

Ramona Maria CHIVU  
Romanian Academy, Bucharest, Romania

# ECONOMY AND ENVIRONMENT. POINTS OF VIEW AND ACTIONS

viewpoint and  
replies on  
previously  
published  
articles

---

## Keywords

economy  
environment  
waste  
economic crisis  
pollution  
sustainable development

---

## JEL classification

M41, M48, Q56, Q51, Q20, N27

---

## Abstract

*The current situation of the environment is a direct consequence of history, especially of economic history. The article analyzes the relationship between economy and environment, in order to determine the main causes that led to the ecological crisis. The article argues that despite the close relationship between environment and economy, the economy did not take into account the environmental protection, until there appeared serious environmental impacts. Including the environment in economic thinking led, first, to the application of conventional techniques to economy to try to solve problems. The article also examines some priorities for improving the relationship between economy and environment conducive to move towards a model of sustainable development. The conclusion is that sustainable development is the goal to be achieved. In search of sustainability, companies should play an important role, as in all phases of the life cycle of their products, there are environmental risks and, therefore, they are a major source of environmental degradation of the planet.*

## Introduction

Environmental Protection Law 195/2005 defines the environment as a set of conditions and natural elements of the Earth: air, water, soil, subsoil, the characteristics of the landscape, all atmospheric layers, all organic and inorganic matter and living beings, systems natural interaction, including the items listed above, including some material and spiritual values, quality of life and conditions that may affect human health and welfare.

While it has always been present in human activities, the concern for its conservation did not appear until the important issues that arose and ecological disasters. Late enough after I witnessed dramatic episodes, true ecological disaster that has been flooding in recent years, increasing desertification in the south, tornadoes, long periods of drought, we started to realize that they exceeded the limits which have caused severe damage in nature and even the disappearance of many species of plants and animals.

Pollution, which recently acquired an universal character, is among the major factors that induce imbalances in nature (Florea, 2005). Record all facts reckless nature, man-made attacks, consciously or unconsciously, stores them in memory and when ... fill the glass ... merciless revenge. In this respect, environmental degradation, mainly due to human activities, led to the creation of organizations defending the natural environment, and raising international and national bodies, which were forced to take action in this regard [*International organizations like the United Nations and non-governmental organizations (NGOs), are one of the leading exponents in promoting conservation*].

All these have shaped the evolution of economic thought regarding consideration of environmental issues surrounding the economy.

## Economy and the environment. Points of view and actions

Until recently humanity has considered separately the two systems: the ecological system and economic system. Economic activity has always been linked to the natural and social environment in which they develop. Before the industrial revolution, economic development was slow and was part of an agrarian world, in harmony with nature (Florea, 2005). With the beginning of industrialization becomes clear that nature is dominated by man. Economic theories develop as the technical ones progress, but none consider the natural factor. The production and consumption was made without taking into account the environmental impacts that might result because it was assumed that nature itself would solve the problem by recycling waste and waste generated.

Water, air and soil are considered collective goods, but not assigned any value (price).

Until recent decades, mankind has assumed the environmental issue as a global problem, although this was mainly due to the Industrial Revolution, which was and continues to be today, very harmful to the environment (Nedelcu, 2011). Before the Industrial Revolution, we had an unpolluted clean and healthy environment. The appearance of vehicles led to a large factor of air pollution, the emergence industry, factories and plants, the emergence of nuclear bombs, along time they have produced a number of significant disasters and even disorganized human life, they led to a disinterest in terms of health living environment, acting in a malicious sense. Thus, although industrialization over time exercised undeniable influence on favorable economic and social progress of nations, it gradually generated a series of negative consequences, unexpected and not accounted for.

Currently the technical consequences of social development have become so high that the critical threshold that ensures a balance between human activity and natural regenerative capacity was exceeded and degradation jeopardize even further economic development.

Practice has shown that between a certain way of conceiving the industrialization and stimulation of technical progress and economic and social progress not only that there is an actual line, but most often, in one way or another object. The most convincing argument is that although this led to major technical and technological performance, it hastrained at the same time and high consumption of raw materials and energy, with serious effects on the environment.

Departments where there is the impact of human activity on nature, involve:

✚ The intensive use of renewable natural resources (oil, gas, coal), leading to serious imbalances in nature;

✚ Removal of the biosphere, of many species of plants and animals with their own ecosystem destruction (destruction of biodiversity);

✚ The introduction into the environment of large amounts of toxic, difficult or even impossible to assimilate for nature;

✚ Changing the composition of the oceans and seas by the discharge of chemical and radioactive waste, with serious consequences for living things, including humans;

✚ The radical shift of geographical landscapes through large-scale development project;

✚ Climate change, the emergence and worsening of phenomena such as the greenhouse effect, acid rain, desertification of areas, etc.

All human activity taking place in the environment interacts with it, causing a series of

changes. As long as these changes are kept below a threshold, nature, through its cyclical processes, manages to compensate for changes imbalances.

At the threshold, imbalances cannot be offset by natural processes in the environment and its irreversible transformations occur.

This type of development can be considered responsible for many of our difficulties. This is because:

✚ We have not considered all incoming raw material components in the production process; consequently, from a range of raw materials use only a small percentage; the rest is considered waste / waste and water discharge in the atmosphere or deposited directly on the ground, which lead to pollution of soil and groundwater;

✚ high consumption of non-renewable raw materials and mineral resources has led to exhaustion within a relatively short time resource stocks;

✚ Agriculture: thanks to the use of machines becoming more specialized and pesticides and chemical fertilizers became in addition to consuming non-renewable resource and a source, not insignificant, pollution of surface waters. In some instances, to increase arable land there were cleared forests, which resulted in changes to the landscape by landslides or floods;

✚ industrialization led to strong population concentration in major urban areas, which resulted in the increasing number of pollutants.

Economic developments show that such a development has affected the natural environment in several ways:

- biological - harmful substances to infestation;
- aesthetic - degradation / disappearance of landscapes; creating modified landscapes etc.;
- functional - affecting the environment.

In those circumstances, environmental degradation, pollution and appearance to ecological imbalances occur, with incalculable consequences on economic development and quality of life. The development, so far, of the society has made great economic miscalculation respectively neglected the cost of degradation and damage to the environment and human health. It has caused costs to be borne by all of society and the values of which cannot yet be reliably estimated.

The link between economic development and the environment has been perceived and especially considered quite difficult, since, was an unseen face of things, the `what comes less current preoccupations, whose effects were medium and long term. It has generated and then emphasized the antagonism between man and the natural environment, produced creation cycle disorders and

consumption of goods produced. Under the current conditions we can talk about a more obvious contradiction between a certain orientation of economic development and environmental requirements to maintain the balance.

Hence the logical conclusion – we need to rethink the organization and functioning of economic activities respectively a transition to a behavior and a way of life acceptable from the ecological point of view and human.

Economic development based on the abusive use and irrational, non-renewable and renewable resources cannot continue indefinitely. It is necessary to change the attitude and thinking, giving up the old economic patterns in order to ensure long-term integrity of natural systems which support life on Earth. At the same time, economic development should be done, which is in line with the needs and constraints of nature, which require liaising development of the economic policy and the ecological one at all levels and in all branches of the state economy. Harmonization of expanding their business with protection of environment requires recognition that economic development is able to generate environmental benefits, just as healthy ecosystems involves economic benefits.

Economic development raises the aspirations of society and generates ecological improvement requirements. Increasing incomes and higher standards of living shall lead to the satisfaction of fundamental material needs, and in this way, when the present is safe, people can focus their attention on the future, with due regard to environmental issues.

Although the correlation between income growth and environmental concerns internationally is the same, though there are differences in the industrialized countries, Third World countries and former communist countries (Vreja, 2011). In industrialized countries, countries with strong economy and a higher standard of living, the trend is to spend more time, more money and resources, the ecological problems, leading to a less polluted environment. On the other hand, developing countries - who have to struggle with poverty, with external debt and severe social problems - do not have time, money and resources for nature conservation. The consequences of these problems are particularly serious: the environment is not healthy, environmental factors are strongly affected by pollution and quality of life is disappointing (Ghere, 2010).

Experts consider that in underdeveloped countries, economic progress can achieve conciliation between the natural environment and the pressures to which it is subjected to poverty reduction and limiting population growth. Uncontrolled growth of population in these countries in recent decades has led to increased

pressure on the natural environment, people tried to make a living by:

- massive deforestation forest land for the expansion of cultivated areas (to be able to provide food and wood for heating and also prepared food);

- the use of toxic substances and pesticides to obtain higher yields;

- industrial activities heavily polluting, et al.

Results were becoming sadder, leading both to massive pollution of the environment and the extinction of species of plants and animals.

Economic development through benefits, appear in relatively prosperous - progress, both from the demand and the supply side: part of the demand appears in the benefits it brings - higher requirements in terms of quality of the environment in countries industrialized and reducing pressure on the environment in developing countries, and the supply side appears that generate financial resources because the environmental improvement can be possible (Halmaghi, 2001).

### Conclusion

The conclusion is that the imbalances are more aware, of the relationship between economy and environment, leading to the necessity of rethinking the relationships between economic activity and environment, to the formation of environmental awareness, changing attitudes towards the nature.

The objectives of all entities should be similar and centered on eliminating negative environmental impacts. However, generally speaking, they have different objectives: companies trying to achieve economic growth, economic entities pursuing profit, and individuals strive for personal wellbeing. Although these different objectives can be integrated into the broader concept of "general welfare" in the end of their productive activities and thoughtless consumption will determine the consumption of natural resources and, as a result, transformation of the nature..

To reduce pressure on the environment it is necessary to develop an economic development strategy that is in line with the environment. Therefore, economic development must be based on rational management of natural resources (renewable or non-renewable whatever they are) and take wise decisions when necessary expansion

in industry and agriculture (be avoided both the strongly polluting industries as well as extensive agriculture in which are used indiscriminately, various toxic substances - pesticides, herbicides, fungicides and fertilizers - provide rich harvests). If economic development is done in agreement with nature, generates many benefits: new jobs, economic stability, social and economic progress.

Sustainable development is the objective to be achieved, in line with various international organizations. In search of sustainability, companies must play an important role, as in all phases of their product life cycle, there are environmental risks and, therefore, they are a major source of environmental degradation of the planet. We must not forget that the environment is the main supplier of natural resources for most production processes, becoming landfill waste and waste generated by economic activity. We have to adopt a different perspective when seeking to protect the environment, not only prevailing economic reasons.

### Acknowledgement

„This work was financially supported through the project *"Routes of academic excellence in doctoral and post-doctoral research - REACH"* co-financed through the European Social Fund, by Sectoral Operational Programme Human Resources Development 2007-2013, contract no POSDRU/159/1.5/S/137926.”

### References:

1. Florea A., *A new global problem: the ecological crisis*, Annals of University of Oradea, 2005;
2. Ghere M, *Environmental Economics*, Publishing Risoprint, Cluj - Napoca, 2010;
3. Halmaghi E. E., *Aspects of the relationship of economic development - environmental protection*, The International Scientific Conference, Land Forces Academy, 2001;
4. Nedelcu M., *The struggle of man with nature. The ecological crisis threatens life on Earth*, Light Newspaper 2011;
5. Vreja O.L., *Environmental problems of an economic*, Journal Cogito, 2011;
6. Environmental Protection Law 195/2005;
7. [www.naturis.ro/](http://www.naturis.ro/) The ecological crisis and environmental education.