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# SUSTAINABILITY IN THE CONTEXT OF GLOBALIZATION

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**Abstract:** *Sustainability tends to become in the new millennium the most important characteristic of economic and social development. The possibility to ensure economic development in the context of a reasonable use of raw materials, energy and natural resources in general and to decrease the impact of all human activities on the environment makes the essence of the sustainable development of these activities.*

**Keywords:** sustainable development, globalization, natural resources, decentralization, environment, efficiency

**JEL Classification:** Q01, Q56, Q57, F02

At present, the globalization tendency of all the economic and social elements determines an identical approach of the contemporary life crises. Negative phenomena, such as pollution or the using up of resources, at a national, as well as at world level, are the result of a multitude of preoccupying problems, such as: poverty, environment degradation, workplace insecurity, disappearance of traditional values, unemployment, etc.

## 1. THE CONCEPT OF SUSTAINABLE DEVELOPMENT

The term *sustainable development* was introduced in our current language in the last decade, and the importance it was assigned to it is reflected in the vast literature which arguments the necessity of reconsidering the current relation between the human being and the environment. One will try to systematically identify the aspects specific to this type of development and to elaborate some new concepts, meant to provide some criteria for the reorientation of human activities. Thus, there are over 60 definitions of the concept of sustainable development. The area of these interpretations is somewhere between the two extremes: the one of the first report from Rome – which approaches the stopping of economic growth – and the one of the “greens”, who assign an absolute value to the role of the natural environment. (Angelescu, 2004, p. 242).

The concept of *sustainable development* was used, for the first time, by the prime-minister of Norway, Gro Harlem Brundtland, in 1987. As president of the World Commission on Environment and Development, he presented the report entitled, in which sustainable development was defined

as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland, 1987). This report was the fruit of the over three years’ long collaboration of 20 politicians and experts in economic development and ecology from all over the world.

The message of this report can also be found in “principle 3” of the Rio Declaration on Environment and Development, from 1992, according to which “the right to development must be fulfilled so as to equitably meet developmental and environmental needs of present and future generations”.

The standard ISO 14000 also refers to this concept, mentioning that “all the types of organizations, are increasingly concerned about achieving and demonstrating sound environmental performance by meeting the requirements of environmental regulations and limiting the impacts of their products or services on the environment. These aspects are outlined in the context of the increasingly strict legislation, of the development of economic policies and of other measures meant to encourage environment protection, the increase of the concerns of the interested parties with regard to environment related issues, sustainable development inclusively” (Rojanschi, Bran, and Grigore, 2004, p.63).

Sustainable development refers to the long term preservation of the functional capacity of the interconnected systems of contemporary society, taking into consideration the economic, ecological and social aspects (Crăciun, 2004, p. 184). It is not easy to find a balance between these components, for (Teodosiu, 2004, p. 16):

- from an *economic* perspective, it is necessary to efficiently assign resources or limited goods, which involves a flexible economy and free access to exchanges;
- from the perspective of the *environment*, the pollution limits must not be exceeded and biodiversity must be preserved;
- from a social perspective, it is necessary to ensure the equality of *social* chances, opportunities, freedoms and justice.

The interdependence between economic, social and environment issues is presented in figure no. 1.

**Figure 1 – Sustainable development factors**



Starting from the factors that influence one another in the development process – *population, resources, agricultural production, industrial production and pollution* – the sustainable development strategy aims at finding *the most adequate criteria for the optimization of the needs-resources ratios, the objectives to attain and the necessary means*, based on mutual compatibility, in time and space. Thus, one must conceive and obtain an economic environment which, via its entries and exits, must find itself in a state of dynamic compatibility with the natural environment, as well as with the present and future needs and interests of the generations that coexist and follow (Rojanschi and Bran, 2002, p.51). As concerns the action of these factors, one may see that, in the world system, two of them are positive loops in reverse connection, namely the exponential growth of the population and of industrial production, and three factors represent the negative loops: pollution, the using up of natural resources and poverty. If the evolution of the first two factors will be corrected so as not to reach a sudden and uncontrollable decline, then it is possible to have economic and ecologic stability (Caracota and Caracota, 2004, p. 13).

Sustainable development approaches the concept of life quality, under economic, social and environment aspects, promoting the idea of balance between economic growth, social equity, efficient use and the preservation of the surrounding environment. The key element of sustainable development is the reconciliation between the development process and environment quality, the promotion of the integrated process of elaboration and decision making, at a global, as well as at a regional, national or local level. Also, sustainable development depends on the correct repartition of

the costs and benefits of development among generations and nations. The major principles that characterize sustainable development are:

- concern for equity and correctitude among countries and generations;
- long term vision on development;
- systemic thinking –interconnection between environment, economy and society.

Sustainable development strategies outline the interdependence between the local and the global, between the developed and the developing countries, with emphasis on the need for cooperation within and among the economic, social and environment components.

## **2. SUSTAINABLE DEVELOPMENT MEANS “TO THINK GLOBALLY AND TO ACT LOCALLY”**

The major objectives of the sustainable development of communities are the protection of the environment, the eradication of poverty, the improvement of life quality, the development and preservation of a viable and efficient local economy.

A sustainable community has control over the development process and adopts, in this respect, a series of decisions meant to guarantee sustainability at a local level. It also has an active social structure – associates, groups and institutions capable of mobilizing themselves for long term common actions and of taking responsibility for this continuous development process. The sustainable community has a vision on development, supported and promoted by all the community sectors, civic associations, local authorities, etc. A sustainable community appreciates and promotes healthy ecosystems, makes efficient use of the resources, develops and ensures a viable local economy.

The sustainable development of communities is primarily aimed at eradicating poverty at a local level, laying emphasis on local resources, which can be structured into four categories:

- *human capital*: knowledge, skills, capacities, creativity, adjustment strategies;
- *physical capital*: infrastructure (constructions, roads, etc.);
- *natural capital*: water, air, soil, flora and fauna;
- *social capital*: governing and decision making structures, communication and culture.

Sustainable communities are prosperous because the population works in collaboration and partnership in order to improve life quality. Sustainable communities make use of their own resources in order to provide for the needs of the current generation and, at the same time, for the resources necessary for the future generations. They mobilize their capacities in order to provide

quality medical services, high living standards for all their residents, via the limitation of waste, the prevention of pollution, the maximization of conservation, the development of local resources and their efficient use for the revitalization of the economy. The more deterritorialized the economic activities, the less they can be controlled by the authorities. Hence, it is necessary to ask multinational corporations to be democratically accountable. Table 1 presents some statements of intent of some multinational companies, which mention the concept of sustainability (Crăciun, 2004, p. 180).

**Table 1 – Statements of intent of some multinational companies with regard to sustainability**

<i>Company</i>	<i>Statements of intent with regard to sustainability</i>
BP	“We are determined to face the challenges of the sustainable development objective. In our vision, sustainable development is a long term strategic problem, which will involve businesses in the consolidation of some aspects that go beyond their normal responsibilities”.
Carlsberg	“Carlsberg Breweries seeks to meet their consumers’, customers’ and employees’ needs via ecological, healthy and sustainable actions”.
Nokia	“Global industries move towards a functioning modality in line with social and ethical principles, such as sustainable ecological practices. We strongly support this development and actively participate to the global initiatives which endorse it”.
Shell	“Shell is determined to contribute to sustainable development”.
Volvo	“The environment programs of Volvo will be characterized by a holistic vision, permanent improvement, technical development and the efficient use of resources. Via these means, Volvo will gain competitive advantages and will contribute to sustainable development”.

### 3. ABOUT GLOBALIZATION

The conception and philosophy of sustainable development have been and will continue to be crystallized into the elaboration and the factual achievement of the regionalization and globalization projects. These focus, among others, on the decentralization of institutions, on the delegation of

national attributions, on the harmonization of national interests with global objectives (Pohoată, 2003, p. 74).

The phenomenon of globalization overturns the ancient economic, political and social conceptions that governed the world for decades. The economic crises from the last decade of the 20<sup>th</sup> century best illustrate the fact that the development systems must be reconsidered and reoriented towards new tendencies.

The globalization of world economy started in the mid 80s, gained field and adepts in the 90s and continues to manifest itself in the present as well, although it must face regionalist or nationalist conceptions.

*Globalization* is a complex phenomenon, which primarily consists in the stronger integration at a regional, as well as at world level, of the countries and population following the introduction, at a large scale, of information innovations that led to the significant reduction of transportation and communication costs, to the elimination of artificial barriers from the path of goods, services, capitals, knowledge and people, among states (Caracota and Caracota, 2004, p. 145).

*Globalization* is the inexorable integration of the markets, the national states and the technologies in an unprecedented degree, namely in a way which gives individuals, enterprises and national states the possibility of going further, faster, deeper and cheaper than ever before and in a modality which, on the other hand, produces a strong reaction from those that are either harmed or left aside by this new system (Crăciun, 2004, p. 169).

Under the strictly economic aspect of the efficiency of resources distribution and utilization, economic globalization appears as a rational phenomenon, meant to provide a larger volume of goods and services with increasingly fewer resources. Thus, economic globalization involves, in essence, the globalization of the process of creation of the gross domestic product of the states throughout the world.

In the report of the World Bank on World Development, from 2000, it is stated that two parallel processes occur in the world economy: *globalization and decentralization*:

- *globalization* consists in the trans-nationalization, until over-nationalization, especially in the fields of trade, finance and top technologies;
- *decentralization* consists in the transmission, by the local government to the local communities, of an increasing number of administrative, social, educational and budget related attributions, and, consequently, the role of the national state will be limited to diplomacy, army, the adoption of internal legislation.

An objective analysis of the globalization process until now illustrates the fact that economic advantages incline more towards developed countries and towards the great economic

powers where the trans-national societies are located. In this respect also acts the international financial mechanism, which, via its institutions, the International Monetary World, The World Bank, the World Trade Organization, dominated by the great economic powers, advantages, to an overwhelming extent, the developed countries involved in the granting of credits, the realization of direct foreign investments through which the crediting transnational institutions and companies obtain large profits.

However, globalization also has its negative side. First of all, especially in the less developed countries, many suffered from the globalization, primarily as concerns the social security system. Many others were marginalized by the global markets. Secondly, globalization also led to the deficient allotment of resources between private and public goods. The prices are capable of creating richness, but they are not meant to answer any other social needs. Trying to make profit, without any precautions, may lead to the deterioration of the environment and to a conflict with the other social values. Thirdly, global national markets can give birth to crises. It is possible for the inhabitants in developed countries not to be fully aware of the devastating consequences of financial crises, for they have the tendency of affecting, to a greater extent, the developing countries (Soros, 2002, p. 25). Table no. 2 presents some of the effects of globalization.

**Table 2 – Effects of globalization on the users**

<i>Users</i>	<i>Impacts of globalization</i>
Shareholders	The absence of regulation of the capital global markets leads to risks and financial instability.
Employees	Corporations delocalize their production units in developing countries in order to reduce the costs on the global market; here they find conditions for the exploitation of employees with a different cultural profile and divergent moral values.
Consumers	Global products are the target of the attacks with regard to cultural imperialism and forced occidentalization. Vulnerable consumers from developing countries are subjected to exploitation by multinational corporations.
Suppliers and competitors	The suppliers from developing countries must comply with the regulations imposed by multinational corporations via the management of the supply networks. Small competitors are exposed to much stronger opponents.



Civil society (pressure groups, NGOs, local communities)	Global economic activities put corporations in direct interaction with various local communities, thus creating the premises for the disappearance of the traditional lifestyles from the respective communities. Thus one witnesses the birth of active pressure groups who aim at monitoring and publicly exposing the corporations that activate in countries the governments of which are weak and tolerant.
Governmental regulations	Globalization weakens national governments and increases the responsibilities of corporations with regard to the workplace, living standards, environment protection, observance of certain ethical criteria.

Source: Crăciun, 2004, p.178

Nowadays there is a general, almost consensual political perception, with regard to global economy and sustainable development. The UNO debates emphasized a remarkable convergence of views on the challenges that the world faces at present, when the need for a more equitable world economy, where all the countries should have a fair chance to competition and where those who “have more” must support those “who have less” is acutely felt.

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