Abstract

Economic and financial crisis was generated by the current market model, a model which has to be rethought from the ground. The solution could come from a new and sustainable system, oriented on the long-term progress of human society. Appropriate and necessary sustainable development measures are already implemented in more companies throughout the world. Sustainable development can be a 2 in 1 solution for both environmental and business problems in Romania. The main impediment to the application of measures for sustainable development in Romania is the lack of thorough knowledge of the concept. The fact that the principles of sustainable development are not sufficiently known in Romania by those landing at decision level is regrettable. In fact, sustainable development must be a reference to the crisis.

Key words: sustainable development, financial crisis, green business

JEL Classification: G01, Q01, Q56

1. Introduction

The crisis that shook the world's financial systems over the past 2 years is the impulse of which the world economy needed to move toward what experts call sustainable development. Over the past 30 years, world GDP has doubled, but growth was recorded based on unreasonable use of resources which have decreased dramatically. The current rhythm of growth can no longer be maintained, and a probable solution for getting out of the impasse is sustainable development. Sustainable development requires an continuous adaptation of the society and economy, in order to allow a better management of future crises, being seen as an opportunity, a solution for not confronting in the future with something similar.

The concept of "sustainable development" or "sustainability" has and continues to be widely recognized and discussed. This concept "appears designed to remove the conflict out of the debate over environmental quality versus economic growth, which was evident in the 1960s and 1970s, during the surge in the environmental movement" (Davidson, 2005).

The business world has "three basic issues to face: what it takes, what it makes and what it wastes, and the three are intimately connected (Hawken, 1993). They are determined by a change in the way people think, influenced by the Industrial Revolution in the 18th Century. The Revolution "led to incredible productivity and a world that now supports, at varying levels of sufficiency, 6,000 million people—more than 600 times the population existing before the agricultural revolution". But at the same time, far-flung markets and swelling demands drive environmental exploitation from the poles to the tropics, from the mountaintops to the ocean depths" (Meadows, 2006).
The Industrial Revolution had also a major impact on the human thought. In the "capitalist civilization "people must … think constantly in terms of making money. They must regard everything around them—the land, its natural resources, their own labor—as potential commodities that might fetch a profit in the market" (Worster, 1988).

Determined by serious alarm bells (poverty, inequality, environmental and natural resources crises) the leaders of the world have agreed on the need of a change. Although debates about the impact of our civilization on the planet’s capacity to regenerate can be traced back to the end of the 18th century, the first debates about the relationship between the environment and development had taken place in 1972, at the Conference on the Human Environment in Stockholm. It was followed by the Brundtland Report, also known as Our Common Future, when the first definition of sustainable development has been given: "sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

The UN Conference on the Environment and Development (UNCED), which was held in Rio de Janeiro, Brazil, during the summer of 1992 it was one of the most important international events of the 20th century. The conference itself proved to be an international event on an unprecedented scale as heads of government tried to make their mark on what was dubbed the Rio Earth Summit. The association in the title, "connecting Environment and Development, was indicative of North–South bargaining at the UN, in which demands for international action on the environment were set against claims for additional development aid and technology transfer" (Vogler, 2007, p. 436). The key outputs of the Conference were: the Rio Declaration, Agenda 21, and the Commission on Sustainable Development. All are quite explicitly concerned with sustainable development and it is thus, at the conclusion of the Earth Summit that the concept truly arrives on the international scene.

The commitment of leaders from around the world to sustainable development was clearly articulated in Agenda 21, the key document of the summit - a 500 page collection of agreed healthy practices and advices for achieving sustainable development in almost any area on the surface of the earth.

It was followed by the Kyoto conference on climate change. At the conference the developed countries agreed on specific targets for cutting their emissions of greenhouse gases, resulting in a general framework, which became known as the Kyoto Protocol, with specifics to be detailed over the next few years.

In September 2000 at the Millennium Summit held in New York, world leaders agreed on the Millennium Development Goals, most of which have the year 2015 as a timeframe and use 1990 as a benchmark. The Millennium Development Goals demonstrate that "the livelihoods and well-being of the world’s poor are now conceptualized in terms of access to opportunity and absence of insecurity and vulnerability" (Adger et. al., 2007). They represent a more practical expression of the principle of equilibrium between the economic, social and environmental pillars of sustainable development. They include 1) halving the proportion of people living on less than a dollar a day and those suffering from hunger, 2) achieving universal primary education and promoting gender equality, 3) reducing child mortality and improving maternal health, 4) reversing the spread of HIV/AIDS, 5) integrating the principles of sustainable development into country policies, 6) reducing by half the proportion of people without access to safe drinking water.

At the beginning of the 21st century, the World Summit on Sustainable Development (WSSD) in Johannesburg in 2002 was a landmark in the business of forging partnerships between the United Nations, governments, business and NGOs to gather resources for addressing global environment, health and poverty challenges. The Johannesburg Summit reconfirmed the Millennium goals and complemented them by setting a number of additional ones.
So we can see that "sustainable development is an on-going process integrating ecological, economic, equity and ethical considerations for current and future generations of people and other living creatures, without endangering the life support systems of the planet upon which ultimately all life depends" (Moffatt, 2007).

In 1992, Munasinghe presented (Rogers, 2008) the three approaches to sustainable development:

- Economic – maximizing income, while maintaining a constant or increasing stock of capital,
- Ecological – maintaining resilience and robustness of biological and physical systems
- Social – cultural – maintaining stability of social and cultural systems.

Sustainable development requires a balanced and integrated analysis from three main points of view: economic, social and environmental. Each viewpoint represents a domain and a system that has its own distinct driving forces and objectives. "The economic view is geared towards improving human welfare, primarily through increases in the consumption of goods and services. The environmental domain focuses on protection of the integrity and resilience of ecological systems. The social domain emphasizes the enrichment of human relationships and achievement of individual and group aspirations. The interactions among domains are also important to ensure balanced assessment of trade-offs and synergies that might exist among the three dimensions".

2. Sustainable development within the companies

Sustainable development aims to meet the needs of the present without compromising the possibilities of future generations to meet their own needs. The undertaken measures aim at increasing profits through substantial decreasing of overhead production and transport costs, in short "get more with fewer resources". Specifically it is about:

- to limit costs by reducing energy consumption
- ensuring production and transportation systems more efficient
- maximum utilization of raw materials
- reduct of any kind losses.

If we take these precepts and we apply in the case of a company, they can lead to significant savings. The principles of sustainable development applied in the management of a company, it may take off from a financial impasse and at the macro level this could lead to the exit of the crisis of the economy. Orientation towards sustainable development of Romanian business is natural given that the profit remains the same or increases, while spending less.

Companies that are intend to be performant in the future will need not only to summarize the compliance with the legislation and regulations required in the field, but management plans will have to be targeted on a sustainable production and consumption, on environmental excellence. The Romanian companies (except for the foreign companies that apply the policies adopted at group level) are, however, only at the intent level orientated trough sustainable development. The great problem is the implementation. Is not enough the existence of a strategy of sustainable development, it must be put into practice.

In Romania the sustainable development within companies is analyzed by the Green Business Index (GBI), the project carried out by the Green Revolution Association and Environment Ministry. Realized by the Green Revolution Association, multiannual Project Green Business Index (GBI) is:

- the only free tool to assess responsibility in relation to the environment of companies in Romania according to the principles of ISO 14001 and ISO 19011;
- Monitoring mechanism of green initiatives from the Romanian business sector;
- Support and training tool for improving environmental performance.

GBI measures year after year the sustainability of companies in Romania, watching in the first place, how they shall optimise policies, practices and processes to achieve the transition to a green economy.

Participation in the evaluation of the GBI is achieved through free registration on the project website, www.gbindex.ro, just after, mandatory, companies have ticked that I agree with the terms and conditions of participation. After that the companies gain the access to a structured questionnaire on seven areas relevant to the protection of the environment:

1. Sustainable Development;
2. Environmental impacts;
3. Sustainable Transport;
4. Use of resources;
5. The condition of buildings;
6. Green procurement;
7. Waste management.

Among the conclusions of the GBI 2013 study we can mention:
- In Romania the business environment is characterised by passivity, and strategies for sustainable development are broken by the economic reality, its benefits being understood by only a small part of the companies. Thus, almost 64% (70%, Green Business Index edition 2012) of participating firms at Green Business Index 2013 have not quantified the benefits of implementing a strategy for sustainable development. Why? Because the companies do not have a system of measuring the financial effects of environmental policy, or the companies are not aimed at obtaining the profit on this path. Most companies do not perceive, for the time being, the win-win relationship in environmental protection through prevention and precaution, and economic and financial benefits.
- Investments for the implementation of sustainable development strategies are small, 60% (70% in 2012) of respondents stating that the amounts invested for its implementation are not exceed 1% of the turnover. In particular the investments were realized for the salaries of the personnel in charge with the environment protection, audits, obtaining the necessary certifications and compliance with the environmental protection regulations.
- 31% of companies surveyed by the GBI 2013 do not have a strategy for sustainable development. Many of the companies have justified the absence of sustainable development strategy by the fact that its activity had an insignificant impact on the environment and the work carried out does not affect the environment.
- Although 31% of companies have an integrated system with most environmental management procedures applied in 2012, approximately 60% of their local suppliers do not apply an environmental management system.
- 40% of respondents (from industry/production sector) have conducted environmental impact assessments, 40% have not completed environmental impact assessments, and the remaining 20% said they did not have a relevant impact in achieving the environmental assessments. Among the concerned aspects, are included environment agreements, the risk of fire and the assessment of the capacity of response to drills for evacuation in case of fire.
In very few cases, the companies from Romania have a responsible behaviour towards the environment, preferring rather to delimit from the responsability. Thus, up to 66% of the respondent companies have not assessed the impact of their activities on the environment, motivating either that they have not implemented new projects or that projects that they
implemented do not have imposed impact assessment; whether their priority is the survival of the business; whether the authorities have not requested this.

The degree of assuming the responsibility regarding the environmental is directly proportional to the environment investments, especially the additional ones, not required by the competent authorities. However, at the level of own responsibility declaration up to 62% of the respondent companies have allocated additional funds for the protection of the atmosphere, motivating that are not targeted by the law in force. A procent between 64% and 69% of the companies have not made additional investments for protection of water and/or soil and subsoil.

Companies transport and the transport system in Romania are far from sustainable. This is caused by the lack of alternative means of transport, urban road network supersaturated with vehicles inefficient driven or morally obsolete, and also the lack of infrastructure for the use of alternative fuels and of low possibilities of intermodal connections.

Although, through recycling, the companies could save energy and money, up to 76% of companies have no products that contain recycled materials.

If, again, the companies expressed reduced concerns about resources and reducing consumption, some companies in industry/production sector, did not even make investments for energy efficiency projects. At the opposite pole it is trade/services sector, where 80% of companies have chosen to invest in modernization and replacing the electricity consuming equipments.

3. Which is the shortest way for a company to a sustainable development?

Of all the measures on which a firm or a company can take to get out of the crisis—the simplest are those related to the reduction of losses, increasing the efficiency of resource use, waste reuse, in other words the application of sustainable development principles at companies level. For example, the big stores chains could apply the principles of sustainable development in their work by adopting current actions as: waste and packaging valorisation, reducing energy usage, waste sorting and using them as fuel for thermic or electric power plants, depending on their necessities.

At Altex, the largest retail chain of home appliances and IT&C, the sustainable development help the business to maintain in the profitability area. Thus, in Brasov, Altex has a shop which is illuminated exclusively with LEDs. Compared with the classic illuminated system the initial investment was 5-7 times higher, but in this way are reduced both energy consumption and maintenance costs—which are much smaller.

Another company that has applied the principles of sustainable development is Danone. In 2009 the company has adopted and applied the most sustainable development policies and was ranked in the top of green companies rank, Green Business Index. Danone Romania has an environmental management system certified in accordance with standard EN ISO 14001 and has adopted a series of measures for environmental protection, in addition to those imposed by environmental legislation. By the production efficiency, Danone Romania already has reduced its energy consumption by 10%, while the financial benefits have increased. Energy consumption per tonne of finished product was lowered from 440 to 400 kWh/ton. As the water consumption has been reduced from 3.6 to 3.4 m3/tonne. And losses have been reduced by 10% from 2.1 percent up to 1.85%. In monetary terms, with these two measures (to reduce energy consumption and waste reduction), it was made a saving of 1.000.000 de lei in one year.

In the year 2013 Sonae Sierra, a company with over 20 years experience in management and in eco-efficient developing, it was ranked in first place at services/trading category within the top green companies, Green Business Index. Sonae Sierra is the first
company who introduced the concept of "eco-friendly shopping center" in the field. The company entered on the Romanian market in 2007 with the acquisition of River Plaza mall in Râmnicu Vâlcea. The company's mission is to provide its clients with a unique shopping experience that creates superior value for shareholders, investors, tenants, employees and communities, while at the same time, bring a positive contribution to sustainable development. Sonae Sierra is part of the integration of sustainable development principles in shopping centers pioneers and already is enjoying the benefits of this approach. Almost all of Sonae Sierra centers from Portugal and Spain, as well as those in Germany, now have electricity contracts that require low inputs of CO2 per kWh. The same is true for Romania, in which case the supplier of energy provides more than 50% of energy from renewable sources.

Also in 2013 the grand prize in the category industry/manufacturing was given to Ursus. Ursus Breweries, one of the largest brewers in Romania, has set ten sustainable development priorities: reducing water consumption, reuse and recycling of packaging, zero waste in company activities, reducing the carbon footprint and energy consumption are just some of them. Company’s activities for resources protection helps to keep the environment for the future. For Ursus, the reducing water consumption by 25% on 1 beer hecoliter in 2008-2015, is one of the ten priorities of sustainable development, which is found in its first Sustainability Report from 2010 to 2012.

Ursus Breweries is the only Romanian beer producing company which refers to reducing water consumption in a last year study realized by “The Brewers of Europe”. The company has consistently reduced consumption of water used for brewing, by applying a judicious control of water use. In addition to reducing water consumption, Ursus focuses on the reduction of energy consumption, the use of green energy, the recovery and recycling of packaging. Ursus Breweries selectively collect waste generated from the activities developed in its locations.

**Conclusions**

Whether it's about the economy of a country or the whole world economy – it is clear that is needed a change of optics in the business sector but also in government policies. Economic and financial crisis was generated by the current market model, a model which has to be rethought from the ground. The solution could come from a new and sustainable system, oriented on the long-term progress of human society. Appropriate and necessary sustainable development measures are already implemented in more companies throughout the world. Sustainable development can be a 2 in 1 solution for both environmental and business problems in Romania. Conditions that must be met simultaneously remain though: the existence of policies orintated at sustainable development and the openness of companies to sustainable consumption and production.

The main impediment to the application of measures for sustainable development in Romania is the lack of thorough knowledge of the concept. In general the sustainable development is a necessity for the development of any economy, but especially for the Romanian economy. The fact that the principles of sustainable development are not sufficiently known in Romania by those landing at decision level is regrettable. In fact, sustainable development must be a reference to the crisis.

It’s hard to apply sustainable development measures in the conditions of coherent policies lack. There are companies that apply the principles of sustainable development at the economic level, efficientizing their costs and actions, utilizing green energy, but without support from the state, efforts are futile. In support of companies the state could adopt a series of several measures like:
- Recovery of stimulating percentage from the taxes for the companies investing in alternative energy sources or obtaining significant emissions reductions in relation to a realistic benchmark year;
- Recovery of stimulating percentage of taxes for companies that rely on green procurement;
- Recovery of stimulating percentage of taxes for companies which significantly reduce the amount of waste generated;
- Non-taxation of reinvested profit in sustainable areas with positive environmental impact (measurable indicators).

References
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