

## FROM ARTIFICIAL GROWTH TO ORGANIC GROWTH TOWARDS ORGANIC-ECOLOGICAL DEVELOPMENT

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### Abstract

*The economic growth from the perspective of the new economic science of innovation is in the first place the result of the endogenous change in technology, tastes and preferences thus determining the changes depending on production and utility, the driving force being creativity and inventiveness of the economic agents in a social economic and ecologic context, in fact being “an organic growth” or “organic and ecologic development” and/ o network organic ecologic development”.*

*The theories of complexity concern the economic agents (undertakers, companies, corporations) as being complex adaptive systems, whose interplays, evolutions and dynamics are varied, difficult to predict, contradictory even paradoxical at certain levels. From this perspective, innovation emerges as a natural phenomenon, endogenous, coherent of economic activity.*

*Any sound organic growth/ or organic ecologic development need an approach to see the phenomenon at least at two levels: the micro level of the individual, of the entity, of the organization, of the company which acts and the macro level, of the community, of the society, of the environment in which it occurs. The organic growth is rather a phenomenon/ an emergent process, while the organic ecologic development is a conscious process (enacted and managed by a human intention).*

**Key words:** the organic growth, creativity and inventiveness, the economic agent.

### **From an artificial growth (unhealthy/ unsound, mono-industrial/ limitless)...**

Most of the times, economic growth has occurred and occurs artificially, in an unsound/ unhealthy manner by limitless exploitation of non-renewable resources (as coal, steel, oil) or renewable but unsustainable exploited (as it is the case of wood), and/ or of some “symbolic resources” artificially created but badly managed (as it is the case of

money credit) by companies which have become multinational or trans-national corporations but which once they become “too big to fail” they are on the verge to bring to collapse whole national economies or even global economy. The statistics show us that most of entrepreneurial start-ups (75%) fail in the first years of existence.

A dramatic situation is that in which the unhealthy economic growth led to the emergence of mono-industrial areas, as it is the case of the town Rovinari.

### **To an Organic Growth towards an Organic Ecologic Development**

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In “The Road to Organic Growth[1]”, E.D. Hess presents a valid pattern of how to achieve an organic growth (organic ecologic development). Professor Hess identifies six keys to achieve an organic growth pointing out to the way they should be incorporated in a sustainable competitive advantage formula:

- he develops a simple business pattern, easy to understand and a growth strategy;
- be entrepreneur-like with the clients;
- weigh everything from finance to operations to departments;
- build a human pipeline, skilled, loyal, involved;
- look for focused internally operators to lead the company;
- be a champion of technology and execution.

This approach of “the road towards the organic growth” shows that a sustainable successful business can be built from inside without expensive acquisitions, financial manipulations or depreciation of the employees.

#### **A. Our Research Project is Based on Putting the Undertaker Forward as a Key Factor in Quickly Eliminating the Gaps in Development**

In this context of organic and/ or organic ecologic development any more or less innovative undertaker faces a double major challenge: to generate a new business (existential challenge) and to grow, develop this business (the challenge of becoming).

In the last years, important steps towards a genuine entrepreneurship[2] revolution have been taken. To the old formula to launch a business (either the technological start-up, small business, initiative within a big company) – write a plan; present it to the investors, make a team; introduce a product; start and sell as much as you can – is one of “try and see what happens”, a new one runs counter which becomes a driving force, making the start-up programme less risky, “lean start-up[3]” favours:

- experiment over elaborate planning,
- feedback from the clients over intuition,
- iterative design over “big design front”.

This movement actually turns conventional wisdom about entrepreneurship upside down – the new approach proposes principles as “quickly fail” and “learn continuously”. Instead of making business plans, giving working prototypes as in the old approach, in the new approach the entrepreneurs examine hypotheses, thus obtaining early frequent feedbacks, presenting “minimum valid products” to the potential clients. This approach through this new process admits the fact that looking for the adequate business is the main task which a start-up has to do, this being different from doing something according to a model as the stable companies do.

Essentially, it may be said that whether the existent companies follow a business pattern, then the start-ups look for a business pattern. In this context, the definition of lean start-up is: a temporary organization designed to look for a measurable and iterative business pattern.

As for the entrepreneurs’ other key problem (challenge of becoming), that of how to grow/ develop a business so that you could always create value (economic, social, ecologic), both for the company (employers and employees) and for the community/ society and the environment they function in, a new revolution is about to be outlined, that of organic growth. As Edward D. Hess[4] points out, the growth may be controlled (when and if it is high time for growth, how to do the growth, how to manage the growth process and what kind of leadership is needed, what organizational culture should be implemented, etc.).

Pragmatically and factually, if we take a look at the way in which different innovative entrepreneurs acted and performed along few centuries of capitalist development we notice that in essence their endeavour was a sui generis research upon activity. As a recent example, from Jessica Livingston[5]’s book “Founders at Work: Stories of Start-ups”, we can notice that the innovative entrepreneurs with successful stories practiced an intuitive research action, which was unaware and non-formal. In innovative start-ups nothing goes according to the plan and perseverance and adaptability are needed so that the process of attempt-fail, intention-fulfilment inherent for this phase can be seen as a research-action process.

### **B. Our Research Project Aims at Involving the Local Actors in Order to Obtain the Beneficial Synergy for Accelerating the Organic Growth through Vision, Future Outline, Design, Strategy**

Complexity calls for strategy. In a complex environment (ambiguous, uncertain, etc), a complex thinking is needed to make a strategy work. Whether yesterday the key word of knowledge was analysis, today the key word is conception. To conceive, that is to model/ mould and thus the initial question “how to identify the object?” becomes “how to

conceive a pattern of the object[6]”. And also “to design” differently, that is a new design, the integrated and participative design with full-system[7] thinking with the assistance of which efficiency, more efficient performance can be obtained with an order.

And, of course, under the conditions of growing complexity and uncertainty, the achievement of the design at least at two levels: “the micro design” of the entity/ company associated with “the macro institutional design” to allow and enable generating some interplays in ecological chains-cycles of valid entities (companies/ start-ups) is as important.

It is natural to emphasize that, for the first time in the history, because of the fact that globalization does not leave room for isolated collapse and/ or downfall the humankind occur the risk of global collapse/ downfall. In this sense, everybody’s awareness towards the imperative that a major change is crucial, it is more than necessary, yet above all, taking into account the actual economic global crisis, it is urgent and deep. Starting from this fact we can radically and pragmatically re-think and re-structure the social economic sciences.

It is high time for the endeavour of economic science to be oriented towards or from the future, especially in the situation that an innovative leaping is required towards another civilization, a sustainable one. The imperative is as great for the economic practice, taking into account that in these uncertain and turbulent times, any economic agent needs an adequate orientation to enable it to be/ become valid for a longer term. And, of course it does not require prediction and/ or prognosis, but it requires foresight and/ or “future outline”.

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