DYNAMIC ECONOMIC EFFICIENCY IN THE SOUTH-WEST OLTENIA REGION

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ABSTRACT: *The structure of an economy is not and has never been permanent, it does not have a static character, but only a moment of stability of a system whose internal organization is, is therefore a dynamic process. In this sense, the ultimate goal of the analysis of structural changes is to highlight the phenomenon of economic efficiency in the complex process of economic growth during the cross in our country since 1990.Lisbon agenda have targeted the European Union to become the most competitive region until 2010.Ulterior this target strategy was complemented by growth and job creation, becoming the main way of creating a European competitiveness . In this context, public policy challenges identified in the national economies have become energy market liberalization, efficiency and diversification, regulation of the economic environment, innovation and technology transfer policies that contribute to a strategy of market leadership.Besides gross value added, labor productivity is also the medium of efficient use of labor.Growth achieved both national and regional level, may be related, in terms of human resource, or increase the number of employees, or a better use of existing employees work. That aecest aspect of a better use of existing staff employee makes labor productivity is a key element in the expression efficiency of economic performance. Understanding the forces governing labor productivity, and especially the accumulation of fixed capital, improving the institutional infrastructure to generate new technologies, is objectively necessary for the formulation of policies for economic growth.*

Keywords: *economic efficiency, gross added value, average number of employees, occupied population*

1.Introduction

Changes in economic structure of any country have their starting point in the changes they undergo inputs. In other words, the dynamics of production factors underlying the dynamics of economic structures, however not really explain how structural changes occur and their causes. The explanation of these changes lies in the assertion that the structure itself is a transformation process that starts from the factors which constitute and define. Structural changes are found in very unstable and dynamic character of the structure in motion contradictory of each factor or element that consists of a complex structure of national economies.

As it is considered that the gross value added economic activity, productive activity in the national economy can also be used to express the regional economic efficiency This is the difference between the products and services obtained and the value used in the production process such goods [1].

The complexity of economic goods is made larger, and the degree of processing raw materials and higher, even at a given volume of business results, greater share of gross value added and intermediate consumption less weight in the results respective.So when the results obtained is preponderant gross value added is provided based on achieving high economic efficiency. Conversely, the intermediate consumption are prevalent in the results of economic activity, economic efficiency is low.

2. The dynamics of economic efficiency.

We use gross value added as a basis for highlighting the economic efficiency and its ratio to the average number of employees. Thus the South-West Oltenia Region such an analysis will be presented as shown

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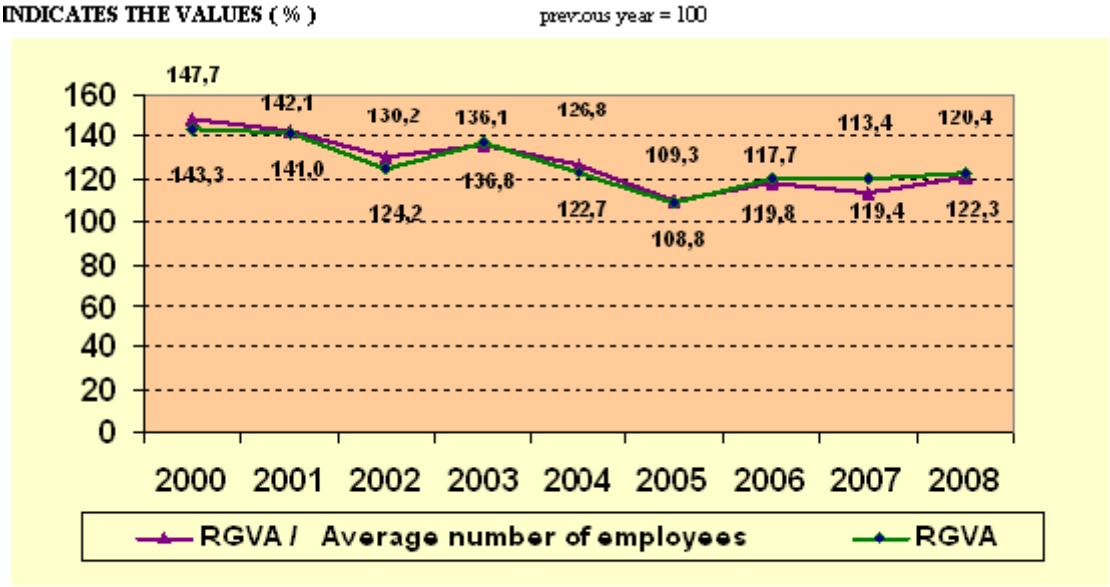
Table no. 1 An expression of economic efficiency as the ratio between the average number of employees RGVA in 2000-2008 in the South-West Oltenia Region

YEAR	RGVA (mln current prices)	Average number of employees (mii. people)	RGVA / Average number of employees
2000	6.676,9	428,8	***15,57***
2001	9.415,8	425,5	***22,13***
2002	11.692,7	405,9	***28,81***
2003	16.000,0	408	***39,22***
2004	19.633,5	395	***49,71***
2005	21.354,1	393	***54,34***
2006	25.590,2	400	***63,98***
2007	30.554,9	421	***72,58***
2008	37.383,5	428	***87,34***



Note: The indices were calculated based on current prices, the prices used for calculating the current year. The link between the data calculated for different periods was based on chaining indices.

Figure no.1 Evolution of economic efficiency (South-West Oltenia)

The analysis performed can be seen that economic efficiency in the South West Oltenia Region in 2000-2008 had an evolution similar to that of regional gross value added. Development was characterized at first by a period of decline (2000-2002), then increased the next year because in 2005 to record the lowest value. After this period there was a shy and achieved growth amid restructuring carried out in areas that characterize the region, telecommunications, oil extraction, mining, energy, cement processing, but also due to foreign direct investment.
Besides gross value added, labor productivity is also the medium of efficient use of labor.
Growth achieved both national and regional level, may be related, in terms of human resource, or increase the number of employees, or a better use of existing employees work. That aecest aspect of a better use of existing staff employee makes labor productivity is a key element in the expression efficiency of economic performance. Understanding the forces governing labor productivity, and especially the accumulation of fixed capital, improving the institutional infrastructure to generate new technologies, is objectively necessary for the formulation of policies for economic growth.

Development of efficient labor market policies can be achieved through a correct measurement of labor productivity. For example, high levels of productivity are often associated with high education levels, indicating priorities in education and training policies. Finally, labor productivity analysis can contribute to understanding how the labor market performance affects the standard of living. When work intensity, assessed by the number of hours

actually worked by an employee, is low priority of economic policy may be creating new job opportunities and to increase revenue per employee. In the opposite situation, when work intensity is already high labor productivity will be key to improving living standards. In Europe, for example, where productivity levels are high, labor force participation can be "reinforced" by creating opportunities for new economic activities.
Restricting regional analysis we can say that labor productivity measures how effective is the use of human capital in achieving regional GDP.

Significance of regional labor productivity is that it is an indicator that measures how a region is competitive relative to other regions by assessing the contribution of human capital to regional GDP.
In practice there are two methods of calculating labor productivity, which can give different results. The first method reports regional GDP by the total number of employees in a region. The second approach to regional GDP report the actual number of hours worked in a region within a timeframe. Lack of data at regional level in Romania in terms of actual number of hours worked makes the relevance of the two methods of calculating labor productivity is lower.

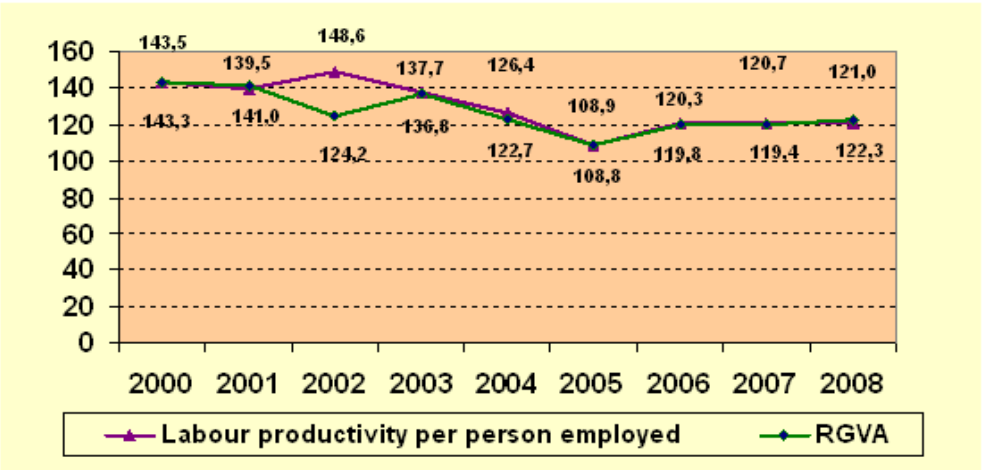
However it should be noted that the method of measuring labor productivity invoking calculate actual hours worked has a deeper regional than national. This is because regions generally tend to be specialized in various sectors, like agriculture for example, making the adjustment after work profiles that require some actual work hours is more accurate performance of human capital engaged in the production process.

Due to weaknesses in Romania (and beyond), in calculating the actual number of hours worked in a consistent way to allow comparisons between regions, the productivity indicator is suggested that regional GDP report the total number of employees in a region. However, to address potential differences between the two calculation methods would be useful for the calculation of regional labor productivity in agriculture sector level, industry, services etc.. Thus, at sector comparisons between regions, would allow a more accurate assessment of differences in labor productivity. A region-wide aggregation of this indicator eterogeneitate creates problems since the contribution of sectors in GDP formation is different.

Table no 2. Expression of labor productivity per person employed in 2000-2008 in the South-West Oltenia Region

YEAR	RGVA (mln current prices)	Enployed population (thousand people)	RGVA/ Enployed population
2000	6.676,9	1.282	5,21
2001	9.415,8	1.296	7,27
2002	11.692,7	1.083	10,80
2003	16.000,0	1.076	14,87
2004	19.633,5	1.039	18,80
2005	21.354,1	1.043	20,47
2006	25.590,2	1.039	24,63
2007	30.554,9	1.028	29,72
2008	37.383,5	1.040	35,95

INDICATES THE VALUES (%) previous year = 100



Note: The indices were calculated based on data in current prices, the prices used for calculating the current year. The link between the data calculated for different periods was based on chaining indices.

Figure no.2 Evolution of labor productivity per person employed (South-West Oltenia)

An important factor that contributed to higher growth in South-West Oltenia during 2000-2008 has been strong growth in labor productivity. Labour productivity per employed person was calculated, according to

Statistical Yearbook of Romania, the ratio of gross value added and number of people employed in the South-West Oltenia Region

During this period, while employment was a continuous process of decline due to restructuring, especially mono-industrial areas, there was a satisfactory trend in labor productivity per employee, which resulted in reducing gaps with the other regions the country. Thus, in 2000 labor productivity / employee has reached the highest point of the period (148.6%), followed by a decline in 2005 reaching a value of 108.9%, before recovering again reaching a value of 121% for 2008.

3. Conclusion

Although the evolution of labor productivity per employee was positive, a gap still remains higher than in central and western regions of the country. Labour productivity growth per employee registered by our country in recent years has been possible due to favorable international image change and reduce unemployment through labor mobility by emerging economies.

Therefore, measurement of productivity can serve to streamline the development of labor market policies. For example, high levels of productivity are often associated with high education levels, indicating priorities in education and training policies.

Labor productivity analysis can contribute to understanding how the labor market performance affects the standard of living. When work intensity, assessed by the number of hours actually worked by an employee, is low priority of economic policy may be creating new job opportunities and to increase revenue per employee.

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