

SUSTAINABLE DEVELOPMENT AND THE ENVIRONMENT PROTECTION PROBLEMS

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Abstract

The environment has been considered as a free good in previous development, so it has been mercilessly exploited, which had left and keep leaving multiple negative consequences. Economic development, based on irresponsible use of natural wealth cannot last forever, and not to jeopardize a capacity of our planet's perseverance. Old development models must quickly change, if we want to provide a long-term integrity of natural systems, which keep life on Earth. In order that economic development move into the future according to the ecological requirements, more and more talks about the necessity of, so called, sustainable development, raising awareness on importance of healthy environment, which enriches its content with ecological, social and other dimensions. This developmental concept is opposite to the previous/existing philosophy and strategy of a fast growth, based on a "wasteful" and "dirty" technology with brutal environment exploitation. The sustainable economic growth has to and must be an engine of the ecological progress. In order to achieve the sustainable economic growth, i.e. the growth adjusted to the nature needs and limitations, we have to provide the connection between the ecological and economic policy on all social levels and in all economy sectors.

Key words: sustainable development, ecology, competitiveness, socially responsible business.

Introduction

In 1987, the World conference for the environment protection and development presented to public its report "Our Common Future", known as "Brundtland report", after the name of the president, who chaired the Commission. This report had given a great stimulus to discussion on criteria and terms of sustainable development, as a new concept of the world economic and ecological policy. The sustainable development as a possible stage toward a main goal of the global survival requires a thoroughly rearrangement of ecological performance of all economic activities. A specification and defining the concrete tasks can be found in the *Business Charter for Sustainable Development* (1991), the Second World Industry Conference on Eco-Management. The most of set requirements have already entered the existing eco-management systems (BS 7750, EVRO-EMAS, ISO 14000). Privatization and restructuring of companies make the basic terms for sustainable development. In the Report of the European Bank for Reconstruction and Development for 2005, the transition in Serbia was highly rated (Porter, 2004). However, the production of companies in Serbia insufficiently fulfils the market requirements regarding quality, prices, assortment, delivery terms and the organic production standards. Low capacity utilization and impossibility of a product placement are a consequence of business philosophy, by which the production is a goal by itself, where an ecological dimension of production is pushed into the background. Such attitude toward economy had brought to increased stocks, which had additionally increased already high production costs. A significant factor of a new sector development and the sustainable development in Serbia is an affirmation of socially responsible business. It is

about a relatively new concept, which has been very efficient in terms of the global competition. The socially responsible business concept contributes to realization of economic success, along with a respect of individuals, society and environment interests. There enables the resources allocation which appreciates the “*triple bottom line*” criteria (economic development, social development, responsible relation to the environment). Maintaining a delicate balance between industrial development and the environment preservation leads to redefining of the existing resources combinations, due to new costs of transition to the environment-friendly technologies (Djuricin, 2006). An assumption of the socially responsible business concept is free adoption of measures which contribute to resolution of social and ecological problems. It is about a strategic approach to the society and a partnership with the other companies in the environment.

Material and working method

In realization of the research task was used a desk research of data regarding the sustainable development and the environment protection issues. Such research implies using the data from the official resources: reports of the United Nations, the EU regulations, domestic and foreign literature; internal documentation database of the Institute of Agricultural Economics, Belgrade. Accordingly, there can get more reliable answer to key questions, which arise within the analysis of the sustainable development and modern challenges in the field of the environment protection. New investment methods of decision making require establishing relation between criteria location of economics, socials and ecologicals factors. Management that respects situation approach in practice can gain balance of economic efficiency, social responsible work and environmental standards.

Results and discussion

With occurrence of new challenges of globalization, significant interest has been directed to development of new methods for solving diverse business influence in the society. Many of those influences are far-reaching and profound. Just to mention some, as:

- **Environment pollution** caused by production, transport and using products as cars, refrigerators or newsprints.
- **Increasing problem of waste disposal** and its management as a result of excessive packaging.
- Devastating results for individuals and local communities, due to **closure of the local companies**, reduction of their size and number of employees, which is an experience well known in Europe, from South Wales in Great Britain, to the countries of Central and East Europe.
- **Erosion of local cultures and surroundings** owing to a penetration of mass tourism in places like: Mallorca fishing villages, Swiss alpine communities, as well as ancient Roman monuments.

After the *Earth Summit*, held in 1992 in Rio de Janeiro, a concept has imposed as the one which should be at full length applied (although it had not been unilaterally accepted). It is about a new conceptual frame for evaluation of not just business activity especially, but also industrial and social development generally. That concept is the *sustainability concept*. The sustainability has started to be a common expression in a rhetoric regarding a business ethics, so its uses in full length by corporations, governments, consultants, scientists, etc. Despite the wide use, sustainability is a concept which is used and interpreted in different ways (Dobson,

1996). Probably the most common use of the expression is related with the sustainable development, which usually defines sustainable development as: *Development that meets the needs of the present without compromising the ability of future generations to meet their own needs* (World Commission on Environment and Development, 1987).

This definition, however, represents only a basic idea of a widely deniable expression, which was also a subject of enormous series of different conceptualizations and definitions. Thus, along with all the caution against an unquestioning acceptance of any interpretation, on a basic level, it seems that sustainability primarily refers to the system preservation, as well as to the fact that our activity does not affect the systems (for example, Earth or biosphere) in a way that their long-term sustainability is jeopardized. Focusing on the sustainable development and the future generations potential to satisfy their needs, sustainability also faces reflections on inter-generational capital, i.e. on equality between one generation and another. For a long time the sustainability concept has substantially stayed a synonym for human environment sustainability. Recently was yet enlarged not only to the environment considerations, but also to the economic and social development (Elkington, 1998). This sustainability concept enlargement has emerged not only for the reason that it is impractical, sometimes even impossible, to analyze the sustainability of natural surroundings without the consideration of social and economic aspects of relevant social communities and their activities. The second argument for this consideration continuation is if the capital should enlarge to the future generations, then it is logical that it also should be enlarged to those in the existing generation. Thus, one of the primary goals set by the World Commission for Environment and Development is to uproot the world poverty and inequality. As it is noticeable, sustainability can be observed through three components: ecological, economic and social. It refers to a definition: *“Sustainability refers to long-term system preservation in accordance to a man’s environment, economic and social development.”* (Djuricin, 2006). Maintain the subtle balance between industrial development and environmental conservation leads to redefine the existing resource combinations due to the costs of transition to new technologies friendly to the environment. Although the definition is meant for determination of a basic content of sustainability concept, it is obvious that sustainability as a phenomenon represents a specific goal, which should be achieved. Shaping the sustainable development as the goal of the business activity of a company is the most complete expressed through a “triple bottom line” concept. The “triple bottom line” is a term which has been formulated and strongly pleaded for, by John Elkington, director of the Consulting Agency for Sustainability Strategies and the author of many esteemed books on corporate environment. His opinion on this concept was based on the fact that it represents an idea that business is not related only to one goal which reflects in maximizing economic value, but he added the enlarged set of goals, which implies including the environment and a wider social community. From this point of view it should be clear why sustainability is a new goal, potentially important for business ethics. However, in order to develop clearer picture on what these three sustainability components represent for the business ethics, one must analyze each of them.

Perspectives related to the environment protection. The sustainability concept is generally considered that it has emerged from the environment protection perspective, especially in forestry, and later also in other areas of resources management. Indeed, in this moment there is still quite a widespread perception in business (although we believe it is wrong) that sustainability is often a concept of man’s environment protection. Thoroughly sustainability principle in the perspective of the man’s environment protection comprises an effective management of physical resources, in a way to be preserved for the future. All bio-systems

are observed as the ones with limited resources and finite capacity, and thereby also the sustainable human activity must work at the level which does not jeopardize endangered species health. Even at the most basic level, these problems point out to a need to eliminate a certain number of critical business problems, like influences of industrialization on biological diversity, further use of non-renewable resources as oil, steel and coal, as well as the production of harmful environment polluters. Although those relations also increase the economic growth issue, as a vexed question remains if the future generations could really realize the same life standard as us, without cancellation of increasing production and consumption trend. Consequently, ecological factor gets its significance, which makes a demand for special consulting services related to projection and installation of equipment for reduction/prevention of pollution (Cvijanovic, Mihailovic, 2010).

Economic perspective. The economic perspective of sustainability has emerged from the economic growth model, which assess capacity limits of the planet Earth. Understanding that a continuous growth of population number, industrial activity, resources utilization and the environment pollution can lead to the life standard reduction, have initiated the sustainability occurrence as a way of thinking which would insure that the future generations will not be in an unfavourable position due to activities and choices of the existing generation. In time has expanded the opinion on improvement of sustainability macroeconomic comprehension. Such opinion implication on the business ethics have appeared at different levels. Narrow concept of economic sustainability focuses only on economic performances of the corporation. The management is responsible only for development, production and market of those products which ensure long-term economic performances of the corporation, without respect for the environment and society requirements. Paying bribes or forming cartels, for example, can be considered economically unsustainable, while these activities jeopardize long-term functioning of the market. The corporations, which try to avoid paying taxes via subtle accounting tricks, can say that they behave unsustainably: if they are not ready for financing the institutions which preserve the social surrounding and the man's environment (as schools, hospitals, police and justice system), then they jeopardize one of the key institutional grounds of their corporative success. Accordingly, there are forms of associations of researchers and activists of mutual interest (for example "International Pressure Group", "Tax Justice Network", etc.) on issues which serve for raising the awareness and stimulating actions against harmful influences of tax payment avoidance, tax competition and, so-called, tax havens.

Social perspectives. Development of the social perspective related to sustainability usually comes after the ecological and economic perspectives and stays relatively new, as a phenomenon. Explicit integration of social problems into the business discourse about sustainability could be seen as a phenomenon during the 90s, and, first of all, seems as answer to a worry regarding the business activities influence on autochthonous communities in less developed countries and regions. Introduction of social reflection within the sustainability area has characterized a significant shift in this concept's interpretation. A key question in the social perspective is the one concerning the social justice. Regardless to an impressive progress of life standard, the UN, during 2005, had issued the *Report on Social Situation in the World*, which had identified a constant deepening of inequality on the planet. With 80% of the world gross domestic product, which belongs to one milliard people living in developed countries, and the rest 20% shares 5 milliard people who live in developing countries, as it is stated in the Report, was suggested that "*solving the inequality must secure a social justice and better life conditions for all the people, which is unachievable in this moment, so the communities, countries and regions are still vulnerable to social, political*

and economic subversion” (The Report of the World Social Situation, 2005). More concrete, in the Report is stated that there is “*an increasing chasm among qualified and unqualified workers, the chasm among formal and informal economy, as well as significant differences in health care, education and opportunities for social and political participation*” (The Report of the World Social Situation, 2005). Business, as one of the main starters of economic development, has been more and more present in such discussions. That is to say, fairer world, whether among rich urban consumers in the West and poor workers in developing countries, among the rich urban and rural poor, or among women and men, remains the essential issue of the sustainability social perspective. There remains an open question in which way should business respond to such challenge, but at least the goals got some explanations in last several years with declaration “The United Nations Millennium Development Goals”. These items, which will quote, represent the main social and developmental challenge which upsets the world at the moment and articulate the specific goals and indicators of what should be achieved until 2015. The eight “Millennium Development Goals” are: to eradicate extreme poverty and hunger; to achieve universal primary education; to promote gender equality; to reduce child mortality rates; to improve maternal health; to combat HIV/AIDS, malaria and other diseases; to ensure the environment sustainability; and to develop a global partnership for development.

Although the UN had determined the goals, they, in effect, represent a government responsibility which should achieve them. Some of them have very direct implications for business, while the others refer to wider environment in which companies have to do business. In regard to this enlarged set of expectations, which are put in front of business in accordance with the concept of “Triple Bottom Line”, there are many significant implications regarding the way in which should be observed the business ethics. Aiming to achieve sustainability in previously defined areas, maybe expects too much nowadays. There are negligible products, firms or industries which could reliably claim that they are sustainable in the full sense of the word. Nevertheless, with the concept of sustainable development widely promoted by governments, companies, non-governmental organizations and academic communities, which is obviously important in order to understand full implications and evaluate the business ethics application, at least according to potential contribution to sustainability. The programs of support to the sustainable development (primarily rural development) can have more significant effects if they are directed to competitiveness, innovations and employment in rural areas. By introduction of the rural development local strategies (LEADER approach), through stimulating interest of the local population by their active participation and creating the local action groups (LAG), the social capital in these areas can significantly increase. The EU Agrarian Council adopted in 2005 a fundamental reform of rural development policy for the period 2007-2013 (Regulation EC No. 1698/2005). The new rural development policy has set exactly the LEADER initiative as a leading approach in distributing support and has notably simplified the procedures, and these are the following “axes” in the period until 2013: Improvement measures, i.e. increase of the agrarian sector competitiveness; improvement of the environment and rural environment through the support to land management; economic diversification and improvement of life quality in rural areas; and the so-called, “horizontal” component or fourth axis of financing and conducting the rural development policy – the LEADER approach. Integrative approaches in the local development have been useful in the previous period, especially in sense of the local capacities construction and assistance to the government agencies and to the Ministry of Agriculture, Forestry and Water Management of the Republic of Serbia. Positive influence reflects, first of all, in creating the adequate support measures and more qualitative assessment of the specific measures effects on the local development.

Conclusion

Economic growth creates a capital for financing better ecological effects. The experiences of developed countries provide convincing evidence that the modern industrial world prosperity is important for ecological progress. Accordingly, the sustainable economic growth can and must be an engine of ecological progress. In other words, it can and must finance the technologies necessary for protection and purification of the environment. Today creates new, ecologically useful technologies, which changes a man and his environment interaction. Factories and equipment obsolete and replace with more productive, which simultaneously pollute the environment less. Namely, growth creates an expectation and the need to improve the environment. As the conditions of economic growth, income and living standards rise, people meet their basic needs for food, clothing and a roof, they can not afford paying attention to the quality of their lives and habitats. When you insure present can focus on their future

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