

REGIONAL DEVELOPMENT AND SUSTAINABLE DEVELOPMENT

REGIONALNI I ODRŽIVI RAZVOJ

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Abstract: *With the regional development, the state wants to assure the realization of strategic aims of development, reduce the differences between the developments of single fields and perform permanent development of the whole society. Sustainable development (SD) can be generally defined as development that meets the needs without compromising the ability of future generations to meet their own needs. Companies, which have to adapt their needs and demands to SD, have a decisive influence on the modern society. The central role in performance of SD have sustainable enterprises (SEs): SEs attain synergy of economic, ecological, social, and ethical dimensions (e.g. goals) of their business, along with the requirements of modern environment for business activities*

Key words: *regional development, sustainable development, sustainable enterprise*

Sažetak: *Regionalnim razvojem država želi osigurati ostvarivanje strateških ciljeva razvoja, smanjiti razlike u razvoju pojedinih područja i ostvariti trajni razvoj cijelog društva. Održiv razvoj može se općenito definirati kao razvoj koji zadovoljava potrebe, a da pri tome ne dovodi u pitanje sposobnost budućih generacija u ispunjavanju njihovih potreba. Poduzeća koja trebaju prilagoditi svoje potrebe i zahtjeve s održivim razvojem imaju odlučujući utjecaj na moderno društvo. Glavnu ulogu u provođenju održivog razvoja ima održivo poduzetništvo. Ono ostvaruje sinergiju ekonomskih, ekoloških, društvenih i etičkih dimenzija svog poslovanja u skladu s potrebama modernog okruženja za poslovne aktivnosti.*

Ključne riječi: *regionalni razvoj, održivi razvoj, održivo poduzeće*



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1. Introduction

Over the recent decades, business conditions have changed dramatically. In the modern global economy, everybody will have to be very competitive and hence innovative.

Therefore, most humans, economies, and businesses must innovate, including our understanding of economics. The new challenges require a thorough innovation of work, including a regional development (RD) and a holistic consideration and implementation of SD.

In this frame we are going to present the questions: regional development, sustainable development and sustainable working of enterprises.

2. Regional development: Case of Republic of Slovenia (RS)

The development differences in Slovenia are too big, and centralization of deciding in the country is considerable (Potocan, 2002; Potocan & Mulej, 2007). RD is aimed to assure a faster and equal development of the entire Slovenia. The basic goals of the RD in RS are (Vlada RS, 2005):

1) realization of strategic aims of development, and 2) formation of regional politics to activate potentials in all Slovene regions without destroying sources and possibilities of development of further generations.

RD is meant to support development of the whole RS, but especially to stimulate the development of the major fields (Vlada RS, 2005; Vlada RS, 2007):

(1) regions with lower development grade, (2) communities with special development problems, (3) border areas, and (4) areas, where Hungarian and Italian national communities live. Slovenia tries to perform an open RD concept, which exceeds regional and country borders; it includes natural, human and economic potentials of neighboring regions and countries.

Slovenia performs - in major areas - special steps of regional politics and harmonizes activities of ministers and other bodies, as well as agencies, to focus their regional stimulations on key projects of regions (Vlada RS, 2005; Vlada RS, 2007). The performance of regional politics is orientated especially by Public funds of RS for RD, and by 12 RD agencies in Slovene regions.

Agencies are responsible for: formation of the RD development, system and legislation, preparation of the country's RD programs, adjustment of 12 RD programs, support for the work of the SD council, cooperation with regional governments, formation of professional foundations for the regional politics, and maintenance of the informational system.

Since Slovenia has become a member state of the European Union (EU), it joins the EU planning of RD, namely with her country development program (DRP) (See: EU, 2007).

The procedure to prepare the current DRP (for the period 2007 – 2013) took place in a longer time period: DRP draft is in public discussion and additional harmonization with non-governmental sector and harmonization of strategic documents with the EU,

preparation of operational programs (cohesion politics of EU in Slovenia, development program for countries and development program for fishing) and has been passed as DRP 2007-2013.

The Slovenian RD is based on permanent development, which considers economical, social and environmental components. Its purpose is to reach the dialog with the civil society about all basic developmental questions.

But this is a very pretentious and complex issue and demands strong interdepartmental connections in the governmental work of RS, and active work of Slovenia within EU.

In formation of the RD enterprises also have important role, being the most influential institutions of the modern society. Therefore we will present the bases of the SD in the work and characteristics of the enterprises, which are working following the SD principle (e.g. sustainable enterprises - SEs) and aim at sustainable future.

3. Sustainable development

In our discussion about SD: 1) The term SD denotes the idea (and the concept supporting its implementation) of development, action, and behavior that are close to holistic thinking, and 2) Sustainability denotes capability of an entity, such as SEs to implement, and apply the SD concept in its own action.

Numerous definitions of SD are known. For our work we used a "general definition" that is most frequently mentioned both in theory in practice (WCED, 1988): "SD is development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

SD belongs to the most important achievements of humankind's mental development. It results from a longer and broader mental process with which the professional public has been trying to rethink and redesign the starting points for humankind to act and behave less destructively (UN, 1992; Schnurr & Holtz, 1998; Ackoff & Rovin, 2003; Edwards & Orr, 2005; EU, 2007).

The future existence and quality of life for humankind will crucially depend on the current selection of the basic concept of future development.

The United Nations Organization (UN) has been a central political body to sponsor the professional discussion about SD since the 1970s. UN also works on the necessary political harmonization of dealing with SD (WCED, 1988; UN, 1992; EU, 2007; UN, 2007; UN, 2008; etc.). The UN commissions and boards have conceptualized and formulated the bases of SD.

SD (its bases and policies) and its economic attributes are basically defined in the following documents: the Rio Declaration, Agenda 21 and Local Agenda 21 (WCED, 1988; IISD, 1992; UN, 1992; UN, 2007; UN, 2008).

The results of implementation of cited documents have so far been short SD of possibilities and expectations. The issue surfaces: what should humankind (and especially enterprises) do? Our thesis reads: they should use SD and become SEs, RD included.

4. Sustainable Enterprise

How can enterprises and other organizations with concepts of so far become SEs? One can define SEs, in the most general sense, as enterprises attaining a synergy of economic, ecological, social, and ethical dimensions (e.g. goals) of their business, along with the requirements of modern environment for business activities (WCED, 1988; Ackoff & Rovin, 2003; Edwards & Orr, 2005; Potocan & Mulej, 2007).

Figure 1 shows the basic aspects and resulting criteria of what are SEs, and possible means of implementing the market and social requirements as imperatives in the modern conditions. SEs try to conceive and run their working and behavior in a way that meets both human and environmental needs and requirements.

Aspect	General Criteria
Economic imperative	Competitiveness
Ecological imperative	Habitability
Social imperative	Community
Ethical imperative	Legitimacy
All aspects	Combined criteria/Synergy

Figure 1. SE's basic aspects and main criteria of its quality level

Humans namely live in synergy of four basic levels to be considered in SD, therefore by SEs:

Individual level; Enterprise (e.g. corporate) level;
 Closer environment (e.g. natural, social, and ethical) level;
 and Broader (i.e. global) environmental level.

On all four of them four main criteria make the system to be considered in Fig. 2. RD is included.

5. Conclusion

RD is aimed to assure a faster SD-based and equal development of the entire country. That would enable the reduction of developmental differences between regions and assure the suitable permanence of orientation of the development of the total society and its parts (especially valid for companies, as the most influential institutions of the modern era).

In this frame, the enterprises try to plan their work to attain their synergy of economic, ecological, social, and ethical goals of their business as SEs. Thus, sustainable future might be attainable.

Criteria Aspects	Individual Performance Criterion	Corporate Performance Criterion	Societal Performance Criterion	Global Performance Criterion
Economic Imperative	Individual prosperity	Corporate profitability	Societal wealth	Global wealth
Ecological Imperative	Individual eco-efficiency	Corporate eco-efficiency	Societal eco- efficiency	Global eco- efficiency
Social Imperative	Individual quality of life	Corporate reputation	Societal quality of life	Global quality of life
Ethical Imperative	Individual values	Corporate values	Societal values	Humankind values
All aspects in synergy	Individual sustainable life index	Corporate sustainable working / behaviour index	Societal sustainable development index	Global sustainable development index

Figure 2. Basic criteria for evaluation of SE – a suggestion

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