Chapter 46
Development of the Green Economy in Romania:
Dimensions, Strengths and Weaknesses

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ABSTRACT

The socio-economic context and globally discouraging trends observed in recent years regarding resource conservation and regeneration, control of climate change, technical, technological and informational inequality, progress gaps among nations and locally among citizens of the same country, have led to the need for developing policies, reforms and programs to support sustainable development. In this chapter the authors analyze some important issues regarding the Romanian experience in developing the green economy. They start with the background analysis of the concept, emphasizing several European Union documents regarding green economy and sustainable development. Then, the authors analyze the social and economic profile of Romania, in relation with some suggestive indicators of welfare, sustainability, equity and economic opportunities etc. Special attention is given to the environmental Performance Index (EPI) and Human Development Index (HDI). In the last part of the research, the authors present a short SWOT analysis for the green economy in Romania and several future research directions.

INTRODUCTION

In response to the environmental impact of current economic development, a new type of economy is promoted by the world countries, especially the developed ones. Although the concepts of "green products", "green investment" and "green energy" have been used in recent decades, the concept of green economy has been placed on the international agenda due to financial and economic crisis triggered in 2008. Green economy is seen as a framework for restoring economic growth, while addressing climate change and other issues of environmental sustainability and economic development.

It is obvious that there are many perspectives from which the concept of "green economy" can be analyzed. There are many economic schools with common ideas, but there are also schools with divergent views. Many of these ideas have been weak in showing that it can lead to a living standard at least equivalent to the current one. Often economic and social benefits of "green economy" were either poorly treated or incorrectly communicated.

Romania is among the countries that have rapidly adopted the concept of green economy; it has natural resources for its development, but has not yet recorded notable performances compared to other European countries.

The aim of this study is to provide an exploratory review of the extent to which the natural, social and economic profile of Romania is suitable for development of a green economy.

The first part presents some theories and practical issues related to the concept, and the last part discusses the threats and opportunities that arise through the development of green economy in Romania.

In this research we used a secondary data analysis conducted with national and European statistical data to highlight trends of indicators characterizing the natural, social and economic profile for Romania during 2004-2012 (www.insse.ro, eurostat.eu). Was also used the SWOT analysis to obtain a qualitative diagnosis of green economy stage of development. This study was conducted using various sources of information, such as national strategies, European and world reports of the various competent authorities in the field.

BACKGROUND

Simply said, the concept of "green economy" can be considered a synonym of the term "sustainable economy". However, the concept of "green economy" is often understood in a more distinctive sense that specifically focuses on the fundamental changes necessary to ensure sustainability of economic systems.

Ecological, industrial and environmental economic sciences are the three disciplines closely related to the "green economy" term (Huberman, 2010).

The term "green economy" was first introduced in a report to the Government of the United Kingdom in 1989 by Pearce, Markandya and Barbier, a group of environmental economists, in their work "Blueprint for a green economy". They aimed to advise the government on the existence of a single definition for "sustainable development" and on its implications for measuring economic progress and evaluating policies and projects. The term was not, however, defined; it was only mentioned in the title. Afterwards it followed another series of papers on the same subject: *Blueprint 2: Greening the world economy*, *Blueprint 6: For a sustainable economy*, and among the most recent: *New Blueprint for a green economy*, in 2012.

Measures to adopt green economy policies were initially discussed in international negotiations in 1992 at UNCED in Rio. The Rio Declaration included principles that promote eliminating unsustainable consumption and production (Principle 8), internalization of environmental costs and the use of economic instruments (Principle 16). 21 Agenda further elaborated these principles, integrating national expansion strategies, legal framework and regulations, as well as systems for integrated environmental and economic accounting. It was then when the United Nations Framework Convention on Climate Change (UNFCCC) was developed; it aimed economic, regulatory and market measures to control climate change by reducing carbon emissions.

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