

The major ways to improve the role of qualitative of resources in nowadays economy

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Abstract: *Renewable energy must continue to play a key role in the transition to a competitive, safe and sustainable energy system. This transition will not be possible without a much higher share of renewable energy. As far as renewable energy is generated within the EU, it can also reduce the EU's trade deficit in energy products, and its exposure to supply disruptions and price volatility of fossil fuels. Also, renewable energy sources have the potential to stimulate the development of innovative technologies, to create jobs in emerging sectors and to reduce air pollution. Sustainable development is seen as pertaining primarily to environmental issues and grassroots social development, while the information society is perceived as being more relevant to the economic development potential of urban elites (Willard and Halder, 2003).*

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Introduction

Probably the main movement of the economy is abandoning the traditional index of growth (GDP / GNP) as a tool for reflection the welfare and introducing alternative indicators of qualitative growth and development, eventually complementary, as it does for example (Haq, 1995), which makes the quantitative growth and development two terms mutually dependent. The main problem with the GDP is that it may increase while the inequality, poverty, mortality, disparities between regions, etc. can grow simultaneously; at the same time, GDP is an index that does not reflect the environmental damage and the depletion of a resource (Balaceanu, Apostol, 2012, 2014). Since neoclassical economists are unable to demonstrate that growth, either in throughput or GDP, is currently making us better off rather than worse off, it is blind arrogance on their part to continue preaching aggregate growth as the solution to our problems (Daly, 2008).

The implementation of sustainable development principles in contemporary economic thinking has generated the conceptual remodeling that expresses the new mechanisms of the economy. Thus, the concept of circular economy meets the theoretical representation of an economic system oriented towards the re-use of waste as raw materials and limiting the production of waste that cannot come back into the economic circuit. Circular economy is one that involves even its concept of operation, recovery and regeneration, as much as possible of resources, aiming to preserve, at the highest level, the value and usefulness of products, components and raw materials, distinguishing between technical and biological cycles. In this way, we can find solutions for two major issues affecting today's economy: the limited nature of resources and the pollution generated by the waste resulting from economic activities. In *The circular economy- a wealth of flows*, Ken Webster, (Webster, 2015) shows that the economic reality of the 21st century requires a shift from the paradigm of 'take-make and dispose', appropriate to economic mechanisms of the 19th century, to the business models of organization specific to a regenerative economy that reflects feedback- rich flows. At this point, human civilization is faced with the need to address more responsibly the issue of waste generated by economic activities; these must be reattached to the economic flows and become, finally, a growth factor. It outlines a new vision of economic advantage which is oriented both towards the design of waste as well as the streamlining access to those who hold them. Besides, a circular economy entails changes in the occupational structure of the human resources and requires compulsorily a new fiscal policy, both at the Community level and at the global level. A measure whereby the factual borders become irrelevant for the virtual user and the time resource is reasonable, is the implementation of the concept of the smart economy at the level of the global economy.

By implementing the concept of smart economy, the time can be taken as an economic value, from its rational use benefitting the producer or the user, its value consisting of smart products that it makes, or are likely to be achieved.

Thus, creativity and innovation are essential attributes characterizing the 'smart economy' through which the economic environment wins due to the progress of science, skills enhancement and the performances of each individual in the working process, the completion of a function between the competencies and performance through correlation with science and technology.

Transferring knowledge from concept to reality is achieved through the creation of smart city that deserves the modern individual needs for development, user of knowledge, conceptual and thinking freedom, rational, follower of the principles of sustainability and durability. Smart city is not just an efficient information system, catalyst of energies and intelligent solutions, but a projection of what designates the future on the

individual by reference to the resources and the knowledge economy.

Assertions on the contemporary economy and the need of connecting it with eco-economy

Currently, as a result of structural mutations in the labour market, combined with changes in education, as a result of the scientific progress, of the advance of scientific research, there should be considered new ways of addressing the economy in direct compatibility with the consumer expectations, manufacturers' requirements, and the trends of the global markets. Any act of economic production and consumption must be related to the concept of efficiency in the sense of making rational use of economic resources, and the concept of utility, namely the selection of a good which meet the needs of such a consumer, by taking into account the preference-budget report.

For this reason, the individual, through his actions, constitutes an economic Act, which implies that education is becoming a prerequisite for welfare levels that can be achieved, as a result of the following factors: educational, cultural, economic, environmental, social and regional policies etc. Through ecoeconomy and such concepts as circular economy or smart economy, the individual will correct a number of issues that interfere with the (medium) human-material-natural report through the use of resources under conditions of economic sustainability.

Dealing with the role of the economic stakeholders

Through actions centered on human development and entrepreneurship, society will provide a potential of generating some rational economic behaviours, based on efficient use of resources, awareness of resource depletion on the danger and the possibility of market expansion. The economic process should be based on the reproduction ability of certain pre-existent economic factors, with limited length of use, implying also a limited stock of ecological capital.

The issue of the economy is how exactly it will capitalize on this ecological capital stock. For this purpose, the whole attention is focused on the production process and the distribution of revenues to support operations in the production of economic wellbeing. The following aspects are taken into account:

- producing economic goods allocated by the market, aiming to intensive use of economic resources;
- generating revenues to ensure economic prerequisites for a decent standard of living;
- the definition of the term 'decent' and identify those boundaries allowing maintenance of the expected levels of economic utility at various levels of income fluctuations;

- imposing a certain institutional threshold to the income as a result of the tax rates;
- the strengthens of the real economy, generating taxable incomes, of the passive beneficiaries, as part of a nominal economy, as a whole. It is also taken into account the fact that a sustainable use of the economic resources is tightly linked to the process of involving in the economic activity all the labour resources, thus generating an active, creative and participative behaviour.
- the transferability of the economic resources, inclusively at the level of the local economy, which triggers a certain approach of the economy on the basis of relative benefits, efficient capitalization of the productive potential, increase of the complimentary degree between the economic areas and the nomination of the market relations considering strictly the competitiveness criteria.

As we well know, the State is an economic actor whose functions are tightly related to the goals such as wealth achievement, improvement of the living standards, assistance and protection for the population with low incomes, assurance of a balance in terms of social equity and social justice. The most important objective, with major implications for overall economic mechanism, is the function of the orientation of economic activity through economic policies, outlining a particular trend of economic growth and development in line with the state's political doctrine. Economic policies influence economic mechanism through a system of levers and tools, both directly and indirectly that, through mutual and systemic interaction ratios, and give or not consistency to the economical Act.

In the Romanian post revolution economy, the lack of systemic approach of the economic politics compounded with the political doctrines of the governments that were not compatible with the liberal economic doctrine, specified to the market economy, led to a fragile economic mechanism that is not competitive with the mechanism of the E.U. The causes, on the one hand, could be the low productivity of the production factories, and, on the other hand, the existence of an unfavourable competitive environment.

- transferability of economic resources, including the local economy, which means addressing the economy on the principle of relative advantages, an efficient use of the productive potential, enhancing the complementarities between economic regions, the establishment of market relations strictly on grounds of competitiveness.

In our opinion, productivity growth occurs as a result of a sustained investment effort by those sectors and branches of the economy where there are relative advantages through the quality-price ratio on the local markets, as well as the regional or worldwide ones. An active economic policy must identify the sectors of the economy where there are such competitive advantages, and must intervene through fiscal and monetary levers

designed to attract and preserve investments. Frequent changes of economic policy, either as a result of developments in the political environment, whether as a result of the influence of pressure groups, will cause investors' attitude to be labile, with direct repercussions on the level of production and hence the employment rate. Another element influencing productivity is procuring inputs, regarded both qualitatively and quantitatively. From a quantitative point of view, Romania has a high volume of production factors, what constituted and still constitute a comparative advantage.

If we look from the viewpoint of qualitative, the statistical data shows that the labour force is increasingly weakly qualified, with competencies that do not match in the current structure of workplaces with low motivation, which is a relative loss, with a direct effect on the decrease in productivity. In this sense, the economic policy of the state should take into account the social programmes of awareness of the population on the importance of education in the present society, prevention of school abandonment, whilst ensuring a minimal income per family.

As it is well known, the competition is the key to the success of an economy. Fiscal instability in Romania, transmitted to the business environment, as a result of a lack of budgetary foresight and rigid instruments of budgetary policy including the lack of transparency regarding the process of redistribution of budgetary incomes, and all these compounded with the high cost of credit in the economy, make the profitability and efficiency of the actions undertaken by private entrepreneurs to be low. This fact reinforces the conviction that Romania is not yet a functioning market economy, and that interest groups pressure creates huge failures in both resource allocation mechanism and the mechanism of redistribution of the benefits.

It's hardly shown who is at fault for the lack of competitiveness of Romania and for his inability to harness the resources of its own and borrowed in order to achieve an optimal level of wellbeing. One solution would be to intensify production and markets by promoting the economic potential of active. There are numerous opportunities for attraction of human capital for productive especially in agriculture, tourism, industry, craft industry, but I believe that labour from Romania lacks the ability, motivation and involvement especially coordination and organisation. Perhaps the anguish inherited since the Communist regime has not yet been overcome, or perhaps the high level of corruption in administration leads to lack of motivation and involvement, but Romania cannot develop economically and socially if imports most consumer products, if exports an important volume of raw materials and if running a limited number of economic operations corresponding to a Lohn production and then leaving the resources untapped and wasting the production factors.

I think it is appropriate the active involvement of the State through social policies related to restructuring

employment restructuring, attracting civil society and private interest for rethinking and reconfiguring the system market from Romania in order to create preconditions for the effective conservation and exploitation of domestic economic potential. Romania also needs to implement a policy mix of budgetary and monetary tax, which outlines an attractive business environment and stimulating action, in which interest groups aimed at adding value and only intensify internal and external competitiveness.

In essence, the factors that drive forward economic growth can be synthesized into those that support entrepreneurial development. Entrepreneurship aims to increase the level of income of the entrepreneur and of the society, which contributes to the growth and economic development. It's very interesting how the current society develops the entrepreneurial spirit and initiative, as decisive for achieving the economic goals of the primordial, such as employment and wealth creation.

Through entrepreneurship individuals create capacities for their creative energies in order to obtain sources of income for themselves and the community, become motivated to increase the quality of services offered to consumers, create economic goods to meet the needs of the application being forced toward the efficient use of resources precisely as a consequence of the necessity of providing reliable economic goods through the quality-price ratio, and are interested in their image on the market proliferated by the image of products existing on the market.

In fact the entrepreneur identifies with the community, is part of the system of local governance, generating community welfare and campaigning for a system of correct governing. It is, in this way, a promoter of the management system of the country.

The *Production and the sustainable consumption* index characterize the level of the use of natural resources considering the principles of eco/efficiency by referring to:

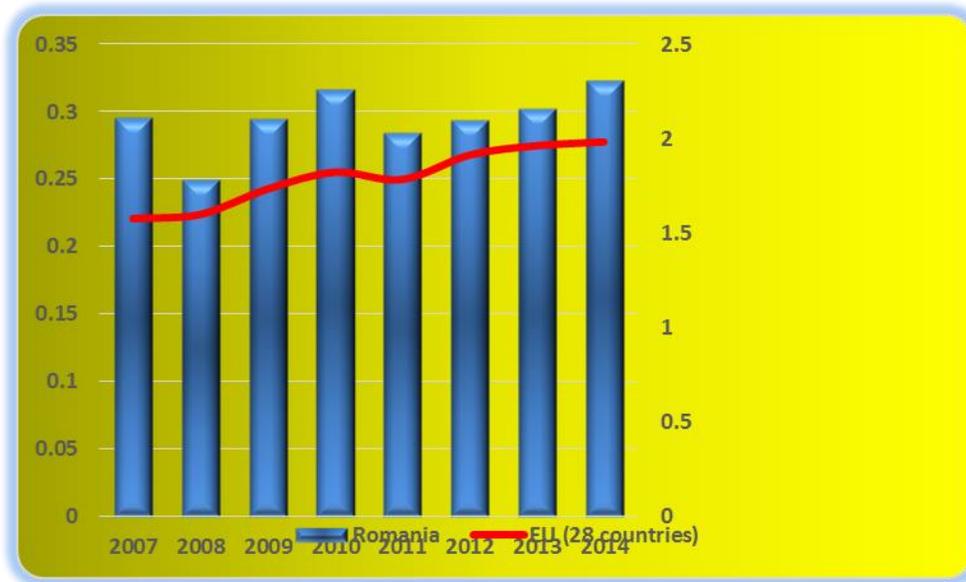
- managing waste as a result of eliminating any misuse of resources as well as the control of the greenhouse gases emissions that may affect the bio/system and the eco/echilibrium of Terra (in such a context, the *Producing waste with exception of major scrap* index distinguishes itself)
- models of consumption of the main energy intensive resources that may generate pollution (the *Consumption of electric energy in households* index)
- models of production which, through the use of clean technologies, incorporating high-tech scientific research and contributes to maintaining the natural balance (*Organisations and sites registered with the environmental management and audit* index (*eco-management and Emas audit scheme*)).

Table no. 1- Productivity of the resources

Productivity for the resources								
Euro per kilogram, 2010								
Country/year	2007	2008	2009	2010	2011	2012	2013	2014
EU-28	1.5764	1.5984	1.7328	1.8218	1.7832	1.9123	1.9622	1.9819
Belgium	2.011	2.0169	2.1858	2.228	2.1435	2.379	2.4408	2.3572
Bulgaria	0.2622	0.257	0.308	0.3124	0.2867	0.2925	0.3049	0.2812
Czech Republic	0.7953	0.8298	0.8651	0.9318	0.9005	1.0033	1.0139	1.0032
Denmark	1.7443	1.8145	2.0907	2.2674	1.9763	2.01	2.1474	2.1755
Germany	1.9416	1.9763	1.9587	2.0384	1.9543	2.0185	2.0435	2.0976
Estonia	0.4579	0.4774	0.435	0.4416	0.4455	0.4689	0.4465	0.4516
Ireland	0.9809	1.0786	1.3295	1.5493	1.6855	1.8423	1.6938	1.8319
Greece	1.0232	1.074	1.2102	1.2783	1.2916	1.309	1.3666	1.3787
Spain	1.1897	1.3738	1.6254	1.8297	2.0542	2.4915	2.6049	2.6848
France	2.211	2.2625	2.4544	2.5519	2.5293	2.6075	2.6193	2.6004
Croatia	0.8266	0.7352	0.8676	1.0088	1.016	1.0908	1.0258	1.0968
Italy	2.0364	2.0732	2.1794	2.3536	2.4413	2.7983	3.1488	3.0517
Cyprus	0.8864	0.6103	0.761	0.8282	0.8472	1.1262	1.4647	1.6329
Latvia	0.4542	0.518	0.5767	0.4807	0.4609	0.4981	0.4843	0.5073
Lithuania	0.6472	0.6252	0.7899	0.7287	0.7123	0.8061	0.6895	0.7569
Luxemburg	3.1327	3.5586	3.4543	3.6405	3.7288	3.6739	3.5977	3.8106
Hungary	0.8479	0.7626	0.8919	0.982	1.007	1.1388	1.0115	0.8897
Malta	1.7796	2.0728	1.9003	2.2946	1.7843	1.6017	1.878	1.4218
Netherland	3.185	3.1095	3.2017	3.2699	3.4008	3.4938	3.7328	3.6827
Austria	1.4282	1.5318	1.58	1.6041	1.5724	1.6163	1.67	1.7102
Poland	0.5201	0.528	0.5643	0.561	0.4761	0.5548	0.5946	0.6169
Portugal	0.8132	0.7763	0.8372	0.9165	0.9695	1.0139	1.1492	1.1373
Romania	0.2953	0.2494	0.295	0.317	0.2848	0.2942	0.3028	0.3236
Slovenia	0.7875	0.9242	1.0313	1.1045	1.2342	1.3858	1.3982	1.3409
Slovakia	0.8918	0.8176	0.8767	0.9376	0.9325	1.0923	1.1597	1.0748
Finland	0.9594	0.9545	1.0624	1.0128	1.0283	1.0599	1.02	1.0985
Sweden	1.7931	1.7925	1.9615	1.8487	1.7992	1.7844	1.7587	1.7499
Great Britain	2.6051	2.7612	3.0118	3.1425	3.1759	3.3214	3.3532	3.4915

Source: processed data from www.eurostat.org

Graph no. 1- Graphical representation of the productivity of the natural resources, Romania in report with EU, between 2007-2014



Source: author's contribution after processing Eurostat data

The *Resource productivity* indicator expresses the annual quantity of raw materials extracted from the national territory of the local economy, adjusted by the balance of incomes in relation to what happens abroad. Romania is found to record low levels of the indicator in relation to the EU-28 average, which shows that the degree of use of natural resources exploitation in order to cover the needs of consumers is reduced, either by the precariousness of the means and mechanisms that confer competitive foreign economical goods or either through the use of rigid institutional levers, having the effect of the contraction of the production of goods.

We believe that the institutional factor should be directed towards the development of the local economy through attracting and using of natural resources, as part of training of the economic system through the training of economic supply, creating jobs, attracting investment, innovation, industrialization and capitalization (for this purpose, the following indicators are considered: *Eco-label licenses, Area in accordance with the agri-environmental commitment, The area included in the organic farming, Livestock density index*).

Conclusion

The necessity of studying economics is not a problem. To do/make economy is a constant of daily life, whether we choose to consume goods, whether they make family budgets or budgets of a productive society. To save resources, actually represents a method that an individual wants to integrate himself into the society, to

manage effectively the resources for its wellbeing, and on the way, and the welfare of their fellows, and the community.

The problems resided in society, generated by a high consumption, the identification of solutions to remedy certain defects in order to improve the quality and eco-efficiency of good, resolve fundamental questions in Economics: For whom do we produce? What do we produce? Under what conditions do we produce? With what means do we produce?

The answer comes from the analysis on the rational administration of the economic resources, the use of environmentally-friendly technologies that are compatible with the principles of sustainability, the free fluctuation of supply and demand, in particular, the design of prices according to the absorption capacity of the products and their competitiveness. An important role in this process is played by the economic actors, the State, businesses, households and the foreign environment.

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