

## **THE CONCEPT OF SUSTAINABLE DEVELOPMENT THROUGH ECONOMIC GROWTH AND DIVERSIFICATION OF THE LABOUR MARKET IN THE INDUSTRIAL AREAS AFFECTED BY RESTRUCTURING**

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### **Abstract:**

*In the context of what is implemented through dualism "ecosystem-efficient", sustainable development involves the care of the human potential of the present situation and the future of its natural resources, energy, materials and information. As an effect of responsibility for future generations, the efficient use of resources requires, at the same time, the operation of a sustainable economy, by diversification and development of the labour market in order to meet present and future demands of human society.*

*At local and regional level, through the closing of mines and large enterprises, with an effect in restructuring the economic sector and employment, development strategies and rehabilitation of the affected industrial areas as a common principle approach, analyzing the problems, defining the objectives and policies, identifying actions to attack problems and provide for mechanisms that will enable the progress control.*

*In this paper it is presented the concept of sustainable development as imperative for economic growth, diversification and development of the labour market, being dealt the representative criteria and principles of sustainable development strategy of any company. Are defined the components and objectives of a strategy for local and regional development of industrial areas affected by the restructuring.*

**Key words:** *sustainable development, labour market, local community, public-private partnership, ecosystem, holistic concept, action plan, intrinsic, resources, control and evaluation*

### **1. Introduction**

Most human entities aspire to achieve an economic development and hence for ensuring labour market growth in living standards and to protect and improve the environment infrastructure in all its complexity and diversity, both to meet the needs of present generations and those to come, without compromising the ability of the latter to meet their own needs.

In the case of mining communities that are still dependent on coal mining for their economic development, the premise of sustainable development requires the use of this kind of resource, considered as non-renewable, which are an exhaustible and can substitute efficient its potential to meet the needs and aspirations of present and future generations.

Considered as industrial areas, the mining areas have held up over time the economic power and have influenced its perpetuation on horizontally and other economic links, belonged to the other surrounding areas, or even large urban areas. In this situation, the improvement of transport networks, the expansion of the labour market and labour costs, as well as the development of telecommunications, have caused numerous changes in the social and economical changes, with the migration of the industry's less-developed regions, i.e. from the Center to the periphery. This development has generated a very strong separation between regions where was focus on mass production of goods and materials and regions where should be produced the first.

Big businesses with mass production was moved to the outskirts, until then unoccupied, while the companies responsible for know-how, concentrated on areas such as planning, design, marketing, quality and consumer needs, generally through institutions such as universities, research institutes, centers and business incubators, training centers, remained in central regions leading.

Once with the shift of Romania to a market economy, the role of major industrial centres was reversed, mining areas, for example, through a quantitative and qualitative crisis of large proportions. Due to the transformations and mutations spent they failed entirely to provide viable economic and social alternatives for recovery.

Such a proposed objective for solving, consists mainly of consumer awareness of the situation and with the thrust required to rehabilitate the generation and development of local infrastructure, and/or regional, through reviving job market. This approach will need not to be restricted to the local horizon, but will be directed by creating an identity of its own, toward a strategy aiming at local interest, to avoid being in contradiction with the processes of rehabilitation and development of the affected areas.

## **2. The concept of economic rehabilitation and development of jobs**

Economic development and diversification of the labour market is, in fact, in a rehabilitation of the productive sectors and the development of employment, through a continuous conversion and refresher training of the workforce. It is in this way to boost economic capacity in this area, in order to ensure the creation of new jobs, to deal with security threats resulting from rapid mutations produced in the social and economic sphere and to profit from the opportunities offered by them.

In order to achieve the desired objective is the need to identify, to develop the economic potential and the potential jobs in the affected area [1],[2],[4].

Each country, region or area, presents different opportunities and challenges. As a result, before attacking the problems and exploit opportunities, it is essential to know the situation encountered and this can be done by examining the context of the area studied, the existing quality and vigour of the local economy and job market.

The transformation of an economy and the labour market in such a way, requires an effort together from a series of people and bodies belonging to the public sector and the private area or transnational level.

With all the variety of encountered situations, launches in the areas of development activities will have to pass through a similar process, to enable orientation and rebuilding local economies and create new jobs.

Analysis of the local population and local market vacancy suppose to study of the demographic trends such as population and the possibilities to hold certain jobs.

In a certain area, the population may be rest on the balanced fan by age categories and origins, or maybe this highlights trends for certain groups, in which case the population can suffer a net out-migration of young people, or have to deal with a significant increase. Analysis should continue by the ratio existing between the demographic and local labor market, if for example the young population increases or diminishes.

Another side of the analysis concerns the competences of the local population. This involves verifying that the local population possesses the powers of local industries that need it, or if it is possible to access a training that gives them such competences.

A number of areas will have an entrepreneurial spirit, some of the members of the population being prepared to form their own business, or work on their own, practicing the activities of a smaller scale.

The following shall be submitted, as an example, the content, principles and objectives of the sustainable development strategy at local and regional level.

## **3. Components, principles and objectives of the local and regional development strategies**

As a framework for local action, a development strategy may substitute a number of forms in each case being required to deal with the analysed problems, the possibilities, and its resources. It defines a planned approach to economic development, the success of achieving objectives being directly influenced by the attitude of policy-makers towards the prospects for development of the region or of the reference area.

From the point of view of the elements which compose it, a strategy for local and regional development comprises six components, which description and characterization are presented below [5],[6],[7],[10].

**a) Problems analysis through knowledge of their circumstances** – a component of the strategy to bring into discussion the strengths and weaknesses of the local economy, as well as the issues to which the area businesses and local people have to face.

For the knowledge of the area and its importance in the context of development, should be managed data on the location and its context in terms of resources and social and economical environment, namely:

- position of the area in relation to the major road axes, railways, airports and seaports;
- natural resources, regards of the soil (landscape, environment, history, climate, travel opportunities, forests, - pastures, meadows, etc) and subsoil (deposits of useful minerals, mineral water);
- the existence of land and premises available for "housing" future business/enterprises, considering them
- imposed on the creation and development of the quality of their spaces;
- infrastructure, with particular concern over the existence of local transport and communications, telecommunications and distribution services of electricity and heat, as well as identifying opportunities for their development in the future;
- quality of life (living conditions, public health, income, education, culture, etc.), with the opportunity to reflect and promote the creation of new jobs, technology transfer and innovative spirit, immigration and internal stability.

From the point of view of the analysis of the business environment, great importance should be given to SME segment of agriculture, environmental rehabilitation, manufacturing and business services, information technology sector and the exploitation and recovery of natural resources, energy and materials.

Analysis of the population, are required to identify a number of factors in the rehabilitation and development of the area, namely:

- demography;
- jobs;
- unemployment;
- qualification;
- the degree of training/schooling and vocational training;
- social situation.

As regards the labour market and its implications in the rehabilitation and development of the economy, are being offered at present various effective ways of analysing the problems that need to be addressed in an integrated manner by a local development strategy, namely:

the local population and the local job market;

the relationship between employment and unemployment;

vulnerability to unemployment of certain "risk groups";

qualification and re-training;

the problem of youth and of the transition from school to the labour market.

**b) Information on existing activities**, as the second component of the strategy, involves examining the effectiveness of the activities, the role of local organizers, management development activities and mutual relationships between interested organizations.

From this point of view, the main momentum triggered by the strategy should be to a common vision and a close cooperation between local agencies involved. Ongoing actions will need to be strengthened, all development activities to be identified and monitored, and the existing institutions should be encouraged to cover the deficit.

The key factors that can be considered as strengths, weaknesses, opportunities and risks in the implementation of the strategy are as follows:

- attitudes and influences of public powers, local and regional authorities;
- coordination and management;
- the quality of the area's population;
- the area location in relation to areas heavily developed and with Europe;
- land and buildings available as venues for the SME sector, as well as for high-technology businesses;
- image, as the mark for the local population, in relation to the people from the outside;
- labour, as volume (quantity) and quality;
- management skills and schooling and labour;
- funding and resources, with an analysis of the possibilities for support and private sector development;
- state of the industry in terms of return, will to diversify and innovate, industrial base and infrastructure;

**c) The resources**, as a component of the strategy is to examine the financial, human and physical resources available in the reference area for economic development and the creation of new jobs.

Analysis of financial resources requires the identification of the potential financial cost of the strategy is under implementation, in the context of establishing the need for resources to cover all the new categories of expenses relating to personnel, equipment, facilities and components, which will have to make a calculation for later evaluation. The origin of financial resources will represent, in large part, from the funds and programs funded by the Government, the funds may come from the EU. Local public powers contribute in the form of money, customers and suppliers through the sub-letting of places.

Human resources, equipment and buildings can be found in the private sector, whose establishments may also contribute financially to the rehabilitation and development projects.

**d) Defining priorities, and policies to be followed**, the necessary stage in implementation of the strategy, aims to define specific objectives and policies needed to be taken to achieve them.

The objectives should be clear from the difficulties and refer opportunities that have been identified. They must be specific and realistic, reflecting deductions, beliefs and priorities of the institutions involved, they represent, in fact, the engine of all activities and resources within the strategy.

One of the main objectives of a strategy for economic rehabilitation and development of the job can be highlighted:

- continued development of the number of created jobs;
- improvement of qualifications in the area;
- maintaining and improving of the life quality;
- improvement opportunities and incomes of specific groups;
- diversification and strengthening of determinants economic sectors;
- improvement of the infrastructure of the area.

The main policies adopted to achieve the objectives are:

- support of the local economy and attracting outside investment;
- encouraging the SME's sector and focus on those who are distinguished by a real potential for growth;
- improvement of the environment for employment and temporary measures for reducing the rate of unemployment.

**e) Action plans**, to coordinate actions with the implementation of projects, is a description of the activities to be undertaken in order to solve their specific problems, or to take advantage of the effects occurring.

As a rule, the action plans contain the following categories of actions:

- integrated actions, in the form of a unique project, which provides many services such as jobs, financial support, tips and advice for SMEs;
- specific actions in the form of large projects, including the restoration and rehabilitation of an area or a sector of a great city;
- creation of an European dimension to all actions, pointing to the importance of the European market and manifest, in certain cases, the influence of EU legislation and regulations;
- development of a segment of specific research, which may relate to any aspect of the local economy and local labour-market.

Each action plan should contain an exposé of basic data, the guidelines of the action, the cost of the action and the necessary staff to carry out the action and timing.

In this case, the implementation of the strategy should be to characterize the elements of creativity and empowerment, which can be found in the industrial and commercial sectors, and manage best in the area.

**f) Monitoring and evaluation**, as the fifth component of the development strategy, should serve in an objective, to get more information on the effects of the policies pursued and measures undertaken.

Through a qualitative monitoring and evaluation it is important to examine the trends, changes and prospects for the development of the reference area. In this case, the following forecasts are important:

- for the private sector, are interested in jobs, new markets, new products and services, market share, profitability and education;
- for individuals, it is intended to be assessed the measures to reduce unemployment, the development of education and the rise of alternatives;
- for enterprises established outside the reference zone, interest, expressly identifying and analysing the benefits associated with an implantation in the area;
- in the case of local institutions are required to monitor and assess the measures by creating new services and facilities, increase the available space and the actual uses, as well as the growth of alternative activities;
- for the area as a whole, are interested in the implementation of measures for the revalorisation of prestige, as well as the increase of confidence and improving investment climate conducive to development.

Updating and implementing of strategies at sectoral and subsectorial level in Romania, to participate in sustainable economic growth, more and more lately, they must deal with, in addition, environmental changes and more pronounced that it has an impact on society. For the success of a strategy, they have clearly defined the responsibilities of Government, improving democracy, strong awareness of citizens, new styles of institutional organization for strengthening and supporting interdisciplinary research, involving scientists, practitioners and citizens in setting priorities, creating new scientific knowledge, the assessment of the possible effects and their implementation in practice

[3],[5],[7],[8],[9].

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