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Strategies and sustainable solutions for a healthy future economy

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Introduction

The current article is focused on the sustainable strategies and solutions needed to extend the contribution of economic entities to a sustainable development in the future.

According to the Brundtland Commission Report from 1987, known as “Our common future” sustainable development is ” a way of development that satisfies the needs of present generations, without compromising the capacity of future generations to satisfy their own needs”.

Over the elements and dimensions of sustainable development there is a common identity of opinions, even though in reality there are small differences regarding the actual terms used in practice.

Von Kauff and Kleine, Chapuy Pierre, Raderbauer and other research like the one made by The SIGMA Project, are some of the reliable sources that support the fact that sustainability has 3 dimensions that interfere permanently.

Figure 1. Dimensions of sustainability



The purpose of economic sustainability is protecting the quality of life. Achieving such objectives drives the need to dramatically change the production methods and the consumption models that are not yet sustainable.

Objectives to be achieved

The essential objective: Restructured sustainable development for an extended Europe

The general objective consists of the evolution of a series of actions that will allow EU to create activities that will support the quality of life of present and future generations. These activities will stand over time by creating sustainable collectivities, that will use and manage the available resources in the most efficient way, putting to good use the ecologic and social renewal capacity of economy and thus, accomplishing the purpose of wealth, environmental protection and social unity.



A few years ago, the European Commission set in motion a process of reviewing the sustainability strategy by publishing a critical assessment of the growth observed after 2001, while also mentioning some action guidelines for the future.

The European Union and the Member States, respectively the institutional elements at Community and national level are responsible for the implementation of this Strategy, but it is also necessary to collaborate with civil society, social partners, local communities and citizens. From another perspective, it can be observed that there is a sustained growth of the economy that is based on consumption and not on investments, a force that produces imbalances and limits the possibility of development in the medium and long term.

The 4 Key objectives of implementing the sustainability strategies

Figure 2. Key objectives of implementing the sustainability strategies



* the protection of the environment by measures that ensure the delimitation of the economic growth from its negative consequences on the environment;

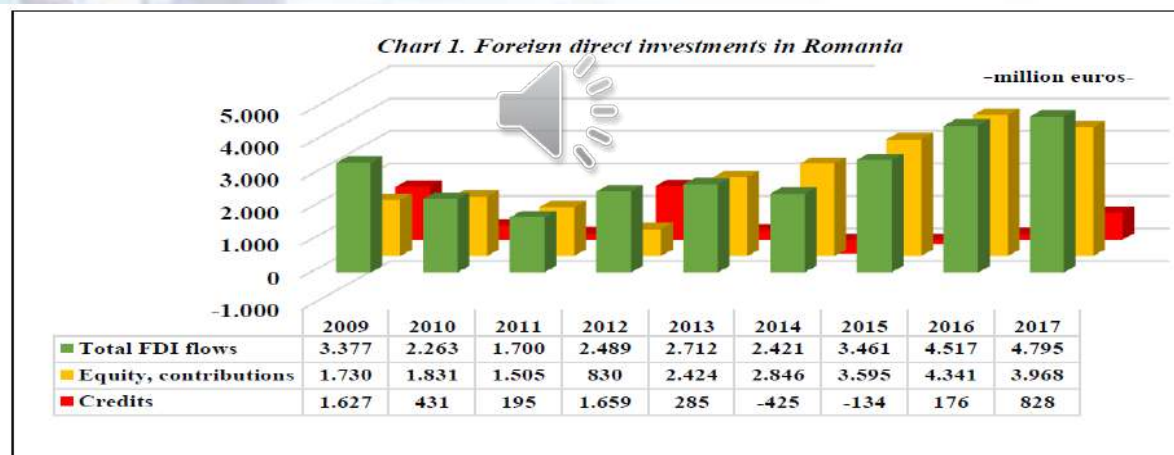
* equity and social cohesion, by respecting fundamental rights, cultural diversity, equal opportunities and combating discrimination of any kind;

* economic prosperity, for which it is necessary to promote knowledge, innovation, competitiveness in order to ensure high standards of living, numerous and well-paid jobs;

* fulfilling the EU's international responsibilities by promoting democratic institutions for the sake of peace, security, freedom and sustainable development principles and practices worldwide.

The Romanian objectives to support the sustainability strategies and the current status

For Romania, one of the most important objectives is obtaining investments to cover the economic gap in comparison with other EU states and to support the reduction of regional inequalities. The aim is to obtain foreign investments that will raise to the full market potential, considering that the productivity of foreign capital currently in Romania is one of the highest in EU. Also, there is a stringent need for significant public investments, with funding already available from European Union, but also from loans that could and still can be attracted with relatively low degree of debt and interest rates.

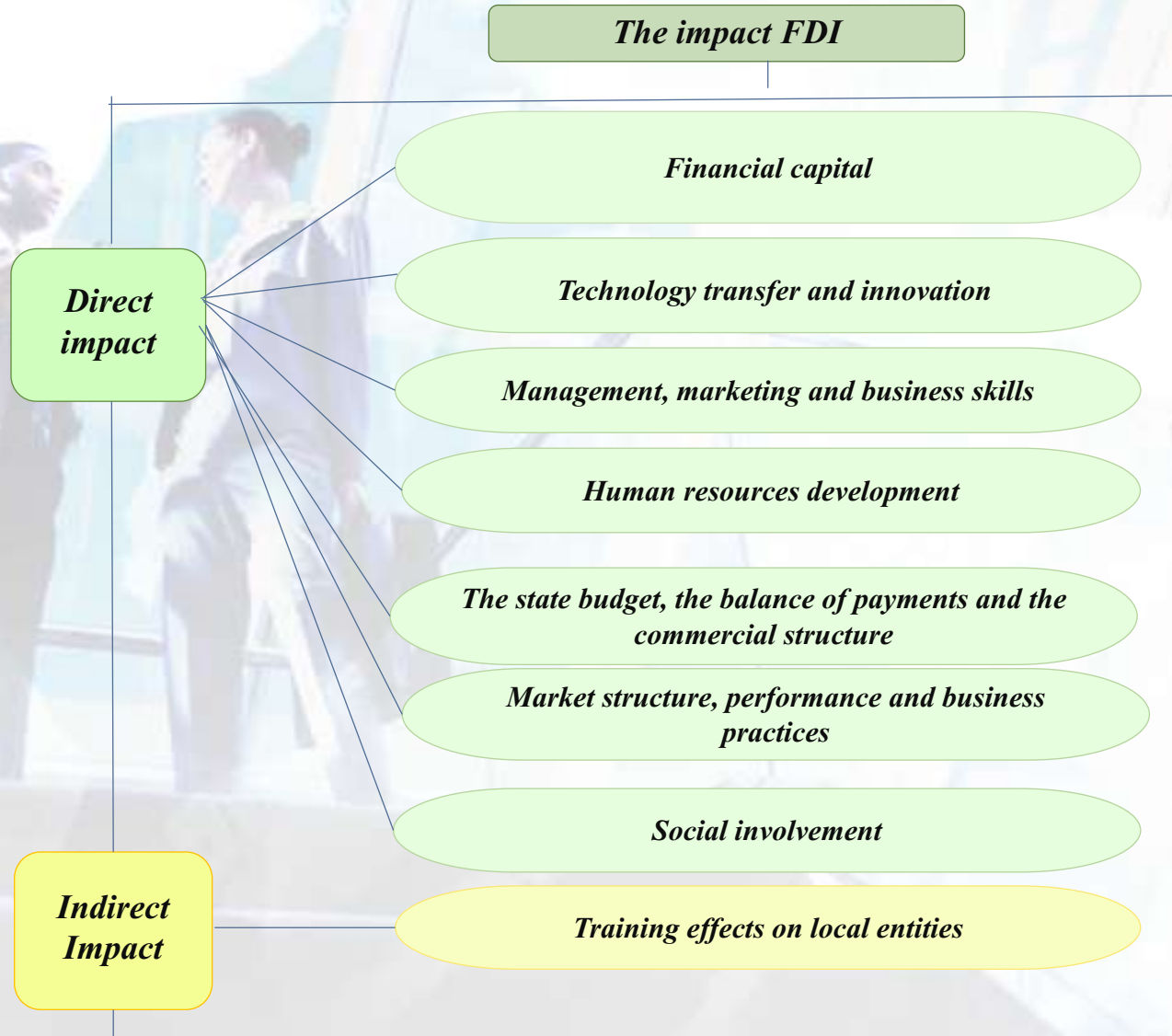


Source: own projection, BNR database

However, Romania is maintaining its ranking on 13 place, with 109 projects of foreign direct investments attracted in 2018 and a decrease of 13% from 2017, while recording an additional deficit of payment balance and external debt. The total long term external debt has reached the amount of 70 billions euro, an increase of 2.8% from the end of the previous year.

The impact of foreign direct investments

Figure 3. The impact of FDI on host economy



Sustainability Strategies

Figure 5. Strategies for Performance Sustainability (SSP)



The management of any entity should become followers of managing with a clear perspective over short and long term economical evolution, at the same time. Another principle of sustainability strategy consists in the actual synchronicity of all activities developed by the entity, and among these activities to be considered also the attention given to the environment that continually changes. Carrying such a perspective will lead to a better satisfaction of partners requirements, an improved public image and a higher level of anticipating and reacting to the market risks.

Solutions

Proposals to stimulate the sustainable approach and unlock the development system in Romania

- Evaluation and acknowledgement of the actual state
- Assessment and management of present resources and progress
- Determining the strengths and planning projects to intervene in key domains
- Analyze and correlate the sectorial strategies of sustainable development coherently, with direct impact in the economy
- Make use of resources, talent and traditions in balance with the environment and transforming them in sources of prosperity and collective wealth
- Covering the gap between the development regions, between cities and villages and citizen and state, by increasing the quality and variety of public services aimed to sustain the quality of life and reform the public administration with technologically simplified processes
- Presenting a concrete plan of economic measures to create trust between state and citizens, essential to any sustainable contract between the parties

Solutions

- Creating opportunities for the young generations from rural and urban areas, through reconnecting the professional education with employment market
- Supporting the research, development and innovation activities, especially for ecologic technologies
- Involving all decision factors in a collaboration exercise towards agreeing and take common responsibility for the sustainable development and a healthy future economy
- Implementing ecological fiscal reforms
- Public investments in sustainable infrastructure
- Encouraging the foreign direct investments, with appropriate economic tools
- Developing social policies that reconcile the social objectives with economic policies.



Conclusions



1. Sustainability approach is worth it, and those who reach it are compensated when sustainability is integrated in the entire organization

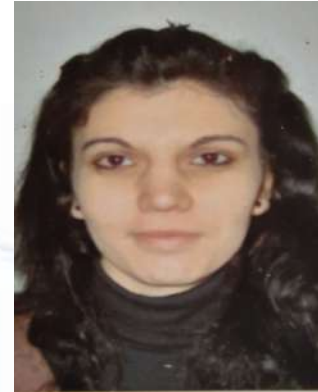
2. The entities that engage on this path will succeed to make all needed transformations leading to sustainability, when they plan and practice strategies that aim to the continuous improvement of the sustainability degree.

3. Foreign direct investments bring an essential contribution to economic growth. They generate new jobs, optimize the resource allocation, allow for technology transfer to take place and stimulate trade.

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Thank you for your time and attention!