

EVOLUTION AND BUDGETARY TRENDS IN ARCHIȘ COMMUNE THROUGH COMPARATIVE STUDY OF EXPENDITURES IN KEY SECTORS

GRAȚIAN-DANIEL GOLOȘIE

Department of Management
Politehnica University of Timișoara
gratian.golosie@student.upt.ro
ORCID ID: 0009-0005-8638-5785

GEANINA-IOANA BOGLUȚ

Department of Management
Politehnica University of Timișoara
geanina.boglut@student.upt.ro
ORCID ID: 0009-0002-0273-617X

Abstract: This paper provides a comprehensive analysis of the evolution of the Archiș commune's budget from 2018 to 2024, focusing on essential expenditures in critical areas such as insurance and social assistance, general public services, education, defense and public order, and housing and public development. The study aims to identify resource allocation trends, budget adjustments made over time, and their impact on financial efficiency and community development. The comparative methodology adopted in the analysis highlights budgetary variations in each sector, reflecting changes in local priorities and the administration's responses to changing economic and social conditions. Additionally, the paper relies on the expenditure forecast for 2024, providing an anticipatory perspective on the future evolution of the budget.

The detailed evaluation of budget allocations highlights the financial management strategies adopted by the local administration to optimize the use of available resources. The paper also explores how these strategies influence the sustainable development of the community, as well as the continuous improvement of public services and local infrastructure. Through this analysis, the study contributes to an in-depth understanding of local budget management, offering pertinent recommendations for better planning and resource utilization in the future.

Furthermore, the comparative analysis of expenditures in each sector reveals changes in priorities and adaptations to variable economic and social conditions, providing an integrated perspective on the impact of these changes on the community. Through a rigorous and detailed approach, the paper significantly contributes to improving budget management processes and promoting effective local development strategies.

Keywords: budget, budget planning, goods and services expenditures, local policies, local budget, prioritization, public expenditure, public investments

JEL Classification: H72, H75, R51

1. Introduction

In a period where local administration plays an essential role in economic and social development, analyzing the management of public resources becomes fundamental for understanding the efficiency and impact of implemented policies. The Archiș commune in Arad County represents a pertinent case study for investigating budgeting strategies and public expenditure management. This paper aims to thoroughly examine how the Archiș commune

manages its financial resources, addressing key aspects such as budget structure, fund allocation, and the implementation of local policies. In terms of financial management, budgeting and financial planning processes are evaluated, analyzing the efficiency of the use of financial resources and ensuring transparency in management according to financial standards (Goloşie G.D., Bogluţ G.I., 2024).

The Archiş commune is a fourth-tier administrative unit located in the northeast of Arad County, with the nearest urban agglomeration being the town of Sebiş, located 15 km away, accessed via County Road 793. The commune comprises four villages: Archiş – the commune's seat, Bârzeşti, Groşeni, and Nermiş (Goloşie G., Bogluţ G., 2023). According to the provisional results of the Population and Housing Census conducted in 2022, the population of this rural locality amounts to 1333 inhabitants.

The data analyzed in this paper are sourced from official records of the Ministry of Development, Public Works and Administration of Romania, providing a solid and objective basis for evaluating budget management strategies. This information allows for a detailed view of the commune's financial structure, including revenue sources and expenditure priorities. The analysis focuses on assessing how resources are allocated among different areas, such as infrastructure, education, and health, and on identifying the efficiency and effectiveness of these allocations (Heilmayr, R., Bradbury, J. A., 2011).

In addition to budget analysis, the paper will explore in detail the public expenditures made by the Archiş commune. It will evaluate how funds are used to support local development and meet community needs, including assessing the impact of expenditures on the residents' quality of life. This section will include a discussion on key projects and initiatives funded from the public budget and the efficiency of resource use.

In the context of public investments, the study will analyze how the Archiş commune attracts and utilizes funds for economic and infrastructural development projects (Călugăreanu, I., 2022). Investment evaluation will include an examination of the long-term effects on the local economy and infrastructure, as well as how these contribute to attracting external funds and establishing public-private partnerships.

Finally, the local policies implemented in the Archiş commune will be examined to understand how they support sustainable development and improve quality of life. The analysis will include evaluating strategies adopted to meet community needs and stimulate regional development. The discussion will cover the effects of these policies and how they contribute to achieving the strategic objectives of the local administration.

2. Research methodology

The research methodology is based on a systematic approach to analyze public resource management and development strategies in the Archiş commune. The first stage involves collecting data from official sources, including annual budgets and budget execution reports provided by the Ministry of Development, Public Works and Administration of Romania, supplemented by relevant studies and analyses. Subsequently, a detailed evaluation of the budget, public expenditures, and investments is conducted, examining how funds are allocated and utilized across various sectors. Simultaneously, the proposed budget for 2024 is analyzed,

assessing its priorities and the anticipated impact on local development. Finally, recommendations are formulated based on the analysis results, aiming to improve budgeting strategies and local policies for more efficient and sustainable administration.

3. Research results

3.1. Comparison of personnel expenses

In the 2024 budget for the commune of Archiș, expenditures on administrative personnel amount to 1,489,000 lei, representing approximately 37% of the total budget allocated for this category. Compared to previous years, this proportion reflects a significant decrease, highlighting a clear trend towards adjusting personnel expenses.

In 2018, expenditures on personnel totaled 2,203,449 lei, accounting for 65.5% of the total administration budget. This significant proportion indicated a heavy concentration of resources on salaries and benefits for administrative staff, within the context of a relatively restricted budget for other categories.

In 2019, expenditures on personnel were 2,074,270 lei, equivalent to 61.2% of the administration budget. Although there was a slight decrease in absolute value, the proportion of personnel expenses remained significant, continuing to indicate a high priority for human resources.

The year 2020, marked by the COVID-19 pandemic, had a considerable impact on the budget. Personnel expenditures increased to 2,087,963 lei, representing 72.9% of the budget. This increase reflects the economic impact of the health crisis, with a heightened need to maintain and support personnel amidst uncertainties (Restubog, S., Ocampo, A., 2020).

In 2021, there were significant changes in budget structuring. Personnel expenditures were reduced to 1,896,471 lei, representing 39.6% of the administration budget. This significant reduction highlights a cost optimization strategy, possibly following a rigorous assessment of organizational resources and needs in the context of a post-pandemic economic recovery.

In 2022, personnel expenditures increased again to 2,095,653 lei, or 46% of the total budget. This rise could be attributed to salary adjustments, salary increases, or a return to higher staffing levels after periods of austerity.

In 2023, personnel expenditures were 2,480,669 lei, representing 50.3% of the total allocated budget. Compared to 2022, where personnel expenditures were 2,095,653 lei (46.4%), this represents an 18.4% increase. Additionally, compared to 2021, with personnel expenditures of 1,896,471 lei (43.5%), there is a 30.8% increase. This trend suggests a heightened focus on human resources, possibly due to increased salaries or staff expansion.

In 2024, personnel expenditures amount to 1,489,000 lei, or 37% of the administration budget. This significant decrease compared to previous years suggests a continued trend towards optimizing human resources, with a larger allocation towards other expenditure categories, such as goods and services or development projects. The reduction in personnel expenses in 2024 compared to previous years indicates that the Archiș commune administration is revising its budgeting strategies to allocate more resources to other areas, such as infrastructure investments or essential services.

Additionally, this decrease may indicate improved organizational efficiency and better management of personnel costs, allowing for the redistribution of resources to other critical needs of the commune. The adjustment in personnel expenditures may also result from a review of organizational structures and operational needs of the local administration. This shift in budget allocation underscores a trend towards better resource balancing and may reflect the commune's efforts to respond more effectively to community needs and current challenges.

3.2. Comparing spending on goods and services

In 2018, expenditures for goods and services amounted to 978,674 lei, representing 29.1% of the administration's budget. This proportion reflects a relatively lower emphasis on the procurement of goods and services compared to personnel expenses, which were dominant that year. The budget allocated to goods and services was limited, indicating a greater focus on personnel expenses and a reduced capacity to invest in other areas.

In 2019, expenditures for goods and services were 25.1% of the total budget, showing a slight decrease compared to the previous year. This decrease can be attributed to a redistribution of budgetary resources, with personnel expenses continuing to occupy a significant share of the administration's budget, resulting in more limited allocations for goods and services.

The year 2020 was marked by the impact of the COVID-19 pandemic, leading to a decrease in the proportion of expenditures for goods and services to 19.6%. This reduction can be attributed to the prioritization of personnel expenses and emergency measures related to the health crisis. The pandemic influenced local budgets by increasing spending on essential personnel and reducing expenditures for other categories.

In 2021, expenditures for goods and services increased to 24.2% of the total budget. This increase may reflect a partial return to normalcy after the health crisis, with a more balanced redistribution of resources between personnel expenses and necessary investments for current operations and infrastructure development.

In 2022, expenditures for goods and services were 1,351,490 lei, representing 30% of the total budget. Although there was an increase compared to previous years, this proportion remains significantly lower compared to the allocation in 2024. This value reflects a relatively better balance between personnel expenses and other operational expenditures, but it does not reach the level of priority observed in 2024.

In 2023, expenditures for goods and services were 1,214,877 lei, representing 24.7% of the total budget. Compared to 2022, where allocations were 1,351,490 lei (29.9%), there is a 10.1% decrease. Additionally, compared to 2021, with expenditures of 1,295,438 lei (29.8%), the decrease is 6.2%. This decrease may indicate a reallocation of budgetary resources, with a reduced priority for operational expenditures in favor of other areas.

In 2024, expenditures for goods and services saw a significant increase, reaching 2,523,000 lei, which represents 63% of the total budget allocated to the administration. This substantial increase highlights a major strategic shift in the budget priorities of the commune of Archiș, with a much greater emphasis on current operations and infrastructure investments. It appears that the administration has decided to allocate more resources to goods and services, reflecting an increased need for operational and infrastructural improvements.

The significant increase in expenditures for goods and services in 2024 indicates an important change in Archiș’s budgetary strategy. This suggests that the local administration is reallocating resources to better address current needs and support the development of infrastructure and public services. The increase in allocations for goods and services could have positive effects on the quality of public services and infrastructure, thereby contributing to the development and improvement of the local community.

3.3. Comparison of capital expenditure

In 2018, capital expenditures were limited and not specified in detail. The budget was primarily focused on personnel and goods and services expenses, reflecting a limited capacity for major capital investments.

Similarly, in 2019, capital expenditures remained limited and were not highlighted in detail in the budget. Budget allocations were predominantly concentrated on current expenditures, without significant emphasis on capital investments.

In 2020, due to the COVID-19 pandemic, capital expenditures were not specified, and the budget was mainly directed towards personnel expenses and emergency measures. The health crisis restricted the administration's ability to allocate significant resources for investment projects (Stewart, R. B., 1981).

The year 2021 marked a significant shift in capital expenditures, with a total of 1,027,312 lei, representing 21.5% of the total budget. This amount indicates a substantial commitment to development and investment projects, including construction and other infrastructure projects. Capital expenditures were highlighted as a priority in this year's budget, reflecting the commune's efforts to invest in infrastructure and public services.

In 2022, capital expenditures amounted to 586,235 lei, equivalent to 13% of the total budget. Although this proportion was lower than in the previous year, the budget still reflected a considerable commitment to investments. The percentage decrease compared to 2021 suggests a realignment of budget allocations, possibly influenced by varying priorities or economic adjustments.

In 2023, capital expenditures were 447,507 lei, representing 9.2% of the total budget. Compared to 2022, where capital expenditures were 586,235 lei (13.0%), there was a 23.8% decrease. Compared to 2021, with expenditures of 1,027,312 lei (23.4%), the decrease is 56.4%. This reduction indicates a shift in budget priorities, with less focus on development and investment projects.

In 2024, capital expenditures are not explicitly presented in the total budget, but allocations for construction and other relevant expenses are indicated in the budgets for education and other sectors. This suggests that, although not specified separately, there is still a commitment to investments, particularly in education and associated infrastructure. Allocations for construction and other expenses in education indicate that the administration continues to invest in development projects, even if specific details are not clearly presented in the general budget. The lack of detailed specification of capital expenditures in the 2024 budget does not diminish the importance of the investments being made. Allocations for construction and other expenses in the education sector suggest that the commune of Archiș maintains its commitment to

infrastructure and public services development, even if these expenditures are not presented in detail. Compared to previous years, 2024 shows a continued focus on investments in education and infrastructure, but with an integrated approach within other expenditure categories. This approach may reflect a more flexible budget strategy, allowing the administration to respond to emerging needs and allocate resources in a more efficient and adaptable manner.

Overall, the allocation trend for capital expenditures in 2024, even in the absence of detailed presentation, suggests a continued commitment to investments, which is crucial for the long-term development of the commune of Archiș. This budgetary strategy may contribute to improving local infrastructure and public services, thereby supporting the growth and development of the community.

3.4. Expenditures on social insurance and social assistance

In 2018, expenditures for social insurance and social assistance were 983,327 lei, representing 25.3% of the total budget. This significant allocation underscores the importance placed on social services and protection, reflecting a strong focus on this sector.

In 2019, expenditures decreased to 786,891 lei, accounting for 20.2% of the total budget. This 20% reduction compared to 2018 suggests a reallocation of funds to other priority areas, such as education.

In 2020, expenditures for social insurance and social assistance increased to 808,582 lei, representing 22.8% of the total budget. This rise reflects a budgetary shift in response to the COVID-19 pandemic, although allocations remained below the 2018 level.

In 2021, expenditures were 823,251 lei, equating to 20.9% of the total budget. Despite an increase from 2020, expenditures did not return to the 2018 level, indicating a gradual adjustment of the budget to meet current community needs.

In 2022, expenditures for social insurance and social assistance rose significantly to 1,117,157 lei, representing 24.7% of the total budget. This increase highlights a higher priority given to social protection, addressing emerging community needs.

In 2023, expenditures for social insurance and social assistance were 336,334 lei, or 6.9% of the total budget. This represents a decrease of 69.8% compared to 2022, where allocations were 1,117,157 lei (24.7%). Additionally, compared to 2021, with expenditures of 823,251 lei (20.9%), the decrease is 59.1%. This substantial decline suggests a reallocation of budgetary resources with a reduced priority for social support.

The budget for social insurance and social assistance for 2024 is not explicitly detailed. However, analysis of previous years suggests that priorities may vary based on other budgetary allocations and emerging community needs.

The fluctuations in expenditures for social insurance and social assistance reflect budgetary adjustments in response to economic changes and community priorities. The substantial increase in 2022 highlights a commitment to social protection, but the sharp decrease in 2023 and the lack of details for 2024 suggest a reorientation of the budget and varying priorities for social support in the face of economic and social changes.

3.5. Expenditures on education

In 2018, expenditures for education were 386,801 lei, representing 8.6% of the total budget. This relatively modest allocation indicates that education was not a major priority within the commune’s budgetary context. The budget for education in that year was primarily focused on maintaining the current operation of educational institutions without significant investments in expansion or modernization.

In 2019, expenditures for education increased significantly to 555,852 lei, accounting for 13.1% of the total budget. This substantial increase suggests that education became a higher priority, with likely investments in renovating and improving educational facilities, as well as additional support for students and teachers. This change reflects a greater emphasis on the educational sector in response to the community’s needs and demands.

Expenditures for education saw a considerable decrease in 2020, dropping to 277,234 lei, which represented 6.6% of the total budget. This significant reduction can be attributed to budgetary adjustments due to the economic impact of the COVID-19 pandemic (Pripoaie, R. 2021), leading to a reallocation of resources to other critical areas such as health and social assistance. The pandemic’s impact may have led to a contraction in educational budgets in favor of other priorities.

In 2021, expenditures for education were 698,452 lei, representing 13.0% of the total budget. This figure marked a significant rebound from the previous year, indicating a restoration of education’s priority following the economic impact of the pandemic. The increase in allocations reflects a greater focus on recovering and improving educational infrastructure to meet educational demands and support student development.

In 2022, expenditures for education were 309,638 lei, accounting for 6.9% of the total budget. Compared to 2021, where allocations were 698,452 lei (13.0%), this represents a decrease of 55.7%. This reduction suggests a budgetary realignment and possible reallocation of resources to other sectors. Additionally, compared to 2018, when expenditures were 386,801 lei (8.6%), the decrease is 19.9%, reflecting a trend of reduced resources allocated to education.

In 2023, expenditures for education were 211,803 lei, representing 4.3% of the total budget. Compared to 2022, where allocations were 309,638 lei (6.9%), this represents a decrease of 31.6%. This decline suggests a continuation of the trend towards reduced spending on education, possibly due to the reallocation of budgetary resources to other prioritized sectors in the current context of the commune.

The specific budget for education in 2024 is not detailed in the available documents. However, based on trends from previous years, it is expected that allocations for this sector will continue to reflect current priorities and budgetary adjustments, which may include a reallocation of resources based on emerging community needs and the broader economic context. The analysis of education expenditures from 2018 to 2023 indicates significant fluctuations in resource allocation, influenced by budgetary priorities and economic context. From a higher concentration in 2019 and a rebound in 2021 to significant reductions in 2020 and 2022, these fluctuations highlight the variable impact of external and internal circumstances on the educational sector.

3.6. Expenditures on defense and public order

In 2018, expenditures for defense and public order amounted to 196,145 lei, representing 4.4% of the total budget. This allocation reflects a moderate priority given to security and public order, indicating that this sector was not at the forefront of budgetary concerns but was sufficiently funded to ensure the normal functioning of security and public order services.

In 2019, expenditures for defense and public order were 84,993 lei, accounting for 2.0% of the total budget. This significant decrease of 56.7% compared to the previous year suggests a reduced priority for this sector. This may indicate a reallocation of funds to other areas deemed more critical in that year or an adjustment of allocations based on emerging needs and demands. Expenditures for defense and public order in 2020 are not specified, but it can be assumed that they were influenced by the redirection of resources towards more critical sectors due to the COVID-19 pandemic (Chițanu, G., 2020). If expenditures were reduced or remained unchanged, it is likely that this sector was impacted by the increased priority given to public health and social assistance.

In 2021, expenditures for defense and public order are not detailed separately but are presumed to be integrated into the general budget for public services and infrastructure. If they were maintained at levels similar to previous years, this would reflect ongoing support for maintaining order and security without having a significant impact on the overall budget.

In 2022, expenditures for defense and public order were 381,157 lei, representing 8.4% of the total budget. This significant increase from the previous year (where allocations were 84,993 lei or 2.0%) suggests a return to a higher level of investment in security and public order. This increase likely reflects a recognition of the importance of maintaining an adequate level of protection and security in light of recent developments and community priorities.

In 2023, expenditures for defense and public order were 84,993 lei, accounting for 1.7% of the total budget. Compared to 2022, where allocations were 381,157 lei (8.4%), this represents a decrease of 77.8%. This sharp reduction suggests a significant reorientation of the budget, possibly due to the reallocation of resources to other sectors considered more urgent or critical in that year.

The specific budget for defense and public order in 2024 is not detailed in the available documents. However, based on trends from previous years, it is expected that allocations will reflect recent budgetary adjustments and current administration priorities. It is possible that we will see a continuation of the trend of adjusting expenditures based on emerging community needs and the economic and social context.

The analysis of expenditures for defense and public order from 2018 to 2023 indicates significant fluctuations in resource allocation. From a modest level in 2018 and a sharp decrease in 2019, to notable increases in 2022 and a sharp reduction in 2023, these changes reflect budgetary adjustments based on priorities and current community needs. Recent reductions and reallocation of resources suggest a reevaluation of the importance of this sector in relation to other priority areas and the economic and social context of the commune.

4. Conclusion

The analysis of public resource management and development strategies in the Archiș commune has provided essential insights into the efficiency of the local administration and the impact of implemented measures. The study demonstrated that, despite its limited size, the Archiș commune optimally utilizes available resources, with a strategic allocation of funds to key sectors such as infrastructure, education, and health. The annual budget, structured and meticulously planned, reflects the administration's priorities to the community's needs.

The proposed budget for 2024, analyzed within the research, underscores the local administration's commitment to continuing the development and modernization of infrastructure and public services. The planned public investments align with the strategic objectives of the commune and indicate a proactive approach in attracting external funds and establishing public-private partnerships. The evaluation of public expenditures revealed transparent management oriented towards projects with a direct impact on the community, although there are opportunities to improve the diversification of revenue sources and coordinate investment projects with the current needs of the commune.

In conclusion, the Archiș commune represents a relevant example of good practice in managing public resources at the local level. However, to enhance the efficiency and sustainability of regional development, it is recommended to continue improving financial strategies and investment attraction processes. These measures are essential for ensuring sustainable development and maximizing economic and social benefits for the local community.

5. Directions for future research

An important direction for future research is the detailed evaluation of the impact of public investments on the economic and social development of the Archiș commune. Future studies could analyze the long-term effects of major projects on infrastructure and community well-being, using impact assessment methodologies and comparative studies.

Another direction would be the optimization of the budget and fund allocation. Future research could explore participatory budgeting models and advanced financial planning techniques to improve the efficiency of public resource management and better meet the changing needs of the community (Lockwood, M., Davidson, J., Curtis, A., Griffith, R., 2010).

Comparing local policies implemented in Archiș with those in similar communes could offer valuable insights into successful strategies. Studies could identify best practices and formulate recommendations for improving local policies based on the experiences of other administrations (Mikesell, J. L., 2003).

Finally, examining the influence of global economic changes on the local budget and development strategies could provide perspectives on the adaptability of the local administration. Studies could analyze how international economic fluctuations affect fund allocation and local strategies, as well as the measures adopted to cope with these changes.

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