

SUSTAINABLE DEVELOPMENT AND HUMAN CAPITAL COMPONENT

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Abstract

The desire to progress is evident to any community, whether national, regional or local. Sustainable development is part of economic development. This article aims to analyse sustainable development in terms of its human capital component. Thus, the article presents information on both sustainable development and the present situation of the level of education of human resources. The education level of the population of a community has a major influence on the decisions that the community can take to ensure economic progress of the community.

Keywords

sustainable development, human capital, green economy, economic growth, Romania

Introduction

Sustainable development implies a number of changes in how economy is deployed, changes to be implemented by using various levies within a national and/or global policy. Since sustainability concerns all fields of activity, it is now recognized as a horizontal issue and it is integrated in most of the public policies, at least at European level.

Human capital is among the most important assets to support economic development. Nevertheless, the market economy is unable to provide on its own an enabling framework for all people. That is why social and demographic policies are developed pursuing to improve the distribution of wealth on the one hand and the trends of demographic processes on the other hand.

In Romania, human capital related issues are in fact major challenges from both points of view and the fact that a large part of the population is living in rural areas has an augmenting role in this respect.

To ensure that economic growth is necessary to improve investment and competitiveness. In 2013, Romania registered an average annual growth rate of 3.5%.

In Romania, about half of the population lives in rural areas. This proportion is higher than that of other EU countries (Park and Jacobs, 2011). Compared with urban areas, rural settlements are less populated and smaller scale. Contribution and involvement of these rural communities to economic growth is to a lesser extent.

The rural population is not evenly distributed. In terms of density, the most populated rural areas are those in the northeast. This birth rate is higher. Also influence the density rural landscape at regional and county level.

Investments in human capital are essential. Growth and competitiveness is based on the performance of the educational system and of the training programmes. Economic recovery generating jobs is depending on how education systems and training programmes managed to capture the mainstream skill needs of the labour market. It should be mentioned that although important, education is not characterized by adaptability. Universities are among the most conservative institutions, that find difficult to adapt as system to the rapidly changing patterns of skills and competences that are targeted at certain moments (Bran et al., 2013).

In recent years, in Europe, there were ample evidence that skills supply does not meet the needs of the labour market. Thus, in Europe there are over two million vacancies.

Public funding is limited, so an increase in competitiveness can be achieved by effective investment in education and training.

According to a European Commission study, one in five have low literacy and numeracy skills. Under these conditions employability is limited (European Commission, 2013).

At European level it was adopted a strategic framework for cooperation in education and training for the period until 2020. In this framework it is intended to support the development of education and training systems of the EU Member States (European Commission, 2010a). It is sought the personal, social and professional fulfilment of all EU citizens. This is considered as basis for sustainable economic prosperity, employability, promoting democratic values, social cohesion, creativity and innovation, active citizenship and intercultural dialogue.

It aims to support efforts to acquire key skills and reduce the weight of low achievers. It also seeks to foster the acquisition of basic skills and retraining measures and improve skills by enhancing lifelong learning.

With the help of flexible training, new training methods, and adapting programs for teachers and trainers is likely to be motivated to acquire a high level of digital literacy.

1. Sustainable development

In the context of globalization, the concept of sustainable development was formulated in time, within the scientific debate conducted internationally.

Economic and social developments of humanity cannot be separated from the consequences of human activity on the landscape. These issues were first reported in the 1972 report of the Club of Rome, entitled Limits to Growth (Meadows Report). This report summarizes information on the evolution of the five factors (population growth, impact of industrialization, pollution, food production and natural resource depletion trends).

Report of the World Commission on Environment and Development, Brundtland presented in 1987 entitled Our Common Future, offered the first accepted definition of sustainable development: "development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs" (Brundtland, 1987). According to the definition, environmental protection and economic growth in the long term are considered complementary and mutually dependent.

The Brundtland Report was prepared on the basis of negotiations and discussions between the heads of state attending the Earth Summit in Rio de Janeiro in 1992 resolution adopted at this summit is called Agenda 21 document contains basic principles that should guide countries world in the type of economic development in this century.

Complex issues of sustainable development have been addressed at the UN General Assembly Special Session (2000) Summit on Sustainable Development in Johannesburg (2002).

By including in the Treaty of Maastricht, sustainable development has become a political objective of the European Union since 1997.

As a continuation of this approach, in 2001 the European Council in Gothenburg adopted the Sustainable Development Strategy of the European Union. It was added an external dimension of sustainable development concept in Barcelona in 2002.

In June 2006, adopted a renewed Sustainable Development Strategy for an enlarged Europe. This document has been designed in a unified and coherent strategic vision. The overall aim is the continuous improvement of quality of life for present and future generations. It envisages the creation of communities able to both manage and use resources efficiently and to tap the ecological and social innovation potential of the economy to ensure prosperity, environmental protection and social cohesion.

Also, based on the Brundtland Report were developed international documents recognized the importance of regional and local level to promote sustainable development.

In 2012, the EU Council and the European Commission set out measures to support the Europe 2020 objectives in terms of growth and jobs.

2. Human capital

Based on the Annual Growth Survey is a need to strengthen the role of education and training in the Europe 2020 strategy should focus on improving the functioning of education and training, and the overall level of skills.

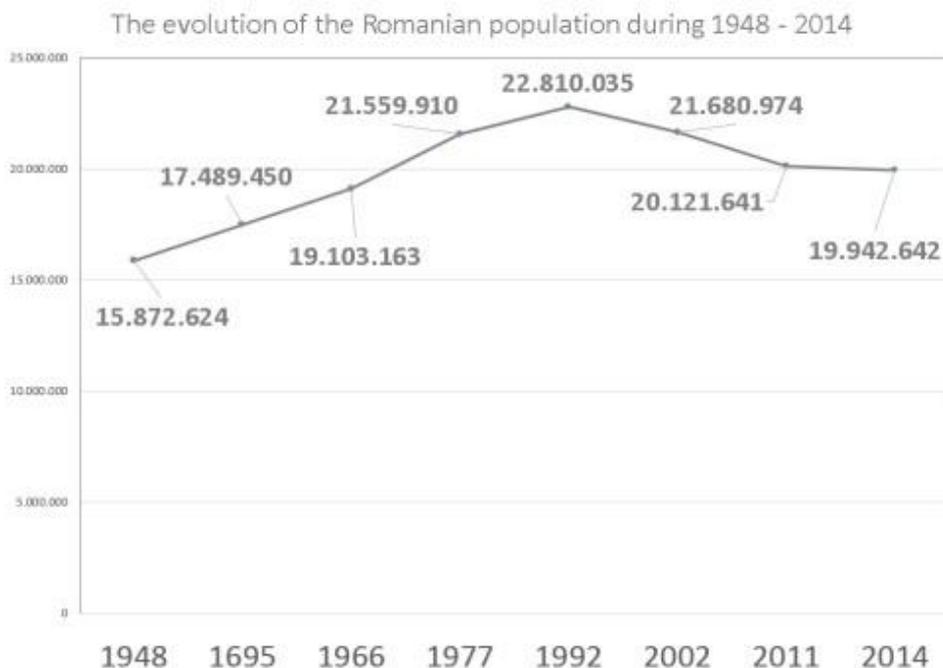
To achieve a sustainable pattern of development in all its essential components: economic, socio-cultural and environmental required a fair assessment of human capital and its development trends in the medium and long term.

Partnerships in education and training can be the key to better networking of the area labour market needs. Promoting partnerships can lead to both economic growth and increase employment.

Demographic and technological innovations produce rapid changes in the business world. Based on these issues, companies are forced to transform their business models and strategies. New emerging technologies require a redefinition of the skills of employees.

Training at work has an impact on satisfaction and motivation. It also leads to increased knowledge, skills and work performance of those forms. At the same time, training in the workplace results in increased productivity, profit and investment an organization.

In some areas the EU has been a stagnation or even a decline in population. There was a progressive reduction in the working age population, and an unsatisfactory level of training. Thus, in the near future, the Eastern Europe can become a sparsely populated region with a declining workforce and an aging population (UE, 2011).



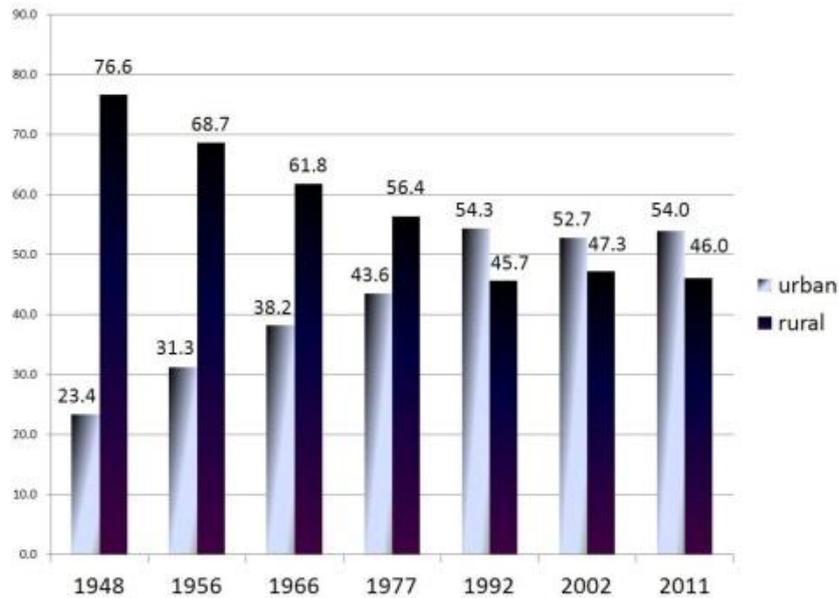
Source: conducted by the authors based on data published on the website of the National Institute of Statistics, 2014

Fig. 1. The evolution of the Romanian population during 1948-2014

Given the existing information on the website of the National Statistics Institute, Romania is no exception. In figure 1 presents the demographic situation. This chart is based on the results of population census at various moments between 1948 and 2011, and the existing data on the INS website, the latest update of the month September 2014.

Compared to 1992, in 2002 the Romanian population decreased by about 1 million people. It is noted that the decrease is higher for 2011 than in 2002, by 1.5 million people. Among the factors that decreased mainly are external migration (about 75%) and negative natural increase (about 25%). It also notes that in 2 years the Romanian population decreased by nearly 180,000 people.

Given that rural areas have a substantial growth potential, but also a vital social role in fig. 2 presents the weight average population in Romania during 1948-2011.



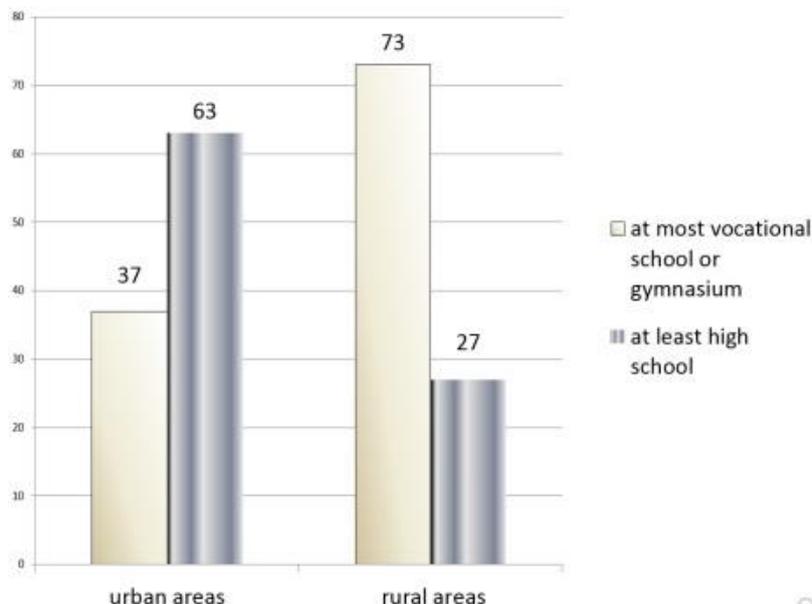
Source: conducted by the authors based on data published on the website of the National Institute of Statistics, 2014

Fig. 2. Share on average Romanian population during 1948-2011

In the next period, the labour market will take people who are now in the age cohort 5-19 years. Thus, it is important that the groups aged 5 to 19 in rural areas 52% of the population lives. Thus, for this age group, the share of population living in rural areas is higher than that of the population living in urban areas. It is important to offer jobs for these people, and offer education and training as a factor of progress. This distribution of population in the coming years will affect economic growth and increase the pressure on rural communities, with direct effects on prosperity, environmental protection and social cohesion.

For people over 20 years, the percentage of those who have completed at least high school is about 47%.

For the situation in 2011, in terms of the environment in which they live, there is a big difference between the percentage of individuals who have completed at least high school and live in urban areas compared to those living in rural areas. Figure 3 gives the difference.



Source: conducted by the authors based on data published on the website of the National Institute of Statistics, 2014

Fig. 3. Average level of education

It is noted that 73% of the population living in rural areas is more than a vocational school or secondary school graduation. Also, 63% of people living in urban areas at least graduate high school, compared to only 27% of people living in rural areas.

In Romania, following processing of statistical data on educational attainment of the population aged between 25 and 64 years, the information can be summarized in Table 1.

Table 1. The level of education of the population aged between 25 and 64 years

Census	TOTAL	Sup.	Post-sec.	Sec.	Without graduating high-school				
					Total	Out of which:			
						Profess.	Gymnas.	Primary	No school
2011 (total Romania)	11.209.424 (55 % % of total Romania population)	19,14	3,83	28,97	48,05	18,88	23,58	4,35	1,24
2011 Urban	6.519.135	28,07	5,10	33,22	33,61	16,66	14,10	2,14	0,71
2011 Rural	4.690.289	6,73	2,07	23,07	68,13	21,96	36,76	7,43	1,98

Source: conducted by the authors based on data published on the website of the National Institute of Statistics, 2014

From the table it is observed that almost 70% of the population aged 25 to 64 living in rural areas did not graduate high school. Also, a third of the population aged between 25 and 64 years living in rural areas, has only 8 grades completed.

Based on the issues identified at the national level, it appears that the European Strategy 2020 three aspects are closely interrelated. These are: developing smart, sustainable and inclusive development (European Commission, 2010). Integrated approach is needed on issues related to aging and poorly qualified workforce. You also need to consider that economic growth is not based on environmental degradation.

Green economy in this way, an economy that reduce environmental risks and ecological deficits (Sawyer, 2011). Thus, we can say that the green economy is based on strategies on reducing carbon emissions, improving energy and resource efficiency, and prevent the loss of biodiversity and ecosystem services (UNEP, 2011). The concept of green economy was state the first Earth Summit (Rio de Janeiro - 1992).

Conclusions

Economic growth is a necessity, but it must be done by observing the conservation of natural resources (Bran, 1991). Here it is intended to land, water, plant and animal biodiversity. Better use of these natural resources leads to a food security and safety, so necessary lately.

With all these requirements, there is a risk that some rural areas face particular challenges in terms of economic and social sustainability (European Commission, 2010).

It is necessary to increase and diversify partnerships between education and training organizations and the labour market. Through these partnerships can facilitate interventions in education and training. In secondary education, training programs are intended to be modified so that they contain subjects related to sustainable development.

Individuals who have not completed compulsory education may attend only professional training level 1 qualification. Thus, it is important to assess the training needs of these people. Depending on the needs of training, these individuals can participate in training programs to improve their skills. If these people skills improve, they can handle jobs that require a higher level of training.

Based on this information, it is important to identify the extent and level of cover jobs in rural communities. For these people there is the possibility of obtaining a job is based on education held at this time, either on the basis of higher qualifications acquired through education and further training. A contribution in raising the education level of people living in rural communities may have investments in training programs.

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