

ECONOMIC AND SOCIAL PROGRESS AND SUSTAINABLE DEVELOPMENT

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Abstract:

The measurement of the economic and social progress and the vision of sustainable development suppose criteria and indicators that would take into consideration the fact the GDP/inhabitant will no longer be able to express human welfare, because the market appreciates only efficiency.

Key words: *Economic and social progress, sustainable development, growth patterns, strategy.*

JEL classification: *A, A1, A10*

Sustainable development follows the interaction and compatibility of four system: economic, human, environmental and technological, providing the compliance with the present needs without compromising future generations' capacity to comply with its own needs.

The strategy of sustainable development includes progress simultaneity in all cases.

The measurement of the economic and social progress and the vision of sustainable development suppose criteria and indicators that would take into consideration the fact the GDP/inhabitant will no longer be able to express human welfare, because the market appreciates only efficiency.

From the economic and ecologic point of view, studies have revealed the following contradictory points of view:

- 1) According to economic indicators used to appreciate world economy health status so far.
- 2) According to indicators measuring the health status of the environment, every major indicator shows an alteration of natural systems.

Progress measurement through economic indicators so far has not taken into consideration the debts that economic development has to natural environment. The ecologic age shall have to install in the evolution of the world, shall have to begin with the design of a reliable energetic system, as a renewable source leaving its mark upon the economic pattern of the future.

Passing from the ecological age of sustainable development means recycling materials, drastic reduction of waste, products change and people's reactions change, giving-up to the society of extravagance.

The place and role of the ecologic factor among the determining factors of the sustainable economic growth are relevant for the global character and the actuality of the ecologic factor.

Placing the ecologic factor in the main plan of the economic activity is due to the danger of pushing beyond the limits of the discordance between the rough exploitation of nature and consideration of its normal existence and operation conditions.

Sustainable development puts for the first time the problem of fundamental values unity, defining our transition goals through life and the means to achieve them, in the human time given, with minimum of error and allocating limited resources. There

are three indicators for measuring in human terms the synthetic performances of development.

The first indicator used is the average life hope at birth synthesizing the conjugated influence of certain factors upon life: evolution of the health state of the individual, alimentation, providing the conditions for living.

The second indicator used is the training rate reflecting the amount of knowledge of the individual, its habits and capacity to communicate and take part in economic and social activities.

The third indicator used is the GDP/inhabitant computed in comparable terms expressing the average size of resources that the individuals have access to for fulfilling the needs of a decent life.

The three indicators are used for calculating an aggregated indicator – the indicator of human development.

The new vision upon the world development sees man not just as a means, but first of all as a goal. A sustainable human development will have to gradually reduce alterations of human life and treat Earth as something for all generations coexisting and naturally succeeding.

The unit between reason and hope is the key of sustainable development. Human impact on the natural environment depends on the interaction existing between the population, economic growth and technology.

Pollution, understood as environment degradation is not a product of population, of incomes level but of pollution intensity.

The variable that can be influenced on short-term is the intensity of pollution. In these circumstances, the only alternative for avoiding environment perturbation of the decrease of pollution influence on a short-term through clean productions, and on long-term by closing materials and products cycles and passing to renewable energy resources.

The interaction between the three variables is much more complex. While GDP/inhabitant grows, the resources necessary for reducing the intensity of pollution also grow and population growth decreases. While the profit of every inhabitant grows, the public demand for reducing the intensity of pollution also grows.

The natural environment has value only to the extent where it offers support for the economic activity, only to the extent men appreciate the services procured with the help of natural resources. There is also a rate of substitution between procured services today and the services that will be procured in the future with the help of natural resources.

An essential element is the potential, the drawing, combining and efficiency degree, revealing the mutations occurring in space and time.

Economy is not a closed and isolated system. It permanently communicates with nature in tight interdependence with labour. Due to the intensification and extension of the development process, the consumption of non-renewable and renewable resources has increased a lot and continuously.

The main solution consists in developing a technical and economic program that is also an ecologic progress. The essence of the economic system is the maximization of the amount of commodities and services produced but in the conditions of the maximization of efficiency for using all types of resources. The objectives of the social system refer to the allocation of commodities and services of all types. The objectives of the social system refer to the allocation of commodities and services at local, national and global levels, drawing all the members of the society in the process of development and maintaining cultural diversity as a basis for chances equality and adjusting the society to the alteration of social and geo-economic conditions. From the economic

system point of view, the main objectives are given by the maintenance of biodiversity as a support of the possibilities to adjust the biosphere to geo-climatic alterations.

All these are fundamentally based on the coordination of objectives, entities actions and of the type of every system. The coordinates of the economic and global pattern are synthesized as follows: by promoting a budget, eradicating poverty, using opportunities, of the new technologies for saving resources, accelerating the recycling process of materials, strengthening environment protection, transition from the energy fossil resources based economy (coal, oil, gas) to renewable resources /solar energy, Aeolian energy, geothermal energy, hydro-energy, bio-energy and hydrogen), encouraging passing from the extravagance economy to the economy based on resources reuse and recycling.

Society development and the experience of countries with modern economy reveal that the only and most powerful engine that could generate long-term growth of the life standard is economic growth.

The growth of the national income is reflected in the labour and life conditions of people through their distribution relations. Once with the economic growth individual incomes also grow together with the available resources for investments simultaneously with the growth of material commodities and services.

The economic dynamism of industrialized countries has been based on respect for big economic balances, savings and big investments for technical equipment, modernization, big investments in human capital, intense innovations, broad opening to world market.

For economic progress of significance is the alteration of the position in world economy due to fast evolutions in the area of South Asia. The success of these countries is based on the harmonization of market economy mechanisms with state interventions, high savings and moderated consumption, healthy public finances, great investments in training manpower, broad promotion of technical innovations, active opening to world market; free prices within the property right protected through the law, stable police system.

For less developed countries, a real long-term economic growth is the only solution for the closeness between developed countries and active affirmation in the interdependent and global world economy.

A dynamic economy amplifies structural alterations requiring the growth of qualification level and update of professional training as well as requalification and reorientation of those having to change their activity due to restructuring.

In general, education and investments in the human factor related expenses grow. These investments do not determine an immediate profit under the form of commodities and services for consumption involving sacrifices for current generations of consumers and this sacrifice in the current consumption is the primary cost of growth.

Resources transferred from the consumption to investment commodities reduce the current income but increase future incomes. It is simpler for an economy with a supported, durable and healthy increase to be generous with its citizens than for a static economy and even more for one being in regress or crisis.

Increasing the quality of economic growth through the modernization of the national economic structure based on the increase of branches and creating industrial sectors role, more added value, agriculture and reducing regional discrepancies and on the other hand, through a balance of economic growth factors by increasing the contribution of gross capital formation supported by internal saving and complete and efficient use of EU transfers and also through the alteration of the net export nature.

The economic and social progress faces certain limitations and appeal especially to economic growth competitors. Among these, we mention the limited and exhaustible

character of resources, tendencies and aspirations of many people for consumption that cannot be supported by existing technologies; the resistance and difficulties of economic and organization structures to change; inefficiency and losses on the economic system that limit or reduce growth rates; economic impact upon these limits implies efforts, dynamism, strategies and coherent strategies, an adequate climate from the social and political point of view, a new philosophy about the growth process – the theory of sustainable development.

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