

The disparities analysis of the Bucharest-Ilfov region

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ABSTRACT

The reduction of economic and social disparities has become the key issue within the regional policy of the European Union (EU), especially in the context of its extension, and inclusion of new regions which presents in the most part disparities in comparison with the average level of development existent at the level of European Union's regions. The existence of regional disparities at each country level remains a serious problem both theoretically and practically, requiring consideration in the planning and optimal allocation of resources and funds at the regional level. Measurement of regional development and identification of regional disparities has become a major problem, which began to be approached in some EU member states and beyond. Currently, the distribution of average incomes (under the form of Gross Domestic Product- GDP/capita) is used by national and European authorities, in order to evaluate the level of development of each region and in order to determine funding of each region through specific policies. Bucharest-Ilfov Region consists in Bucharest - Romania's capital - and Ilfov County, which is located in the south part of the country, more precisely, in the central part of Câmpia Română (Romanian Plain).

Keywords: economic disparities, social disparities, regional policy, regional development

In what concerns its size, the Bucharest- Ilfov Region covers an area of 182.115 ha (0, 76% of the total land of the country), of which 13,06% represents the administrative territory of the Bucharest Municipality, and 86,94% of the Ilfov County. The two entities which compose the region are also the smallest territorial administrative units of Romania from a size point of view.

Table no.1

The structure of administrative-territorial divisions and of towns in 2012

Territorial division	Total surface (ha)	Population density (habitant/km ²)	Number of municipalities	Number of cities	Number of towns components of municipalities and cities	Number of townships	Number of villages
Bucharest Municipality	23.787	8.089,71	1	0	6	0	0
Ilfov	158.328	215,10	0	8	13	32	91
The Bucharest – Ilfov Region	182.115	1.243,65	1	8	19	32	91

Source: personal processing based on the data available in the section Tempo-online, www.insse.ro

The population of the region is concentrated in nine urban centers, 32 townships and 91 villages, to which are added 19 towns components of the municipalities and cities. The percentage of the urban population (2012) of the total population is 91, 49%. In the following table is described the comparative situation during the period 2007-2012 at a regional and national level, on residential averages:

Table no. 2

The comparative situation of residential averages, at a regional and national level during the period 2007- 2012 (persons)

Residential Environment	Territorial division	2007	2008	2009	2010	2011	2012
Total	Romania	21.565.119	21.528.627	21.498.616	21.462.186	21.413.815	21.355.849
	Bucharest-Ilfov	2.232.162	2.242.002	2.253.093	2.261.698	2.267.419	2.264.865
Urban	Romania	11.914.343	11.872.270	11.835.100	11.818.670	11.778.195	11.737.460
	Bucharest-Ilfov	2.063.204	2.070.257	2.075.477	2.080.013	2.079.881	2.072.275
Rural	Romania	9.650.776	9.656.357	9.663.516	9.643.516	9.635.620	9.618.389
	Bucharest-Ilfov	168.958	171.745	177.616	181.685	187.538	192.590

Source: personal processing based on the data available in the section Tempo-online, www.insse.ro

The population of the region, of 2.264.865 habitants in 2012, is distributed by inverse proportionality with the dimension of the two administrative entities. The Bucharest Municipality is the biggest urban conglomeration in Romania, its population being 1.924.299 habitants, representing about 84, 96% of the population of the region, about 16, 39% of the urban population of the country, and about 9% of the total population in Romania, having a density of an approximate value 8.090 habitants/ km².

The population of the Ilfov County of 340.566 habitants represents only 15.04% of the total number of region, being situated in the category of small counties of the country with an approximate density of 215 habitants/ km².

Overlapping entirely some subdivisions of Câmpia Română, the region has a relatively monotonous natural environment, where are predominant the valleys created by flowing waters that cross the region, numerous natural and artificial lakes.

The evolution of Gross Domestic Product (GDP) of the Bucharest-Ilfov region determines its ranking on the first place in comparison with the other eight development regions, as it is shown in the following table:

Table no.3

The evolution the Gross Domestic Product (PIB) at a national and development regional level during the period 2008- 2010 (million lei)

Territorial division	Year		
	2008	2009	2010
Romania	514.700	501.139,4	523.693,3
North – West Region	58.638,8	57.900,2	59.292,5
Central Region	57.303	57.100,9	59.120,1
North- East Region	55.021,9	54.408,4	55.669
South-East Region	53.851,1	52.706	56.339,5
South Muntenia Region	64.535,4	65.141,8	66.114,8

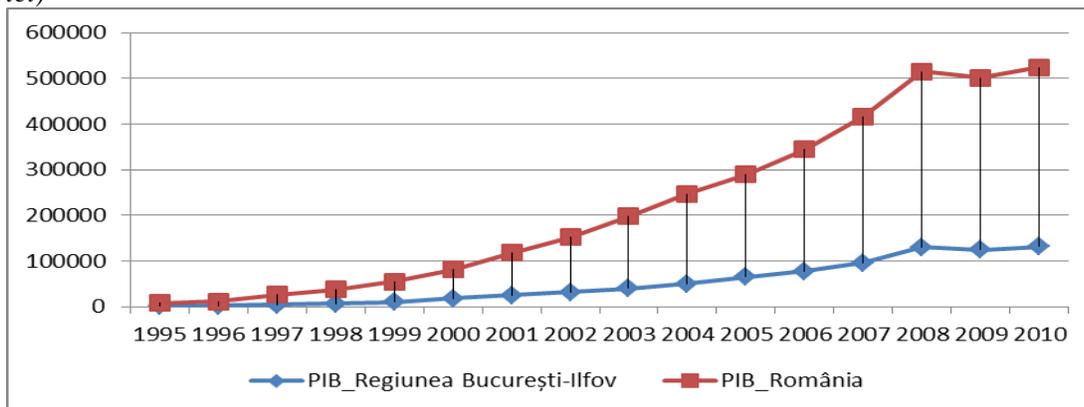
Bucharest-Ilfov Region	134.162,6	124.288,8	131.579,2
South-West Region	40.340,2	39.953,8	41.941,2
West Region	50.393,4	49.200,2	52.983,3

Source: personal processing based on the data available in the section Tempo-online, www.insse.ro

The geographical and historical conditions have determined a serious advance, from a socio-economic point of view, of the Bucharest - Ilfov Region, as it results from the linear evolution of the Gross Domestic Product (GDP) of the Bucharest-Ilfov, it is shown in the following figure:

Graphic no. 1

The evolution of the national and regional Gross Domestic Product during the period 1995-2010 (million lei)



Source: personal processing based on the data available in the section Tempo-online, www.insse.ro

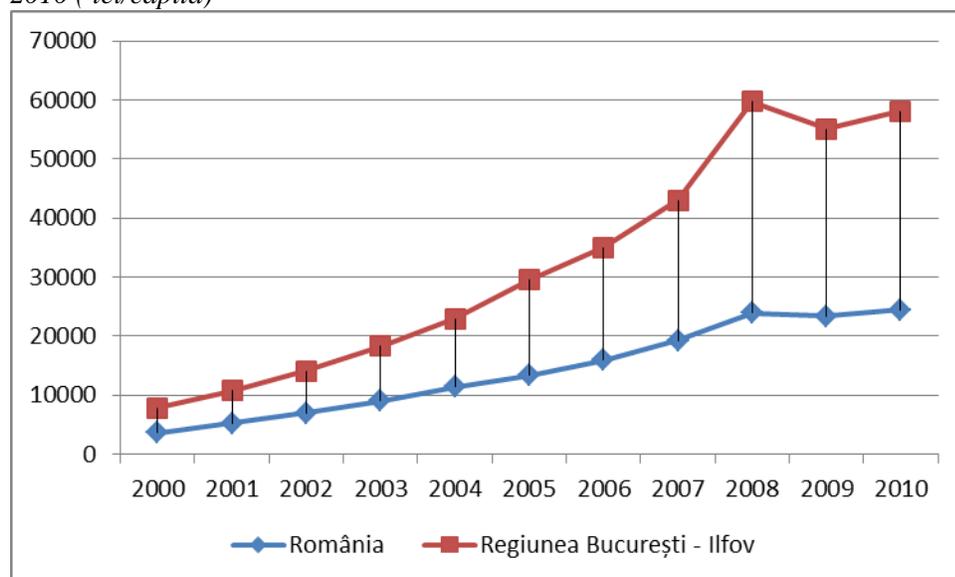
It is notable the fact that the evolution of the regional Gross Domestic Product respects the evolution of the National GDP. Also, in 2010, 25,12% of the total value of the national Gross Domestic Product, is produced by this region. The economic regional growth is due to the diversified industrial development, that took into account the specific conditions of the regions.

The evolution of the regional Gross Domestic Product is maintained during the entire analyzed period, starting from 17.869, 2 million lei in 2000 and arriving at the 131.579,2 million lei in 2010.

Another element to be taken in consideration in this analysis is Gross Domestic Product/capita, which furnishes revelatory information about the economic situation of the region, eliminating differences related to the population of different regions. In this way, we can observe the fact that the value of Gross Domestic Product/capita, which furnished relevant information about the economic situation of the region, eliminating differences related to the population of different regions. As a result, we can observe the fact that the value of regional Gross Domestic Product is superior to the national Gross Domestic Product/habitant, aspect due to the regional economy which is very dynamic. In the entire analyzed period, the value of regional Gross Domestic Product/habitant is 200% bigger than the value of national Gross Domestic Product/habitant, as it results from the graphic shown below:

Graphic no. 2

The evolution of Gross Domestic Product/ habitant at national and regional level during the period 2000-2010 (lei/capita)



Source: personal processing based on the data available in the section Tempo-online, www.insse.ro

In the following approach, it is presented the evolution of the districts which bring their contribution to the realization of the regional Gross Domestic Product in the period 2008-2010, more precisely:

Table no. 4

The evolution of regional Gross Domestic Product based on composed activities during the period 2008-2010 (million lei)

Activities and composed elements Gross Domestic Product	Year		
	2008	2009	2010
Agriculture, forestry and fishing	380,4	329,4	398,1
Extracting industry, processing industry; production and input of electric and thermal energy, gases, hot water and conditioned air, water distribution, sanitation, management of waste products, decontamination activities	21.053,6	21.999,4	25.780,6
Constructions	18.695,7	14.408	13.113,9
Wholesale trade services and retail, the vehicle and motorcycle repair, transport and storage, hotels and restaurants	28.687,1	25.218	19.023,1
Information and communication	14.180,9	13.339,8	12.230,5
Financial mediation and assurance	6.426,3	6.600,3	7.694,8
Real estate transactions	3.698,7	4.265,2	9.570,7

Professional, scientific and technical activities, activities with administrative services purpose and activities for support services	9.923,7	10.212,9	13.016,4
Public administration and defense; social assurance in public system, education, health and social assistance	11.648,1	11.384,9	11.265,7
Cultural and entertainment activities, reparation of domestic use goods and other services	4.639,9	4.053,6	4.739
Regional Gross Value Added (VABR)	119.334,4	111.811,5	116.832,8
Tax product	14.682,1	12.506,4	14.407,9
Rights to import (custom rights)	310,3	228,8	490,6
Subsidies on product	-164,2	-257,9	-152,1
Total regional Gross Domestic Product	134.162,6	124.288,8	131.579,2

Source: personal processing based on the data available in the section Tempo-online, www.insse.ro

In 2010, the regional economy has contributed with 25, 12% at the obtainment of national Gross Domestic Product.

If we refer to the contribution of the economic districts components of the regional Gross Domestic Product, in the analyzed period, the agriculture has registered a varied evolution, due-probably – to the dependence of the climatic conditions, the low degree of mechanization, the lack of irrigation system, but also the excessive fragmentation of terrains. Also, it is notable the fact that the entire value added to agriculture is realized almost entirely only in the county Ilfov, whose agricultural surface is little over 100 thousand ha.

The industry has registered an increase of 22,45% in 2010 in comparison with 2008, as an effect to the fiscal policy which pursued and encouraged the development of the business environment, through foreign investors. The industry had during the period 2008-2010 a contribution between 15 and 20% to the production of the regional Gross Domestic Product.

Regarding the construction field, as we well know, it was the most affected by the global economic crisis, fact reflected also by the evolution of the contribution of this district to the obtainment of regional Gross Domestic Product. In consequence, we can observe the fact that this field has registered a decrease of about 30% of the analyzed period.

The contribution of the wholesale trade services and retail, the vehicle and motorcycle repair, transport and storage, hotels and restaurants has been reduced during 2008-2010 with an approximate percentage of 35%, also being a field affected by the global economic crisis.

In what concerns the contribution of the services to the obtainment of the regional Gross Domestic Product, it requires attention the field of “real estate transactions” which during the period 2008-2010, has registered an increase of about 250%, fact due to real estate frenzy, which has generated an impressive number of real estate transactions, but also the emergence of numerous residential areas in counties around the Municipality of Bucharest.

Analyzing the contribution given by the region to each branch, it is observed a high contribution given to the industry, followed by trade, transport and hotels.

Referring to the economic environment of Bucharest-Ilfov region, it is important to underline the fact that it was touched by the global economic crisis, effect which can be observed by the reduction of entrepreneurs with 9,37% in the period 2008-2010. Also, the reduction of the number of enterprises had consequences over the number of employees, which diminished with over 110 thousand persons in the same period.

The investments have been reduced at half, because a big part of investors gave up on development projects under Bucharest- Ilfov region.

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