governmental bodies. Thus, till the end of 1990, there were founded, for example, the Romanian Quality Association - ARC10, the Consumers’ Protection Association - APC11, and the Network of Romanian Laboratories - RELAR12.


9 “Consumers society”’s and “consumers protection”’s concepts, goals and practices were officially rejected and/ or even banned in some former “socialist countries” as being ideologically and politically incompatible with the goals and objectives of future “socialist society” and/ or “communist society” (planned to be erected).
10 ARC – Asociația Română pentru Calitate (Romanian Association for Quality, www.quality.ro)
11 APC – Asociația pentru Protecția Consumatorilor (Association for Consumers Protection, www.apcromania.ro)
12 RELAR – Asociația Rețelei de Laboratoare din România (Association of Romanian Laboratories Network (forerunner of today RENAR – Romanian Association for Accreditation, www.renar.ro)
13 OG – Ordonanța de Guvern (GO - Governmental Ordinance) ; L – Lege (L - Law)
and promulgated other three GOs: on standardization (GO No. 19/1992), on metrology (GO No. 20/1992) and on consumers' protection (GO No. 21/1992), as well as the Governmental Decision, GD, No. 167/1992 on national quality certification system – all based on drafts proposed by CNSMC. All GO were put in force immediately, but their approval by the Romanian Parliament came only two years later (by the Law No.11/1994). According to these new regulations, most of national Romanian Standards SR (former State Standards, STAS) became voluntary, the fundamental universal rights of consumers were officially recognized/ granted, a new government agency – the Consumers’ Protection Office (the forerunner of today ANPC14) and its network - was founded and over hundred non-governmental associations for consumers protection were created within most important cities.

Thus, the Romanian Government decided in 1992 to abandon or to transfer gradually most of its former quality responsibilities in order to involve itself in only few quality matters, especially in standardization and certification (through IRS-the Romanian Standardization Institute – one of the basic components of CNSMC - succeeded finally to translate, adopt and publish (even with 5 years delay!) the Romanian edition of the first issue of ISO 9000 family standards. As it is worldwide largely known, this first international issue of these standards was published by ISO in 1987 but, till 1989, a Romanian version of these standards was informally banned in Romania, as being “unnecessary”20!

Consequently, following the publishing in 1992 – for the first time, during the whole Romania’s history – of both fundamental documents Consumers Protection Act and ISO 9000 family standards, we may considered that 1992 signified the formal introduction in Romania of Consumers’ protection and Quality Management matters (mainly through references - concepts, principles, requirements, etc. – as well as through structures and, later, through practices).

IV. New Regulatory Frame and New Structures Dedicated to Trust/ Confidence Generation and Market Surveillance

After the dismantling of CNSMC in August 1992, during the following 23 years, some hundreds of small companies and non-governmental bodies dedicated to quality were created, in order to deal with certification, accreditation, education & training and consultancy in Quality Management matters, as well as in order to survey the market.

Meanwhile, some dozens of new basic regulatory measures were promulgated in the areas of quality assurance/ certification and of consumers’ protection; the most important of them being the following:

- L No. 10/1995 - on buildings'/ constructions’ quality
- GD No. 629/1996 - on products quality assurance and their certification

14 ANPC – Autoritatea Națională pentru Protecția Consumatorilor (National Authority for Consumers’ Protection, www.anpc.ro) managing a national network of 41 regional/ county/ district offices
15 ASRO – Asociația de Standardizare din România (Romanian Standards Association, www.asro.ro)
16 The Ministry of Industry was then the forerunner of today’s Ministry of Economy, Trade and Business Environment
17 The Ministry of Telecommunications was then the forerunner of today’s Ministry of Communications and Information Society
18 The Ministry of Education was then the forerunner of today’s Ministry of Education, Research, Youth and Sports
20 According to some former IRS employees, the answer given in 1987 by one of the former Romanian Communist Party leaders at their official request to be allowed topublish a Romanian version of ISO 9000 standards was: “Comrades, there is no need to publish such standards in our country because we do not need < quality systems> in Romania, our <socialist system> being fully sufficient!”. In addition, only in 1990 it became possible to re-establish the ISO an CEI memberships (which were cancelled under Ceausescu’s regime) of IRS
- GD No. 908/1996 - establishing CIIC – the Interministerial Council for Quality (managed by the Ministry of Research and Technology) in order to assess/ propose quality legislation and to establish a National Program on Products and Services Quality. The CIIC was later suppressed and this program was never approved and put in practice!

- GD No.1073/1996 - on quality assessment, certification and surveillance for providers of national defence system, establishing some dedicated military bodies named OMCAS – the Military Body for Certification, Accreditation and Surveillance and CCASs – the Commissions for Certification, Accreditation and Surveillance. All these structures were later dismantled.

- GO No.38/1998 - on the accreditation activity (approved, after 4 years, by the Law 245/2002) – and GO No.39/1998 - on the standardization activity (approved, after 4 years, by the Law 355/2002) – both deciding the long time claimed separation of regulation, standardization, certification and accreditation functions (erroneously introduced by GD No.167/1992). Thus, the former governmental agency IRS, Romanian Standardisation Institute was replaced by a non-governmental organization, the ASRO – Standardization Association of Romania (www.asro.ro), “under the surveillance of the Ministry of Economy and Trade”. Another non-governmental organization - called RENAR, Romanian Association for Accreditation (www.renar.ro), “under the co-ordination of Ministry of Economy and Trade” - started to work and was recognized at both national and European levels


- L No.608/ 2001 - on the product conformity assessment - offered the general framework for a whole set of technical regulations based on the European “New Approach” directives (adopted in Romania through Government Decisions developed by different ministries before 2007). The Ministry of Industry and Trade 21 is now the competent authority to coordinate the national quality infrastructure and the product conformity assessment policy.

- L No.37/2002 – approving GO No.58/2000 which amended substantially the basic “old” GO No.21/1992 (on consumers’ protection) and establishing principles of liability for defective products, according to European Directives.

- GO No.23/2009 – on the activity of accreditation of conformity assessment bodies

Thus, mainly between years 1992-2006, before the Romania’s accession in EU/ EC, 1st of January 2007, a comprehensive national quality infrastructure was built in Romania, mostly on a private basis. It includes the national conformity assessment infrastructure as well as consultancy and education & training organizations. Its basic goal is to generate confidence in products, services and their providers, as it is shown in Figure 1.

According to the data displayed on RENAR’s website22, today Romania’s national conformity assessment infrastructure includes over 1420 bodies/ organizations, of which:
- about 500 accredited testing laboratories,
- 22 accredited calibration laboratories
- about 820 accredited laboratories for medical analysis
- 67 accredited certification bodies for management systems (of which 26 are dedicated to quality management systems, 17 – to environment management systems, 13 – to occupational health and safety management systems (OHSAS), 4 - to food safety management systems (including HACCP) and 7 - to information security management systems
- 13 accredited certification bodies for products
- 4 accredited bodies for people!

22 www.renar.ro (visited today, 12 th of August 2012)

21 This ministry became later the Ministry of Economy, Trade and Business Environment
In addition to these bodies established and accredited in Romania, on Romanian market of conformity assessment are also acting some dozens of foreign bodies for conformity assessment (most of them being already accredited in EU, so that there is no need for a Romanian accreditation, thank to some formal multilateral recognizing agreements and schemes). The Romania’s today national quality infrastructure is also including – in addition to bodies mentioned above - some hundreds of Romanian and foreign consultancy and education & training organizations for management systems.

V. Promotion of European Quality Policy in Romania

Dr. S. Thomas Foster\textsuperscript{23} was very right when he noticed “Culture plays a greater role in European quality practices that it does in United States.”\textsuperscript{[2]}

Within a project financed by European Union, the Romanian Foundation for Quality Promotion, RFQP/FRPC\textsuperscript{24} (Bucharest, Romania) promoted in Romania.

In an increasingly globalizing economy, the European Quality Policy - as it was conceived by the DG IIIIB Directorate - was based on Quality Management concepts „that place individual at the center of every organization”.

\textsuperscript{23} Dr. S. Thomas Foster - A well known American professor of Quality Management (www.freequality.org) who - invited by the Romanian Foundation for Quality Promotion - visited Bucharest in 2002, in order to lecture on TQM and Six Sigma issues and advantages.

\textsuperscript{24} FRPC – Fundația Română pentru Promovarea Calității (The Romanian Foundation for Quality Promotion, www.frpc.ro) between years 1999-2002, the European Quality Policy, with the goal to prepare Romanian mentalities for Romania’s accession, in 2007, in EU and CEE.

„Part of the European Commission’s new industrial competitiveness initiatives, the European Quality Policy was developed to provide the humanistic component of Europe’s competitiveness policy. It was designed in cooperation with the various stakeholders (including European and national quality organizations, trade associations, chambers of commerce and national authorities), to develop a favorable environment in which companies and public administrations in Europe aim to achieve excellence in terms of their outputs and internal organization for the benefit of society as a whole\textsuperscript{25}.

As such, it could and should be a logical step on the road, from conformity with safety regulations to competitiveness and business excellence, through Quality Management principles. \textsuperscript{[3], [4]}

The RFQP’s project, financed by EU, included editing and distributing of two dozens of publications (books, leaflets, brochures) as well as some workshops and education & training actions.

RFQP has repeatedly proposed to all Romanian former Prime Ministers, between years 1991 - 2009, to define and adopt in Romania appropriate national policies/strategies on quality promotion (or quality competitiveness development) and consumers’ education. Unfortunately, no formal answer was given till today!

In addition, unfortunately, in 2000, the EEC abandoned – without any explanations, arguments and preparation - its useful European Quality Policy and suppressed its specialized structure DG IIIIB (by replacing it with a new structure dedicated to … the Information Society)!!

\textsuperscript{25} „A European Quality Promotion Policy For Improving European Competitiveness” / “O politică europeană de
VI. Changing Quality Approaches in Romania – some of their Challenges and Issues

a) Romania - from „Inspection” and „Quality Control” approaches to „Quality Assurance” approach (Fig.3)

Between years 1991-2006, in Romania were founded many hundreds of thousands of new private companies (mostly small or medium sized ones) and two thirds of existing State-owned companies (mostly large ones) were sold/ privatized or closed. Consequently, a lot of companies - mostly private but also some State-owned ones - tried to become profitable (and even competitive, especially on foreign markets), by adopting the „Quality Assurance” Approach (mainly through implementing a Quality Management System in conformity with ISO 9001 model’s requirements), with or without certification. That was a first difficult step aimed to initiate the transition of Romanian industrial companies from „Inspection” to „Quality Control” and, further, to „Quality Assurance” approaches (Fig.2).

Even if, in 1989, the former State „Quality Control” was formally suppressed in Romania, its heritages are still alive (most important of these being the following: lack of financial resources, lack or insufficient managers’ commitment for quality, lack or insufficient employees’ motivation for quality, resistance/ reluctance to change, etc.). Here are, for example, some of today’s most known Romanian myths on ISO 9000 standards:

• “ISO 9000 is a <product standard>”
• “ISO 9000 is an <authorization>”
• “ISO 9000 certification is compulsory”
• “ISO 9000 is to be implemented mainly within big industrial companies; therefore, it is not adequate for education providers”

• “There are no customers in higher education; therefore, it is nonsense to speak about <customers’ requirements>, <fulfillment of customers’ requirements> and <customers’ satisfaction> within higher education.”

In this way, in today’s Romania, the quality is no longer the <State’s problem> since it became the <everyone’s business>!

In addition, the former counter-productive bottom-line orientation of companies in quality matters was replaced by a general concern of all its employees for quality.

According to ISO statistics26, in 2011, in Romania there were delivered, in all, 19,405 ISO 9001 certificates (within the 492,248 certificates delivered in Europe and 1,111,698 certificates delivered worldwide) 27. The same year, in Romania, there were delivered, in all, 9,557 ISO 14001 certificates (within the 106,700 certificates delivered in Europe and 267,457 certificates delivered worldwide).

In this connection it is noteworthy that Japan, a country once ridiculed for the poor quality of its exports, has become an economic superpower chiefly because it attained world leadership in quality of products. One of the actions it took to attain that leadership was the creation of a national award for high quality.

b) From „Quality Assurance” approach to „Total Quality Management” approach (Fig.3)

In 2000 - thank to a project28 financed by EU – it was launched in Bucharest, the <Joseph M. Juran> Romanian Quality Award – i.e. the Romanian model of TQM. Romanians decided thus to pay homage to a worldwide famous American citizen (born in 1904 in Braila, Romania, dead in 2008 in Rye, USA) - Dr. Joseph Moses Juran.

In February 2001, the first Romanian awarded companies were presented (by the former President of Romania Ion Iliescu). Before this event, Dr. Juran sent to the award winners the following message:

“I have been informed by Dr. Dragulianescu that in November of this year there will be announced the first winners of the <J. M. Juran> Romanian Quality Award. In my view, this is an important forward step for the Romanian economy.

In this connection it is noteworthy that Japan, a country once ridiculed for the poor quality of its exports, has become an economic superpower chiefly because it attained world leadership in quality of products. One of the actions it took to attain that leadership was the creation of a national award for high quality.

Many other nations have since created such awards. Their experience has demonstrated that the existence of a national quality award, plus publication of the criteria used to judge the merits of applications for the award, tend to stimulate companies to improve their own quality. Moreover, when one company in a specific industry receives such an award it stimulates other companies in that same industry to bring their quality up to the level of the award winner.

So it gives me much pleasure to congratulate this year’s award winners and to extend to all Romanian institutions my best wishes for continued progress in improving quality, year after year.”

26 ISO Survey 2011 (www.iso.ch)
27 According to ISO Survey 2013, in 2012 there were delivered worldwide 1.129.446 ISO 9001 certificates
28 The Terms of Reference (TOR) document was drafted by Nicolae Dragulianescu and Mihai Valeanu.
This <Joseph M. Juran> Romanian Quality Award – whose criteria are also representing the Romanian Model for Excellence – is the highest Romania’s recognition of managerial competence, at national level. It is based on the former EFQM European Model for Excellence, i.e. on the European Quality Award’s criteria employed in Europe till 1999, as the European model of Total Quality Management.

There are actually in Romania over 1,000,000 Registered companies. Only about 20,000 organizations (mainly companies) were certified ISO 9001 and only 32 organizations (mainly companies) became „finalists” of Romanian Quality Award competition (of which 24 were awarded the <Joseph M. Juran> Romanian Quality Award or Trophée). In addition, during these 25 years (1990 – 2015), unfortunately and for many reasons, no Romanian organization became an EFQM Award finalist/winner (despite some very few „daring” candidatures and attempts)…

However, the only one Romanian organization which has succeeded to be recognized by EFQM as „Committed for excellence” (C2E) - the first level of excellence – is the National Agency for Community Programs in the Field of Education and Vocational Training.30

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29 www.listafirme.ro
VII. Conclusions

1. Today’s Romania has over 1,000,000 registered companies (mostly private, small and medium sized) which are striving to compete - within the Global Market - through their quality products/services – by implementing more efficient Quality Management approaches, like “Quality Assurance” and “Total Quality Management”.

2. Romania needs formal national policies/strategies dedicated to quality promotion, competitiveness development (mainly through quality) and consumers’ education.

3. The most important pan-European quality organizations - like EOQ (European Organization for Quality) and EFQM (European Foundation for Quality Management) are to be invited to involve themselves - within European programs and with European financing - in supporting Romanian Government and internationally certified Romanian quality experts, in order to improve the competitiveness through quality of Romanian products and providers on today’s globalized markets.

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Figure 3: Relative positioning of existing quality approaches (Source: Author’s elaboration)

Notes: 1. Segments defined by axes’ origin and each circle’s intersections with axes are approximating the contributions of technical, economic and social issues within each approach.
2. Efficiency of each approach is continuously increasing from Inspection to TQM