

Sustainable Development – Attempt of the Evaluation in the Light of the Theory of the Austrian School of Economics

**Anna Busłowska
University of Białystok**

Presently issues of the environmental protection, global warming are widely discussed on the world forum. The Industrial Revolution in 18th – 20th century also initiated the revolutionary changes in the natural environment. In the second half of the last century world started paying the greater attention to negative consequences of the fast industrialization and the problem of geographical disproportion in the division of global GDP. The issues of environment protection and sustainable development found their place in theories of different economics schools including Austrian School of Economics. The views of this school are very clear and based on the private ownership.

INTRODUCTION

Industrialization, an increase in greenhouse gas emissions, an increase in the extraction and processing of energy resources caused a pollution and destruction of ecosystems. Disturbance of the balance in the relationship man - environment leads to profound changes in the nature on a global scale and a rapid process of shrinking natural resources. In these circumstances appeared a concept of sustainable development.

The purpose of this paper is to show the strengths and weaknesses of sustainable development principles in the face of the theory of the Austrian School of Economics. The views of the Austrian School in the field of environmental protection are pragmatic and transparent. They are not based on intergenerational social justice or equilibrium model and externalities, only on private ownership of resources and mechanism of the free market.

A SUSTAINABLE DEVELOPMENT CONCEPT

The concept of sustainable development emerged in the second half of the last century. The declaration of the UN conference in Stockholm in 1972 adopted a provision that environmental protection is action taken for both the current and future generations. The need for a comprehensive examination of socio - economic and ecological problems was emphasized. One of the most frequently quoted definition is included in the report of the World Commission on Environment and Development (WCED), so called “Brundtland Commission” (1987). Sustainable development was defined as an opportunity to meet current needs without reducing the possibility of future generations to meet their needs. (Kielczewski, 2008; Dobrzańska, 2007). The nineties brought the concepts of activities related to the practical implementation of the principles of sustainable development. Great importance in this direction has played the Earth Summit - United Nations Conference on Environment and Development (in Rio de

Janeiro, 1992). Adopted documents: "Declaration on the Environment and Development" and "Agenda 21" determined the objectives and principles of future policy at national and international level. In light of these documents, sustainable development was seen through the prism of the definition developed by the Brundtland Commission. The anthropocentric nature of sustainable development - the people as the most important value was also emphasized. (Zabłocki, 2002). These efforts have confirmed the deliberations of the Earth Summit II in New York in 1997 and subsequent conferences on environment and sustainable development. In conclusion, the concept of sustainable development assumed the coexistence of socio - economic and ecological development, so as to satisfy the needs of current generations do not exclude the possibility of meeting the needs of future generations.

Despite the media buzz around the environment and sustainable development still has the impression that the more one talks about it than she / he does. The question is whether the concept is not in itself a fashionable slogan used in bureaucratic terminology? It should be noted that in recent decades environmental education has greatly increased and it calls more attention to the protection of the natural environment. However, in this direction follow mainly the developed countries. On the one hand this is due to the moral responsibility for contributing to environmental pollution as a result of industrialization, on the other hand an adequate standard of living in these countries creates opportunities for environmentally friendly behavior. People with appropriate protected material does not have to concentrate on the "fight" for survival. In this connection, they can satisfy the needs of a higher order, which may include even care about nature.

RECIPE OF THE AUSTRIAN SCHOOL OF ECONOMICS

Policy for sustainable development is one of the most important within the European Union. The main objectives of the EU strategy on the sustainable development are the following: protection of the environment, social justice and economic prosperity. The protection of the environment and its resources is particularly stressed in the policy of the Community. Preservation of the environment should not rely on leaving it intact, because it is impossible, but its aim should be to reduce the negative impact that man has on it. It can be achieved by effectively functioning legal system in the field of the rights of ownership. As the Austrian School theory stresses the state policy for the protection of nature and natural resources has a fundamental defect. The property of the state is not real property. The government can control the use of natural resources, but cannot use their capital value in the market, for example an official could not sell the river, or participate in it, because in the economic sense it does not belong to anyone. Only the owner cares about his property properly. Government officials manage resources inefficiently because they are not the owners of these resources and they have no economic incentive to care for it. Therefore, the penalties for littering the rivers, forests, air pollution, etc. are poorly enforced, or not at all, and a vicious circle come full circle. (Rothbard, 2004)

Recipe, which gives the Austrian School of Economics is simple: a return to respect for private property rights and effective protection by the judiciary. If this rule was respected maybe the problem of global warming would not exist today. If the violation of property rights through air pollution was duly punished by the courts, the "polluter" would be forced from the beginning to the use of environmentally friendly technologies, perhaps today no one would have blamed the industry for global warming. The fact is that the climate on Earth is getting warmer. Between 1906 and 2005 the temperature in the troposphere has increased from 0.54 ° C to 0.92 °C. As ecologists convince this state was caused by excessive emission of greenhouse gases into the atmosphere by the industry. However, there is no clear evidence that CO₂ from the chimneys of factories and foundries is the main culprit of this situation. Certainly, fast industrialization has caused ecological changes, but global warming is not a new phenomenon. In the long history of Earth there have been several periods of transition characterized by an increase or decrease in temperature. In addition, also the animals, people, etc. contribute to greenhouse gas emissions. But the political decisions of governments may be included in the causes of global warming. State intervention is limited to innovate when they threaten the dominant groups of interest, such as petroleum companies.

Currently are known "green" energy generation technologies, but their use remains marginal. (Callahan, 2009).

The use of natural resources, particularly oil and coal is related with industrialization and air pollution. Here enters a different dimension to the concept of sustainable development, which is the limitations of resources. According to the Austrian School theory of scarcity and the related question of selection is one of the natural issue. Each action results in eliminating alternative opportunities and costs, but each operation is carried out in order to improve the existing situation. In addition, each participant has different needs and preferences, and other temporary plans to meet their desires. Also in this case the Austrian School sees great importance in the law of property rights and competition. Ownership is the economic incentive that encourages rational use of resources, the environment, since the loss of source material means a loss of profits. Decisions of the owners of the resource concerning the number of the current and future extraction are beneficial from the point of view of consumers and the economy as a whole. Competition forces exploring new opportunities and better use of raw materials. (Rockwell, 2009). Restriction in the use of raw materials can only unnecessarily impede development. The history of civilization shows that some inventions, technologies are being replaced by others. Slightly more than 100 years ago crude oil was useless mineral. The technical progress made the oil the material used in many industries. There are still looking for other, cheaper, more readily available source of energy. It is very likely that even before they run out huge deposits of oil, or coal a completely new material will become the main source of energy.

Austrian School of Economics strongly indicates the right of ownership as the original and natural right of every human being and as a foundation of economic systems. Also they ascribe supreme importance of private property and free market mechanisms in the field of the environmental protection and utilization of its resources. Support for this view is the assumption that entrepreneurs operate using natural resources from the standpoint of their own profits, from the point of view of consumers and the economy. Consequently, the formative mechanism of the free market, above all, the price of natural resources and their supply and demand contribute to the rational use of resources over time. State intervention in reducing the effects of pollution can lead to directly opposite effects than intended. (Reisman, 2009). The technique contributes to the protection of the environment much more profitably. Technical progress used for example in agriculture contributed to a reduction of area of crops while increasing their productivity.

The summary of considerations in this article can be the thought of leading representative of the Austrian School of Economics. M.N. Rothbard wrote: "If property rights were to be defended fully, against private and governmental invasion alike, we would find here, as in other areas of our economy and society, that private enterprise and modern technology would come to mankind not as a curse but as its salvation." (Rothbard, 2004).

REFERENCES

Dobrzańska, B. M. (2007). *Planowanie strategiczne zrównoważonego rozwoju obszarów przyrodniczo cennych*, Białystok: Wydawnictwo Uniwersytetu w Białymstoku.

Kielczewski, D. (2008). *Konsumpcja a perspektywy zrównoważonego rozwoju*, Białystok: Wydawnictwo Uniwersytetu w Białymstoku.

Poskrobko, B. (1998). *Sterowanie ekorozwojem. Tom I Teoretyczne aspekty ekorozwoju*, Białystok: Wydawnictwo Politechniki Białostockiej.

Rothbard, M. N. (2004). *For a New Liberty The Libertarian Manifesto*, new York: Collier Books, A Division of Macmillan Publishing Co., Inc.

Zabłocki, G. (2002). *Rozwój zrównoważony, idee, efekty, kontrowersje*, Toruń: Uniwersytet Mikołaja Kopernika.

Callahan, G., (2009). Jak wolne społeczeństwo mogłoby rozwiązać problem globalnego. *www.mises.pl*.

Reisman, G. (2009). Obrońcy środowiska, czyli arytmetyka zanieczyszczenia. *www.mises.pl*.

Rockwell, L. (2009). Istotność Austriackiej Ekonomii. *www.mises.pl*.