The Role of Agriculture in the Intelligent Development Process

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Abstract
In order to keep away the recession and the negative effects of the production slowing down, scientists and civil society retake the analysis of the “how we grow?” possible answers dilemma. On the other hand the recent economic evolution of the Euro zone, as a major development pole of the world, shows that macroeconomic stability and sustainability is a continuous effort for all the parties involved, and that imbalances detection is not enough to solve the complex and numerous problems which do not answer quickly to the monetary stimulus. Also, in the frame of European Union, the liberalization of the capital and human flows do not have the same effect for the supplier country and for the receiving one, and the difficulty of comparing qualitative aspects still persists, in spite of common regulations and a quasi-common governance of the core phenomena. Romanian agriculture and each of its branches can basically contribute to the stability and safety of the intelligent growth and development.

Keywords: intelligent growth and development, stability, sustainability

1. Introduction

By the end of the last century, theoreticians anticipated that, the expansion of the internet, of world-wide communications and of knowledge, will bring the world economy to a tremendous economic growth and progress, and those impressions were not denied by the statistics. We had a triumphal entering in the third millennium, accompanied by the latest digital technologies, hoping that their usage as a tool and production factor will permanently boost the economic results, will spread the incomes, will feed us more and bring welfare for everybody. This fact did happen for the first years of the new millennium, but since 2008/2009, the abrupt decrease of the economic performances turn us back to the principles of economics, to find a way of getting back the lost growing rhythm.

According to the recordings of the World Economic Outlook from September 2011 [1], the evolution of the output looks like crisis comes when it is its time: in 2009, the advanced economies declined by -3.7%, the euro area decline was of -4.3%, the Central and Eastern European countries had an average decline of -3.6%, while our country had an even worst decline, of more than 7%. Since 2009, when the production had its worst decline, the evolution of the output in those regions switched back, regaining step by step a slow raising trend. The evolution of the GDP for 2012 is estimated for 1.6-2.1%, for 2011 is estimated of 1.5%, similar with the euro zone average index.

In this fragile appearance of economic activities, the “how we grow?” question was analyzed not only by economists, but by scientists from all the domains, by politicians, by ecologists, and by many citizens of the “global village”, worried about the living standard and comfort of their everyday life.

To this question there is only one answer: we can only intelligent grow and develop giving the most importance to the agricultural and rural sector, as primordial and basic sector of human existence.

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2. Materials and methods

The economic analysis starts by defining the concepts: we refer to growth when meaning an amplification of the previous capacity of the economic system to produce national income (real output) [1], for a more accurate image, compared with the number of inhabitants; the economic growth is the basis of development and progress.

The growth concept was very much extended from its appearance until now, the most famous analysis, in connection with agriculture, and the other economic branches being the Reports of the Club of Rome [2].

3. Results and discussion

The European Union is now a mighty economic pole of the world, balancing the USA, in terms of production, trade and consumption.

The step by step achievements of the strategic goals included in the Treaties and European Commission Documents made from our country a hopeful member of European Union.

Good or developing, the funding instruments were directed from the beginning to support the agriculture sector of the member states, applying the principles of the Common Agricultural Policy.

Nevertheless, skeptics are more exigent than the wide public, having new expectations and the will to change some old levers of the single market mechanism.

Among them, the famous professor Mugur Isarescu, governor of the National Bank of Romania, who thought in 2008 that: “Europe was less successful in other areas. Two of them appear more significant to me. The first is the Lisbon Agenda, whose implementation is far from satisfactory. Were its goals overly ambitious? Possibly. But certainly the actual commitment to reach those goals was rather weak, at both national and European levels. At times, the whole organization appears to be trapped in observing rules which may have been relevant decades ago, but today they mean far less and actually are a heavy burden for the future of the continent (I particularly have in mind the Common Agricultural Policy, but not only).”[3]

This year the global community celebrates 40 years from the first Report to the Club of Rome, “The Limits to growth”, set up by Donnela and Dennis Meadows, Jorgen Randers and W.Behrens [4].

That moment opened the doors for a new wave in the economic, philosophic and social thinking, called later “the zero growth movement”, followed by other nuanced visions about economic concepts, like negative growth, intelligent growth or sustainable growth.

The main idea of the first and following Reports to the Club of Rome is that there is a serious risk of exhausting diverse resources that ground our present time comfort and the planet could exceed its natural capacity of regeneration, having as result an unsustainable development.

In other words, the way we grow now can only be part of a short run development, being reasonable that in the long run, the processing activity to become environmentally friendly, much more efficient and much less resources consuming.

Apart from the complicated scientifically apparatus used by the American team to carry out complex research of the limits of growth, to the 2030 horizon of time (parameters such as poverty, pollution, distrust, unemployment, inflation, the crisis, the general leaving behind the old traditions, the replacement of labor by machinery), the conclusions touched a quite old axiom of the economic thinking: we live of a world of multiple connections, links, and feed-backs, among us and among us and the environment. The basic parameters of the monde economy, among which agriculture plays a major role, were estimated in their progress, showing a larger and larger gap between the resources and the human needs and pointing a supply collapse for some raw material such as oil, for instance.

The recommended solution at that time was the effort to maintain the equal growing rate for the gross domestic product and population (a similar trend for the production and consumption). The key to the lasting development was found in the zero economic growth.

It is astonishing that, for all the efforts have been made for such an ample analysis, the results are mostly quantitative than qualitative, for instance the authors did not question the distribution of the incomes in the society and the mechanism which is altering this distribution, or the more intensive exploitation of the farms in vegetal and animal production (poverty rate was mostly observed by
the scientists, but not radically cured, considering the scarcity of the resources a fatal given).
On the other hand, the zero growth theory tried to be original and less cruel than other calamitous previsions, like the malthusianist ones, which found that the mankind incapacity of production calls for starvation, illness and war.
Moreover, 30 years later, the authors of the first Report to the Club of Rome renewed their alert concerning the development sustainability delivering a new work result, 2004, “Limits to Growth: The 30-Year Update” [1].
The update is built upon the interesting work of Wakernagel, who designed in 1980 a quantitative method of measuring the ecological unbalance between how much from the resources we consumed versus the regenerating capacity of the Earth, method called the “footprint system”; the point is that, according to the metric for the sustainability, after year 2000, the global consumption exceeded the long term regenerating capacity, which is a major ecological disaster.
The role of agriculture in the present and future development is to diminish the gap between the demand and supply of agricultural products, food in the first place, but other raw materials provided by this primordial sector as well.
This target does not have much in common with the social movement which blames the over-consumption, or waste administration, but much more in common with the mechanism of the wealth distribution in the society, a mechanism which became the object of political-legislative decision.
In our country, the gap between the smallest and the highest salary raised continuously, from 1989, the year when we shift back to the market economy, being fixed in 2010, by the law of the public wage system, at a ration of 1 to 12.
Still, in our opinion, the best part of this zero growth theory is the incentive for the creativity, for limiting the routine “modus vivendi”, and to have a realistic target, in harmony with a cleaner and safer environment.
The classic concept of managing the macro-economy on the basis of the positive economic growth cannot be “the quantity that brings errors”, as long as the GINI index (showing the expansion of the poverty) is raising in most of the countries: the price-wages rising spiral is determined by the blockage of the offer-buyer relation, and not by the monetary shortages, as a whole, this situation being proved by the raisings in the saving level as an aggregate index [5].
The global demand raises as a result of multiple objective factors, the core factor remaining the demographic evolution, from 1.6 billion people in 1900, up to 7 billion people today [6], but the development requirements as well. As a result, the positive growing is far from exhausting its resources in feeding the welfare, and after a short depression (2008-2009) most of the countries record positive growth index (in 2012 the growth index was 4.6%, small and emergent countries being in top of the list [7]).
If we consider that the current evolution of the global demand exceeds the supply possibilities and put in danger all the progress achievements, mostly in quantitative terms, the zero growth is not enough and global economy should steadily switch to the long term negative index for the growing and development process, in order to re-balance the overshot consumption with the planetary renewing capacity.
Still, the objective reality, measured by statistics, proves a restart for the growing index, and this is why we believe that a more nuanced concept of growth could be more useful.
Among the more recent approaches of the growth and sustainable development, we notice the intelligent growth opinion, belonging to Anthony Kasoz [8] a concept closest to the ecological point of view, which emphasizes the responsibility and commitment of the business, for acting friendly with the material and spiritual environment.
The intelligent development idea originated in the innovation and creativity incentive launched by the European Union, in order to catch up with the highest technological and managerial achievements worldwide, especially with the USA.
The implementation of new, practical ideas, especially in business, must be guided to an intelligent business, which promotes the green energy, the cut of polluting emissions, the recovery of soil, which does not pollute waters.
The businessmen and the entire business environment should do their best to harmonize their activity with the sustainability oriented legislation, a tool aimed to connect the global benefits to their correspondent loss.
4. Conclusions

The next General Assembly of the Club of Rome will be held in Bucharest, Romania from 1-3 October 2012, and we emotionally while waiting to learn about the experience of Dennis Meadows and Jorgen Randers, announced to attend this event, in connection with the response of the international community and politicians to their economic and ecological warning launched 40 years ago.

Our country and its politicians seems to be committed to play an active role in the long lasting development, by taking all the measures in order to meet the requirements for entering the euro zone, and this shows the great will to live in a better world that Romanians have.

In this line, Professor Mugur Isarescu, who leads the hosting of the Club of Rome in Romania, said: “The very existence of the euro should eventually press policymakers to conduct more responsible policies” [3].

A most serious attitude of all leaders is mandatory because of the fragile macro-equilibrium that we pass through, under the threatening of a new depression, not only in Romania, but in the entire European Union.

On the background of the improving the legislative system of UE with new regulations securing the financial stability and diminish the deficits, it is for sure that the Romanian macro-stability would be boosted inside the euro-zone.

The entering euro zone for our country would solve gaining time in the convergence process, gaining competitiveness and consuming less energy for bureaucratic tasks that put useless pressure on the national business environment. Agriculture and the whole economy would have access to cheaper credits and to a coordinated monetary policy, and would lighten and multiply the trade.

The total integration of Romania with the euro-zone would relax the international relations of our country with the non UE states and multiply the financial and goods flows with all the economic partners world-wide.

Actually, the integration of the monetary and financial markets raise trust among member states, simplifies the contracts, the accounting and trade procedures and offers better chances for the intelligent development.

References

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