

CONSIDERATIONS REGARDING THE COMPETITIVENESS INDEXES COMPATIBILITY WITH THE STRATEGIES AND INDEXES OF SUSTAINABLE DEVELOPMENT IN THE EU CONTEXT

Felea Adrian Ioan

University of Oradea Faculty of Economic Sciences

This paper is structured in three parts. The first part refers to the topicality of the concepts and of the concerns related to sustainable development and competitiveness. The second part of the article presents the results of the compatibility analysis and the impact study of EU's sustainable development strategies on the competitiveness indexes.

The analysis is based on the indicators and values used and developed by the World Economic Forum, published in the Global Competitiveness Report and used to depict a nation's competitiveness and also based on the objectives published in the European Union's Sustainable Development Strategy and on the indexes used by Eurostat. In the last part of the article we presented the relevant conclusions of the analysis conducted.

Key words: sustainable development, competitiveness, indicators, strategies, compatibility

JEL codes: F23

Introduction

Competitiveness is the main objective of the contemporary socio-economic strategies, and it is more and more integrated in the complex concept of sustainable development, that gathers all the forms and methods of socio economic development, who's foundation is represented by ensuring a balance between these socio – economic systems and the elements of natural capital.

Competitiveness is a complex economic concept, with various interpretations and quantification methods, using aggregate indicators and systems of indicators on which not all the researchers totally agreed.

Throughout the development of the society, there were developed and published many various theories and perspectives regarding the competitiveness. Also, there are some theories that contradict the ones mentioned before.

On the other side, for these theories to be applied, a series of reports were developed, published by certain international organisms, that identified a series of factors that determine the measuring of competitiveness, based on certain criteria. Thus, there were developed different models for measuring the economic competitiveness [1, 2, 3].

Regarded from an international perspective, the national competitiveness evaluation is based on the studies conducted by the World Economic Forum (WEF), that publishes the annual report called 'The Global Competitiveness Report'; the Institute for Management Development (IMD), that publishes 'The World Competitiveness Yearbook'; the World Bank, that publishes the report entitled 'Doing Business', OCDE publishes "The New Economy Report" and the European Commission, that publishes "The European Competitiveness Report" [4].

The WEF publishes every year the Global Competitiveness Report. In the 2010 – 2011 edition, 139 countries were analysed from the perspective of different states of development, according to different criteria. In the end, there were 12 pillars identified and on this basis the countries analysed were classified.

This article refers to the indicators developed by the WEF in analysing the compatibility between the competitiveness indicators and sustainable development indicators [5].

The sustainable development concept is defined as comprising all forms and methods of socio – economic development, based on ensuring a healthy balance between the socio – economic systems and the elements of the natural capital [6].

The most famous definition of sustainable development is the one developed by the World Commission for Environment and Development (WCED) in the report entitled “Our common future”, also known as the Brundland Report: “sustainable development is defined as being that development that leads to satisfying the present needs, without compromising the future generations’ possibility to satisfy its own needs” [7].

Due to the complexity of the concept of sustainable development (SD) and for identifying in time the effects of sustainable development strategies, it was necessary to create a series of criteria, that could monitor and evaluate the effects of certain decisions. That is how certain indicators were defined.

Choosing the right indicators is directly connected with the way the concept of sustainable development is regarded. For example, a dogmatic approach of the concept would point out the fact that the natural resources are scarce and the tendency would be to impose some absolute limitations on collective and individual usage of the environment.

On the contrary, a more relaxed approach would point out the juggle between the social, economic and environment resources.

The main purpose of the indicators is to allow the monitoring and the evaluation of different aspects of sustainable development and to offer clear indications for the policies to use, to verify and to correct.

For this purpose, the indicators chosen must satisfy some of the requirements as the relevance for policy formulation, utility, the scientific basis, and the quantification possibility.

For analysing the compatibility between the sustainable development indicators and the competitiveness indicators we will refer to the indicators published by the statistical office of the EU, Eurostat [8].

Throughout the EU’s evolution, several approaches were chosen, regarding the subject of sustainable development. Due to the complexity of the concept and maybe due to the frequent changes that took place, the European Union developed a series of strategies and programmes to eventually implement a part of the objectives expressed over the years [9].

The EU’s Sustainable Development Strategy (EUSDS) is formed out of 45 points and it is structured in 5 sections, the one regarding the seven key challenges being of massive importance, and it includes the targets, the operational objectives and the associated actions.

Economic competitiveness is stated under the objective of “economic prosperity” that regards “promoting a prosperous, innovative, rigorous, competitive and eco – efficient economy, that offers higher living standards and more employment opportunities”.

This article is trying to analyse the impact degree of the actions stated by the EUSDS on the competitiveness indicators published by wef.

A systematic analysis of competitiveness

Table 1 presents in a synthetic manner the analysis of the impact of EUSDS targets on competitiveness indicators (CI). The number of targets and competitiveness indicators is made according to statement [4].

Table 1 : EUSDS targets that have impact on CI

EUSDS/Key challenges (KC)	CI/WEF/Pillars	Effect
KC1 – Climate change and green energy Targets 1, 2 and 6	Infrastructure Indicators 2.01 and 2.07	↓
KC2 – Sustainable transport Targets 1 and 3 Target 2	Infrastructure Indicators 2.01-2.05 Indicator 2.07	↓
KC3 – Sustainable consumption and production Target 1 Targets 1,2 and 4 Targets 1,2 and 4	Infrastructure Indicators 2.01-2.09 Degree of technological training I Indicators 9.01, 9.03, 9.04 and 9.05 Degree of business sophistication Indicator 11.07	↓ ↑ ↑
KC4 – Resources conservation and management Target 2	Inovation Indicator 12.01	↑
KC5 – Public health Targets 1-8	Health and primary education Indicators 4.01-4.08	↑
KC6 – Social inclusion, demography and migration Target 7 Target 4	Academic education and training I Indicator 5.01 Labour market efficiency Indicator 7.09	↑ ↑
KC7 – Global poverty and sustainable development challenges Targets 1 and 2	Degree of business sophistication Indicators 11.06 and 11.08	↑

Source: author's calculation based on the information published by EUSDS and WEF GCR 2011

The indicators published by Eurostat for measuring the level of attaining the sustainable development objectives proposed [8] associates to every strategic approach a representative indicator (Level 1), a series of indicators for the subordinated operational objectives (Level 2) and descriptive indicators of intervention fields for the associated policies (Level 3).

Table 2 presents the correspondence between the two sets of indicators.

Table 2 : The correspondence between sustainable development indicators (SDI) and competitiveness indicators (CI)

Theme / Level 3 SDI	CI
T1. Economic Development 6. Inflation rate 7 9 10, 11 12 13, 14	Pillar 3 3.03 Inflation level 3.02 Pillar 5 5.08 Pillar 2 12.03 Pillar 4 and Pillar 5 4.09, 4.10, 5.01, 5.02, 5.03 Pillar 7 7.03, 7.09
T2. Poverty and social exclusion 5 9	Pillar 7 7.09 Pillar 4 and Pillar 5 4.10, 5.01
T4. Public Health 1	Pillar 4 4.08
T5. Climate change and energy 3 4, 5, 6	Pillar 9 9.01 9.03
T6. Consumption and production models 12	Pillar 9 9.01, 9.03
T7. Human resources management 2, 3 4, 6 10	Pillar 2 2.04 2.01 2.02, 2.03
T8. Transport 4 7	Pillar 2 2.02 2.02, 2.03, 2.04, 2.05

Source: author's calculation based on the information published by Eurostat and WEF GCR 2011

Conclusions

The conducted analysis reflects the low level of the impact of the targets set by EUSDS on the competitiveness indicators. Out of all 110 indicators operated by WEF only 27 are being used, meaning 24,5%, the competitiveness indicators under the pillar "Infrastructure" being negatively affected by some targets set under the first three key challenges of EUSDS.

The other 18 competitiveness indicators may be positively affected, meaning that the targets set by the EUSDS stimulate the growth of the competitiveness indicators.

Out of the conducted analysis results that the seven key challenges have targets that may have a certain impact on the competitiveness indicators, but there are five pillars that are not affected: the pillar Institutions, Macroeconomic environment, Commodity market efficiency, Financial markets development, and Market dimension.

The correspondence degree between the two sets of indicators is very low. For only 19 out of all 110 competitiveness indicators there has been identified a correspondence, meaning approximately 17.3%. The conducted analysis for Level 3 SDI reflects the fact that out of the 98 indicators used at this level, 23 have a correspondent within the competitiveness indicators, meaning almost 23,5% of them.

The highest correspondence degree between the two sets of indicators may be with reference to theme 1 – Economic development, sub – theme “competitiveness”. Referring to the three main themes of sustainable development (the ageing of population, quality governance and global partnership) there were no correspondences found between the two types of indicators. Five of the competitiveness pillars are not involved in the correspondences between the two sets of indicators: institutions, commodity market efficiency, financial market development, market dimension and the degree of business sophistication.

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