

ECONOMIC GROWTH AND PROSPERITY IN DIFFICULT CONDITIONS AT THE BEGINNING OF THE 21st CENTURY³⁸

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Abstract

Beginning of the 21st century can be specified as a period characterized by the reversal in the direction of intensifying pessimistic expectations regarding the possibility of overcoming the consequences of the global financial and economic crisis in a relatively short timeframe. The complexity of the problem requires finding of the solutions in collaboration of scientists from different disciplines, as well as cooperation theorists and economic policy makers, particularly in their orientation on real resources and their effective use. The paper is based on the identification of problems related to the long term revaluation of the importance of economic growth, and underestimation of the importance of prosperity as well as the comparison of the values of indicators of economic growth and prosperity (the subject of our interest are the EU countries), in order to justify the need for modifications to their perception, specify their interdependence and identify the primary determinants that may play a positive role in ensuring sustainable economic growth rate, and to increase the level of prosperity in the current difficult conditions. Implementation objective entails the application of holistic approach.

Keywords: Economic growth, prosperity, globalization, indicators, financial and economic crisis

Introduction:

Questions of the sense of human activities were raised by scientists from different scientific disciplines since the past as well as nowadays. In view of the limited extent of this paper, the subject of our interest will be perception of the sense of economic activities. Is really any economic activity reasonable? What is the basis for presuming that certain economic activities except the profit motive, personal benefit of some individuals are not justifiable? If such economic activities exist, are these only exceptional cases and therefore they are not worth being paid attention or is it a not negligible range of economic activities? Is not exactly the current global financial and economic crisis the greed of gain reflexion of several individuals? The seriousness of the problem is even greater as it is not a specific case of behaving of a few individuals in a few countries, within a region, but it is a problem of a global character. Another fact which should be taken into consideration is intensification of pessimistic expectations regarding possibilities of overcoming the consequences of the global financial and economic crisis in a relatively short horizon. Complexity of problems requires looking for solutions in cooperation of scientists from various scientific disciplines as well as cooperation between theorists and creators of economic policy.

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Shift in perception of economic growth – possibility or necessity:

In economic theory the economic growth is defined as the increase of production in time or increase in income per capita. Respective authors who deal with the issues of economic growth pay attention mainly to the factors which influence the economic growth and its rate or to the identification of the share of respective factors on the increase of production. Inhomogeneity of opinions has led to the formation a wide spectrum of theories and models of economic growth. To the most famous undoubtedly belong neoclassical, Keynesian, endogenous (new) or institutional theories and models of economic growth. Names of economists as Paul H. Douglas³⁹, Robert M. Solow, Trevor W. Swan, Roy F. Harrod, Ewsey D. Domar, Alvin H. Hansen, Nicholas Kaldor, Robert B. Barro, Paul M. Romer, Robert E. Lucas, and Walt W. Rostow are fundamentally connected with the given topic and their contribution is generally accepted. Detailed analysis of their work and specification of their views on the factors conditioning economic growth is, however, not the subject of our interest.⁴⁰ Long-term priority focus on economic growth, one-sided concentration on achieving the highest possible rates of economic growth, confusing the means for the goal has led to forgetting the fact that sense of activities in human society should be the human being with its needs meeting of thereof will provide a happy and satisfying life. Of course, if it is supposed for the biggest possible part of society.

After the Second World War and formation of two different socio-economic systems the effort to prove the advantages of the system came to the foreground in that way that the individual countries were overtaking in that how high rate of economic growth they are able to ensure as well as emphasizing the need of formation of welfare states. It could seem that economic growth should have been the condition of formation of the welfare states.

Paradoxically, the extensive economic growth in combination with growing government interventions into economy which were manifested in the significant increase of the share of government expenditures on GDP,⁴¹ in the increase of deficits and public debt, did not lead to the increase of welfare, but to an ineffective allocation of limited resources, to excessive consumption of the minority part of population in the national, regional as well as global context at concurrent increase of that part of population which was on the poverty line or in its close proximity.

At the end of the 1960s the Club of Rome pointed out the unsustainability of long-term orientation on high rates of economic growth⁴², which by means of its reports drew attention to possible consequences of global problems of mankind. In the year 1972 the work with title

³⁹ American economist Paul H. Douglas cooperated with the mathematician Charles Cobb at verifying his production function on specific statistical material. The basis for them were the data from the period of years 1899 – 1922, while they analysed the connection between the volume of output and size of engaged production factors, namely labour and capital.

⁴⁰ Approaches of respective authors are contained in referenced sources and a brief characteristic of these theories and models of economic growth is included in the textbooks of Economics, Macroeconomics or in the textbooks of the History of economic theories, e.g.: Lisý, J. et al.: *Ekonomía*. Bratislava: Iura Edition, 2011. Holman, R.: *Dějiny ekonomického myšlení*, Praha: C. H. Beck, edition III, 2005. Lisý, J. et al.: *Ekonomický rast a ekonomický cyklus*. Bratislava: Iura Edition, 2011. Lisý, J. et al.: *Dejiny ekonomických teórií*. Bratislava: Iura Edition, 2003.

⁴¹ When comparing the share G/GDP in the years 1960, 1985 and 1990 there is a clear increase of this share up to the year 1985, and subsequently in the majority of countries there is certain decrease of this share. For documenting this statement it is possible to mention the situation in certain EU countries: Germany (32,5; 47,2; 45,2), France (34,6; 52,4; 49,8), Denmark (24,8; 59,5; 58,3), Ireland (28,0; 54,6; 42,4), the Netherlands (33,7; 60,2; 54,1), Sweden (31,1; 64,5; 59,1). To the contrary, in Greece there was permanent increase (17,4; 43,2; 52,5). In: McNutt, P.: *The Economics of Public Choice*. Cheltenham: Edward Elgar, 1996, pp.76 - 98.

⁴² In the year 1968 was formed the association of theorists as well as professionals from practise, later known as the Club of Rome the aim of which was specification of reasons, links and consequences of global problems of mankind.

The Limits of Growth was published.⁴³ Its authors were looking for the answer to the question if the limits of economic growth exist. They supposed that if the rates of economic growth were increased exponentially, the limits of growth would be reached before the year 2100. They could see the solution in removing this tendency of constant increase of economic growth rates and achieving ecological and economic balance. Requirements of the change of orientation to zero and later organic growth are also connected with the Club of Rome. Particularly, in the second report of the Club of Rome there was stated that the problem is not the growth itself, but cancerous, undifferentiated economic growth which must be changed into the organic growth. The organic growth represents the growth in the system in which the individual parts of the system are interconnected and interdependent.

In the further period we encounter the requirements for ensuring the long-term sustainable economic growth respecting ecological limitations or with the requirements for ensuring the intelligent growth (based on knowledge and innovation), sustainable growth (support of more efficient resources, competitiveness), or inclusive growth (based on ensuring the full employment, social and territorial cohesion).

From the report of The World Economic Forum⁴⁴ arise requirements for ensuring the sustainable global economic growth, global and balanced economic growth or green growth. We particularly state two quotations from the given report which document these requirements:

“We can start by dispelling the myth that economic growth and low-carbon, environmentally-sensitive development are competing objectives. A growth model that improves resource efficiency and mitigates climate change also generates a number of mutually reinforcing benefits, including accelerated job creation, healthier populations, expanded access to secure energy supplies and sustained global economic growth” (p.3)

“The concept of green growth began to take hold in 2008 at the Pittsburgh G20 Summit, where leaders launched the *Framework for Strong, Sustainable and Balanced Growth*. The Framework was again referenced in 2009 at the G20 Summit in Korea, where leaders put a high global priority on green growth, while also starting a new innovation at the Summit, creating the Business 20 – or “B20” – as an invitation to leading businesses to provide formal input. The 2010 B20 Working Group IX published a comprehensive report, *Creating Green Jobs*, which made several recommendations about the business and social opportunities of a smarter approach to green investment”. (p.5)

Regardless of what attribute we assign to the economic growth, we do not change the perception of economic growth as the goal of activities in the society. Economic growth is undoubtedly important, however, it should be perceived as the means to achieving the national prosperity as well as individual prosperity.

Several notes to perception of prosperity and choice of prosperity indicators

Is prosperity clearly defined? Do we encounter with the stricter as well as broader definitions of prosperity? Can we be considering various types of prosperity? What creates national prosperity and what can help the countries to achieve higher prosperity from the point of view of scientists in the past and nowadays? Which factors are dominant? Which indicators provide us with information on behaviour of individuals and governments from the point of achieving the modification of perceiving prosperity? Is there justification for strict orientation on national prosperity or is the current emphasis of the importance of identification of personal prosperity of individual members of society desirable?

⁴³ Meadows, D, Meadows D., Zahn, E., Milling, P. (1972.) *The Limits of Growth*. The Report to the Club of Rome, N.Y. 1972

⁴⁴ The World Economic Forum. The Green Growth Action Alliance: Progress Report from the First Year of Catalysing Private Investment. Geneva, Switzerland, 2013. REF 106 613, pp. 1-23

There is no generally accepted definition of prosperity. Prosperity is sometimes interpreted as a synonym for wealth, welfare, success, boom, comfort, health, luxury, state of pleasure, big happiness or luck, successful social status (Jackson, 2009; Seligman, 2002; Legatum Institute, 2012), sometimes as a unity of two equivalent parts of material wealth and welfare (quality of life, subjective welfare).⁴⁵

Current conditions play an essential role in the direction of intensifying the need for correction of their perception. In case of wealth these are the following problems: problem of exact definition of wealth, quantification of wealth, problem of wealth concentration by minority elite and changing structure of wealth in the symbiosis with the effect of wealth, glorification of wealth, confusing wealth for welfare, confusing individual and social welfare. Further problems are connected with the identification of motives which lead individuals and households to creation and accumulation of wealth. Identification of motives creates prerequisites for adjusting behaviour. New perception of wealth and new approach to wealth is reflected in the integrity of material and intellectual wealth, in the preference of the real wealth before the virtual wealth, in the integrity of wealth and welfare.

A serious problem is changing wealth for welfare, changing individual and social welfare. However, wealth and welfare are not synonyms. Distinguished economist Arthur Cecil Pigou wrote two works which are relevant to mention in this connection. It is the work *Wealth and Welfare* from the year 1919, and the work *Economics of Welfare* from the year 1920.⁴⁶ In these works Pigou pointed out on differences between the efforts for maximization of welfare. He refused the chase for wealth and personal benefits as according to his opinion the abundance of material goods need not mean also the growth of welfare. He pronounced the thesis that economic theory should attempt for qualitative evaluation of different forms of wealth according to the ability to provide for welfare. Pigou himself perceived welfare as economic welfare which can be expressed in monetary form unlike the non-economic welfare which is not measurable. Maximization of welfare was conditioned by distribution of production factors among alternative uses, stability of product formation, amount and stability of income formation as well as income distribution. The higher and more stable income is achieved, the more evenly distributed is the income, and the maximization of welfare will be ensured in bigger rate. According to his opinion, maximization of individual welfares does not necessarily mean maximization of social welfare. It can happen in that case, if the maximization of individual welfares gets into conflict with the maximization of social welfare or then if the scarce resources are used for production which does not lead to the growth of welfare, but to wasting of scarce resources as well as at considerably uneven distribution of income. Other economists also focused on this topic, it is necessary to mention Alfred Marshall, Vilfred Pareto, Nicolas Kaldor, James Mead, John Hicks, Amram Bergson. American economist Amram Bergson in his work *A reformulation of Certain Aspects of Welfare Economics* from the year 1938 presented the exact function of social welfare by giving up the interpersonal comparison of usefulness as well as from value judgements and purely subjective judgements. According to Bergson increase in social welfare is Pareto-efficient if all the alternatives are used, and if at least one person gets to a better position without such situation that somebody else gets to a worse position (Bergson, 1938).

Prosperity is perceived generally or different levels of prosperity are specified. Perhaps the most frequently global, national and personal, economic or human, intellectual prosperity are considered. Prosperity means hope of the safe and peaceful world; it means hope for

⁴⁵ Napoleon Hill claims that money and material goods are essential for the freedom of the body and mind, but at the same time there is something what is more important – harmonic family, friendly relationships, spiritual values.

⁴⁶ Pigou, A. C.: *The Economics of Welfare*. 1920. In: Dome, T.: *History of Economics Theory. A critical Introduction*, 1994, pp. 179 - 193.

future generations. Prosperity means elimination of hunger and homelessness, end of poverty and injustice.

In the beginning of the 21st century several new indicators were processed which are from our point of view necessary not only to notice, but owing to their broader connections and more complex view to consider them in solving respective current problems. One of the most important indicators of national prosperity is undoubtedly Prosperity Index or Legatum Prosperity Index (LPI) processed by the Legatum Institute.⁴⁷ In the report⁴⁸ is stated that the aim of the Institute was to contribute to the discussion and to inspire scientists, politicians, public and media to applying the holistic approach to prosperity, what means that two organic parts of prosperity – income (material wealth) and welfare (satisfaction with life, subjective welfare). LPI consists of eight sub-indexes – economy, business relations and opportunities, government, education, health, defence and safety, personal freedom and social capital where every sub-index reflects certain aspect of prosperity. By researching the individual aspects of prosperity information is gained how the given area contributes to the higher level of income and to higher welfare. In poorer countries (average income lower than USD 10,000/person) was growth of material wealth perceived as priority, in rich countries (over 20,000 USD/person) the importance of material wealth decreases. LPI represents the situation in more and more countries. From the initial number of 104 countries, the number of countries later increased to 110 countries and in the year 2012 to 142 countries where 96% of the world population live and 99% of the global GDP is created.

The Happy Planet Index⁴⁹ represents an indicator which identifies perception of welfare or satisfaction with own life, life expectancy and ecological footprint which are necessary for sustaining the achieved life standard in the respective country. For the year 2050 were set goals for developed countries – average value of the Happy Planet Index 89, life expectancy 87, ecological footprint for sustaining the achieved life standard 1.7 gha/1 person, for developing countries these aims were moved 20 years later. The positive side is the effort to ensure the same conditions for a long, happy and meaningful life also for future generations.

Human Development Index represents a compound index which reflects the average values in three basic dimensions of human development – long and healthy life, education, amount of gross national product per one inhabitant.

Table 1 shows the order of the EU countries on the basis how the respective countries generally create conditions for prosperity growth. At the same time, the order of countries within the individual sub-indexes LPI enables to specify where the country is successful in comparison with other countries and it is on the contrary unsuccessful. From the EU countries the best conditions for prosperity growth were created by Nordic countries and in the Netherlands, the least favourable conditions are characteristic for Romania, Bulgaria, Greece, and for Lithuania and Latvia. At evaluation of the EU countries also on the basis of two other indexes we find out that to the most successful countries belong Sweden and the United Kingdom, whereas very unfavourable ranking as for the order in case of the Happy Planet Index have 25 countries, what means that their position in the order is 50 or more than 50.

⁴⁷ Legatum Institute is an independent non-party organisation whose research included progressive ideas and policy which supports development of free and prosperous societies. Legatum Prosperity Report 2012.

⁴⁸ Legatum Prosperity Report 2012. www.prosperity.com

⁴⁹ Dutch sociologist R. Veenhoven combined the satisfaction with life with the life expectancy as happy years of life. Ecologists M. Wackernagel and W. Rees processed the third organic element of the Happy Planet Index – ecological footprint. The index value = 100 means high satisfaction with the own life, high life expectancy and low ecological footprint. The estimate of biocapacity 1.8 gha/1 person. Satisfaction with the own life is assessed from 0 to 10, the higher the assessment, the higher the satisfaction with the own life. The Happy Planet Index was processed in the year 2006; the authorship belongs to the *New Economic Foundation* in London, an independent *think-and-do tank*, which is focused on paying the attention to ensuring the real economic welfare and on the man who will be able to live a long, happy and fully-fledged life.

The majority of the EU countries are mainly extraordinary demanding as for the natural resources. They consume much higher amount of natural resources than corresponds with their share on the natural resources. It is valid particularly for Luxembourg, Denmark, and Belgium. On the other hand, the most favourable situation as for the requirements for natural resources is in Malta and Rumania. The EU countries are successful in view of the Human Development Index as from 28 countries only two countries have not achieved a very high level of human development – Bulgaria and Romania.

Table 1 Indicators of Prosperity

Indicators Country	Legatum Prosperity Index Rank 2012									Happy Planet Index 2012					HDI 2012	
	LPI	Economics	Entrepren.	Government	Education	Health	Safety and	Personal fr.	Social kap.	HPI rank	HPI	a)	b)	c)	HDI Rank	Index
France	21	22	21	18	19	9	31	16	40	50	46.5	6.8	81.5	4.9	20	0.893
Germany	14	6	18	16	15	5	21	12	15	46	47.2	6.7	80.4	4.6	5	0.920
Italy	33	36	37	39	36	19	42	57	38	51	46.4	6.4	81.9	4.5	25	0.881
Belgium	17	21	12	17	17	8	22	20	18	107	37.1	6.9	80.0	7.1	17	0.897
Netherlands	8	14	10	11	11	7	18	9	6	67	43.1	7.5	80.7	6.3	4	0.921
Luxemburg	11	4	5	9	48	1	7	8	16	138	29.0	7.1	80.0	10.7	26	0.875
United Kingdom	13	26	6	7	30	18	20	11	12	41	47.9	7.0	80.2	4.7	26	0.875
Denmark	2	19	1	3	16	16	8	7	2	110	36.6	7.8	78.8	8.3	15	0.901
Ireland	10	25	14	14	14	11	4	4	7	73	47.4	7.3	80.6	6.2	7	0.916
Finland	7	16	3	5	8	12	3	19	5	70	42.7	7.4	80.0	6.2	21	0.892
Sweden	3	5	2	4	12	14	6	5	9	52	46.2	7.5	81.4	5.7	7	0.916
Austria	16	13	17	12	24	10	15	21	14	48	47.1	7.3	80.9	5.3	18	0.895
Spain	23	40	26	26	10	21	29	18	34	62	44.7	6.2	81.4	4.7	23	0.885
Portugal	26	51	28	36	34	28	17	13	67	97	38.7	4.9	79.5	4.1	43	0.816
Greece	49	85	51	48	35	23	38	121	97	83	46.5	5.8	79.9	4.9	29	0.860
Slovenia	24	41	25	29	9	25	14	28	36	87	40.2	6.1	79.3	5.2	21	0.892
Czech Republic	28	30	29	33	22	26	24	45	45	92	39.4	6.2	77.7	5.3	27	0.873
Slovakia	36	56	35	42	26	31	33	40	47	89	40.1	6.1	75.4	4.7	35	0.840
Poland	32	52	38	38	38	34	25	37	46	71	42.6	5.8	76.1	3.9	39	0.821
Hungary	39	68	45	37	20	38	28	68	79	104	37.4	4.7	73.3	4.0	37	0.831
Lithuania	43	82	42	43	18	46	34	93	49	120	34.6	5.1	72.2	4.4	41	0.818
Latvia	47	80	36	44	28	50	50	112	86	118	34.9	4.7	73.3	4.0	44	0.814
Estonia	35	60	32	25	31	39	39	74	30	117	34.9	5.1	74.8	4.7	33	0.846
Malta	25	32	20	19	46	27	30	24	21	66	43.1	5.8	66.6	2.6	32	0.847

Cyprus	30	37	27	21	25	33	49	34	56	59	45.5	6.4	79.6	4.4	31	0.848
Bulgaria	48	93	41	72	51	49	41	59	85	123	34.1	4.2	73.4	3.6	57	0.782
Romania	60	94	49	77	49	64	67	81	113	75	42.2	4.9	74.0	2.8	56	0786
Croatia	50	59	48	52	56	37	35	100	110	82	40.6	5.6	76.6	4.2	47	0.805

Sources: *An Inquiry into Global Wealth and Wellbeing, The 2012 Legatum Prosperity Index™*, Legatum Institute. *The Happy Planet Index: 2012 Report A Global Index Of Sustainable Well-Being*. The New Economics Foundation, www.happyplanetindex.org, well-being b) life expectancy, c) ecological footprint. *Human Development Report 2013. Human Development Index, Statistical tables, pp. 154 - 157.*

Table 2 The Growth of GDP in EU (%), GNI per capita in PPP USD, % severely materially deprived people

Countries	2008	2009	2010	2011	2012	GNI/per capita 2012	GDP per capita in PPP 2012	% MDP 2011
France	-0.1	-3.1	1.7	1.7	0.0	30,277	108	5.2
Germany	1.1	-5.1	4.2	3.0	0.7	35,431	122	5.3
Italy	-1.2	-5.5	1.8	0.4	-2.4	26,158	99	11.2
Belgium	1.0	-2.8	2.4	1.8	-0.3	33,429	119	5.7
Netherlands	1.8	-3.7	1.6	1.0	-1.2	37,282	129	2.5
Luxemburg	-0.7	-4.1	2.9	1.7	0.3	48,285	272	1.2
United Kingdom	-1.0	-4.0	1.8	0.8	0.2	32,538	110	5.1
Denmark	-0.8	-5.7	1.6	1.1	-0.4	33,518	125	2.6
Ireland	-3.0	-7.0	-0.4	0.7	0.9	28,671	130	7.8
Finland	0.3	-8.5	3.3	2.7	-0.8	32,511	119	3.2
Sweden	-0.6	-5.0	6.6	3.9	0.7	36,143	129	1.2
Austria	1.4	-3.8	2.1	2.7	0.9	36,438	131	3.9
Spain	0.9	-3.7	-0.3	0.4	-1.4	25,947	97	3.9
Portugal	0.0	-2.9	1.4	-1.7	-3.2	19,907	75	8.3
Greece	-0.2	-3.1	-4.9	-7.1	-6.4	20,511	75	15.2
Slovenia	3.6	-8.0	1.4	-0.2	-2.3	23,999	82	6.1
Czech Republic	3.1	-4.5	2.5	1.9	-1.2	22,067	79	6.1
Slovakia	5.8	-4.9	4.2	3.3	2.0	19,696	75	10.6
Poland	5.1	1.6	3.9	4.3	1.9	17,776	66	13.0
Hungary	0.9	-6.8	1.3	1.7	-1.7	16,088	66	23.1
Lithuania	2.9	-14.7	1.3	5.9	3.7	16,858	70	18.5
Latvia	-4.2	-18.0	-0.3	5.5	5.6	14,724	62	31.4
Estonia	-4.2	-14.1	3.3	8.3	3.2	17,402	69	8.7
Malta	4.4	-2.7	2.7	2.1	1.0	21,184	86	6.3
Cyprus	3.6	-1.9	1.3	0.5	-2.4	23,825	91	10.8
Bulgaria	6.2	-5.5	0.4	1.7	0.8	11,474	47	43.6
Romania	7.9	-6.6	-1.6	2.5	0.7	11,011	49	29.4
Croatia	2.1	-6.9	-1.4	0.0	-2.0	15,419	61	14.8

Sources: GDP growth (annual rate %). The World Bank 2013

<http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>, 2013, 1-800-831-0463, Human Development Report 2013, pp. 154 – 157, Real GDP growth rate – volume, Eurostat 2013, GDP per capita in PPS, 2013, <http://epp.eurostat.ec.europa.eu/tgm/printTable.do?tab=table&plugin=1>, MDP materially deprived people.

Comparison of the countries on the basis of data included in Table 1 and Table 2 enables to state that in the most favourable position are these countries – Germany, United Kingdom, and Austria, in the least favourable position Bulgaria, Romania, Croatia, Latvia, Lithuania, Hungary, and Poland. The highest prosperity is not always connected with the countries which have a high GNI/per capita or GDP/per capita, or which have positive rates of economic growth. As an example we can mention Denmark, Belgium, and Luxembourg

whose requirements for natural resources are disproportionately high what is reflected in the Happy Planet Index.

Discussion

Discussions in the given subject area is concerned with four areas:

- Interdependence and conditionality of economic growth and prosperity,
- Need for new perception of prosperity,
- Possibility of more or less exact depicting of prosperity by means of a spectrum of indicators,
- Need for application of a multidisciplinary and multidimensional approach to depicting the position of individual countries in the global context.

If the economic growth is necessary for achieving prosperity or if is in contradiction with prosperity is the subject of discussions. Generally, the fact is accepted that economic prosperity is conditioned by the economic growth what leads to the fact that problems are solved mainly by means of economic growth. However, there are also opinions that achieving prosperity or its maintaining does not require the economic growth as a lot of problems arise just thanks to the economic growth. Sustainable development requires refraining from the idea that the condition of prosperity is growth. As dangerous is also considered persistence of the myth of economic growth when economic growth is perceived as progress and therefore governments are focused on renewal and maintaining of economic growth (Kinsley, 1997, Jackson, 2009). World Economic Forum in Davos (2009)⁵⁰ pointed out to the fact that economic crisis showed that it is necessary to deal with the essence of economic growth, because it is economically and ecologically unsustainable.

The subject of discussions is also the question of perceiving prosperity. Discussions are concerned with the questions related to the overestimating economic prosperity or not fully appreciating the importance of necessity of broader perception of prosperity. Complexity of the current situation in the global scale even more highlights the urgency of the shift in perception of prosperity.

Heated debates concern also the suitability or unsuitability of use of individual prosperity indicators. To specify the situation within individual countries or to try to make comparison among the countries is not possible on the basis of one single indicator. Despite various objections which in connection with processing the individual indicators come into existence, each of them has a certain information value. If some countries are successful from the point of view of more indicators or other countries, on the contrary, are not successful, it should evoke interest in creators of economic policy to analyse the reasons which cause these differences. Subsequently also finding solutions and suitable measures for correction of negative development.

Another area which arouses discussions is the willingness to accept multidisciplinary and multidimensional approach as the necessary precondition of catching the real state not only in the national, regional or also global scale. Evaluation of ranking of individual countries without taking into consideration their specifics is not bearable. Multidisciplinary and multidimensional approach creates space for creating new indicators which will enable to gain even more complex idea of the situation in the individual countries from the point of view of creating conditions for growth of prosperity. By generalization of theoretical and empirical knowledge from various scientific disciplines the essence of problems as well as their possible solutions can be identified.

Conclusion:

⁵⁰ The Happy Planet Index: 2012 Report. A global index of sustainable well-being . New Economic Foundation. www.happyplanetindex.org

Global financial and economic crises only intensified the discussions which concerned the economic growth and prosperity, measuring the economic growth and prosperity, looking for the most suitable indicators reflecting the real state in the respective countries. Despite the different opinions on solving problems and looking for ways out it can be stated that there exists consensus in that that the impacts of the global financial and economic crisis are not evenly distributed on all countries or on all subjects. At the same time the opinion prevails that the increasing differences and economic disparity are deepened. In these difficult conditions the necessity to reassess the existing approaches is increasing as well as taking into consideration the effects of the present day decisions on the future generations, identification of side effects as well as cumulative effects of present decisions.

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