

SUSTAINABLE DEVELOPMENT THROUGH GROWTH POLES

Abstract: Propagation of growth and economic power at a global level demands for a collective management of the economic problems, this being, in the authors' opinion, the most reliable mechanism to approach the issues and challenges brought along by a global multipolar economy. The distribution of the economy growth starts to be a reality at a global level, so that the dominant economic influence of a single country is no longer a reality.

The growth of emergent economies turns to advantage the purports of a globalism which increasingly relies on growth and development poles. The global economy has never seen before such large-scale developments. Along the history of economy and economic thinking, the economic power paradigms have been designed and redesigned in terms of the rise and fall of the growth poles with the highest capacity to lead the global growth, and energize other countries with their international commercial and financial activity.

This paper aimed to highlight, in the economic integration process, the growth poles in the local and regional economies, as well as certain important economies seen as growth poles for the global economy.

Key words: sustainable development, world's economy, growth poles, a system of methodological analysis of growth poles (SMAGP), global economic governance, multipolarity, management.

JEL Classification: E60, F44, F62, G30, O10.

Radical changes are taking place in the global economy. In early 2014, the world was working its way out of the financial crisis which surfaced back in 2008–2009, and its increasing influence on the emergent markets paves the way towards an increasingly multipolar global economy. The distribution of the economy growth starts to be a reality at global level, so that the dominant economic influence of a single country is no longer a reality. The world got a glimpse of this shift in the past two decades while witnessing the development of the emergent economies and their becoming a force at international level in what production, trade, finance and currency are concerned.

The growth of the emergent economies is seen in the level of financial monetary participations and wealth. The emergent developing countries currently account for two thirds of the total official foreign-exchange reserves, thus making us witness a reversal in the model of the past decades when the advanced economies used to hold two thirds of the reserves, and the sovereign investment

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and other capital reserves funds in the developing countries has become the major sources of international investments. At the same time, investing in emergent economies is prone lower risks. The growth of the emergent economies turns to advantage the purports of a globalism which increasingly relies on growth and development poles. The global economy has never seen before such large-scale developments.

Along the history of economy and economic thinking, the economic power paradigms have been designed and redesigned term of the rise and fall of the growth poles with the highest capacity to lead the global growth, and energize other countries with their international commercial and financial activity.

A growth pole is a generator of economic activities, and its role is to amplify them. Continentally or on large integrating areas, the growth pole is usually a state, a country. Regionally, the growth pole is supported by a simple economic activity, an industry or a settlement (either urban or rural).

The industrial revolution put the Western economies into the spotlight after the Second World War, when the United States of America massively contributed to the global economic power, alongside Germany, the former Soviet Union and Japan, which played too the role of growth poles. In authors' opinion, China is today the most important dominant growth pole in the world. Lately, the global economy has set foot into one other major transition starring the growth poles. The developing countries, not seen before in the limelight of them global development, have now a great say in the global economic and geopolitical hierarchy (Brazil, Russia, India, China, South Africa and others).

Propagation of growth and economic power at global level demands for a collective management of the economic problems, this being, in authors' opinion, the most reliable mechanism to approach the issues and challenges brought along by a global multipolar economy.

The management of the global multipolar economy which has been trying to find its way after 2000 proposes the strongest countries, not only military or politically, but also economically, shares the global responsibilities.

Between 1945 and 2000, the global order used to be built on a complementary set of economic and security agreements concluded within the system created by well-known international organizations: UN, IMF and the World Bank. Before the 90's of the previous century, the countries of the former global socialist system used to play an important counterpart role, alongside the Western European countries and Japan, making use of the privileges agreed upon between the two systems during the Cold War.

Within the dynamic environment of the world globalization, the multipolarity management rests on the three pillars of the global economic governance: a) polycentric concentration based on economic power; b) relative stability of the monetary and financial flows; c) circulation in the global monetary system of several important currencies of the major economic powers of the world (US Dollar, pound sterling, EUR, Chines Yuan, Swiss franc, etc.)

This paper aimed to highlight, in the economic integration process, the growth poles in the local and regional economies, as well as certain important economies seen as growth poles for the global economy.

The shifts experienced by the global economy have been ranked and presented in this theses as follows: 1. growth poles developed at microeconomic level on metropolitan areas; 2. at regional-mesoeconomic level, such as the geographic, economic and social area of Shanghai presented by us in the paper, together with China, a state seen as the major global growth pole these years; 3. presentation of an model of analysis of a theoretical growth pole – a system of methodological analysis of the growth poles (SMAGP).

It has been demonstrated that the growth performance of the emergent countries depends essentially on the capacity of the respective growth poles to dynamically sustain the induced transformations: technological improvements which enhance the productivity of production factors (environmental, human and capital resources), and the successful transition to new domestic demand sources – local population on large regions of the planet.

The research theme pursued has a direct theoretical and practical impact on the design of policies, mechanisms and tools for the further evolution of the growth poles on the three levels reviewed in the paper.

SMAGP – the system of methodological analysis of the growth poles proposed aims to provide the international, regional and national organizations, with a model to analyze the growth poles existing at the three levels. The focus on the novelty of the research theme is to be found in the analysis model we proposed, namely *SMAGP – a system of methodological analysis of the growth poles*. We believe this methodological system can be applied only by comprehensive teams of specialists with a variety of backgrounds, including politicians with key responsibilities in the respective growth pole (country or state).

The existing growth poles in the emergent markets redefine the global economic structure – and, consequently, the social, political and spiritual one too. The experts have already shown that, by 2024–2050 half of the global growth shall concentrate in 6 large emergent economies (Brazil, China, India, Indonesia, South Korea and Russia), and the international monetary system shall not yet be dominated by one single currency. On the new economic scene, and, consequently, the social, political and spiritual one, these will support the acceleration of the economic growth in the poor countries with the volume of commercial and financial transactions carried out. The rapid expansion of the emergent countries is constantly changing the distribution and influence of the economic growth poles across the globe, thus creating a multipolar world.

In our opinion, the next two or three decades will see a global economy going through changes in respect of growth poles and power polarization, and growing increasingly more fed mainly by the economies of the emergent countries. Although many countries will recover only in part from the financial crisis, most of

the developing countries will recover rapidly and follow a faster growth trend than in the pre-crisis period. Thus, China has already managed to become the second largest economy of the world and scores one success after another one. India is a strong runner up for China in the economic and financial and banking fields, and the Government of this country puts in place a new growth and sustainable development strategy, featured by better investment policies and programs to maintain the sustained economic growth. Brazil and Russia are new growth poles whose potential only but very few specialists currently foretell. Thus, the global balance of the economic power currently represented by the growth poles reviewed hereunder is change dramatically.

The future changes of these growth poles will put the global economy into a new perspective driven by historical trends and anticipative components, such as: demographics, enhanced employment, as well as the need for saving and education models. We believed that six large emergent economies: Brazil, China, India, Indonesia, Republic of Korea and Russian Federation shall account together for more than half of the global economic growth in the next six decades. Many of these economies and growth poles, at the same time, are even today genuine engines of the global growth and continental economic integration. Such changes are specific to the new multipolar world where the indicated growth poles are to change the face of the world. At continental level, Asia, followed by Africa, will take the paradigm of the growth poles on new directions.

The growth pole, understood as economic pole or competitiveness pole, as illustrated in this paper, is a combination of production enterprises, research centers and service providers operating on a given territory – even of the size of a state – whose multileveled activity is the engine of the economic growth and sustainable development for the respective situation.

Individually, the economic growth is an establishment which poses at least one advantage for an economic activity. At mesoeconomic level, the growth pole is a combination of enterprises, universities and public or private research centers on a given territory working on highly innovative common projects. The key objective of a growth pole is to organize the enterprises forming it in view of securing their competitiveness on the international market. At continental level, the growth poles we see as stand-alone countries/states allow structuring of the production apparatus and the services the respective countries excel in, which leads to more diverse and increased supply of economic goods, as well as to enhanced quality of life for the respective population.

For several decades now, and the progress continues even today at planetary scale, local, regional or continental growth poles have been constantly developing and efforts are deployed to support their functioning at the highest parameters. China refers to these growth poles as special economic zones, and used them to attract foreign investors in view of increasing and diversifying its production and exports.

Scientific investigations relying the methodology proposed in this paper would be able to identify at the three levels – local, regional or continental – regions where potential areas specific to the growth poles can be developed.

Each state should attempt, by reference to the territorial communities, to regroup the relevant stakeholders (enterprises, research centers and training facilities, support groups) in a partnership-based intervention in order to merge the synergies around innovative projects aimed at achieving sustainable development for the respective areas, turning to value their competitiveness, as well as their national and international visibility.

We believe that specialists have been provided with but very few studies about the more or less successful experiments of the different countries around the world in connection with growth poles and competitiveness, and special economic zones in view of attracting foreign investments and supporting the exports of economic goods produced on their territories.

Advancing growth poles and competitiveness means turning to value the potential of local sectors and resources to achieve sustainable development of the respective areas.

These endeavors should combine enhancing competitiveness and construction of a genuine growth pole, accommodating the upraising and regrouping of modern enterprises, high skilling and training of the local staff on how to use efficiently the infrastructure and the services required for the development of the growth pole in question. Pursuing the beneficial purposes for the development of the country or the respective zone, the Government should support application of land improvement and local, regional or national sustainable development programs.

With SMAGP we: 1. defined the zones where the growth poles can develop to facilitate access to funding and necessary human resources; 2. allocated specific funds to the growth poles as funding facilities or to develop production channels, as well as to support issuance of the necessary guarantees or allowances; 3. associated the key stakeholders – the State, territorial communities and private sector in view of running territorial development programs, as well as of applying new sectorial program coordination and monitoring mechanisms; 4. drafted policies to advance the growth poles.

The System of Methodological Analysis of the Growth Poles (SMAGP) we propose highlights the results obtained in terms of macroeconomic performance. Thus, the capacity of the growth pole under review to reinstate and maintain the balance of the major macroeconomic and monetary subsets and prove a stability fostering implementation of actions specific to sustainable development, is turned to value. These efforts need to benefit of the trust and support of the private sector and the overall society in the respective country.

Furthermore, these outputs are evidence in support of the respective country's capacity to manage the various aspects of public life, cope with exogenous shocks and accommodate different constraints. Adopting a vision for the future, building

on application of the results of the study undertaken on the respective national growth pole, enhances the event anticipation capacity. We believe that a description of the economic, social and environmental situation in the respective country is necessary and, to this end, the following should be subject to measurement and assessment:

1. the growth rate of the national economy, based on the evolution of the respective population;
2. the poverty dynamics in the respective growth pole;
3. significant developments experienced in the respective country in respect of human development (leaps in the standard of living, education and health in general);
4. application of the programs and projects which contribute to enhancing the living environment and strengthening the sustainable management of the natural resources.

The study of the country growth pole carried out using SMAGP highlights, in our opinion, the following highly important analysis and action lines:

- highlighting the macroeconomic performances in parallel with turning the quality of the population's standard of living to value;
- determination of a relation between the demographic growth rate and the significant reduction in poverty rate;
- variability of the economic growth rate in connection with the evolution of the economic sectors, influenced by the climate conditions, in particular in agriculture;
- prevalence of the tertiary (services) and quaternary (leisure) sectors, highlighting creation of new jobs and wealth in these sectors;
- the weaknesses of wealth creation in the primary sector (agriculture), by comparison with other sectors;
- the demographic increase or decrease and the national consequences of this situation for the GDP evolution and the national wealth in the respective growth pole;
- performances registered in education and health; evolution of higher education – a genuine support pillar for the education system and the impact of this sector on the economic progress;
- building a knowledge-based society within the respective growth pole;
- highlighting the progress made in the status of women and highlighting the progress made in gender equality across all sectors which mark the economic and social transformations in the respective growth pole;
- infrastructure improvement as multifold means of intensification and achievement of plans in the respective country
- implementation of the state and regional governance reforms, with presentation of the developments in the administration of the respective

state, the results of the fight against corruption and the economic self-government;

- turning to value the sustainable development in the respective state;
- highlighting the structural weaknesses which affect economic competitiveness:
 - a) evolution of the cost of production factors;
 - b) poor development of certain economic infrastructure;
 - c) difficulties to access the domestic and external markets in a sustainable manner;
 - d) turning to value the national energetic potential;
 - e) taxation evolution, etc.;
- reviewing the means of diversifying the agricultural production, the overall economic production, as well as their vulnerability to exogenous shocks;
- speeding up economic growth which implies diversification of the economic activity;
- evolution of the public expenditures and their impact on enhancing the efficiency and effectiveness of the overall governance and reducing poverty;
- defining the means of obtaining external resources raised to fund the investments made in the respective growth pole, in agreement with the national policies pursued, reviewing the effectiveness of using these resources thanks to planning and implementing the sustainable development programs;
- reviewing the indebtedness rate and the over-indebtedness against the overall economic evolution;
- drafting a set of recommendations of strong reforms in all the sectors under review, as well as taking of measures to continuously address the economic, fiscal and social pressures.

Conclusion

All of these action lines we propose in the SMAGP highlight the display of the sustainable development in the country under review, in view of putting the country growth pole on the right progress and civilization track, at ever higher levels that match the aspirations and expectations of the respective peoples. The System of Methodological Analysis of the Growth Poles (SMAGP) highlights the results obtained in terms of macroeconomic performance. Thus, the capacity of the growth pole under review to reinstate and maintain the balance of the major macroeconomic and monetary subsets and prove a stability fostering implementation of actions specific to sustainable development, is turned to value. These efforts need to benefit of the trust and support of the private sector and the overall society in the respective country.

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