# IS IT ZERO OR INTELLIGENT GROWTH?

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***Abstract:***
*For many years now, the "Zegist movement" has brought in front line the necessity of a wiser administration of the limited resources, in big countries and smaller as well, as a reflected concern for the phenomenon of raising all types of waist. The lasting dilemma of the scientists remains the option between cheaper products, obtained in more polluting conditions (which should cool the inflation, better fulfill the consumers' expectances and increase sales) and spending more for a cleaner production (which implies spending more for cleaning operations and projects and consequently a heavier burden for the price and tax payers). Trending for budgetary balance, the growth concept is questioned and growth target persists to be unrealistic for most of the world.*

***Key words:*** *balance, intelligent growth, zero growth.*

***JEL classification:*** *E, O, Q*

## INTRODUCTION

For our country, the resources scarcity dilemmas are not new: they come from the years before the 1989 Revolution, when Romania paid with high sacrifices "The Foreign Debt", continued with the last decade of the XX-st century, when the transition towards the market economy included significant transition costs, and then, during the first decade of this third millennium, the new status of European membership for our country meant new financial challenges for the domestic business, in order to face the higher competition of the unique European market.

On the background of this "huge bill" paid by the state, the firms and the individuals, the global economic crisis, owing not only financial restrictions, but other diverse limits of the current activities, inserts its constrains, and changes future plans.

If the first years of this millennium were measured by the growth index with positive results, from 2009, the Romanian economy hasn't recovered yet, and theoreticians begin to speak about returning to a normality we had forgotten, in the neighborhood of zero growth.

## DEBATE

Economic growth is generally defined as an increase in the productive capacity of a national economic system of producing national income (real output) (6).

Because the definition requires an organic link to the gross domestic product (gross national product) index, and for more accurate performance, it is compared with the number of inhabitants.

The interpretation of the growth concept draw disputes to zero-growth and negative growth concepts, and lately to intelligent growth, to sustainable growth and development.

The zero growth necessity was argued for the first time, strong enough in a Report ordered by the Club of Rome, elaborated under the direction of Donella and

Dennis Meadows, Jorgen Randers and W.Behrens, from Massachussets Institut of Technology. (4)

The team examined a set of global challenges, such as poverty, environmental pollution, the loss of trust, unemployment and inflation effects, financial and economic crisis, the young generations' alienation, the loss of traditions, the production robotizing.

They analyzed those parameters and their influence for the future development and revealed a series of circular relations, of cause-effect type, stressing the inter-dependency among the elements of natural resources and the human needs.

As a computing result, the trend until 2030 was figured for population, industrial output, agricultural production, environmental pollution (considered the basic parameters of monde economy).

The found model of monde economy growth showed the scarcity of the resources compared to the human needs, if the growing process goes on in the same rhythm and manner, pointing to the possibility of the supply collapse, when resources end.

To prevent a catastrophe, the Report indicated the equilibrium between production (GDP) and consumption having as result zero growth.

This preserving the level of GDP per capita incumbent a special debate, mostly upon its distribution, the level in the monde economy.

Zero growth theory is a better answer to the Malthusian "Essay on the Principle of Population" (3), which was proclaiming an immutable rule of starvation.

Malthus was blaming the human super-fecundity for evil such as wars, poverty, illness, not paying much attention to the productive potential of the economy, or to the qualitative aspects of development which could diminish the quantitative gap between demand and supply.

By contrast to the malthusianist concern upon the incapacity of mankind to feed itself, Zero growth theory states that it is possible to raise the agricultural production, but consequently, other parameters (industrial output, pollution, population) will grow, entailing questions about their proportions and effects.

The Zero growth theory became a social phenomenon, people becoming more conscientious about the limits of a growth which obviously brings waste, over-consumption, routine. Especially the young generation seems to be more concerned about its future, eager to skip the routine, to tend for more ideals, to do more about the best way of living, than their genitors.

The economic growth of the most developed countries was considered "the quantity that brings us error". This assumption was grounded by scientists, who indicated that any quantity which is exponentially increasing, determines a "vicious circle" (positive lock), like the prices-wages rising spiral.

In is line, "Industrial Dynamics", 1961, work of Jay Wright Forester (1) was cited.

His idea stated that inside a vicious circle, a series of cause-effect type of reactions are launched, in such a manner that each growing element incites the others in the same sense, having as result an even higher expansion than the initial one, for the first modified element.

Continuing this logic, critics were made against wasting resources, instead of better administrate them: is it good or not to have larger highways, with more and more vehicles, a higher energetic consumption, more expansive packages for doubtful products, bigger airports for faster planes, more pesticides grounding richer crops, and why not, more and more people on the same earth surface.

The fact is that more comfort and consumption are demanded by more and more people: from 1.6 billion in 1900, world population raised to 3.7 billion in 1970, and over 6.8 billion in 2010 (7).

This expanding demand will put pressure on global supply, and the quantitative phenomenon will be entailed by qualitative aspects of the market elements: in 2010, in spite of the financial crisis affecting the global output system, the world growth index was of 4.6%.

The world production system will be put to work, while the productive capital is constrained by its material limits, and creates an antagonic motion, a contradiction, not only between the aggregat demand and supply, but among more elements currently involved in the survival of the long lasting economy: environmental polution, the continuous ressources stock lowering, the insuficiency of food production (which increases the prices after a regular supply shock model).

The demo-economic and ecologic stability is corectly questioned by the authors of the first Report for the Club of Rome, who gave a similar allert to the sustainability of the growth and development, 30 years later, in their "Limits to Growth: The 30- Year Update", 2004 (5).

The up-dates refer to the global problem of the ecological unbalance that thretens the long lasting development, and which begin to be measured by the "footprint" system (a metric for sustainability), designed and applied by Mathis Wackernage, prezident of "Global Footprint Network".

The footprint system includes the ecological, foot print, the water footprint, the carbondyoxid footprint, and will develop other metrics. The ecological foot print is a synthetic measurement of the amount of land (of Earth) required to provide natural resources consumed by population and to absorb their wastes; it measures the human demnd on the Earth's ecosystem, in terms of regenerating capacity.

Wackernagel is warning about the fact that since 1980, population is using in production more ressources than the plane could regenrate during that year and the global society has overshot the Earth's capacity to maintain the same amount of resources for the future generations. He thought that "Overshot will ultimately liquidate the planet's ecological assets", because population's consumption exceeds the long term capacity of its envirenment: for 2006, the global ecological footprint equaled 1.4 planet(s) Earth.

Indeed, zero economic growth at this point seens to be the same harmfull: a negative economic growth looks like the mandatory solution for re-balancing the ovesot with the planetary capacity.

Another long term approach upon the growth issue, owing more qualitative features belonges to Mihajlo Mesarovic şi Eduart Pestel, authors of the second Report for the Club of Rome, 1974, (8) .

The theoretical answer to the zero growth solution, gave by the first report, included a more nuanced qualitative measures, meant to re-ballance the population-living means-environment correlation, the equilibrium between the natural and human systems we use.

The central concept in this second report was the organic growth, able to turn the world into a harmonious system, where each element brings its specific contribution, considering the regional diversity of the mankind.

They considered a realistic view upon the diferentiations and variations among countries, level of civilization, local traditions, which unfortunately are not in a regular proportion with the polluting effect of the economic activity which we all want to combat.

The world system needs a regional rebalance, which could be done by a horizontal re-structuration of the global economic system; only the regional solution,

changing the relations among countries and regions, would bring the resired equillibrated and diferentiated growth, the normality of the global unique system.

Their idea about the regional disparities and the necesity of their dicreasing, from the teritory convergence point of view, was included in the European Strategy, and regional development projects were financed.

2009 was declared in Europe the innovation year, qualitative solutions being required for all domains. In line with the innovation incitation launched by European Union, Anthony Kasoz, business director at Ashridge Consulting wrote his "Intelligent Growth, Thoughts on Sustainability, Thought Piece produced for Ashridge", (2), a paper which promoted the concept of a business friendly to material and spiritual environment.

A sharp critic of the current business style was presented, while the business growth was called narrow, no longer suitable, and replaceable by the intelligent business, prepared to accept limitations, utility or caution, not because the lack of imagination, but because of being grounded on valuable innovation, on a better business insight.

Media and specialists developed those ideas in the topic of the unique response to the suicidal growth applied so far by all countries, less or more, tracing emergencies like using the green energy (up to a total cut of polluting emissions), the recovery of the soil, the cut of polluting waters and air, promoting a protective behavior of human communities for their bioregions.

## CONCLUSION

The world economy already oveshot the natural capacity of long term regeneration, and now, maintaining the same turnover per capita, in the same poluting maner creates too much waste for our environment to "process": applying the zero growth, early times advanced ideas alone, would be no longer enough.

A negative economic growth for the future generations could mean less consumption per capita, more distribution problems of the economic results, in order to avoid the blockages and for the stability, for the continuity of an efficient market mechanism.

On the other hand, a wise solution could be helping the regeneration process, supporting the waste recicling, targeting to rebalance the elements of the life and economic systems.

The wise, or intelligent way to growth, is automatically conected and fed by a regulated authorities' mechanism of administrating the ecological problems, in a more and more comitted maner, co-ordinating activites on each level of social organization, from the lowest to the highest one.

In economy, there always will be a cost-originating mechanism of shaping the results.

In the race for higher profits, business shrinks the costs, promotes the competitive pricing, and targets to create an advantage of the supplier against the buyer.

At the present situation and in the coming future, the market game needs stability to progress, and this stability imposes narrow margins for all types of unbalances.

Even if profits are generated by the cost/price ratio, in a permanent competition towards the largest share returning to the business, the option for this ratio should be in the sense of a sustainable business, using the only alternatives of the clean energy, green communities, zero waste, genuine progress, in harmony with the ecosystem.

The welfare society we all want to be can no longer afford to isolate the aggregate benefits from their global loss.

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