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Development and social security system sustainability

Răzvan-Dorin Burz

In this paper we propose to investigate the link between economic development, social security system and the sustainability of the policies pursued by states. In doing so, we start from clarifying and summarizing the main ideas on the concepts of development and social security. Depending on the approach to social security (narrow or broad) and the developing status of the states (developed or developing) we propose a matrix of classification and analysis that can offer new perspectives on decisions about type of policy to be pursued by governments to ensure sustainable development and social security system sustainability.

Keywords: economic development, durable development, sustainable development, social security, sustainability

1. Introduction

Crisis context should determine governments to adopt their policies to ensure sustainability of social security. Their choice regarding social security policies should be made in correlation with the level of economic development, traditions, culture, and last but not least taking into account socio-economic circumstances. In this paper we propose to investigate the link between economic development, social security system and the sustainability of the policies pursued by states. In doing so, we start from clarifying and summarizing the main ideas on the concepts of development and social security. Depending on the approach to social security (narrow or broad) and the developing status of the states (developed or developing) we propose a matrix of classification and analysis that can offer new perspectives on decisions about type of policy to be pursued by governments to ensure sustainable development and social security system sustainability.

2. The concept of development

Starting from Colin Clark's definition of economic growth as "a rapid and sustained real output per capita" the economic literature generally accepted this concept as a quantitative increase, steadily of the national economy, expressed as a ratio of GDP and population. Later, other economists have made clear distinction between economic growth and economic development. Gunnar Myrdal wrote: "My understanding on the development is a change of the whole social system, in other words it is not only production, distribution of the production, but also the mode of production and standard of living, institutions, attitudes and policies" (Myrdal, 1973). Therefore it may be considered that economic development includes all socio-economic areas, marking a continuous refresh process, of the emergence of new branches and sub-branches, products, technologies, division of production and territorial distribution of population under the conditions of social division of labor, rational diversification and specialization of production.

Between economic growth and economic development there are differences in scope and content. French economist Francois Perroux said: "A developing economy can be different from a growing economy. Global product per inhabitant in the absolute amount may have increased in the past and may still grow without people and the economic environment being exposed to development

conditions "(Perroux, 1969). In other words, between the two processes there is a relationship of dependence - there can be growth without development, but not vice versa (Dobrota, 1997).

Currently, the concept of development seems indissolubly linked to the sustainability. Sustainability is treated as a feature - quality of development – of the evolution of human social system. Although the term is widely used, especially in everyday speech, the majority of the economical literature does not present a definition of the term. An explanation is found in a paper (Popa et al., 2009) which states that the term comes from English and is defined as "quality of human activities to take place without exhausting available resources and without destroying the environment, therefore without compromising the ability to meet the needs of future generations (...) when referring to overall economic development of countries or regions, is usually preferred the synonymous term durable development." At first sight following ideas derive: sustainability is a characteristic of a human activity that has consequences for the geographical environment ("as a human activity"), being sustainable means not compromising on the ability to meet the needs of future generations in the sense to not exhaust the available resources and not to destroy the environment – a kind of harmony with everything around – an activity that fits harmoniously in macro system without affecting the whole, the definition of the term points to the association of development – sustainable development – which is considered to be synonymous with the durable development. The explanatory dictionary of English language (Pearsall, 1999), highlights the defining features of the concept as "preserving an ecological balance by avoiding depletion of natural resources" (in association with the term development - sustainable development), and "ability to maintain a certain level" (in association with the term economic growth - sustainable growth).

As a utility, in the majority of the literature that we studied there was no differentiation between the terms sustainable development and durable development, being regarded as substitutes. At first sight the differentiation appears to be due only to the origin of literature – the French expression "développement durable" and the Saxon expression "sustainable development". Dinga sees four differences between concepts and campaigns for the use of sustainability at the expense of development / sustainable growth, the latter can only be used "metaphorically or by abuse of language" (Dinga, 2009): sustainability is a dynamic feature of systems in the natural environment in which systems are dissipative, while the concept of sustainability refers to the significance of persistence over time by itself - its own existence, the concept of sustainability refers to the significance of the possibility of long time maintenance in an active way, the sustainability of a non-natural system is an "assisted sustainability" - reason based on the fact that the principles necessary to maintain a steady state dissipative system must be "purchased" due to the increase of entropy universal growth rate, while only show durability about sustainability can show stationarity and the increase or decrease - as opposed to durability, sustainability allows construction such as: sustainable growth and unsustainable growth, decline and decrease unsustainable sustainable. Other works address sustainability as a principle - sustainable development criteria (Zaman and Gerasim, 2000). There are authors who criticize the use of the term sustainability. The logic is as follows: given that sustainability refers to an unspecified long time period and steady growth lead to very high results in a short time, we can conclude that "sustainable growth" implies "endless growth", but resources are limited. As such, the term applied to material things is an oxymoron (Bartlett, 2006). The latter contrast with Dinga's idea, that sustainability can show both on growth and on the decline.

As understanding, one of the first definitions of the term sustainable development, but also the most common is the one proposed in 1987 by the World Commission on Environment and Development (WCEF), headed by Gro Harlem Brundtland, Prime Minister of Norway, in the "Brutland report: "ensuring a development that meets the needs of present generations without compromising the ability

of future generations to meet their own needs" (CED, 1987). The concept is the result of an integrated approach in which environmental protection and long-term economic growth are considered complementary and interdependent. Basically combines three factors: the development needs of humanity, the protection and preservation the natural environment, maintaining the ability of future generations to meet their own needs. The document has historical relevance because of at least two reasons: the debate on the idea of international responsibility for the future and secondly discuss the idea of development, not anyway, but sustainable.

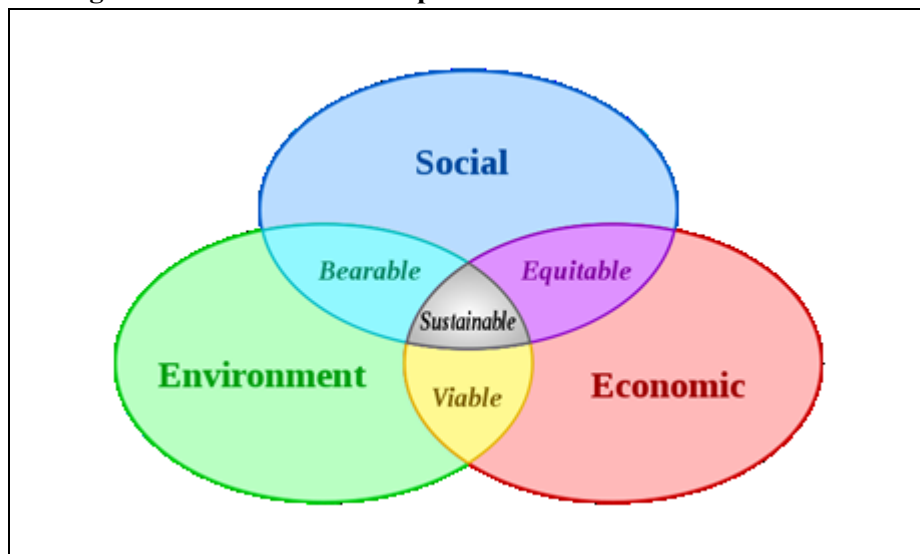
After Brutland report, the issue of sustainable development has gained global political dimension: the World Conference on Environment and Sustainable Development in Rio de Janeiro (1992), UN General Assembly Special Session and addressing Millennium Development Goals (MDGs) (2000) World Conference on Sustainable Development in Johannesburg (2002). At EU level, sustainable development became an undertaken subject since 1997, when it was included in the Maastricht Treaty. In 2001 Sustainable Development Strategy was adopted in Gotheborg, which was added an external dimension in 2002 in Barcelona and in 2006 the revised Sustainable Development Strategy of the European Union was adopted. The seven priority axis of the European Union Strategy for Sustainable Development revised in 2006 were: climate and energy changes, sustainable transport, conservation and natural resources management, sustainable consumption and production, public health, social inclusion, demography and migration, global poverty and sustainable development challenges.

From our perspective, we believe the following preliminary conclusions must be retained:

- as a particularity, we find the concept most often used in the macroeconomics literature, environmental and business, and less in the social systems area;
- nowadays sustainable development objectives are assumed by most international bodies, governments and private enterprises;
- although initially development was meant to be a sustainable solution to ecological crisis caused by intense industrial exploitation of resources and continue environmental degradation and seeks first the preservation of environmental quality, today expanded the concept over the quality of life in its complexity, and under economically and socially aspects. An objective of sustainable development, for example, is now the concern for justice and equity between states, not only between generations;
- formulating a universally accepted definition is difficult because sustainability covers a huge range and variety of problems;
- the added value that the concept of sustainability brings is to highlight the inseparability to address issues in isolation. The economic, ecological and the social environments must be seen as interconnected. Sustainability means supporting the economic, protecting the environment and reaching social targets in the same time, and if possible with a positive synergistic effect as big as possible;
- as a concept development evolved by joining the term sustainable from the simple definition to holistic approach;
- definitions of sustainable development can be grouped into two main categories, conceptual definitions aimed to highlight the concept vision (the nature value, ethics, equity), and operationalized definitions that can be translated through the evaluation indicators (economic, environmental, and social indicators);
- as development of operationalized definitions to facilitate understanding the concept of sustainable development and the relationship between its components, most often a graphical model using overlapping circles is used as. In this model (Figure 1) sustainable development

assumes both environmental and resources' protection but also reaching social and economic targets. The three components are viewed as having equal importance. Sustainable development is achieved in the center of the model, which intersects all three categories of objectives. In terms of components, we consider this model to be the most relevant.

Figure 1: Sustainable development frame



	Social	Environment	Economic
Objecttive	Equity Social cohesion Social mobility Participation Cultural identity Standard of living Etc.	Healthy environment – pollution prevention Rational use of renewable natural resources Conservation of nonrenewable natural resources Biodiversity Etc.	Growth Efficiency Stability Etc.
Evaluation indicator	Life expectance Nutrition level Education Population Mortality Etc.	Air quality Water quality CO2 emission Species diversity Land cover and utilization Etc.	GDP per capita Consumption Saves Etc.
	Social – Environment	Social – Economic	Environment – Economic
Descriptor	bearable	equitable	viable
Objective	Global and nation natural resource administration Environmental law application Etc.	Business ethics Fair trade Human rights Etc.	Energetic efficiency Natural resources utilization stimulation Etc.

Source: Adapted and processed after: Soubbotina and Sheram (2000); Rodriguez et al. (2002)

3. Social security and sustainable development

Explanations on the concept of social security found in the economic literature are much more diverse than those relating to sustainable development. They vary not only as perspective but also as a way of understanding. A development of the issues I did in a previous paper (Burz, 2011), as such, in this paper we intend to highlight only a few aspects regarding the broadness and relevant approach prospects.

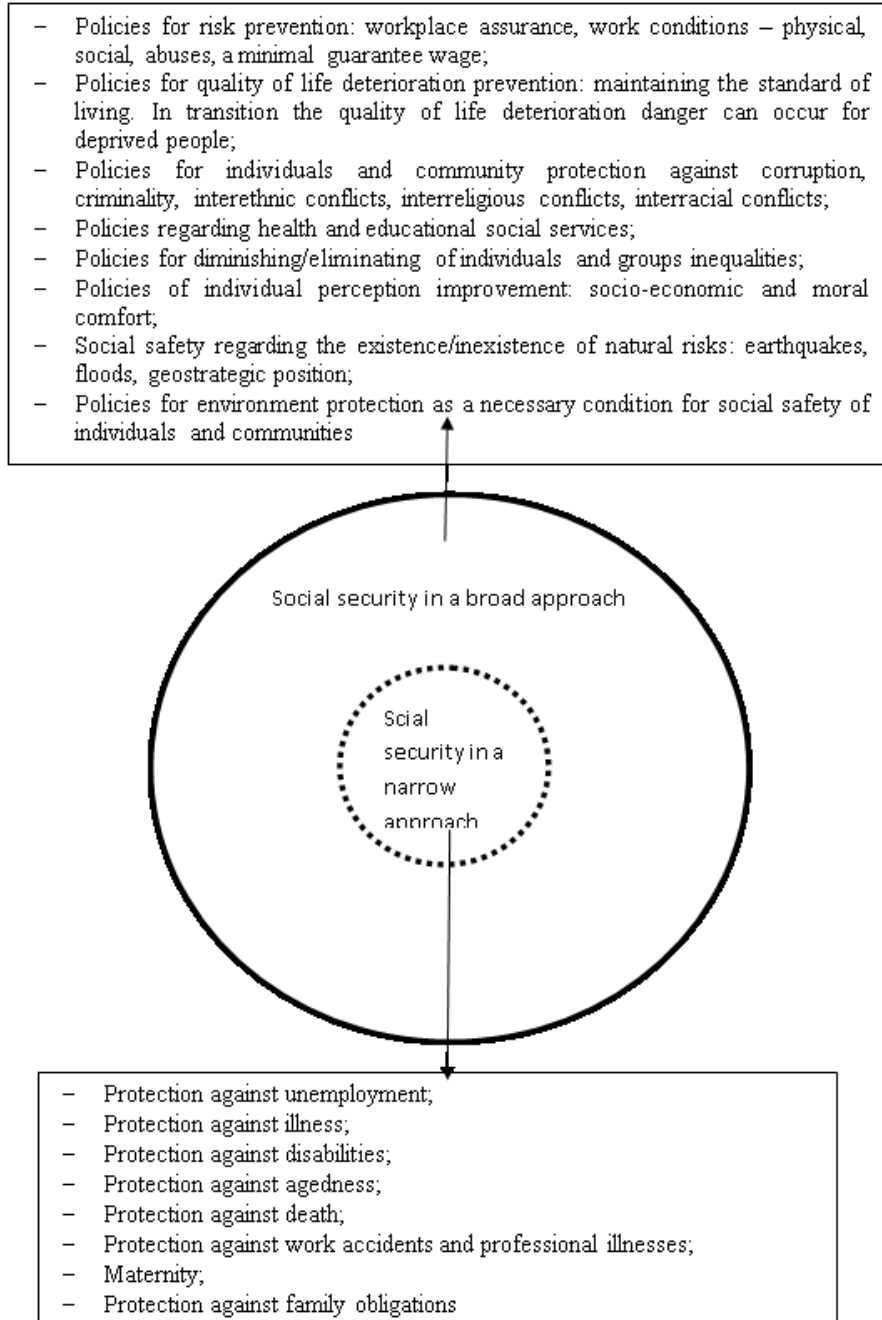
A frequently mentioned and used definition is given by the International Labour Office, which defines social security as "protection that society gives to its members through a series of public measures against economic and social misery that threatens the loss or significant reduction in earnings due to illness, maternity, work injury, unemployment, invalidity, old age or death, and providing medical care and benefits to families with children" (BIT, 1995).

From our point of view this is a narrow perspective given that it takes into consideration only those risks of participating in social life. In our opinion, social security can be seen in the wider way, situation in which would include everything that affects social welfare.

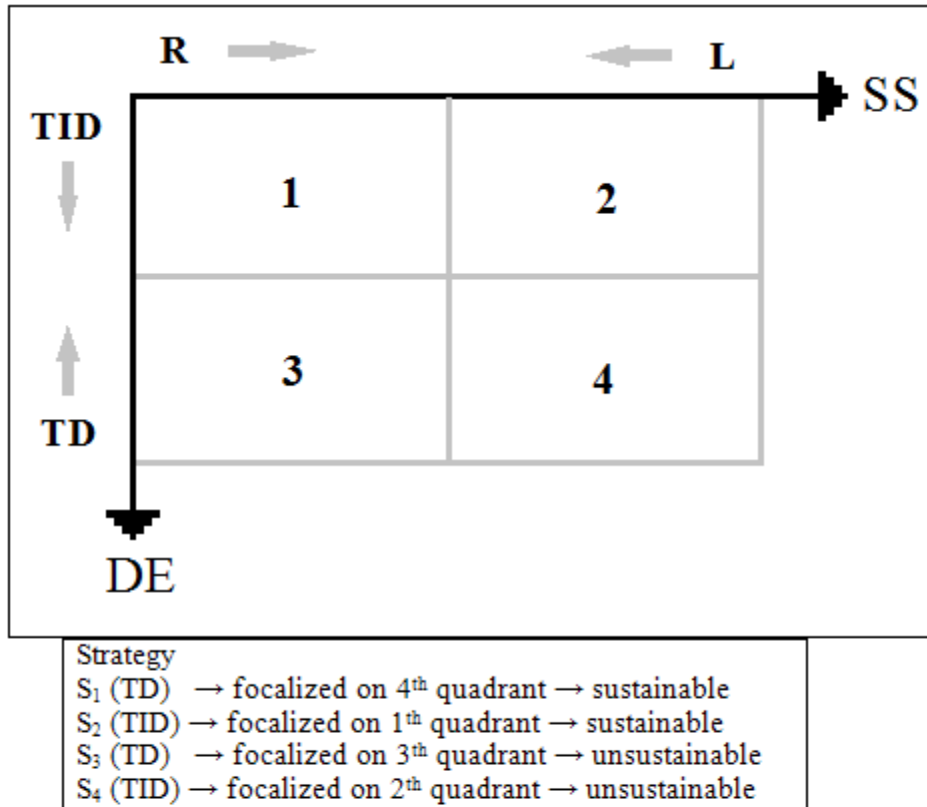
Risks typically covered by economic security are determined only in so far as to take account of a period and a particular country – depending on options and priorities (policy) and availability of resources (economic capacity). In general, any historical period has a "perfect hedge" (Gilca, 2008) risk. Multitude of risks covered is a modern trend, at least starting from the twentieth century. Today we could talk about an ideal medium which comprises, in general, the types of risks listed in the ILO Convention, although presented under the title of "minimal" (OIM, 1952). However, if we consider that different social impairment than those normally covered by social security are considered more urgent today - such as housing and urban development, nutrition, overall health, transport, public order, education, environment in which the individual lives – which if ignored can lead to massive and irreparable harm, we could extend the concept to the level of social welfare – social security including all that affects social welfare – which currently is only one component of social security. Thus, to the extent that social security would pay attention to prevention of other risks – for example, support for disaster situations, support for situations of war and to solve its consequences, subsidized housing, etc. – they become integral parts of social security.

In figure 2 we schematically present social security components grouped by the way to deal with it.

Figure 2: Social security frame



From our point of view, in terms of sustainability, the way social security should be approached is based on the correlation with economic development (Figure 3).

Figure 3: Social security system approach and economic development level correlation matrix

Where:

DE – economic development;
 SS – social security
 TD and TID – developed and developing countries;
 R and L – narrow and broad approach;
 S – strategy.

In the case of the matrix:

- there is no rigid framing;
- social security urgency is given by the stringent security needs (narrow view);
- sustainability is given by the way economic development correlates with the policies of social security;
- sustainable policies: quadrant 1 (developing countries) and quadrant 4 (developed countries);
- unsustainable policies: quadrant 2 (developing countries) and quadrant 3 (developed countries).

4. Conclusion

Sustainable development aims in principle three components: the economic, ecological and the social in a temporal approach. Some approaches refer only to economic development harmonization with the natural environment, but we believe it is imperative it to include the social dimension. However, from the importance and influence perspective, social dimension cannot be treated in isolation from the other two components.

Social security is a component of sustainable development. It would be nonsense to talk about sustainable development that creates social insecurity.

Social security has its main pillar the economic support. The greater economic wealth the better premises of a public social security. Social security, in turn, can be a determining factor for ensuring sustainable development.

We believe that all models of sustainable development, and why not economic growth should include the social security variable, but also to exaggerate the role of security is as wrong as to underestimate it.

The choice of social security policies must be made by correlation with the level of economic development, traditions, culture, socio-economic circumstances.

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