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**The relations, differences and
controversies between
“economic growth”,
“economic development” and
“sustainable development”
- the case of Romania**



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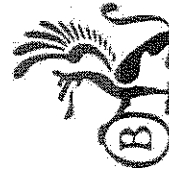
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PREFACE

The study *"The relations, differences and controversies between "economic growth", "economic development" and "sustainable development" – the case of Romania"* aims to present the place of "economic growth", "economic development" and "sustainable development" in the economic analysis and create a general framework able to provide the necessary information in order to show what these concepts stand for.

The basic structure of the work is as follows: the first section is meant to present the place of "economic growth", "economic development" and "sustainable development" in the economic analysis by defining these notions and by creating the general framework by entering the sphere of misleading differences, endless controversies and unfortunate confusions; the second section emphasises the role of these three concepts by providing relevant examples concerning their evolution in time.

The case studies are directly linked to Romania's economic, social and political evolution (*before being part of the European Union and as part of this organism*) in this context and relevant comparison with other countries such as Moldavia, Ukraine, Hungary, Serbia and Bulgaria (*Romania's neighbours*) or specific regions such as Europe and Central Asia.

Moreover, the authors state that both "economic growth" and "economic development" are two limited notions. Furthermore, the authors believe that

"sustainable development" should be seen in a much broader context, due to the fact that it involves not only economic development and growth, but it successfully accomplishes to create a link between economic development and economic growth, human development, environmental protection, as well as the general concern for present and future generations.

As a general overview, the notions of "economic growth", "economic development" and "sustainable development" are seen throughout this paper both interconnected and differentiated. Moreover, these correlations and in the same time these differences that exist between them generated a number of controversies, confusions and somewhat intriguing assumptions.

Furthermore, this work stresses the fact that there are similarities existing between "economic growth", "economic development" and "sustainable development", but in the same time there are also several differences among these concepts. Due to this fact, the authors came to the conclusion that one can easily notice that there is a fine line between them.

"Economic growth" represents a quantitative change or expansion noticed in the evolution of a country's economy, which is conventionally measured as the percentage increase in *gross domestic product (GDP)* or *gross national product (GNP)* during the time period of one year. In the same time, "economic development" represents a quantitative change in a country's economy seen in correlation with both technological and social progress. All in all, "economic growth" and "economic development" are two interconnected concepts.

"Sustainable development" ("sustainable economic development") encompasses the sphere of both "economic growth" and "economic development", taking into consideration "human development" able to combine successfully all aspects of individuals' well-being, such as their health situation, their economic status and their political freedom, which are measured in terms of life expectancy, adult literacy, and access to all three levels of education, individuals' average income and people's freedom of choice.

The authors emphasize the fact that "economic growth" and "economic development" are two concepts that "limit" somehow, in one way or another, one's perspective while reflecting on the future and on a country's resources, its economic, social and political opportunities and also its "timeless" perspective.

The role of "sustainable development" is derived from the need to generate economic and social progress on the long-run and in a constructive manner, due to the fact that, in some cases, economic growth failed to deliver the most needed, wanted and expected future also at the level of individuals development. The concept addresses a much profound and valuable issue: the main concern, the future generations itself and its wellbeing (with all the implications deriving from it). "Sustainable development" finds itself into the posture of addressing economic growth with a great concern to social norms as well as to environmental frameworks. Moreover, "sustainable development" is seen in relation with "economic growth" in the light of human development, such as bringing improvements in individuals' knowledge

"Economic growth", "economic development", "sustainable development"

and skills, corroborated with their efficient use, provided by more and better jobs, as well as better conditions for new businesses to be created and developed. Furthermore, by ensuring *"sustainable development"* in a country should also imply a higher level of democracy.

The research turns out to be useful not only for academics but also for all the individuals and institutions concerned with and operating with aspects inter-connected with *"economic growth"*, *"economic development"* and *"sustainable development"*.

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PROLOGUE

The study *"The relations, differences and controversies between "economic growth", "economic development" and "sustainable development" – the case of Romania"* presents the common points, differences, controversies and confusions regarding the concepts of *"economic growth"*, *"economic development"* and *"sustainable development"*.

The basic structure of the work is as follows: the first section is meant to present the place of *"economic growth"*, *"economic development"* and *"sustainable development"* in the economic analysis by defining these notions and by creating the general framework by entering the sphere of misleading differences, endless controversies and unfortunate confusions; the second section emphasises the role of these three concepts by providing relevant examples concerning their evolution in time.

The case studies are directly linked to Romania's economic, social and political evolution (*before being part of the European Union and as part of this organism*) in this context and relevant comparison with other countries such as Moldavia, Ukraine, Hungary, Serbia and Bulgaria (*Romania's neighbours*) or specific regions such as Europe and Central Asia.

Moreover, it is our strong belief that both *"economic growth"* and *"economic development"* are two limited notions.

Furthermore, in the meanwhile, "sustainable development" should be seen in a much broader context, due to the fact that it involves not only economic development and growth, but it successfully accomplishes to create a link between economic development and economic growth, human development, environmental protection, as well as the general concern for present and future generations.

In our opinion, the research turns out to be useful not only for academics but also for all the individuals and institutions concerned with and operating with aspects interconnected with "economic growth", "economic development" and "sustainable development".

Keywords: economic growth; economic development; sustainable development; gross domestic product (GDP); gross national product (GNP); natural resources; human resources; economic capital; environment protection; developed countries.

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CUVÂNT-ÎNAINTE

Lucrarea științifică „Relațiile, diferențele și controversele dintre „creșterea economică”, „dezvoltarea economică” și „dezvoltarea durabilă”. Studiu de caz pe situația României în acest context” prezintă elementele comune, diferențele și controversele legate de concepțiile de „creștere economică”, „dezvoltare economică” și „dezvoltare durabilă”.

Lucrarea este structurată astfel: în cadrul primei părți este prezentat locul conceptelor de „creștere economică”, „dezvoltare economică” și „dezvoltare durabilă” în cadrul analizei economice, pornind de la definițiile acestor noțiuni, prin crearea cadrului general necesar înțelegerii diferențelor dintre concepte care au generat o serie de confuzii și de controverse; în cadrul celei de-a doua părți sunt prezentate rolul și importanța celor trei concepte prin furnizarea unor exemple relevante legate de evoluția acestora în timp.

Studiul de caz se axează pe situația României în contextul evoluției sale economice, politice și sociale (înainte de a face parte din Uniunea Europeană și după ce a devenit membră a acestui organism) prin realizarea unor comparații relevante cu țări precum Moldova, Ucraina, Ungaria, Serbia și Bulgaria (vecinii României), dar și cu alte țări din Europa și Asia Centrală.

Mai mult decât atât, în viziunea noastră „creșterea economică” și „dezvoltarea economică” sunt două noțiuni limitate.

"Economic growth", "economic development", "sustainable development"

"Dezvoltarea durabilă" este un concept care trebuie abordat într-o accepțiune mult mai largă, deoarece nu implică doar dezvoltare și creștere economică, ci creează acea legătură cheie între dezvoltarea umană, protecția mediului și grija pentru generațiile prezente și viitoare.

Cercetarea prezentă este utilă atât pentru persoanele din mediul academic, cât și pentru agenții economici și instituțiile implicate în procese legate de *"creșterea economică"*, *"dezvoltarea economică"* și *"dezvoltarea durabilă"*.

Cuvinte cheie: *creștere economică; dezvoltare economică; dezvoltare durabilă; produs intern brut (PIB); produs național brut (PNB); resurse naturale; resurse umane; capital uman; protecția mediului; țări dezvoltate.*

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1. INTRODUCTION

Two questions triggered our curiosity to go much deeper into the analysis of the concepts of *"economic growth"*, *"economic development"* and *"sustainable development"*: 1) Which of these three notions is more relevant for the economic analysis?; and 2) Which one of them has the ability to reflect the reality better and, in the same time, to predict the future more correctly and coherently?

First of all, the work has the main purpose of placing *"economic growth"*, *"economic development"* and *"sustainable development"* in the economic analysis:

- In order to be able to do this, the research defines the concepts of *"economic growth"*, *"economic development"* and *"sustainable development"*, creates the general framework and goes beyond *"traditional"* patterns. In the same time, in this part of the paper, relevant figures accompany the text, in order to create a better image concerning these three notions and the general background in which they activate.
- Moreover, *"economic growth"*, *"economic development"* and *"sustainable development"* are

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