

THE CONCEPT AND STRATEGY OF ACCOMPLISHING A DURABLE DEVELOPMENT

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Key words: lasting development, economic increase, intensive economic increase, intermediate economic increase.

Abstract. Known in our country as the Executive, collaborating with representatives of political parties, trade-unions and civil societies there was elaborated a scheme of national strategy for the lasting development, both a necessary, complex and recent strategy. The vision of the strategies regarding the lasting development starts from the understanding of the fact that the economy of a country, as well as the economy of all the countries means more than the sum of the component parts, because the changes that take place within any subsystem attract essential assembly changes, by reason of the existing dynamic interrelations between its components.

The first papers regarding the theory and practice of the durable development appeared worldwide because at that level the conjugated negative effects of humankind development until now, could be better analysed¹.

Though the term of lasting development is coming from the French word “development durable” its appearance for the first time in 1986 had as an equivalent in English the sustainable development “sustainable development” so that the development sustainability and durability, at least in Romania can be considered homonymous, even if there is epistemologically speaking a series of differences between the two terms².

The main goal of a national strategy project for a lasting development in Romania consists in:

- establishing some general objectives for the lasting development in Romania starting from its definition in a wide range, from which there should result coherently and consistently the sub-objectives at the macro, mezzo and micro level for each domain of activity, indicating the responsible factors of decision in accordance with the most recent settlements;

- projecting some programs of economic, social, ecological, technological and sanitary politics as well as in other domains that should correspond to the request of fulfilling the targets of lasting development;

¹ The first rapport to the Club from Roma *The limits to growth* (1972) had as purpose to accelerate “the understanding of different behaviours, of the economical, political, natural and social interdependences, which constitute the general system where we all live”.

² During the postbelic period, the literature concerning the economical growth and development gained huge proportions. From the various papers on this theme we mention: W.A.Lewis, *The theory of economic growth*, London, Alland and Unwin, 1995; Colin Clark, *Les conditions du progrès économique*, Paris, 1960; P.A. Samuelson, *Foundation of economics analysis*, New York, 1965.

- methods of evaluation and control of the national strategy for the lasting development within the stages of preparation during the achievement and after, aiming the introduction, adjustment and correction or changes of strategy that should be just in case imposed as a consequence to the changes of some parameters or influence factors meanwhile.

The lasting development represents a new method of sustaining the progress and human development in Romania on short, medium and long termed periods of time, taking into consideration the rational usage of the economic, technological, ecological, social, moral and political resources available at present and in perspective so that there must be assured the conservation of the human, physical and natural capital for the present and future generations' welfare. Conferring upon the lasting development a character adequate for Romania's situation there should be taken into consideration the following:

Romania's status of transition to the mechanisms of the competition market and the level of economic-social development relatively reduced as compared to the one of the highly developed countries that represent targets and reference elements, especially the countries that are members to the European Union that we are associated and want to integrate with;

The existence of a natural capital whose protection is not enough;

The insufficiency and inadequacy of the juridical and institutional background at the internal and external requests of lasting development in Romania;

As a consequence to the stressed tendencies of market globalization, a series of surrounding economic interests or of another nature must be achieved within the system of interests globally speaking;

The hardening of the competition conditions internationally speaking in the domain of goods and services production together with the unfavorable tendency of stressing in a negative direction of the economic discrepancies between the developed countries and the ones unrolling the development process;

The relatively reduced level of the economic increase and the great decline of the polluting industrial production can offer a series of potential advantages for Romania on the way of integrating within the parameters of a lasting development.

Development durability places on the first level of interest especially the strategic management, the objectives and long-termed programs with approaches, perspectives with a large coverage and future multiples.

At present, in Romania, a great importance is given to the short term period of time, as compared to the medium and long one, which in fact represents the adequate ground for the strategic schemes of lasting development. Within the complex framework of the term of lasting development the human development is the objective while the economic increase in interdependence with the natural environment stands for the means.

Durable development – human development.

The transition to the human economy

Even from this reason, a great importance is given to the general principle of compatibility and partnership between the economy and the environment in which there take place among the most different and numerous interactions with spread effects and a part of them remaining still unknown.

Starting from the general function of life support medium and from the economic functions of resources supplier, residues receiver and direct supplier of utilities for the society and the individual, the lasting development requires granting a special attention to the fundamental component (or natural capital) that requests multi-criteria approaches and evaluations within the competition market, corrected by reason elements regarding the advantages and the external marginal costs whose internationalization represents one of the instruments used by the public institutions or the agreements between the private economic agents in case their number is limited.

Conceiving such direct or indirect interactions between the natural capital system and other existing systems within the human society (technological, military, political, ethical, religious etc) represents a complementary condition in assuring a more incorporated character for the approach of the lasting development in Romania.

The relation between the environment and the system of national economy is conceived after a circular model, although initially there were adopted geometrical drawings. Philosophically speaking the lasting development relies upon three main principles:

- the store of renewable resources must not be reduced in time, in case the standard of living of the population registers an increase;
- the consumption of nonrenewable resources must be estimated in time so that it must be replaced by renewable resources or other resources newly discovered;
- science and technological progress act both in the direction of saving the renewable and/or nonrenewable resources as well as in the direction of their substitution.

Applying the principle of economic efficiency and social justice within the lasting development one can notice the following aspects: the profit maximization and useful effect, the social cohesion and the avoidance of dissolution and non-exclusion, the creation of the middle class, the environmental justice, the optimization and/or pollution prevention, the principle of the analysis cost/advantage etc. In terms of the regarded domain, the principle of efficiency and social justice becomes particular both in objectives and in means as well.

The lasting development cannot be conceived without granting the private property right and in general without eliminating the confusion concerning the property's attributes, fact that assumes the acceleration of the process of privatization in Romania, the consolidation and preponderance of the private sector in economy in a proportion of 80-90%.

Although the process of transition in Romania imposes a reduction of state in economy and a consolidation of the competitive market, on the basis of the private property, the lasting development requires a partnership between the state and the market, conceived taking into consideration new principles of reanalyzing the functions of public intervention (especially of coordination and governing) through institutional efficiency and the creation of an adequate business environment.

Only in this way there can be achieved a mixed system of politics that combine the command and control system with the market rules, the social marginal costs are minimized through the internalization of the external marginal costs and of the positive externalities, through subventions, at the generators of favorable effects.

The lasting development requires the existence of a compatibility and of a dynamic balance between the resources and their consumption, between the ecological, technological and economic system, between the rate of usage and the natural rate of

regeneration of resources, between the quantity of pollution and the level of assimilative capacity of the environment³.

The criteria according to which an increased standard of living can be assured at the expense of the reduction of the store of natural resources must be corroborated as well with the notions of adequate demographic increase and the efficiency of using the resources, fact that assumes the introduction of some negotiation elements, a compromise between the level of the resources store and the life quality. In other words, theoretically an increased standard of living requires a less natural environment and inversely.

Anyway within this compromise a great importance is underlined by the assuring of the minimum natural capital and the maintaining of the biogeochemical cycles in the environment in which mankind exists. The approach of the lasting development through the principles of uncertainty and irreversibility offers more wariness concerning the relaxation of the constraints coming from the natural capital.

Economically speaking, the objectives of the lasting development in Romania, disregarding the period of time, aim the following:

- the maintenance at a relatively high level of the GIP (gross internal product) or the increase of this level in a redistributive equitable and efficient structure;
- the reduction of inflation to one-sized number, taking into consideration the impact of this troubling factor in economy and society;
- the increase of the rate of employment (a social self-protection measure) and the reduction of unemployment to its “natural” dimensions.

Reconstruction of the national economy at the same time with the exterior changes

For Romania, the economy reorganization, as an inevitable process in creating the adequate conditions for the transition to a free economy, must take into account *two restriction criteria*, both with their risks: a specific one – regarding the home trade and the other – concerning the external economy, determined by the general status of the global economy and the impact upon the internal reorganization.

Among the restrictions that the *internal economy* imposes, the reorganization has to take into account the disequilibria produced by the prolonged boom of the extensive development, not always based on the criteria of efficiency and competitiveness of the period before the transition, of the entrance in the liberty of disorder where their management becomes more difficult.

This derives from the fact that the decentralization of property was cut of the modern forms of management and organization, with aggravated consequences upon the efficiency of handling the object of property, of the alarming reduction of the capacity of absorbing the internal market, one of the most dangerous threats for the stressing of the production falling, of the existence in parallel of two Romanian economies.

³ Although it is a relatively new theme of research, the human development started to gain its place in the specific literature of our country. I mention here, the first volumes *The rapport of human development in Romania*, 1995 and *The politic economy*, Ed. Mondo-Ec, Craiova, 1996, elaborated by a collective of authors *The transition to the human economy*, authors Popescu, C.; Ciucur, D.; Popescu, I., Economical Ed., etc.

This duality is neither complementary nor developed and the rated capacity in the usage of the production factors is reduced and insufficiently competitive, without any financial-economic and juridical settlements that should define clearly the rules of the economic game, etc. Under the aspect of the *external estimations*, outside Romania, the economic reorganization must take into account the new geopolitical vision, that is laying the accent upon the whole world, with destabilizing, immediate and even middle and long-termed consequences upon the evolution of the global economy, due to the political-military, religious and ethnical conflicts that are becoming more numerous and spread their area of extension with an incredible force.

There must be taken into account the existence of some strong military and financial-economic centers that are coordinating the whole world's evolution in a direction that is very difficult to anticipate with precision, the more and more evident losing of control for some discrepancies such like development-welfare, development-ecology, with unpredictable consequences.

These internal and international conditions that not only that are not favorable, but they also disadvantage us day by day, the chance for the reorganization of the Romanian economy integrates both a specific risk, that is connected to us, and a general risk, that implies the geopolitical evolution of the world and of the global economy upon the Romanian economy. Within the struggle with these restrictions, more or less dangerous, we must neither act according to pre-established models, nor take into consideration what had been checked and regarded as viable. Our transition towards the free economy passes through the economic reorganization, period in which we must experience lively a new strategy to follow and that comes after another lively experiment, on a period of almost half of a century, whose consequences in the domain of economic performance and competitiveness proved to be unacceptable by individuals and collectivity. According to this fact, we appreciate that the reorganization assumes a clearer strategy, with sliding elements, within a relatively long period of time of about 10-15 years.

The first stage of this period of time, could extend to 2-3 years, with a clear target, ceasing the falling of the Romanian economy, stage that at the end of 1989 was not necessary or at least did not have the present alarming proportions.

The second stage of this period could extend to 5-6 years in which there are settled the juridical base of the economic agents' activity for the new conditions that the achievement of a free economy imposes.

This base must refer to the way of achievement the property attributes in all its particular, public and mixed forms and in all sectors of the economy, to the way of achievement the competitive administration for public enterprises, to the financial-economic flows between all categories of economic agents, to the way of organization and functioning of the banking-financial system, to the stock exchange, to the loyal rules of competing on market, to the international relations system, naming here the agents of the national economy and the financial-economic organizations. Within this period of time there must be settled as well the juridical base for social and environmental protection, for defending the national interests of the Romanian people.

The third stage of this period of time extend to 5-6 years in which there must be settled the base for the reinvention and perfecting the production field and the synchronization of all the components of this new economic system, in which the liberties of action and administration of the economic agents should be effectively settled through the competition mechanisms existing on the market.

This strategy assumes the adoption by the Romanian Parliament of the Charter of economic reorganization, this being the result of taking into consideration the general will, expressed through parliament and not through a political party. This thing is necessary because we cannot compare today for instance the process of privatization from France or England to the one from Romania.

The strategy of reorganization must integrate as well the other sector of the economy from the other side of the Prut, at least so that even from the conception phase they should correlate taking into consideration some reciprocal compatibility criteria, all the fundamental aspects of this process, valid for all the Romanians. The sector of education, science and scientific research must have within this strategy a distinct place, regarding the efforts of competitive reorganization, within a period of time, in the beginning of 10-15 years and then on a period of 50-60 years, equal to the duration of a secular economic cycle.

The reorganization priorities⁴ view first of all the national interest and the assuring of the necessary balance for advancing within conditions of stability. We refer to the economic-social sectors that **grant the balance of the national economic circuit, the food security and the population health, the defense of the country as well as the technical-scientific progress.**

Second, the reorganization must view the sectors for which there are internal factors of production - human and natural-material resources – agriculture, silviculture, food industry, tourism, commerce and services, etc. A great importance must be given to the intensive energetic sectors that will be renewed so that these sectors should be reduced to the minimum in the balance of the national economy efficiency.

Of course that the process of reorganization of the national production must be readapted to each domain of activity and integrated within a **reorganization prognosis**, that should consist in **aimed targets, necessary risks, the levers of the financial-economic mechanism for achievement, the juridical support of the process** as well as **the system of error correction from the normal evolution and of social protection of those seriously affected.**

Having as a target the increase of the economic efficiency and its compatibility with the social and ecological efficiency, **the national production reorganization must be settled through the mechanisms of the competition market, but at the same time selectively protected through a system of financial-economic levers that should encourage and develop the capacity of performance of the Romanian agents.**

The national production reorganization must be also helped by the whole Romanian scientific research, the superior education as well, where there are many teachers with a high qualification and the necessary responsibility for the scientific conclusions. In order to assure a normal unrolling of the national production reorganization process, competing with the requests of the loyal competition market it is necessary to have as integrated the structures of the governmental management in this matter within a national organism that should grant the coherence of decisions, politics and financial-economic levers and that should advantage it in time.

⁴ Rapport on the registered progresses in preparing for joining the U.E., from September 2002 to June 2003; The Romanian Government, June 2003.

At the same time it is also imposed a special attention that is to be given to the formation and usage of the governmental economists, taking into account the global experience existing in this domain.

The presented comparisons allow a more objective appreciation of economic growth importance, as well as the targets which have to be formulated in the perspective of this domain, taking into consideration that we find ourselves in a dynamic world, in which all countries strive to obtain as high as possible performances. At the same time, these comparisons offer possibility for a reflection regarding the substantiation of economic and social politics in our country. So:

- the resumption of the economic growth with a rate of (an estimated) 1,3% in the following period, would be, no doubt about it, a positive element after the breakdown of national production. Unfortunately this growth rhythm is still too frail, continuing to estrange us from the developing level of EU members, not being able to contribute to the struggle against unemployment by creating new jobs in whole economy, that is why, in the process of elaborating the development plans, major efforts will have to be made in order to fundament the achievement of a medium annual rate of economic growth in future years – around 7%, this enabling us to get close in the next 3-4 decades to some UE members; the fact that some of these countries have high growing rhythms, even above 7%, although they have a 10-20 times bigger PNB per citizen, demonstrating that their experience can be studied with the purpose of adapting elements to Romanian realities;

- supporting economic growth and accelerating it can be stimulated through sustained investment policy in branches and units of viable production, in infrastructure and dwelling constructions, through an efficient evaluation of Romanian and foreign capital and also of the given funds from the UE;

- besides investments and exports, intern market demand is and should be stimulated through population consumption. Launching once again the economic growth through consumption, in common sense the demand on the intern market, represents a sure and verified way through positive experience of EU members, meaning the maintenance and growth in the buying force, of population's incomes and of expanded demand on the intern market, being in close connection with the individual performances of national economy in production domain, corresponding to a coherent income policy and population's incomes. Reality proves that in Romanian economy several small and medium-sized companies are viable, as some big companies, which manufacture quality products, but which have to face a tough competition, many times not loyal (for instance the agro – alimentary products from import, strongly subsidized by the states that produce them), as the decrease year in, year out, of demand on the intern market, because of the erosion in the buying force of population's incomes;

- sustaining economic growth will have to rely on a pragmatic acceleration in privatization process, accompanied by measures of adequate social protection, so loyal competition can be promoted, removing the monopole prices that have fully contributed to the galloping inflation.

Privatization and restructuring process in economy is accompanied by an unemployment growth, so the acceleration of economic growth becomes an imminent necessity for creating new jobs, taking in consideration the experience of UE members in order to have an increase in occupying free jobs and a reduction of unemployment, a growth of at least 2,5%-3% is needed annually;

To ensure a coherent and well substantiated governmental decision, the institutionalization of macroeconomic planning is needed, based on using specific financial and economic levers of market economy with the purpose of fundamental and coordinating determinations of strategies, politics and objectives, especially those that have priority, as well as those of material, financial, currency and monetary adequate premises.

Romania has many qualified and intelligent human resources, as it has material resources. The pragmatic use of these, combined with that of intern or foreign financial resources, as well as with a modern management, with professionalism and a lot of civic responsibility on all the levels of economy, constitute essential premises for gradual approaching and equalization of development levels in the countries that are EU members, to struggle against unemployment and poverty, to increase living standard in Romania. The evolution of macroeconomic indicators in Romania compared with those of the EU members and those of the countries which are in course of joining the EU evidences, however, the precarious position that Romanian economy has in the zone and of the European economy in general.

Romania must elaborate a development strategy that comprises or sums up field strategies on economic branches or on problems which our country will have to face in the future. The development strategy of Romania should establish a target, a major objective, obtainable, in let's say 2010, 2020. The target must be clearly and in few words formulated to be easily memorized, as a slogan and transformed in mobilizing objective.

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