

## THE OPPORTUNITY TO ADDRESS THE SUSTAINABLE INDUSTRIAL DEVELOPMENT IN ROMANIA

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### Abstract:

*Its economy experienced a sharp decline, coupled with a process of deindustrialization, projected on a phase of the property. In these circumstances, to discuss the sustainable development may seem inappropriate; therefore, be taken in steps such as halting the decline of the economy and industry; the industry revitalization and growth; the development that takes place according to the criteria of sustainable development.*

*To this must be stopped declining industrial output and output stabilization. It must be found and made the necessary conditions leading to full use of the potential of the country, to stimulate those structural changes that allow the country to fall market economy conditions.*

*To address the main criteria for sustainable industrial development since this time of economic downturn may be several reasons such as the need to respect the provisions of international treaties to which Romania is a party. Some of them may be mentioned as: putting control of Earth's greenhouse effect, preventing damage to the ozone layer (waiving of manufacture and use of chlorofluorocarbons), transboundary pollution and protection of large water basins of the border. Each of these treaties contain provisions that are converging concept of sustainable development.*

*The entry into the European Union implies aligning Romanian legislation in the EU*

*The EU Council adopted a common position, relative to a plan of action intended to give a new political impetus of the fifth environmental action program. The main objective of this program is the promotion of sustainable development throughout the economy.*

*The Action Plan identifies priority areas for action, namely:*

*• better integration of environmental issues into policies as those of agriculture, transport, energy, industry and tourism;*

*• further development of basic tools acting on the market and, in particular, horizontal instruments;*

*• improving enforcement and implementation of environmental legislation;*

*• raising awareness to protect the environment.*

*The following are considered priority themes: control climate change; protecting the ozone layer; acid rain control, improving air quality; water resource management; waste management; protection against noise; nature protection and biodiversity.*

*The privatization of industrial enterprises is also an opportunity to assess damage to these facilities, the environment and solutions to remedy such damage. Existing law requires, these actions pave the ground for a sustainable approach to development industry.*

*The works market organic products or opportunities for are: agricultural and food products labeled organic; technologies and processes used to "clean" manufacturing; Products with low pollutant potential (low sulfur fuels, unleaded petrol cars with catalytic emission control, etc.); use of renewable energy and raw materials to form the corresponding markets.*

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### Introduction

In Romania, the creation and development of a sustainable industry requires mention of the national heritage of natural resources to European standards, both by eliminating damages arising from its activity, and by acting as a factor reducing and canceling the harmful effects of other economic activities.

This becomes all the more worrying since the industrialization rapidly expanding into other national economies and is likely to hold a very important role in global economic growth of 4-5 times, as provided for over the next 50 years. To what extent this growth, the industrial respectively is sustainable remains a serious question, because the experts estimate that material-intensive production of advanced countries can not be conducted under the same conditions, the purpose of enhancing the phenomenon of depletion of other State and severe damage to the environment.

The National Strategy for Sustainable Development in Romania is appreciated that, although not a limiting criterion for industrial development, the natural resource potential industrialized comparative advantage is a factor that must be taken into account in assessing the desirable structure of the industry and sustainable growth .

The criticism massive consumption of natural resources are increasingly heard in developed countries. It was found that this type of production require the extraction and processing of large quantities of raw materials, but not enough to be used for the final product.

In this way, they found some hidden material flows in the mining of soil erosion and sources, representing approximately 75% of total global consumption of materials industrialized countries. These escapes accounting as they do not fall in the economy as goods purchased or sold and therefore not included in the national gross domestic product. The hidden material flows are soil and rocks, markets, even if they are not toxic or harmful to the environment, are very important both in terms of national wealth loss and environmental damage.

It is significant that the impact of these hidden streams, including water pollution and damage to the landscape, are felt far from economies benefiting from them because many industrialized countries import large quantities of raw materials. For example, more than 70% of materials that cross the Dutch economy, Dutch never touch the ground; this category includes wastewater of mining waste, eroded soil, waste sector logging, soil and rocks excavated from the extraction of raw materials used in obtaining the full range of industrial products.

These problems concern the whole international community, both in terms of the global economy and the deterioration of the environment, as the benefits and costs of this mode of industrial production are divided not balanced.

#### ***The mining and power resources***

In our country, were identified and delineated geological resources to more than 120 substances that can be subject of industrial activity. After the volume of existing and future, they can be grouped into several categories.

1. The reserve that can provide long industrial activity, if market demands and evolving technologies of extraction and processing will allow capitalization at competitive prices, while respecting strict environmental protection. In this category, can be classified coal reserves of energy, copper ore, lead, zinc and molybdenum or limestone, mineral waters, some materials for glass, ceramics and building materials.

The low content of useful substances of non-ferrous metals, high costs for environmental protection, both the extraction and the processing and low calorific value of coal energy, drawbacks which, at least in the short and medium term, will lead to the restriction or to maintaining the existing level of production in these sectors.

2. The reserves which can not only ensure limited term (30 years), yields close to the present, as in the case of oil and gas.

Since the covering industrial and energy consumption (including population) is called and now import and Romania has a network of transportation and storage, and processing capabilities important primary and secondary, that the increase in imported quantities needed, is feasible.

#### ***The hydropower resources***

The hydropower potential, technically developed is currently used at a rate of approx. 40% in recent years and has provided over one third of electricity production.

Finalizing the investments in progress, could increase by 20% hydroelectric power and can reach 19,500 kWh / year, under a normal Hidraulicos.

Given the obvious advantages of hydropower in terms of sustainable development (and polluting renewable resource) and other potential uses and facilities of hydropower facilities (water supply to rural and urban, regulation of water courses to reduce the effects floods, tourist facilities and sports) is necessary and appropriate to reconsider investment policy in this area, which involves reducing material and energy intensity, recovery and reintroduction to the production of waste and recyclables.

In advanced economies, the work currently in reducing the volume of hidden material flows that precedes industrial processes. It also attaches, the great importance to recycling, metal recycling idea that not only replaces an appreciable amount of ore extracted, but avoids pollution by sewage and other wastes from mining activities as pollution in the ore processing .

On the other hand, there are also the recyclable resources, such as, for example, coal and oil, and those with hidden flows involved is an important part of the total materials used worldwide, for example between 26% and 46 % in industrialized countries.

In general, the efforts are made to reduce material - energointensity, but have not obtained satisfactory results yet. Thus, at present, in order to obtain an income of \$ 100 (USA) requires a consumption of 300 kg of natural resources, including hidden material flows. In this regard, OECD countries have proposed to reduce this consumption to 10, up to 30 kg natural resources \$ 100 (USA) in the medium and long term.

#### ***The role of social advancement industries***

The Romanian society, the social development has undergone involution influences the economy, in general, and the industry decline in performance in particular. Thus, employment has deteriorated, the unemployment has reached alarming proportions, becoming a social scourge. Besides these, the low purchasing power of the population

and the consumption of goods and services and providing housing tends to occupy one of the first places of social problems. Also deepened social inequality, social polarization is very strong, poverty and social exclusion. The access to health services and education is increasingly restricted, being affected equal opportunity for participation in economic and social life for a growing number of citizens.

Between industrial and social development is a close relationship, interactive, in general, the countries that have reached an advanced degree in industrial development have managed to realign social objectives at a high level, as demand jobs, reducing the phenomenon of poverty, greater access to education and health care. On the other hand, the states that have not invested enough in social development showed a downward trend in business and industry profitability.

Ensuring a decent minimum social protection is a key criterion in determining the acceptability of proposed reforms.

The social policy and the social protection should respond in transition, namely priorities, on the one hand, solving social problems specific to this period, and on the other hand, minimize, even resorption, the social costs of reform economic.

The problems and the social costs relate mainly to those negative effects of the various processes that reflect the social and economic development. These give rise to both immediate and medium-term or long difficult to correct social distortions, enhancing future costs associated with sustainable development. These social costs are:

- a) the impoverishment of segments increasingly wider population;
- b) the emphasizing social polarization with negative affect human capital;
- c) increasing social economy (high crime).

d) In addition to financial support for the unemployed, the Ministry of Labor and Social Protection has tried extending the legal framework to promote programs to combat unemployment, which included a series of active measures such as financial support for the creation of new jobs public domain, advising SMEs to prepare a business plan for enhancing services and local economic development, business incubators, job clubs, information and documentation centers on the labor market.

e) In addition to providing active programs, the retraining or professional quality has been stipulated and to grant credits for small and medium businesses to boost hiring unemployed.

f) It is estimated that the creation of new jobs must be sought in technology solutions, research and development. Also this can be achieved and by SMEs.

g) In Romania, this goal is achieved only slightly due to the economic environment appropriate financial policies that do not encourage enough lending process, as functional bottlenecks throughout the economy. It was developed in economy, the trade, just as an expression of the overrun of the insufficiencies or inconsistencies regulatory normative acts, as well as the institutions of the market. Although, this phenomenon is less present in industry, however, has become quite significant expansion in some activities such as, repair of motor vehicles and household goods, manufacturing.

h) The structure of labor by age, the industry is more balanced than in other sectors of the economy, namely staff aged up to 50 years is over 90% of the total, while providing those aged up to 35 years is almost 32%.

i) the education and professional level comparable to that in developed countries, almost all employees were at least high school graduate and professional schools.

j) the promoted macro policy to balance consumer demand with supply and as a tool for keeping the budget deficit within the limits of braking inflation led to a general decrease in household income. This was felt in the industry, although the relative ratio of net average earnings and net average earnings in the economy recorded a slightly trend increasing across industry compared to other economic sectors. It should be borne in mind that this increase was due to more significant dynamics of earnings in the mining and production activity in electricity, heating and gas distribution and water. In fact, the purchasing power of low income, which reduced consumption in major parts of it.

k) Currently, the government programs aimed at accelerating privatization, focusing not so much on quantitative criteria, but mainly on the quality (suitability of the method of privatization as higher market conditions, ensuring increased competition between potential investors, capital market development; economic performance and enhanced social programs beneficial effects in the post-privatization etc.).

l) To have the best results, the social policy must take into account the situation of health and population education and provide a reliable system of social security (unemployment benefits, health insurance, social assistance, family allowances, pension insurance , etc.). It is estimated that these goals can be achieved in a significant extent, through better organization of work, especially in industrial activities.

m) As regards the social, the work organization issues internationally, especially in developed countries, it indicates dilemmas, different views on the actual situation of labor policy.

n) Thus has the opinion that economic growth strategies focused on low wages not favorably influence the development of highly skilled labor that actually leads to economic growth. As a way of growth, the market economy supports the idea of low wages and social security costs low, incumbent entrepreneurs. However, the other economists

believe that the development of human capital investment in the development of professional qualifications and experience is the surest way of economic development.

The second dilemma is the failure of so-called production costs soft. Thus, disregarding the insecurity of each trade or profession, work intensity and risk of injury can damage the overall quality of life, although at the same time, quantitative aspects of production are improving. Also not taken into account the effects on the quality of labor too little or too much work. For example, in Europe, do not know quite well the implications of the so-called machine to create US jobs. Thus, although the US unemployment rate is 6%, half the level in Europe, the job insecurity rate is much higher than in Europe, 40-50%. The economic statistics do not indicate how charged a man who lives with this fear, this uncertainty, but it sure is a significant loss of social welfare. The other costs that are omitted from the tribute payment to increasing production caused by stress, are those related to physical and psychological demands greater participation in production processes increasingly competitive performance. These phenomena are reflected in the mental status and quality of life in general.

The third dilemma is failing soft production benefits, the benefits of social relations are inseparable from the actual production in the services sector, but not visible in the economy of goods which takes into account the need for services only to maintain employment stability. The purpose of distributive justice in society is considered achieved only by offering so-called decent work for all members of society in advanced countries to be concerned, especially women and members of minority groups. The source of these jobs is often the service sector, whose activity is reflected quite inappropriate for freight savings. Thus, there is a fair assessment, the Plenary health care services, education, childcare and elderly because they are not commensurate benefits related social relations and therefore these services are produced in insufficient volume.

The historical transformations of recent decades have led to the inclusion of all activities including health services, care of the elderly and children within the market and thus have integrated industrial competition to increase their efficiency. But this is the proper efficiency of a production model that is suited to the nature of the benefits provided by these services created unwanted pressure towards reducing these activities, reduce wages in order to limit these social roles of women and members of minority groups.

A fourth dilemma is that democracy is threatened by the very success of commodity production structures that generated them even democratic process. It should be noted that democracy is threatened when there is a passivity, withdrawal of citizens from political processes and institutions amplification economic inequality, which emphasizes social security platforms of the past, not to replace them with new ones.

The civil society provides a platform for economic development. An economy based on inadequate organization can work to destroy their own long-term capital platform. The work organized according to a conventional economic model to provide production - low-priced goods, may cause long-term adverse outcomes.

The activities that cause people to become passive in time destroy the possibilities of social relations for most of the population, it can cause many workers to withdraw from social participation, extra-professional. This passivity reduces innovative the capacity and vocational adjustment.

Finally, it was found that there is a dispute becoming more pronounced between new concepts of work organization and the concept of value, is a labor productivity, as shown new forms of labor processes. The recent examples of coordination work in many industries has a potential rising social relations, the development of specialization and quality of labor. They are in contrast to the social value that is based solely on private profit and the possession of material goods.

#### ***The analysis of labor in industry***

The outstanding issues are taken into account in the sustainable development strategy refers them effective design and implementation of a system organized on improving training and management in accordance with technical and technological developments worldwide, rehabilitation research and development stemming the exodus of highly qualification in other countries and labor retraining redundant, especially for the development and specialization of services, because of the many specific issues that we have some industries within their branch organizations and trade unions have created their own programming strategies and social conversion. Thus, the steel industry, employers and unions have signed the Convention Restructuring Metallurgical Romanian Social accompaniment which is primarily aimed at sustainable development of Siderurgy and workforce transition from a declining activity in certain activities. Under this Convention, the application of measures of social accompaniment employers leaving the steel industry is the responsibility of the National Union of Conversion in Metallurgy (UNIRMET) and the Centers for retraining staff metallurgy (CPMR) - UNIRMET territorial agencies. UNIRMET and CPMR acts as an interface between stakeholders in the social accompaniment, ie trade unions, company, local government, central government, the National Agency for Employment and Training, Government, international organizations, investors, etc.

Mining also raises, in terms of employment restructuring, a number of major issues are:

- the economic content - social mining areas is specific mono-industrial development;
- the retraining opportunities in the mining workforce are minimal due mainly to the low level of training socio - professional staff of a large part;

• the low productivity and high operating costs, largely due to objective causes, high ash content in coal, metal ore content at low, low reliability of equipment etc., determine clearly the need to restructure staff.

On the other industries (wood, leather, footwear, etc.) the problems that arise related to personnel restructuring are less extensive. The existing programs are oriented mainly at managerial and organizational restructuring.

For these industries, the human resources policies in dealing with very little labor redistribution, this issue being left entirely to the State by the Human Resources Development Agency.

The special programs exist in human resources in the national company - Electricity, Gas and Petrol. These programs dealing with priority management and organizational restructuring.

A particular problem is the timber industry work force employed in logging, seasonal labor that will be perpetuated in part by combining forestry activities with the harvesting of timber.

The main measures to be taken in the timber industry to develop human resources in order to ensure a competitive workforce are:

- the maintaining an optimal age structure of staff;
- increasing the level of training while creating a new conception of labor by promoting modern management techniques in personnel policy.

The brief analysis of the social component of the restructuring programs existing in the manufacturing industry, in general, and existing programs at national corporations, highlights the need to promote and develop the positive aspects contained in these programs. These include:

- the existence of restructuring programs specific chapters dedicated staff restructuring problem;
- a stimulate staff motivation for quality and performance;
- to improve the quality of human capital through measures to support health services and education;
- the improving human management at all levels of decision;
- the implementation of policies and active measures to manage labor leading to a real balance between active and passive labor market, creating a viable information system in labor supply and demand;
- the promoting special programs to integrate the economic policy of environmental protection;
- the remuneration based on performance;
- the developing coherent policies and salary income to boost the performance and quality of work and achieve a real balance between different categories of income and especially between the public and private sectors;
- the Correlation utility costs of employees and positions held.

In order to significantly improve workforce programs aimed consider appropriate the following measures are:

- to Create direct correlation between sustainable industrial development and social development;
- reducing the large number of organizational structures responsible for social protection of redundant staff, which could enable uniform application of the governmental program in the field;
- to promote a coherent package enabling a unified approach, simple and efficient restructuring issues raised by staff in the industry;
- the temporary expansion of facilities to investors in the most deprived areas of mono-industrial areas;
- the improving programs to retrain the workforce.

## Conclusions

The sustainable industrial development should have a social component that fits harmoniously into the future evolution of Romanian society. The human resource policies at the national industry should strive for a real balance between active and passive labor market and the legislative framework. The every industry has its own peculiarities, which requires the development of specific policies in the areas of employment, the policies whose application could ultimately lead to achieving the strategic objective of social inclusion and human capital in the overall strategy for sustainable economic development of Romania. Currently, the main problem facing Romanian society is the situation of staff will be made redundant following the restructuring of large industrial plants, restructuring imposed by the continued decline in industrial production last 11 years, the closure of many production capacities old and outdated, and and the urgent need to increase labor productivity.

The restructuring of staff in large industrial sites can not be started without preconditions achieve minimal conditions to ensure real possibilities for retraining the workforce. The main issues included in the national strategy on employment restructuring aimed at:

- the develop a work program that meets all the implications adhesion;
- the existence of a coherent package allowing a correct approach, simple and efficient restructuring issues raised by staff in the industry;
- creating tax incentives, financial etc. for investments in mono-industrial areas, areas with a strong social risk;
- providing funding to enable participation in those programs of all funds from multiple sources;
- Commencement of institutions authorized to act effectively in this area.

The social problems that will arise from staff restructuring in the industry, due to the restriction of available jobs will be addressed through specific measures mainly concern the following major issues:

- training and retraining within the enterprise;
- the temporary use of labor for social utility works;
- to stimulate interregional labor mobility;
- to stimulate voluntary departures etc.

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