

SUSTAINABLE DEVELOPMENT VERSUS SUSTAINABLE ECONOMIC GROWTH – CONCEPTUAL DISTINCTIONS AND DEBATES

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Abstract

Sustainable development is a widely used concept, the defining status of which was marked by the Brundtland Report in 1987 and the Earth Summit in 1992, following research in response to environmental degradation and economic and social problems. Over time, the concept of sustainable development has undergone many different stages and conceptual approaches, which have been the subject of many papers. On the other hand, confusion has arisen between sustainable development and sustainable economic growth, as well as debates about the definition and feasibility of these goals. The concept of sustainable economic growth has been linked to rising consumption levels, which have led to environmental pressures and called for greater efficiency in the management of finite resources. The aim of this paper is to examine and relate these two concepts, identifying causal links that stand out between them and more realistic approaches, anchored in today's reality and to help delineate the defining elements, so that decision makers act in the interest of the development of the whole society, by promoting some principles and establishing some strategies by reference to the relations and objectives imposed by the sustainable development and growth.

Keywords: sustainability, sustainable development, economic growth, debates

Classification JEL:

1. INTRODUCTION

Sustainable development has become a pervasive slogan used by governments, non-governmental organizations, corporations, environmental activists, etc., to express the principles underlying their actions, suggesting the idea of minimizing environmental impact as a result of their initiatives for meeting needs or achieving the goal.

Humanity needs to change its development model to meet the challenges of the 21st century in the context of global warming, accentuation of inequality and environmental degradation threatening the quality of life today as well as the legacy of a better future for future generations. Constraints are related not only to the survival of the human species, but also to the conservation of the environment. As a result, nations have become increasingly concerned with finding a solution that ensures a better standard of living and a balance between economic activities and the impact on the environment. This can only be achieved through sustainability, understanding the joint effort of both people by their individual actions on the environment and consumer behavior, as well as by governments that need to provide the necessary politics and tools.

It is easy to see the presence of the term "sustainability" in the two concepts, which is increasingly used and its various meanings attributed among scientists and practitioners, being commonly used to express a characteristic. This paper aims to contribute to the clarification of the concepts of sustainable development and sustainable economic growth, which are of interest for the proposed study, whereas the meanings given to the two concepts by the attribute "sustainability" are of relevance and the debates on this topic.

The word 'sustainability' is a compound noun, derived from the Latin "sustinere", while combining "sustain" and "able", meaning the ability to sustain. The term itself is a sophisticated perspective which changes the way we look at the world today and make business decisions.

The meaning of this term can be found in the first fundamental environmental law of the U.S.A., the National Environmental Policy Act of 1969 (NEPA), representing "to create and maintain conditions in which humans and nature can exist in productive harmony which allow the fulfillment of social, economic and other requirements of present and future generations".

The paper is structured as follows: the first section provides a short introduction, the second section describes the materials and applied methods, the third section is dedicated to defining the concepts, the fourth section focuses on debates on the possibilities of achieving these objectives, and finally presenting the conclusions of the study, research limits and suggestions for further research.

2. MATERIALS AND APPLIED METHODS

Secondary data collection was performed by extracting from the primary documents (relevant materials, including reports, articles, conference presentations, books and other documents available online) relevant information for the study. The materials were selected through advanced search techniques based on certain keywords (sustainable development, sustainable economic growth, sustainable development goals, economic sustainability). The results obtained were ordered by relevance, no time limits were introduced, in order not to eliminate old materials, but relevant in the evolution of the concept of sustainable development. For the refining of the materials, the irrelevant documents were eliminated, by introducing selection criteria such as relevance, authority (publication of the material from a reputable source), citations. The materials were read in detail to extract the relevant information, through the qualitative analysis of the content. The lists of bibliographic references that can provide relevant articles were also considered. The information gathered was synthesized, interconnected and paraphrased to make it more condensed and coherent. The final result was a more concise and refined summary of the relevant literature on the concepts presented below.

3. ANALYSIS OF THE CONCEPTUAL ELEMENTS

3.1 WHAT IS SUSTAINABLE DEVELOPMENT?

Classical theories of development approach development in the context of economic growth and development, considering development synonymous with economic growth, viewed as a certain stage in which each country is considered to be based on the transformation of traditional agriculture into a modern industrialized production of various products and services, that is the transition from traditional society to maturity and large consumption (Todaro and Smith, 2015).

In the sense of neoliberals, development is a process that aims to improve the quality of life and increase the self-sufficient capacity of economies that are, from a technical point of view, more complex and depend on global integration (Remenyi, 2004).

The term "sustainable development" has resulted from growing concerns regarding the effects of development on the environment, and there is a growing global concern about the production and consumption of resources. The 1960s were marked by a growing concern about the effects of pollution on the environment as a result of the advancement of technological and industrialization processes. Thus emerged the premises for the development of the concept, which evolved especially in the 1980s. The need to adopt common strategies and policies to hold humanity accountable for development and to guide it towards resource protection was increasingly evident.

The approach to development related to environmental protection was first introduced on the international agenda at the 1972 United Nations Conference on the Human Environment. The

UN Environment Program is a benchmark in the development of international environmental policy, with both industrialized and developing nations delimiting the rights of the human family to a healthy and productive environment by formulating principles and recommendations for environmental action. The framework of the action plan for the recommendations adopted at the conference is summarized in Figure no.1.

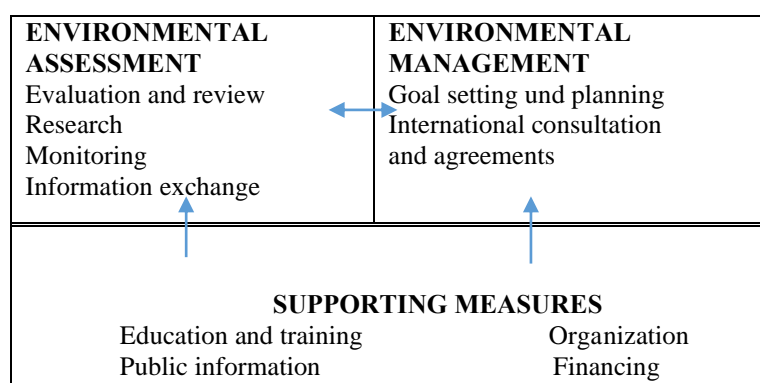


Figure no. 1 Framework for environmental actions

Source: Report of the United Nation Conference on the Human Environment, Stockholm 5-16 june 1972

The outcome of the Stockholm Conference materialized in the enactment of a Declaration on Environmental Protection in order to "protect and improve the human environment for present and future generations" (UN, 1973). As indicated in the diagram presented above, the directions for action and the tools for implementing the recommendations have been established, whereas international cooperation representing a major importance in the process.

The same year, the report of the Club of Rome, entitled "The limits of growth", led humanity to realize that the problems of economic growth are inseparable from those of environmental pollution, explosive population growth and to realize the huge implications for the future of our finite planet (Meadows and others, 1972).

A similar approach is found in Meadows, who concluded, by using data such as population growth, industrial production and pollution, that: "since the world is physically finite, exponential growth of these three key variables would eventually reach the limit" (Meadows and others, 1972).

The most recognized and quoted definition of sustainable development was introduced in "Our Common Future" report (also known as the Brundtland Report), published by the World Commission on Environment and Development (WCED, 1987): "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland Commission, 1987).

Some authors consider the simplicity of this approach to be misleading and hides the underlying complexity and contradictions (eg. Redclif, 2005). In the absence of efficiency, the assumption of constant subsistence consumption could meet this requirement, however, it will certainly not be accepted as a reasonable social objective or a target for public policies (Stavins and others, 2002).

The introduction of the concept "sustainable development" in the Brundtland Report coincides with the emergence of the concept at the political level. The attention of the Brundtland Commission (named after its President, then Prime Minister of Norway), set up in 1983 under the auspices of the United Nations, was directed at investigating the causes of environmental degradation and studying the interconnections between economic growth, the social factor and the environment. The Brundtland report provided the necessary framework for integrating development strategies with environmental policies, highlighting the complementarity between economic development and the environment. In the period following the definition given by the Brundtland Report, also known as the After Brundtland period, there were numerous conferences,

congresses, etc. to address sustainable development. However, the concept was firmly anchored in the political scene through the "Earth Summit", which took place in Rio de Janeiro in 1992, especially through the agreements that resulted from this conference.

An impact study is the one conducted by the Board on Sustainable Development of the U.S. National Academy of Sciences, which aimed to bring a certain order to the literature. According to the study, sustainable development is the latest conceptual approach that links the collective aspirations of the peoples of the world for peace, freedom, improved living conditions and a healthy environment (U.S. National Research Council, 1999). The analysis of the concept in the study focuses on "what is to be sustained" and on "what is to be developed" and takes into account a time horizon, summarized in the following figure:

WHAT IS TO BE SUSTAINED:	FOR HOW LONG?	WHAT IS TO BE DEVELOPED:
	25 years "Now and in the future" Forever	
NATURE Earth Biodiversity Ecosystems	LINKED BY: Only Mostly But And Or	PEOPLE Child survival Life expectancy Education Equity Equal opportunity
LIFE SUPPORT Ecosystem services Resources Environment		ECONOMY Wealth Productive sectors Consumption
COMMUNITY Cultures Groups Places		SOCIETY Institutions Social capital States Regions

Figure no. 2 The concept of sustainable development

Source: U.S. National Research Council, Policy Division, Board on Sustainable Development, Our Common Journey: A Transition Toward Sustainability (Washington, DC: National Academy Press, 1999)

During its evolution, the concept of sustainable development raised awareness by outlining three dimensions of sustainability, namely: ecological, social and economic, which were defined in the Brundtland Report (Brundtland Commission, 1987). According to Porter and van der Linde (1995), development implies that the best choices will remain those that meet the needs of society and are ecologically and economically viable, economically and socially equitable, as well as tolerable from a social and ecological point of view, all which leading to the three interconnected dimensions of sustainability.

The relationship between the three pillars, ecological, social and economic, became known as a concept under the name Triple bottom line, defined by John Elkington, shown graphically in Figure no.3. According to him, sustainable development requires the simultaneous achievement of: 1) ecological sustainability - maintaining the quality of the environment necessary for economic activities and quality of life (environmental protection, low pollutant emissions, rational use of resources, etc.), 2) social sustainability - preserving society and cultural identity, respect for cultural diversity, race and religion, preservation of social values, rules and norms, protection of

human rights and equality, etc.) and 3) economic sustainability - maintaining the natural, social and human capital necessary to achieve income and standard of living (Elkington, 1994).

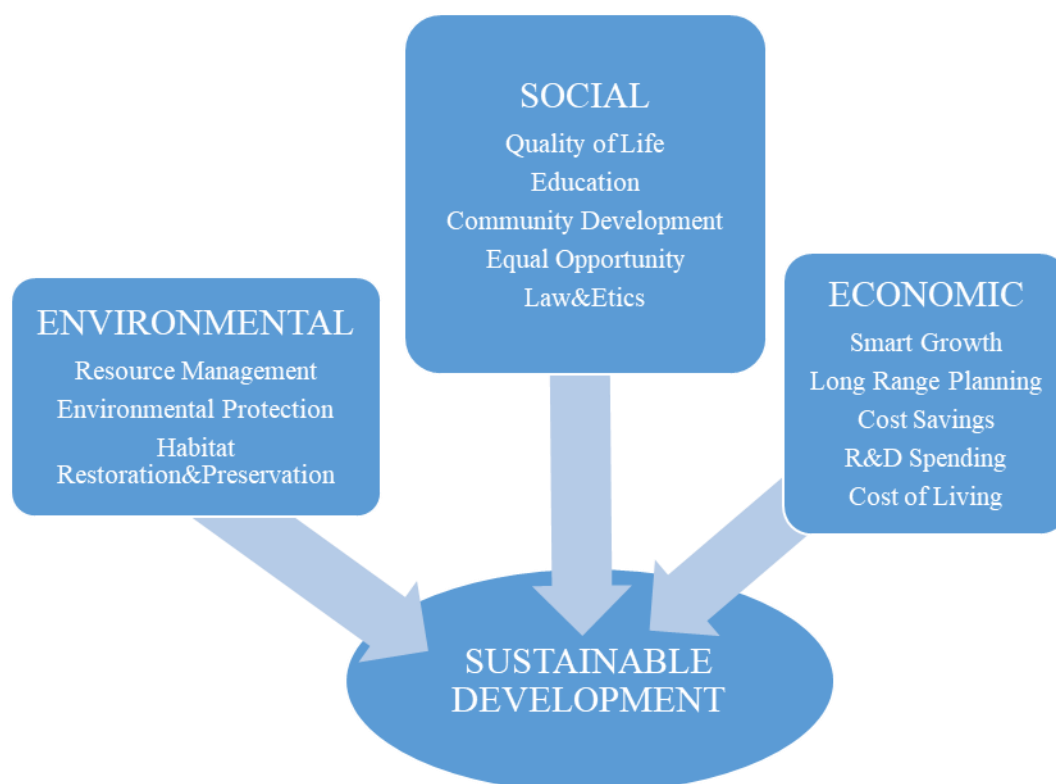


Figure no. 3 The concept of Triple Bottom Line

Source: adaptation of authors, according Wanamaker (2018), cited in Mesah (2019, p. 8).

In defining the concept of sustainable development, we have taken from literature and from the conducted studies the definitions considered more relevant and which had a strong echo in conducted research. The contemporary challenges of the concept of sustainable development were reviewed in 2015 at the UN Conference on Sustainable Development in New York and the resolution Transforming our world: Agenda 2030 for Sustainable Development.

The Agenda 2030 comprises the 17 Sustainable Development Goals, which set out an ambitious agenda for the next 15 years to eradicate extreme poverty, combat inequality and injustice and protect the planet by 2030. The Sustainable Development Goals replace the eight Millennium Development Goals (MDGs) contained in the text of the Millennium Declaration adopted in September 2000 at the UN. Most countries in the world came together in 2000 around a commitment to reduce global poverty and save millions of lives.

3.2 SUSTAINABLE ECONOMIC GROWTH

According to "The New Palgrave Dictionary of Economics Economic" economic growth is defined "as a measure of the positive change in GDP in an economy" (Howitt and Weil 2008). GDP growth is the main economic dimension, while greenhouse gas (GHG) emissions and renewable energy consumption, the size of the environment and corruption represent the social dimension of sustainable development.

In Simon Kuznet's view, a country's economic growth can be defined as a long-term increase in the capacity to provide increasingly diverse economic goods to its population, supported by the advancement of technology and the institutional and ideological adjustments it requires (Kuznets, 1973). In this sense, economic growth has a quantitative connotation.

Joseph Schumpeter uses in his works both the phrase "economic growth" and "economic development". In his view, economic development is seen as a spontaneous and discontinuous change in the existing steady state that affects the balance of the previous state. On the other hand, economic growth shows a gradual change in the long-term process, against the background of a general growth of the population's economies, as well as of the dynamics of the economy (Schumpeter, 1947).

Sustainable economic growth refers, as a concept, to that specific growth or development that reduces the impact of economic activity on the environment. The sustainability of economic growth can be achieved by ensuring the sustainability of production and consumption, increasing efficiency in the use of material resources, revitalizing high value-added manufacturing industries and relative balance with the services sector, which has experienced rapid development in recent decades.

The biggest obstacle to achieving sustainable economic growth is represented by the high costs of implementing environmental protection measures in the production process, which raises two global issues: 1. the limited capacity to support environmental costs in the context of limited financial resources or reluctant availability to reduce profit margins, 2. maintaining or increasing competitiveness only through innovation.

4. INTERRELATION OF CONCEPTS - DEBATES

The terms sustainable development and sustainable economic growth have become remarkably familiar. Daly made the distinction between growth and development, according to whom an economy can grow without developing, or develop without growing, or both or neither. Consequently, economic growth cannot be sustainable for long periods of time, as the human economy is a subsystem of a finite global ecosystem that does not grow, even if it develops (Daly, 1990).

The main challenge in implementing the two concepts is to find solutions to balance the desire of society for environmental protection with the economic burden of industry. According to Porter, the notion of an inevitable struggle between ecology and economy grows from a static vision of environmental regulation, in which technology, products, processes and customer needs are fixed, but the new paradigm of international competitiveness is a dynamic one, based on innovation. The support for its claims is based on the argument that properly designed environmental standards can trigger innovations that can partially or even more than fully offset the costs of complying with them, by improving the productivity with which resources are used and increase competitiveness (Porter and van der Linde, 1995).

Taking into account that the intensification of economic activity in recent decades has led to environmental degradation, one of the main challenges in environmental management has become pollution, and some authors draw attention to the use of the concept of sustainable development with the meaning of environmental management. Sustainable development is a concept that has emerged in response to the need to identify an economic system that ensures that everyone's needs are met in an ecological and social manner.

According to Redclif, sustainable development is based on two often opposing intellectual traditions: one that is concerned with the limits that nature presents to human beings, the other with potential for human material development that is closed in nature. In an attempt to dismantle this contradiction, sustainable development means more than seeking a compromise between the natural environment and the pursuit of economic growth, recognizing that the limits of sustainability have a structural and natural origin (Redclif, 2005).

In the view of other authors, sustainable development should not be conditioned by economic growth. For example, Lele clearly rejects attempts and the temptation to focus on economic growth as a means of eradicating poverty and / or environmental sustainability (Lele, 1991)

We find a similar perception in Daly, who does not adopt the idea that we must have a growth to become richer in order to bear the costs of environmental protection. On the contrary, the growth of the economy at the cost of exceeding the limits in relation to the biosphere, makes us poorer, becoming in fact "anti-economic growth" once the optimal limit has been exceeded (Daly, 1990).

Reverting to a more current framework, Objective 8 of the Agenda 2030 for Sustainable Development- "Decent work and economic growth" emphasizes the need to "promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all" (UN, 2015). The first sub-objective of SDG 8 aims to support economic growth per capita.

Although the literature is full of many definitions and interpretations of sustainable development, with both short-term and long-term implications for sustainability resilience, although there are still protesters of sustainable development (including corporations), the major goal of sustainable development, defined by achieving a balance between ecological, economic and social sustainability is assumed in the international political plan. The challenges facing humanity today, such as climate change, ozone depletion, vegetation loss, water scarcity, inequality, insecurity, hunger, deprivation and poverty can be addressed in accordance with the principles of sustainable development.

5. CONCLUSIONS, LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH

A sustainable approach is based on researching the interactions between the environmental, social and economic pillars, in an effort to raise awareness of the consequences of our actions and to change harmful behaviors. The idea behind this concept is to ensure a better quality of life for all inhabitants of the planet, both for the present generation and for future generations, through joint effort simultaneously on all levels of society (individual, family, institutional, private, local, regional, global).

The two concepts are not complementary, sustainable economic growth is an integral part of the strategy for sustainable development. Sustainable economic growth is only one of the directions of action leading to sustainable development, but achieving the goals of sustainable development is conditioned by a set of transformations that are included in the 17 goals of sustainable development on the 2030 Agenda. Critical assessment of the adequacy of the Sustainable Growth Indicator (GDP per capita), taking into account that economic growth cannot be sustainable if it reaches the extent to which resource use exceeds nature's capacity to regenerate or human's to produce substitutes.

Following the review of the defining elements of the analyzed concepts, we are reluctant to achieve a balance between environmental sustainability, economic and social sustainability, as the objectives set for the time horizon 2030, and then for 2050, as they are desirable, but also seem a utopia. Moreover, the projection of a future that ensures the balance of the three pillars that converge towards the unique desideratum of sustainable development can always be disturbed by the occurrence of disasters. Addressing this topic, it is interesting in future research to analyze the impact of the Covid-19 pandemic on sustainable development, in order to assess the influence on the process of achieving sustainable development goals, given that many levels of it have been affected. Under these circumstances, the question of whether we can avoid an environmental disaster while maintaining economic growth has become increasingly stringent.

We consider this approach to be a realistic one, and that the signatories of the Agenda 2030 will consider it an opportune time, in the context of the pandemic, to re-evaluate the definition and feasibility of the objectives towards sustainable development and coherent policies. As we look back to the concept's evolution, it is possible that we are now at a new milestone in the history of defining sustainable development.

The final conclusions could be removed from those of the studied materials depending on the way the summary is made, the authors' interpretations and the degree of relevance of the selected information, which may be influenced by the authors' subjectivity. In order to obtain the most objective and relevant conclusions, the authors tried to conduct a more efficient search for a comprehensive documentation, but do not assume perfection in conducting the study. In addition, all the materials studied were in English, with the inherent risk that materials written in other foreign languages would be relevant. However, the authors appreciate their negligible influence.

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