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The Evolution of the Performances at Regional Level

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Abstract

This paper develops the evolution of regional economic performances. The main indicator that is used in the analysis is the gross added value. The study of the gross added value, in a comparative approach across regions and years, emphasizes the general economic performance of each region. The internal comparison is completed with the study of the same indicator in several European countries.

Keywords: Development, Performance, Economic Welfare, Regional Level, Price

Introduction

The economic analysis at regional level includes, as main component, the evaluation of performances and the analysis of corresponding indicators. The comparative data study can also reveal useful economic information and knowledge about the phenomena affecting the dynamics for indicators analyzed, or at least for some dimensions of their values.

Literature review

Alehegn *et al* (2013), study various issues related to the regional economic performance, Giesecke and Madden (2010) develop a computable general equilibrium (CGE). Mitruț *et al* (2010) study the evolution of the national economy of Romania. Ramos *et al* (2009) elaborates on the impact of human capital on regional economic development. Anghelache *et al* (2011a); Anghelache *et al* (2011b); Mitrut (2001); Anghelache *et al* (2012); Mitrut and Serban (2007); Mitrut *et al* (2014) describe the statistical and econometrical instruments applicable in economic analyses.

Research Methodology and Data

The methodology we have employed in this paper is based on comparative analysis on similar meta-data that characterize various aspects of Romanian development regions. The data were presented using tables and charts, with multidimensional perspective time/geographical. The indicators were associated with values extracted from official data sources – the Eurostat online database. The comparisons were made based on the gross added value, analyzed both within the Romanian context, but also on a wider European approach, and its components: GVA for public administration, defense, social security and education sector, in the industrial sector and, respectively, the insurances and financial

intermediaries sector. All data were expressed in comparable (current) prices and uniform measure units.

The Analysis of the Results

An important indicator grasping the economic welfare at regional level, in the form of the recorded performances, consolidated at national level, is the gross added value. Thus, analyzing the situation published by *EUROSTAT as regards* the evolution of the gross added value being produced at the level of the entire Europe, we notice that Germany is holding the position of leader, with a total produced in value of 2,525,612 million euro, at the level of the year 2013, increasing by 9%, as against the situation published for the year 2010.

A similar performance, very close to the outcomes evidenced by the economic situation of Germany, is submitted by countries such as France or Great Britain, followed by Italy and Spain.

To note that our country, although situated out of the leading places from the point of view of the gross added value volume, is better placed than se Hungary which, from the point of view of the GDP level is classified on top of Romania. Thus, the evolution of the gross added value volumes recorded preponderantly in activity domains such as industry, constructions or real estate activities, is classifying our country better than states such as Luxemburg, Croatia, Slovenia or Bulgaria.

Table 1

The gross added value in current prices per regions (Million EUR)

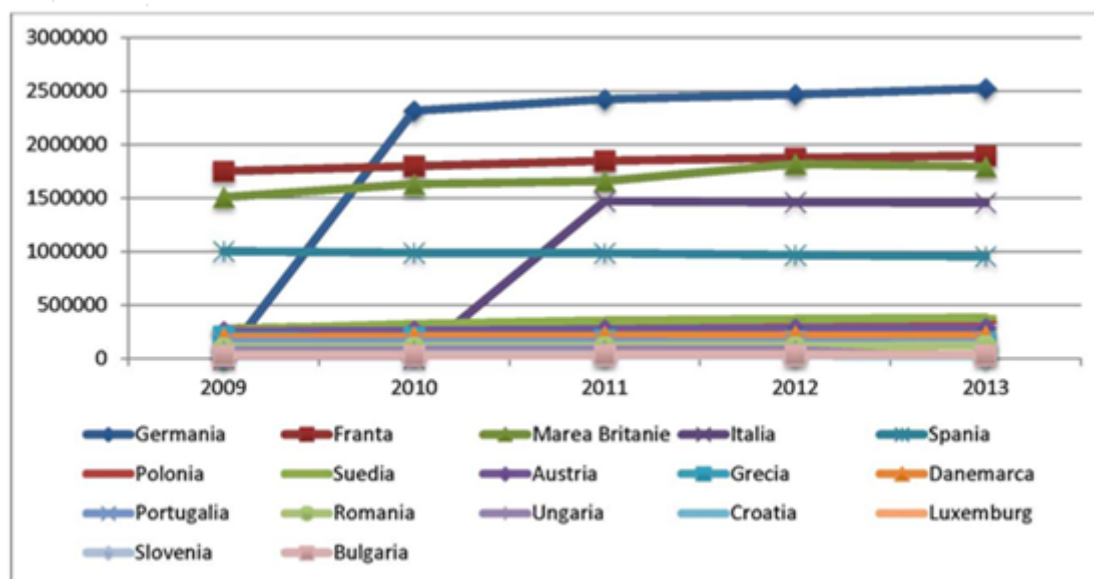
Zone/Year	2009	2010	2011	2012	2013
Romania	108,475.70	113,249.28	116,966.38	117,507.30	127,271.83
North-West	12,500.93	12,772.19	12,758.30	13,262.10	14,317.33
Center	12,334.23	12,709.72	12,824.94	13,153.52	14,156.94
North-East	11,690.44	11,911.85	11,847.63	12,013.75	13,003.17
South-East	11,349.75	12,054.98	12,312.35	12,453.86	13,318.62
South - Muntenia	14,031.23	14,182.21	14,485.55	13,814.86	14,937.47
Bucuresti - Ilfov	27,132.93	29,069.42	31,831.14	31,906.04	35,026.70
South-West Oltenia	8,591.88	9,006.67	9,229.08	9,182.11	9,808.26
West	10,751.29	11,404.59	11,572.65	11,645.89	12,621.77

Source: EUROSTAT

Out of the comparative evolution, we achieved, it is noticeable that although the gross added value is a determinant indicator of the gross domestic product, according to the production method, the economic situation economic of a number of states such as Luxemburg, showed that a very high GDP does not imply evidently high values of the gross added value, as each state has its own activity domains which are generating economic growth, for instance, in the case of Luxemburg, the significant gains recorded out of the customs duties collected in the context of a very developed commercial activity (import - export).

Table 2

The evolution of the Gross Added Value in current prices at European level



Source: EUROSTAT

Focusing of the comparative analysis of the evolution in Romania, strictly from the point of view of the increase rates of the gross added value, structurally divided by activity domains, we notice that the agricultural sector recorded a significant decrease, of 6.6%, in 2013, as against 2003, as comparative basis.

Therefore, there are a number of actions to be implemented, among which the construction or renovation of the existing irrigation channels, meant to re-launch the economic situation in the agricultural sector, since our country take the advantage of diversified relief, of high potential of exploitation, used to be known in the past as *"the Europe granary"*.

Table 3

The added value at current prices - in the industrial sector (MEUR)

TIME	2009	2010	2011	2012
GEO				
Romania	23,382.34	27,020.82	28,619.00	25,245.26
Nord-Vest	3,070.14	3,654.08	3,759.08	3,266.70
Centru	3,552.80	3,914.13	4,118.02	3,889.53
Nord-Est	2,099.72	2,591.45	2,744.29	2,561.03
Sud-Est	2,271.28	2,889.92	3,153.45	2,962.01
Sud - Muntenia	4,218.50	4,549.97	5,004.69	4,024.13
Bucuresti - Ilfov	3,553.57	3,622.03	3,747.56	3,418.59
Sud-Vest Oltenia	1,619.57	2,028.75	2,152.11	2,067.05
Vest	2,996.77	3,770.50	3,939.80	3,056.22

Source: EUROSTAT

Analyzing the situation of the industrial sector, from the point of view of the contribution to the forming of the gross added value, recorded at national level, during the period 2009 - 2012, we notice that a significant weight, at the level of the regions, is held by

the region South-Muntenia, in proportion of 17.5 %, in the year 2011, respectively 16% in the year 2012, of the recorded total.

We also notice that regions such as the North-West one, which recorded in 2012, a volume of GAV (VAB) of 3,266.70 million EUR or the Center one with a volume of 3, 889.53 million EUR, as well as the region West, evidencing a GAV sold of 3,056 million EUR, do not show significant inter-regional discrepancies. Hence, the evolution of the gross added value at the level of the industrial sector does not submit major inter-regional gaps, as in the case of the agricultural sector, the picture grasping a stable situation, without major variations from one period to another.

Table 4

The added value in current prices - in the insurances and financial intermediaries sector

TIME	2009	2010	2011	2012
GEO				
Romania	17,353.99	19,758.23	21,915.36	21,487.77
Nord-Vest	1,892.71	1,977.07	2,070.91	2,197.63
Centru	1,808.93	2,004.61	2,001.53	2,089.77
Nord-Est	1,906.39	1,919.50	1,943.48	2,092.23
Sud-Est	1,639.38	1,847.40	1,765.14	1,872.74
Sud - Muntenia	2,064.48	1,801.91	1,865.33	2,075.62
Bucuresti - Ilfov	5,231.07	7,356.65	9,283.86	8,041.49
Sud-Vest Oltenia	1,169.06	1,150.35	1,109.83	1,159.96
Vest	1,641.97	1,700.75	1,875.28	1,958.33

Source: EUROSTAT

We go on with the analysis from the point of view of the contribution of the insurances and financial intermediaries sector to the forming of the gross added value and notice that the region Bucuresti-Ilfov is leader, with 42.36 % of the GAV recorded at national level, coming out of the financial activities developed at the level of the capital.

On the overall basis, at the level of the other regions, the volumes of GAV of this sector are similar, exception made by the region South-Oltenia, which records a gross added value out of financial activities counting for 1,159.96 million EUR, representing 5.39% of the of 21,487.77 million EUR, recorded in the year 2012, at the level of the country. Meantime, we can remark the lack of significant variations, from one period to another, from the point of view of the evolution of the GAV volumes produced at the level of the financial activities, by the regions of Romania.

The variations from the point of view of the produced stock of GAV in the frame of this domain of activity are perceived in the case of the region Bucharest-Ilfov only which, in the year 2012 recorded a rate of increase of 53.72%, of the GAV volume produced by financial and insurances activities, comparatively with the values published for the year 2009.

Further on, we shall analyze the evolution of the GAV from the public administration, defense, social security and education sector. The activities comprised by this branch are holding a major priority for every state, as they are aiming the national security, as well as the rights observance, the training, education and development of the citizens.

Table 5

The gross added value in current prices - in the public administration, defense, social security and education sector (MEUR)

TIME	2009	2010	2011	2012
GEO				
Romania	16,005.97	16,730.02	16,993.80	16,592.65
Nord-Vest	1,901.18	2,045.39	2,101.86	2,071.65
Centru	1,759.24	1,880.37	1,897.15	1,852.29
Nord-Est	2,256.99	2,355.18	2,346.77	2,263.25
Sud-Est	1,734.64	1,787.93	1,783.33	1,749.31
Sud - Muntenia	1,763.77	1,824.11	1,846.67	1,745.77
Bucuresti - Ilfov	3,647.73	3,835.43	3,989.81	3,937.82
Sud-Vest Oltenia	1,418.26	1,452.31	1,430.80	1,393.69
Vest	1,458.48	1,484.43	1,522.30	1,514.95

Source: EUROSTAT

Drawing up a classification according to the most recent data published by *EUROSTAT* as regards the volumes of gross added value created by the activities carried on at the level of Romania, by regions, included in the sector of *the public administration, defense, social security and education*, the region Bucuresti-Ilfov is holding the position of leader, being the most developed.

Thus, at the level of the year 2012, out of the total of 16,592.65 million EUR, the region Bucuresti-Ilfov held a percentage of 23.73%, followed by the regions: North-East holding a proportion of 13.64% and North-West with a weight of 12.48%. This fact is explainable since, referring strictly to the education domain, the biggest university centers of the country are concentrated in capital or in towns such as Iasi (*region North-East*) and Cluj (*region North-West*).

The analysis achieved from the point of view of the GAV evolution is providing us an overall picture of the situation of our country in the European context, as well as on the recorded situation, according to the last data published by *EUROSTAT*, by regions, at the level of Romania. To remark the close correlation between the GAV volume, from the various sectors of activity which, when aggregated are generating to a very large extent, the GDP forming, according to the production method.

It is interesting to analyze also the evolution of the investments, by comparing the evolutions recorded both at European level, between states, and at the national level, between regions. The evolution of the gross domestic product is correlated with the evolution of the investments.

This fact is explained by the major contribution of the investments or of the absorption of capitals to the development of the main sectors of activity, which contribute to the forming of the gross added value and, implicitly, to the forming of the gross domestic product at the level of Romania.

In this context, we can define the investments as being the *"engine" of the re-launching of the national economy*.

Conclusions

The comparative analysis per sector allows us to draw valuable conclusions. Thus, in the case of the Gross Added Value produced in the public administration, defense, social security and education sector, there is a stable evolution on long term basis to be noted, without major variations. Nevertheless, the levels published for the GAV produced in the frame of this sector of activity are far away from the evolutions recorded by the western countries.

On other hand, the region Bucuresti-Ilfov contributed to the GAV forming through the activities developed in the sector of insurances and financial intermediaries with a percentage of 42.35% of the total recorded at national level, in the year 2011, with a slight decrease in 2012, when its weight counted for 37.42%. Also, in the industrial sector, the position of the Sud Muntenia region is to be noted, as major contribution in the last year of the period analyzed.

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