

ASSESSMENT OF ECONOMIC INCREASE AND SOCIAL DEVELOPMENT BY MEANS OF SOCIAL INDICATORS

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ABSTRACT: *Necessity of increasing management efficiency and extending concerns regarding social policy in contemporary societies required, as an instrumental necessity, a better evaluation of economic-social prosperity and quality of life by means of social indicators. The application of social indicators arose as a real scientific “movement”, instrumental as well, determined by the increasing lack of satisfaction towards overrating of the role of economic aspects in the assessment of prosperity defining a given nation, in relation to ignoring the assessments made by the very human factor of this prosperity. Such a movement determined going from strict estimates of economic performances to assessing, in the same degree, the economic and social factors, from measuring the objective components to subjective ones, concretized by peoples’ aspirations and satisfactions, from emphasis on quantitative to qualitative elements.*

KEY WORDS: *quality of life, economic increase, social development, prosperity, poverty, satisfaction, social indicators.*

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Social indicators, both subjective and objective, play an important part in the assessment of social development process, which does not mean only economic increase. Economic increase is undoubtedly a priority, but in itself it does not automatically warrant social development and prosperity. The development process actually involves a concerted restructuring of all domains of economic, social and political life.

Measuring development process, by means of social indicators, allows pertinent strategies and adequate social programs to be chosen.

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Within social indicators, both objective and subjective, a distinct role is played by “quality” development indicators, capable of adequately diagnosing the orientation of social and human development. Although the concept of “quality” seems to suggest dissimilarity to “quantity”, qualitative indicators are those indicators that assign population proportions that have a measurable quality. From this point of view, social quality indicators can also handle measurable indicators, such as, for example, quality of life.

Applied to the strict field of economy, the concept of development is used in an extremely general sense, to mean “an organic, harmonized growth, and thus a progress of economy, which is inscribed in a general progress of society. Economic progress is not only achieved by increase. It is also necessary for various sectors to harmoniously grow, so that a general economic network would exist, with suitable instruments, allowing continuous improvements” (Lucuț & Rădulescu, 2000, p.143).

The concept of development in itself has several dimensions, economic growth being undoubtedly very important, but it is not identified with the process of social development in its entirety.

As it was shown by Romanian experience in this regard, economic growth is not a self understood guaranty of development and social prosperity. Excluding political assessment, one can say that the government program in the years 1992-1996, for instance, put emphasis on economic growth, neglecting other economic indicators and various related aspects of social development process.

In their turn, government programs applied after 1996 were characterized by lack of coherence, and incapacity of coordinating various reform domains. Consequently, in spite of applying a “gradual” reform policy, serious economic and social imbalances were generated, as well as increase of inflation rate, instability of play balance, increase of budgetary deficiency, serious aggravation of poverty, increase of social inequality among various population categories; their effects are still being felt.

Overall economic activities should therefore contribute to the improvement of population’ conditions of life, since economic development should as a rule involve social development and progress as a “living whole”. To obtain such a result, equitable distribution of national income should be applied, as well as improvement of the population’s standard of living, flexible social, political and economic institutions should be put to place, mentalities should be changed, behavior should adapt to various roles in society, a concerted restructuring in all domains of social, economic and political life should be sought.

Various measurements of this development have been lately established, by means of social and social-economic indicators, due to becoming aware of the fact that the concept of “economic increase” is limited regarding revealing multiple and various dimensions of social-human development.

Such indicators view problems such as: employment and unemployment, work conditions and salaries, family income and expense, economies and debits, repartition of wealth, prices of consumption etc. As far as any economic aspect is indissolubly linked to social aspects, and all social phenomena have a series of economic effects, most of the social statistics are seen, most of the times, as social economic statistics.

Regarding economic statistics as such, they refer to production and repartition of goods and services or various financial transactions. Unlike purely economic statistics, social statistics refer to various problems viewing the population and their quality of life: for instance, education and educational services, health and sanitary services, leisure activities and cultural services, dwelling and ambient environment, social security and services in this field, public order and safety.

In this sense, social indicators refer to various aspects or sectors of social life, as well as various changes intervening in their content and activity. The information delivered by these social indicators can be both objective, viewing description of a social situation, and subjective, pointing out forms of this situation or its evolution within various groups of population.

Both categories of indicators, social and social-economic, can be used in planning development processes, viewing both economic objectives, and objectives with a larger social character. The increase of Brute Internal Product(BIP), for example, can represent a pre-condition to achieve other goals, among which quality of life, quality of ambient environment, social equity etc. If the economic accountancy methods are among the classical planning instruments, those of social accountancy, although less dominated by theoretical characters, began to be used more and more frequently of late.

Evolution of BIP is show in Table 1, according to the data delivered by the National Institute of Statistics:

Table 1. Evolution of Brute Internal Product by term

		1 st Term	2 nd Term	3 rd Term	4 th Term	Year
-in % compared to the equivalent period of the previous year						
Brute series	2011	101.5	101.2	104.1	101.6	102.2
	2012	100.4	101.9	99.5	101.1	100.7
	2013	102.2	--	--	--	--
Series adjusted by season	2011	101.6	100.8	103.5	101.8	--
	2012	100.4	101.8	99.5	101.2	--
	2013	102.2	--	--	--	--
-in % compared to the previous term						
Series adjusted by season	2011	101.1	99.6	101.8	99.4	--
	2012	99.7	100.9	99.6	101.0	--
	2013	100.7	--	--	--	--

Source: INSSE - Brute Internal Product in the 1st term of 2013(temporary data)

Brute Internal Product - data adjusted by season - estimated for the 1st term of 2013 raised - in real terms - by 0.7 % compared to the 4th term of 2012 and by 2.2 % compared to the 1st term of 2012.

Table 2. Contribution of resource categories to forming and increase of BIP in the 1st trimester of 2013

	Contribution to BIP forming -%	Contribution to BIP forming -%
	Temporary data	Temporary data
Agriculture, foresting, fishing	3.1	-0.3
Industry	28.8	0.7
Construction	4.5	0.1
Wholesale, retail sale; car and motorcycle repair; transportation and depositing; hotels and restaurants	12.7	0.4
Information and communication	3.9	0.3
Financial intermediation and insurance	3.2	0.1
Real estate	7.1	0.2
Professional, scientific and technical activities; activities related to administrative services and support services	5.3	0.4
Public administration and defense; social insurance in public system; education; health and social assistance	14.6	0
Entertainment, cultural and leisure activities; repair of household equipment and other services	3.3	0.1
Brute added value - total	86.5	2.0
Net taxes per product	13.5	0.2
BIP	100.0	2.2

Source: INSSE - BIP in 1st term 2013 (temporary data)

All industries contributed to BIP increase in the 1st trimester of 2013 compared to the 1st trimester of 2012, except agriculture, foresting and fishing, which had a negative influence (-0.3%) (Table 2).

The following branches were more significant:

- Industry (+0.7%), with a share of 28.8% in forming BIP; its volume of activity increased by 2.6%;
- Wholesale and retail sale; car and motorcycle repair; transportation and depositing; hotels and restaurants(+0.4%), with a share of 12.7% in BIP formation and its volume of activity increased by 3.2%;
- Professional, scientific and technical activities; activities related to administrative services and support services (+0.4%), with a lower share in BIP formation (5.3%), but with a significant increase of the volume of activities (6.8%)

Tabel 3. Contribution of categories of use to BIP forming and increase, in the 1st term of 2013

	Contribution to BIP forming -%	Contribution to BIP forming -%
	Temporary data	Temporary data
Final effective total consumption	85.1	-0.2
Final individual effective consumption of population's households	76.9	-0.2
Expense for final consumption of population's households	64.7	-0.2
Expense for final consumption of institutions with no lucrative aim in the service of population's households	0.8	0
Expense for final individual consumption of public administrations	11.4	0
Final collective effective consumption of public administrations	8.2	0
Brute formation of fix capital	18.2	-0.1
Stock variations	-1.9	-0.5
Net export of goods and services	-1.4	3.0
Export of goods and services	47.9	2.0
Import of goods and services	49.3	-1.0
BIP	100.0	2.2

Source: INSSE - BIP in 1st trimester 2013(temporary data)

From the point of view of the use of BIP, the increase was due to net export (with a contribution of +3.0%), subsequent to a 3.9% increase of export of goods and services correlated to reduction of import volumes of goods and services by 1.7% (Table 3).

Seen as an alternative to “sub-development”, the concept of “human development, played an important part in the building up and assessment of various strategies of development, by means of social indicators. Once these concepts had been developed, analysts embarked on diminishing the polarity dividing individual development from social development and offered a criterion through which development might be considered in a “multidimensional” way, from economic, cultural, social and political view.

A definition of development involves the use of systems of indicators, especially those allowing evolution of quality of life, characteristic to individuals of social groups. From this point of view, Graft-Johnson (apud Lucuț & Rădulescu, 2000, p.150) defined development as an “whole of quantitative modifications intervening within a certain population the converging effects of which are translated, on the long term, by increasing the standard of living and a favorable evolution of the way of living”.

According to this definition, various strategies of development drawn up by several international bodies, in the last decades, have in view more than insuring material progress, in order to consider human development, and the quality of life of the human factor implicitly, a “key” of social development processes.

Although concepts like “prosperity” and “quality of life” are appreciated, by experts, as being either too restrictive (prosperity due to the mainly economic nuance), or too comprehensive (quality of life expanding in several fields), they are useful, in order to highlight the main sense and content of the development processes.

A definition of prosperity is: “a whole of possibilities offered by society to a person so that he could live in optimum conditions, to make a use of its products and to use its services according to his own needs and wishes” (Mihăilescu A., 2000, p.102).

The present concept of quality of life has a complex and multidimensional character, based on acknowledging the fact that improving quality of life, both at social and personal level, involves progress in all domains. Components such as physical and economic (standard of living) environment are, undoubtedly, very important, but the aspects pertaining to social life, culture, politics, should also be taken into consideration.

Quality of life is a contemporary concept uniting individual preoccupation to reach happiness with political objectives of a society based on responsibility of the authorities towards the citizens, and becomes more and more an aim of social development.

Human development refers thus to the “development of human forces in all the stages of their lives and lies in a harmonious relationship among people, society and nature” (Lucuț & Rădulescu, 2000, p.151).

This definition centers social development in the direction of improving prosperity and quality of life of the members of any society, establishing four priority, complementary objectives (Miles apud Lucuț & Rădulescu, 2000, p.152):

- *Social equity* - human development is equally possible for all the members of society;
- *Interregional equity* - any society should promote human development of its members, alongside with respect of integrity of all societies, by eliminating economic exploitation, political domination and cultural oppression, which impede other members of society to achieve their own human development;
- *Attention given to the future* - human development of present generations should not be ensured by jeopardizing the existence and development of future generations. This objective views preservation of environment and cultural identity of populations;
- *Attention given to the present* - development of future generations should not mean deprivation of current generations. Building human future is a prerequisite for a process centered round human development, but oppression of the population in the name of a distant future cannot be justified.

The concept of human development can be evaluated in terms of satisfying the needs and aspirations of individuals, of their capacity to live freely and in a dignified way, of building the future they want, of understanding and influencing social relationships in which they are involved. All these objectives, assessed by means of social indicators, pass beyond the economic sphere, extending in various perimeters of social-human interest.

Nevertheless, the concept of human development is still an “ideal” not easily achieved in practice, rather than a state of things. As the concept of “democracy”, human development is a concept the practical essence of which being permanently perfectible, a priority aim, which requires continuous actions from the population itself.

Such an objective involves more than ensuring a material welfare, requiring plenary development of human beings and their capacity of intervening in a conscious way in the planning to change themselves and the world to which they belong.

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