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THESIS SUMMARY

**TENDENCIES IN THE DYNAMIC OF THE MAIN
MACROECONOMIC INDICATORS IN THE CONTEXT OF
ROMANIA'S INTEGRATION IN THE
EUROPEAN UNION**

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The Romania's integration in the European Union represented a highly important strategic objective of the entire society, constantly sustained by the state and public institutions, political forces and civil society in general.

The main aims of the integration in the EU structures deals with the consolidation of the political system and democratic institutions, to generate an economic and social environment which should provide benefits for its citizens, to improve the structures and the mechanisms of the market economy, and to consolidate the political, economical and cultural cooperation with the Members of the European Union.

The evolution of the Romanian society in all sectors for the 2000-2006 period confirms the consensus of the social partners and the political parties accomplished through the Economic and Social Development Strategy, which was in its turn put into practice starting with 2000.

In structuring the development strategy of the national statistical system, one can take into consideration the fact that its efficiency is strictly conditioned by its mobility and adaptability to the major requirements coming out of the socio-economical and political evolution of the country in the new European context and also through the adaptation of the statistical system to the informational requirements according to the international standards.

Nowadays, one can assert the fact that the national statistical system had remarkable results in assimilating and putting into practice the procedures and methods of data processing, as well as the improvement of the determinative methodologies of the statistical indicators used in the European Community or other specialized international organizations and institutions.

Taking into consideration the previous mentioned facts one can consider this topic a proper subject for a PhD thesis in order to distinguish the tendencies of the main macroeconomic indicators dynamics in the context of Romania's integration in the European Union. The thesis can be framed in the aim of the national statistical system for providing accurate information of the main factors regarding the economic status of Romania in the adherence process to the European Union but also to show the post-adherence evolution, having the following main objectives:

- ✓ describing the System of National Accounts as an analysis and measuring tool for the macroeconomic indicators;
- ✓ presenting the calculus methodology of the macroeconomic indicators in the National Accounts System;

- ✓ presenting some modern methods and techniques of data processing and analysis;
- ✓ describing the main applicative programs used for the statistical data processing and analysis;
- ✓ the statistic analysis of the dynamic of the main Romanian macroeconomic indicators in 2000-2006;
- ✓ creating some prognosis regarding the evolution of the main Romanian macroeconomic indicators after the EU adherence;
- ✓ the analysis of the main macroeconomic correlations and of their economic and social implication;
- ✓ the international comparison of the main economic indicators.

In order to discuss all these objectives, the thesis was structured on five chapters.

The first part presents the general considerations regarding the system of the macroeconomic indicators as well as the System of the National Accounts as a main toll for their measurement and analysis.

Creating the system of macroeconomic indicators, as an object of the economic statistics, there was a necessity to meet the requirements for the characterization and analysis of the social-economic activity on different organizing levels and for the national economy.

The quality of these indicators which have a synthetic character and influence the decisions of the leading factors and as a consequence the creation of the system of economic indicators imposes responsibility for the statistics science and practice in order to prevent the negative effects which can be determined by the bad quality of the created indicators.

I the beginning of the first chapter I outlined the purpose and the main objectives of macroeconomics and defined the macroeconomic aggregates as well as the requirements and the principles which are at the basis of the system of indicators. I also referred to the National Classification of Economic Activities (NCEA).

Then the System of National Accounts (SNA) is presented as a main analysis and measuring tool of the macroeconomic indicators. First, there were some considerations about the emergence and the evolution of SNA, and then its functions, principles and specifications were outlined. I also mentioned in detail the principles and procedures of SNA but also some aspects related to the circular flow and the aggregation possibilities of the economic activities. The chapter ends with some theoretical facts about the measurements of the results of the economic activity and some references to the main groups of accounts from SNA, especially the macroeconomic accounts, as well as to the activity of implementing the National Accounts in Romania.

In the second chapter there main aspects related to the calculus methodology for the macroeconomic indicators were implemented.

One also knows the fact that in the international statistics there were two calculus systems and the macroeconomic evidence: The National Balance System (NBS) which is especially used by the Member States from the former COMECON and the System of National Accounts (SNA) used by most of the countries and which is at the same time adopted by UN and other international organizations. The two systems have the same purpose, respectively the systematization of the economic processes from the national economy and the measurement of the phenomena and processes from the economic and social life. In spite of these facts there are two essential distinctions between the two systems, from which the most important one is the one related to the different interpretation of the productive activity, interpretation determined by the different theoretical conception. NBS considers that the national economy contains the material production and the non-material production and contains in its calculi only the material assets and the production services, while SNA contains in its calculi all the results from the national economy, so consequently the value of the non-material services.

In order to point out the differences between the two systems, the first part of the chapter presents the calculus methodology for the macroeconomic indicators in the System of Material Production System (MPS), showing in detail the calculus possibilities for the two main indicators of this system: the social product and the national income.

The second part of the chapter contains some aspects related to the calculus of the macroeconomic indicators in SNA. The macroeconomic calculus and analysis require synthetic information related to the economic activity which is performed by the economic operators. These information are supplied in an aggregate form by the system of the macroeconomic accounts which allows the calculations of the global indicators referring to: the production of goods (materials and services); income from the production activity performed by the economic operators; the distribution of the income between the participants in production and their re-distribution through the financial mechanism; using the social incomes for consumption.

These elements outlined through the material and financial flows in macroeconomic accounts are summarized through the following main indicators: internal product, national income, available income, personal income from the population, this being the indicators which express the results from the national economy.

Taking into account the fact that the two systems are based upon different theoretical concepts, one can assert that there are methodological differences between them related to the

calculation of the indicators. In this context, the last part of the chapter gives some appreciations and proposals regarding the two systems.

The third chapter comprises a detailed statistic analysis of the tendencies for the main macroeconomic indicators between 2000-2006 as well as some predictions regarding their evolution after the adherence to the European Union.

In the beginning a series of advances statistical methods were presented which are used for the determination and analysis of the forthcoming tendencies. Thus, the method of the exponential adjustment, the linear and nonlinear model for the determination and analysis of the trend as well as the determination of the seasonal prediction were presented both from a theoretical and from a practical point of view with the help of the indicative variables.

The implementation of these methods can be done comparatively with Microsoft Excel and the analysis and processing program MINITAB, thus pointing out the advantages of the latter.

One also knows that every economic program contains a set of political measures destined to accomplish the objectives of the macroeconomic policy, which are usually the following: the economic growth, the occupation of the labor force, the stability of the prices and the improvement of the balance for foreign payments.

These objectives are quantified through 4 fundamental variables, also known under the name key macroeconomic variables. With them you can measure correlate and analyze the performances of each economy: the rhythm of GDP growth, the unemployment rate, the inflation rate, the balance of the current account.

The four variables allow the evaluation of the main macroeconomic imbalances, either external or internal, the supervision of the changes from the economy and the elaboration of the proper policies in order to attain the future goals.

In this chapter I also analyzed the dynamic of GDP and its constitutive elements from the method of the final usage and I determined the contribution of the components to the general dynamic of this indicator.

Then the empirical and predictive trends of GDP and its constitutive elements were determined, followed by an analysis of the predicted trends in the period after the adherence to the European Union.

Inflation is analyzed in detail, because it is a complex problem for the macroeconomic analysis and one of the most important forms of the economic and social imbalance. Firstly, some characteristics, forms and consequences of this index were approached followed by a presentation of the methodology for the measurement of the inflation process.

The preliminary analysis of the dynamic of inflation can be done on the whole but also looking at the structure elements, using different methods for measurement. The process is

continued with the determination and analysis of the inflation trend in the period 2000-2006 and is closed with appreciations regarding the prediction for the inflation rate after 1 January 2007.

I dealt in a similar way with the unemployment. This concept was defined in the reference literature as a negative status of the economy, having a structural and functional imbalance of the labor market. The causes, consequences and methodological norms for the unemployment calculation were presented. I also analyzed the dynamic of the employment and unemployment, both on the whole and on sexes and social classes. The determination and analysis of these trends is followed by some appreciations referring to the prediction of the unemployment rate up to 2010.

The foreign payments balance is one of the most important instruments which are at the disposal of the management of a country for the leadership of the internal and external commercial policy. There are presented some concepts, definitions and the structure of the payment balance, as well as some methodological aspects related to the calculus of its constitutive components – the current account and the capital account.

The analysis of the dynamic, the Romanian balance of payment shows a deterioration of the balance of the current account, fact which influences negatively the level of the GDP. After the determination and the analysis of the trends of the components of the payment balance, some predictions are being made for the next four years after adherence and the contribution of the components to the general dynamic of the current account is analyzed.

In the final part of the chapter, the main correlations between the key macroeconomic variables are being analyzed.

So, the correlation between the unemployment rate and the GDP is analyzed through Okun`s law, having as a consequence an interesting result that is in Romania in the period 2000-2006 Okun`s law was not respected. The last part also shows the way how you can make predictions on the unemployment rate according to the GDP level.

In order to settle the correlation between the inflation rate and the GDP, some concepts are defined as for example economic inflationist and non-inflationist growth, deflation, dezinflation and the connection between the two indicators is being analyzed in the context of these concepts.

The correlation between the unemployment rate and the inflation rate is made from the perspective of the Phillips` curve. After a series of technical considerations, are presented the forms of this curve. In the following is elaborated the Phillips` curve for Romania to point out a reverse connection between these two indicators.

The analysis of these macroeconomic correlations shows that they can be a very powerful instrument when the leaders take some decisions at a macroeconomic level.

The fourth chapter is dedicated to the international comparability of the macroeconomic indicators. Providing the comparability of the macroeconomic value indicators and setting some expressive indicators, allows for the comparison of the levels of economic development of the respective countries, the outline of the existent gaps and differences but also the similarities from the economic structure and dimension.

In order to realize such a comparison one also has to find a common ground of comparison, respectively the conversion to the same currency. So, up to the present moment there were used two methods of transformation: the exchange rate of the national currency and the evaluation of the parity for the foreign currencies from the countries which are being compared, methods which are presented in detail in this paper.

There are presented two programs of comparison which are also used in the international practice- the International Program of Comparison and the European Program of Comparison - as well as the steps of the comparison process.

There are many types of comparison, but after 1990, Romania was included in some comparison rounds, and also in bilateral and multilateral comparison programs.

The introduction of the single currency presupposes that the economic aggregates will be calculated in euro, and the comparison of an EU country with a country from outside and thus the standardization of the acquisition power can be applied.

If the comparison of the results of the economic activity between some countries which adopted different systems of macroeconomic calculations is required, one has to take into account both the foreign currency value of the indicators to which this is compared but also the fact that these calculations are based on different concepts. This is also the case of the System of Material Production which was applied in the countries with a centralized planning program and the System of National Accounts which is used in the countries with a market economy.

The difference between the indicators calculated in the two systems is given by the theoretical conception which fundamentals the sphere of application for the indicators.

The comparison of the GDP between the developing and the developed countries raise a series of additional problems. This problems comes out from the different economic and social structure of the developing and the developed countries.

The last chapter contains general conclusions and suggestions.

The evolution of the main macroeconomic variables (GDP, inflation, unemployment and the current account deficit) is summarized for the period 2000-2006 in relation to the pre-adherence programs and the Maastricht criteria.

The predictions of these indicators in the after-adherence period will be analyzed in the context of the Convergence Program January 2007) created by the Romanian Government, on the basis of a predictive horizon.

This paper is a study of the dynamic of the main macroeconomic indicators from Romania before the adherence to the European Union (1 January 2007) but also gives a series of predictions related to their evolution in the period 2007-2010.

The paper has a block structure combining the methodological aspects with the practical one.

These analysis show that on a macroeconomic level the process of stabilization has strengthened, mainly because of the effort from the part of the national public policies which have benefited from the support of the international financial organizations, having as a consequence the growth of the international credibility of the country and the stimulation of the internal economic environment to attract the international business community. The macro-stabilization was done on the basis of a real uninterrupted economic growth - sometimes the highest from our region - and because of a constant process of dezinflation.

According to the predictions from this paper, the Romanian economy will show in the future a ascending trend but its maintenance will depend on the structural reforms, the reduction of the inefficiencies from economy and the quasi-financial deficiencies, in other words of the fulfillment of the nominal convergence criteria which are to be found in the Maastricht Treaty.

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