

# THE ECONOMIC GROWTH AND DEVELOPMENT AND THE NATURAL ENVIROMENT

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**Abstract:** : The problems of the environment are complex and closely related to a country's social-economic status, to its progress in general. The economic growth must not deteriorate the environment; in fact it has to guarantee a constant protection correlated with the improvement of the life quality. The contradiction between the economic growth and the natural environment has suffered transformations during time, the adaptation of the economic growth to the natural resources' volume and quality at a certain moment becoming a necessity as well as the rational utilization of both natural resources and environmental conditions. We do not have to stop the economic growth and development in order to prevent or eliminate pollution; we have, in fact, to obviate the causes that make the economic growth and development to be accompanied by pollution.

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**Key words: economic growth, economic development, sustainable development**

## 1. INTRODUCTION

The intercorellation of the economic system with the ecological one implies the existence of some disfunctionality regarding the economic indicators, meaning those reflect only a part of the environmental costs and benefits resulted from the economic option.

Integration of the economic and ecological systems was one of the elements imposed by the concept of sustainable development, presuming among others that:

- The optimization not maximization of the economic objectives;
- The acknowledgement of the fact the constraints impose by the laws of nature are universally viable;
- The improvement of the ecological impact and resources' methods of quantification.

The term of development gained new valences due to the very various environmental problems that have emerged.

Within the Summit of Johannesburg from 2002, a series of action proposals were made for the achievement of the „millennium objectives”, regarding the development and the fight against poverty, that are presumed to be attained by 2015. The general secretary of ONU, Kofi Annan has identified then five key domains to which significant contributions can be brought: water and salubrity, energy, health, agricultural productivity, biodiversity and the management of the ecosystems.

The degradation of the environment is caused, on one hand, by poverty, because poor individuals and nations must put the immediate survival needs before the long term preservation of the natural resources, and, on the other hand, in the rich countries the ecosystems' degradation is frequently the consequence of the excessive utilization of the natural resources and of generating large quantities of waste. The fight against poverty is simultaneously accompanied by the one for the environmental protection, especially in the rural areas of the developing countries.

The economic activity and environmental protection must have common restrictive criteria concerning the consumption of natural resources and the pollution level in certain areas, where it has reached critical limits.

The environmental protection represents a global problem, and the elaboration of any strategy for the protection of environment must be based on the concept of sustainable development, which corresponds to the present, without compromising the future.

The European Union considers there is no contradiction between the economic growth and the environment's preservation at an acceptable qualitative level. The measures taken for the integration of the environment in the economic and political activities must work together in order to reduce pollution and to improve the functioning of the economy.

## **2. OBJECTIVES**

There are important preoccupations to define and explain new concepts and theories at theoretical level as well as to attain a balance point between the economic activity and the protection of the environment at practical level and to surpass the elements of conflict within the relation economy-natural environment in order to achieve the reconciliation between man and nature, an intrinsic premise of the human continuity within the space of the planetary ecosystem

In the present, the target of the European Union is the „economic growth” simultaneously with preserving the workplaces of the population and a healthy and clean environment, which can be achieved by:

- The implementation of the economic and environmental strategies and policies;
- The implementation of the environmental legislation by informing and educating the population;
- The offer of fiscal stimuli;
- Practicing an active policy on the human resources market.

All these imply the close collaboration with the enterprises and customers for obtaining new forms of production and consume that will not damage the environment and the societies will be encouraged to promote and use „clean”, non-polluting technologies.

### 3. ENVIRONMENTAL PROTECTION AND IMPLEMENTATION OF THE ENVIRONMENTAL POLICIES IN ROMANIA

Romania has done a big step towards its integration in the European structures and the adaptation of its economy to international standards by the adhesion to the European Union.

The European Union Directives were assimilated by the Romanian legislation but have not been implemented yet. Putting in practice and respecting the communitarian acquis regarding the environmental protection needs a strong administrative structure, being necessary to consolidate further on the consultative role of the National Environmental Agency and the respective Ministry in report with the local and regional agencies.

The alignment of Romania to the European Union's standards of environmental protection has become an important priority, including two components:

- 1) Legislative approximation (harmonization of the Romanian legislation with U.E. acquis);
- 2) Reform of the state institutions, involving the development of an adequate institutional mechanism able to put in practice and monitor the implementation of the communitarian acquis.

The environmental protection must be integrated in the defining process and implementation of other sector policies that are interrelated and have an impact on the environment, like agriculture, energy, industry and transports, in order to bring their contribution to a sustainable development. The alignment to the European Quality Standards implies very high costs, the financial evaluation for the implementation of the environmental communitarian acquis during 2004 - 2018 equaling almost 29, 3 milliards euro. The improvement of the environmental infrastructure is the major target, which means:

- Stations for the treatment of drinking water;
- Stations for the cleaning of the used waters;
- Gradual closing of the deposits that are not in conformity with the European requirements;
- Building some ecological deposits that will correspond to the European Union requirements, both from the standards' and their location perspective;
- Reconditioning of the big burning installations (thermo-energetic centrals) and reducing their toxic emissions.

In 2007, the activity of the Ministry of Environment and Water Administration was focused on "*continuing the implementation of the engagements*" taken by Romania in respect to Chapter 22 regarding the integration in the European Union, ("*the diminishment of the risks associated with extreme events that are generated by climate changes and the improvement of the institutional instruments that will contribute to the resources' utilization and protection and to the reducing of pollution phenomenon, based on the principles of sustainable development*"), the stress being put on:

- The integration of the environmental policy in the elaboration and application of the regional and sector policies;
- The evaluation of the present state of the ecological factors and the fundament of a long term development strategy in the domain of environment, renewable and non-renewable resources;
- The consolidation of the institutional abilities and competences in the environmental domain;

- The amelioration of the environmental factors' quality in the urban and rural areas;
- The extension of the national area of protected zones and natural reservations, the rehabilitation of the Romanian seaside coast infrastructure, the economic and ecological reconsideration of the Danube Delta;
- The strengthening of the beyond frontiers and international partnership with similar institutions from other countries in order to monitor the implementation stage of the international agreements;
- The protection of citizens against floods and dangerous meteorological phenomena;
- The strengthening of the partnership with non-governmental organizations in the elaboration and implementation process of the public policies in the domain.

The legislative foundation of the environmental policy in Romania is represented mainly by the implementation of the environmental acquis, meaning the horizontal and sector policy that regulates the E.U. environmental policy. A strong and well equipped public administration is absolutely necessary at local, regional and national level in order to put in practice the environmental acquis.

In regard to the **horizontal legislation**, the alignment concerning the public and juridical participation was finalized, the next stage being the implementation in conformity with the acquis of the European Community.

The horizontal legislation objectives are essentially targeting the following:

1. The evaluation of the public and private projects' impact on the environment;
2. The participation of the general public to the decisions taking process;
3. The guarantee of access to the information regarding environment hold by the public authorities and the determination of the terms or practical conditions for the exertion of this right;
4. The guarantee of access to the information regarding environment by promoting the use of the computerized telecommunication and/or electronic technology;
5. The monitoring and reporting of the emissions of gases with greenhouse effect in order to respect the engagements assumed by the Kyoto Protocol within the United Nation Frame-Convention on the climate changes and the elaboration of national and regional programs and plans in the field of reducing the emissions of gasses with greenhouse effect.

The impact of putting in practice the communitarian acquis may have both positive and negative effects.

**The positive effects** of the acquis implementation target to create new jobs by supplementing the number of employees in the economic domain and the environmental structure as well as to develop new economic sectors of activity. The activities that will be strongly developed are: recycling the used cars; ecological agriculture; recycling the waste; production and installation of filters for retaining the industrial noxious and/or powders; production and installation of water conducts; tourism development.

All these positive effects will determine the improvement of the life quality and citizens; health, the encouragement of new cars' acquisition with motors respecting the EURO norms, fact that will lead to the decrease of the carbon monoxide pollution.

Among the negative effects of the communitarian acquis implementation can be mentioned the following:

- a) The costs that might affect the state budget, as well as the local budgets and the economic agents' budgets. The negative effects of the implementation of the communitarian environmental norms can materialized in higher costs at the final consumer level by the growth of the prices per unit and the loss of jobs due to the restructuring, modernizing the technologies or the bankruptcy of certain economic agents;
- b) The costs in the environmental protection domain, which are costs that should have been made even if our country would not have adhered to the European Union because the investments for the environment are made for a better health and a cleaner environment for each and every one of us.

Romania starts to have a higher and higher interest in the investments for the protection of the environment, which is measured by quantifiable economic results. There are some macro-programs of environmental protection that are carried on in the present in Romania on medium term that are financed both by state budget and external sources. The preparation of the portfolio of projects elaborated for accessing the post-adhesion funds is a constant priority of the AM POS Environment. There are in different stages of preparation almost 50 major projects concerning the environmental infrastructure by the mean of the pre-adhesion funds (PHARE and ISPA), but also due to a loan from the World Bank, the estimative value of investments being of 1, 5 milliard euro.

The achievement of the responsibilities implied by the acceptance and implementation of the communitarian acquis by Romania regarding Chapter 22 – the Environmental Protection and the obligation to fulfill the engagements taken with the European Union by the Ministry of Environment and Water (Water Management) signifies the attainment of some priority investment projects in the environmental infrastructure evaluated in the Statuary Document to 29,3 milliards Euro (sum stipulated for the implementation of all the European Directives from the communitarian environmental acquis until 2018), from which 19% must be assured by the local and national budgets, 33% by communitarian funds, 27% by the economic agents and almost 21% by other sources (Environmental Fund, international projects that are not financed from communitarian funds, external loans, credits, extra-budgetary sources, public – private partnership projects).

The National development Plan 2007-2013 represents an instrument that will make a priority out of the public investments for development issues, assuring the general frame of the directions that will be followed in the process of allocating the public funds for investments with significant impact on the economic and social development, either from internal sources (like the state budget, county budgets locale etc.) or external – structural instruments of the European Union, the E.U. structural funds for agriculture, rural development and fishing, external credits etc.

The financial program of the NDP has targeted to achieve a realistic general frame of the development process's financing sources that should be used during the period 2007-2013 in order to increase the convergence with the European Union and the global estimative sum raised to 58, 7 milliards Euro, allotted on the NDP six national development priorities, as presented in the table below.

**Table no. 1**  
The National Development Plan's Global Financial Program  
2007 - 2013 (milliards Euro)

Priorities PND	2007	2008	2009	2010	2011	2012	2013	Total
P <sub>1</sub> .Competitivine ss	651, 48	620, 72	793, 14	882, 76	842, 95	761, 25	682, 12	5 234, 43
P <sub>2</sub> .Transport infrastructure	2, 094, 99	2, 517, 48	2, 465, 25	2, 071, 29	1819, 84	810, 78	1853, 75	14 654, 79
P <sub>3</sub> .Environment	753, 18	898, 70	1, 099, 11	1, 160, 45	1, 069, 54	1, 832, 20	806, 23	6 597, 98
P <sub>4</sub> .Human Resources	711, 65	912, 51	1, 297, 08	1, 317, 59	1, 313, 22	1, 115, 85	940, 72	7, 608, 60
P <sub>5</sub> .Rural Development	1, 585, 56	1, 757, 72	2, 200, 96	2, 335, 49	2, 395, 08	2, 445, 15	2, 517, 37	15, 237, 32
P <sub>6</sub> .Regional Development	1, 294, 79	1, 280, 99	1, 397, 96	1, 336, 37	1, 342, 35	1, 344, 55	1, 342, 97	9, 339, 98
Total	7, 091, 65	7, 988, 12	9, 253, 50	9, 103, 95	8, 782, 98	8, 309, 78	8, 143, 16	58, 673, 10

## 5. CONCLUSIONS

The structure of the sources for the National Development Plan 2007-2013 financing is presented below:

- European Community Funds** – 43%. It must be emphasized that the final repartition of those funds on the six development priority axes was not decided in the NDP but consequently to the negotiations with the European Commission during 2006;
- **National public resources** (central and local ones, inclusive IFI credits) – 48%;
- **Private Sources** (private co-financing funds afferent to the communitarian funds) – 9%;

According to the NDP Strategy of Development 2007-2013 there will be supported the investment programs that are meant to capitalize on:

1. Solar energetic resources, in the meteorological - solar conditions from Romania;
2. Aeolian energetic resources;
3. Hydropower energetic resources, with power installed lower than 10MW;
4. Geothermal energetic resources and the utilization of the biomass.

In Romania and in other states as well, the problems of the environmental protection are stringent, especially due to the intense local pollution of the environmental factors by industry and agriculture or the highly polluted urban centers, as well as to the extension of a beyond frontiers pollution that have led to the degradation of entire ecosystems in some areas and the worsening of the population's life conditions. The continuous improvement of the environmental protection and the elaboration of a legal frame in this direction represent a great challenge for Romania, the implementation of the European legislation regarding the environment having a major positive impact.

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