



Sustainable Development Economic Aspects

By Rumen Gechev



The criteria for sustainable development have become a decisive factor in the formulation and assessment of economic policy models. By its nature, sustainable development is a multidimensional category; therefore, it requires an interdisciplinary approach. The problem must be viewed not just as a theoretical challenge but also as a challenge for our socioeconomic development. The misbalances between economic growth and consumption behavior on one hand and the environment on the other hand are worsening. Despite the overall improvement of the social indicators in the developed and the emerging economies, more than one and a half billion people still live on less than a dollar a day. The bottom line is that sustained economic growth would be possible only if the market model is seriously modified.

The study is focused on the economic aspects of sustainable development. However, the analysis includes the interdependences of the noneconomic dimensions, including environmental, social, and institutional. The author proposes a new definition for sustainable development that incorporates those dimensions. Special attention is paid to the advantages and disadvantages of the used indicators as well as on acceptability of some universal indicator. Professor Gechev argues that the GDP-related indicators are not yet properly used and suggests a new “GDP matrix” that better integrates the quantitative and the qualitative parameters of the economic output, including its effect on the environmental equilibrium.

The monograph concludes that it is not economic growth but rather its structure, energy, and resource intensity that needs to be changed. The author argues that the new patterns of production and consumption could be achieved with appropriate mechanisms for market regulations, including economic incentives, improved environmental and technical standards, and development of a reliable institutional structure. Among the analyzed incentives are fiscal policy instruments and the emissions permit markets. The study is based on extensive statistical data and comparative analyses. It includes countries and companies from all over the world. The very essence of the sustainable development has a global dimension, and this monograph discusses the possible ways for harmonization between the national and international instruments and regulative mechanisms.

Professor **Rumen Gechev** completed his PhD in Economics at the University of National and World Economy (UNWE) in Bulgaria in 1989. He was awarded a Fulbright scholarship for Illinois State University (1987-88) and later specialized at the University of Arizona as well as in the UK, Austria, Malta, and Greece. He had been visiting professor and guest speaker at universities and chambers of commerce in the USA, Japan, EU, Russia, and India. He is currently a professor at the International University, Sofia, and an associate professor at UNWE in Sofia, Bulgaria.

Dr. Gechev's teaching and research interests are in the fields of economic policies for sustainable development and international business. He has published numerous textbooks, articles, and studies in English, Bulgarian, Czech, and Ukrainian. The main focus in his publications is on the market reforms in Eastern Europe and the economic incentives for sustainable development. Some of them have been presented before, at international conferences in Europe, Asia, and North America. At the same time, he has been actively involved in national and international consulting projects, including the Harvard Institute of International Development in Kiev, Ukraine.

Professor Gechev was deputy prime minister and minister of economic development of Bulgaria (1995-1997). He served as chairman of the 4th Session (1996-97) of the Commission on Sustainable Development (CSD) of the United Nations and took an active part in the Session's work for the development of systems of economic indicators for sustainable development. Dr. Gechev actively participated in the UN thematic roundtables in India and the USA, which played an important role in the preparation for the Earth Summit on sustainable development in Johannesburg in 2002. As a visiting professor at Galen University, Belize, Central America (2003-05), he founded courses in Sustainable Development for the bachelor's and MBA programs.



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