

ECONOMIC GROWTH – BASE CONDITION OF SUSTAINABLE DEVELOPMENT

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Abstract

Sustainable development covers all forms of economic and social activity, including industry, agriculture, and tourism. The orientation process towards sustainability should be normally coordinated nationally by local, community level. Economic, social and environmental aspects of sustainable development can be captured by indicators characterizing these issues, locally, regionally and globally, and by indicators of connection and relationship between these areas. Economic development simultaneously capture quantitative, structural and qualitative issues of economic developments, in conjunction with the evolution of ecological balance, the demographic evolution and general human problem.

Keywords: *sustainable development, economic growth, indicators of economic development.*

JEL Classification: O11 - Macroeconomic Analyses of Economic Development, Q01 - Sustainable Development

INTRODUCERE

Sustainable development is a development of economic activity characterized by meeting the needs of present generations, without diminishing the ability of future generations to meet their own needs [1].

The overall objective of sustainable development is to ensure the balance between interdependent developments of the following systems: economic, human, environmental and technological.

1. THEORETICAL AND METHODOLOGICAL ASPECTS REGARDING STATISTIC INDICATORS OF SUSTAINABLE DEVELOPMENT

Because sustainable development includes, simultaneously, economic, social and environmental goals, assessment of sustainable development requires addressing economic, social and environmental domain interaction, by focusing on different types of capital. Sustainable development indicators should reflect the size of the economic, environmental and human capital, and the degree to which the population has access to these types of capital.

The sustainable development indicators system should include:

- 1) Environmental indicators (indicators of resource use, environmental status indicators, environmental response indicators);
- 2) Indicators of resource use intensity;
- 3) Indicators of access to environmental resources;
- 4) Economic indicators (GDP, productivity, accumulation rate)
- 5) Social indicators (health status indicators, indicators of social security, vacancy indicators)
- 6) Relation indicators (human development index, human poverty index, indicators of income, indicators of the economic facilities).

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Economic, social and environmental aspects of sustainable development can be captured by indicators characterizing these issues, locally, regionally and globally, and by indicators of connection and relationship between these areas.

The indicators in the database were identified in both the analysis of existing indicators developed and used by Eurostat or other documents and studies of EU policies and also, the National Sustainable Development Strategy. Therefore, they pursue the target objectives and means of action on the horizon years: 2013, 2020, 2030, established by the National Sustainable Development Strategy, and are built based on the information available in the National Institute of Statistics, Ministry of Environment and Forests, and the institutions subordinated or in its coordination, and based on methodologies which are consistent with those of the European Union [2].

Indicators functionality consists in both understanding of territorial cohesion, by measuring the objectives of the strategy implementation, and also by informing and supporting policy-making on sustainable development at the local level.

IDDT Database include structural indicators on ten themes, [3]:

- the knowledge society and economic and social development,
- sustainable consumption and production,
- transport,
- conservation and management of natural resources,
- public health,
- standard of living,
- social and territorial cohesion;
- good governance,
- tourism,
- local public utility.

One of the main indicators whose evolution provides information on economic growth is Real Gross Domestic Product (GDP), i.e. GDP in current prices (in the year for which the calculation is made), corrected for price changes. The total level of real GDP, is also the macroeconomic indicator for measuring the level of the national economy, and is particularly relevant for economic growth in industrialized countries, where industry has a significant share of economic output. Actual results can be measured also by alternative indicators such as Gross National Product (GNP), Net Domestic Product (PIN or Net National Product (NNP), measured in real terms. Though real NNP may be the right indicator of economic activity, it has a lower practical utility because of difficulties in measuring depreciation of fixed capital and, most often, is used a gross indicator in economic growth analysis.

The difference between GDP and GNP is generally relatively small, but even developed countries - which would have been advantaged by using GNP indicator, because of economic agents operating in foreign nationality - directs, currently out on real GDP.

Along with real GDP, GDP growth rate can be used as indicator [4], which has the advantage of using standard statistical methods that can be applied, as long as recorded fluctuations are more asymmetric in duration and amplitude. GDP growth rate is therefore a more suitable indicator for analysis of economic growth in countries with supported evolving trend, that score rather increased GDP growth rates than high levels of GDP. However, real GDP growth rates are often more useful in understanding the correlations at the macro level, between the results of economic activity, inflation and unemployment. In terms of economic policy, real GDP growth rate is a more relevant indicator in the analysis plan developments economic [5].

Another way of measuring economic growth is by the level - or the rate of growth – of real GDP per capita, which is a better indicator of welfare, being established that the core of economic development is the economic well-being.

Selection of the most representative indicators, allows highlighting the three sides (economic, social and environmental) of durable development [6].

Indicators of quality and environmental protection must meet three basic criteria: have policy relevance, provide accurate analysis and be measurable.

To ensure the utility to users (policy relevance), indicators should: give a representative picture of environmental conditions, of the pressure exerted on it by human activities and the society response; to be easy to interpret and allow highlighting trends; to reflect environmental changes and corresponding changes of human activities, to serve for international comparisons, to present national interest or regional environmental problems, to have a threshold or reference value required to compare and evaluate the significance.

To ensure the correctness of the analysis, an indicator should: have a theoretical basis (in scientific and technical terms) to meet international standards and international consensus about its validity, to be used in economic models in forecasting and information.

To ensure measurability, an indicator must: be readily available or affordable (the cost / benefit ratio must be reasonable) be accompanied by appropriate and quality documentation; can be obtained at regular intervals by a reliable procedure.

2. THE ECONOMIC DIMENSION OF SUSTAINABLE DEVELOPMENT

Economic growth means a positive, upward national economy evolution, in the medium and long term, which does not exclude cyclical oscillations and even temporary economic setbacks. It takes place in a defined temporal and spatial place. Economic growth highlights increasing size of macroeconomic results closely with their determining factors. It means long-term increase in actual size of per capita gross national product, which does not exclude short-term negative oscillations and their stagnation.

Economic development simultaneously capture quantitative, structural and qualitative issues of economic developments, in conjunction with the evolution of ecological balance, the demographic evolution and general human problem. This concept reveals transformation of economic structures, behavior of economic systems, the relationships between human activities and the environment, transformations in thinking and behavior of people.

Frequently, the indicator used to measure the growth of a state's gross domestic product is

The following table mention the indicators of economic development of European countries for 2011

Country	GDP per capita (Based on exchange rate euro)	GDP per capita (Based on purchasing power (in PPS) ¹	Export FOB (share of world trade) %	Import CIF (share of world trade) %
Romania	5792 ²	11400 ²	0,37	0,45
Austria	35700	32299	1,0	1,06
Bulgaria	4800 ²	10700 ²	0,17	0,19

¹ The purchasing power standard (PPS) is the reference currency established at EU level to make international comparisons. PCS is a conventional currency unit which excludes the influence of differences in price levels between countries

² 2010

Denmark	43200	31600	0,67	0,58
Germany	31700	30300	8,71	7,41
Italy	26000	25300	3,09	3,29
Luxemburg	82100	68400	0,10	0,15
Poland	9600	16200	1,11	1,22
Hungary	10000	16400	0,65	0,60

Table. 1 Indicators of Economic Development of European countries for 2011

Source Romanian Statistical Yearbook 2012, p 658, 662, 663, 701

In terms of the GDP per capita development Luxembourg is the most developed, both for benchmark based on the exchange rate, in euro and also on the purchasing power basis, in PCS. By this criteria the European countries situated on next levels are Denmark and Germany. The high development level of Germany is reflected in the very high export ratio in world trade.

In a wider context of use, economic development means growth, accompanied by other factors such as economic growth and sustainability increase the total welfare, which means, for instance, the corresponding changes in income distribution (for the segment of poor population) and in the economy structure.

The following table presents data on the contribution of the main activities to achieve GDP.

Country	Agriculture, forestry, hunting, fishing	Industry, including construction	Services
Romania	6	46	48
Austria	2	29	69
Bulgaria	5	31	63
Denmark	1	22	77
Germany	1	28	71
Italy	2	25	73
Holland	2	24	74
Poland	4	32	64
Hungary	4	31	65

Table. 2 Contribution of main activity in Gross Domestic Product in 2010 in some European countries

Source: Romanian Statistical Yearbook 2012, p 659

Data show that in most countries, services have the greatest contribution to the GDP. Very high levels are in Denmark, Germany, Netherlands, Italy.

Country	2011 compared to 2005	The average annual growth 2006-2011	2011 compared to 2010
Romania	116,2	2,53	102,2
Austria	110,6	1,69	103,1
Denmark	100,4	0,07	101,0
Germany	109,7	1,55	103,1
Greece	94,3	-0,97	93,1
Italy	99,2	-0,13	100,5

Poland	131,4	4,86	104,4
Hungary	100,7	0,12	101,7

Table. 3 Indices of gross domestic product in some European countries Source: Romanian Statistical Yearbook 2012, p 658

In the period 2005-2011 the average annual GDP growth was the highest in Poland. In Italy and Greece were recorded negative growth rates.

3. CONCLUSIONS

Economic growth is the fundamental factor of human development. It expresses the increased capacity of an economy to provide more goods with the structure and quality required by consumers. In support of economic growth, it makes possible the growth of economic welfare, educational level, the average life expectancy. In turn, human development becomes a factor for sustaining economic growth.

Economic growth is the basic condition for sustainable development, therefore, being, central economic and political goal of macroeconomic policy.

Sustainable development is a fundamental and wide goal of the European Union, aimed at continuously improving the quality of life and well-being for present and future generations by linking economic development, environmental protection and social justice.

Socio-economic development is a central element of the EU Sustainable Development Strategy (EU SDS). Strategy sets the objective of promoting a prosperous economy, innovative, knowledge-rich, competitive and eco-efficient, providing high standards of living and full employment and high quality throughout the European Union.

Sustainable development meets the needs of present and future, seeking to protect and increase the chances and opportunities for the future. It is seen as a way of development of the economy in such a way that the needs of economic, social and aesthetic to be fully satisfactory, while maintaining cultural integrity, essential ecological dimensions, biological diversity and life system.

Sustainable development covers all forms of economic and social activity, including industry, agriculture, and tourism. The orientation process towards sustainability should be normally coordinated nationally by local, community level.

Sustainability for any economic sector, has three interrelated aspects: economic, social, cultural and environmental. Sustainable development involves the permanent optimal use of resources (including biological diversity), minimizing the negative impact of economic, socio-cultural and ecological maximize benefits on local communities, national economies and the conservation of nature.

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