

INTERNATIONAL ECONOMICS AND INTERNATIONAL RELATIONS

Business contribution to the global economic sustainable development

Tsevukh Svitlana Mykhaylivna¹

¹ Doctor of Philosophy in Economics, Associate Professor
of the Department for International Business;
University of economics and law «KROK»; Ukraine

Sustainable development is regarded nowadays as the basis for further development of global economy and as viewed as the core principle to follow by the national governments while elaborating their national programs of economic development.

As a multifaceted notion sustainable development encompasses human, social, economic and environmental aspects (Fig.1) to follow in order to formulate the basic objectives to achieve in order to maintain conditions for further development of the global economy and global community.

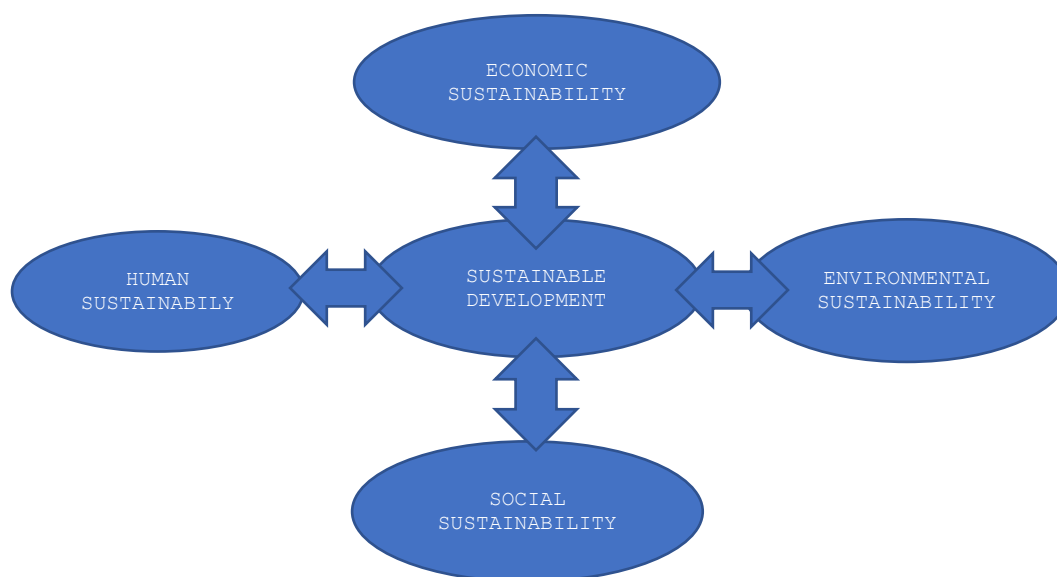


Figure 1

Components of sustainable development concept

Source: composed by the author

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Sustainable development aims at satisfying current needs without harming future generations' ability to satisfy their needs [1]. Thus the configuration of further global long-term economic growth and development should be maintained taking into account environmental and social factors.

In this context adopted in 2015 the 2030 Agenda for Sustainable Development within the framework of UN Summit (25–27 September 2015, New York) set 17 core objectives (SDGs) and 169 respective targets to be achieved by 2030, namely: SDG 1 – no poverty; SDG 2 – zero hunger, SDG 3 – good health and well-being, SDG 4 – quality education, SDG 5 – gender equality, SDG 6 – clean water and sanitation, SDG 7 – affordable and clean energy, SDG 8 – decent work and economic growth, SDG 9 – industry, innovation and infrastructure, SDG 10 – reduced inequalities, SDG 11 – sustainable cities and communities, SDG 12 – responsible consumption and production, SDG 13 – climate action, SDG 14 – life below water, SDG 15 – life on land, SDG 16 – peace, justice, and strong institutions SDG 17 – partnerships for the goals [2].

The 2030 Agenda is grounded on the partnerships between governments, the private sector, and civil society in order to promote the stable economic development of countries of the world and maintain adequate living standards for people on the principles of social and environmental friendliness and protection.

This presupposes the adequate measures to be held by business structures as the driving force of the national economies under the support of the national governments and civil society (Fig. 2).

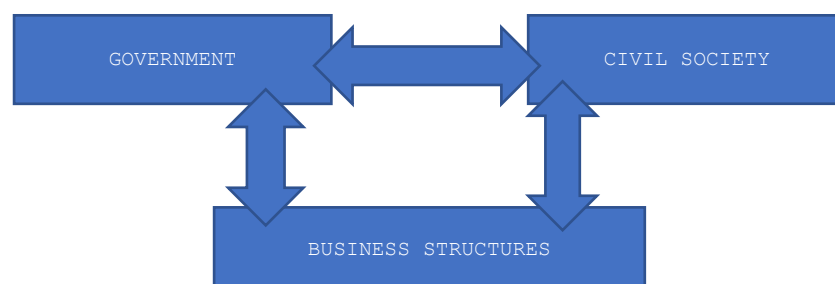


Figure 2
**Interaction of subjects within the national level
on the sustainable development objectives fulfillment**
Source: composed by the author

In this context national business structures must incorporate basic principles of sustainable development in

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their activity while reacting on the government incentives and contributing to economic growth, social and environment protection. It, in turn, leads to the change of cooperate culture of companies and modification of their respective business models (Fig. 3).

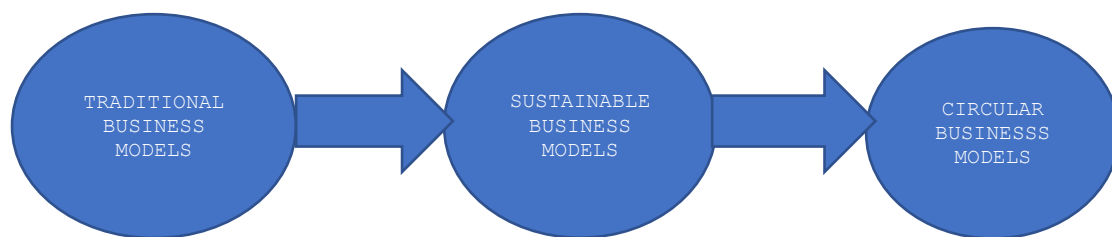


Figure 3

Business model transformation within sustainable development framework

Source: composed by the author on the basis [3]

Transformation of business models presuppose integration of social, ecological and economic components on the basis of employment of green technologies that lead to changes of the configuration of business activity and finally to the transformation of the national economy. (Fig. 4).

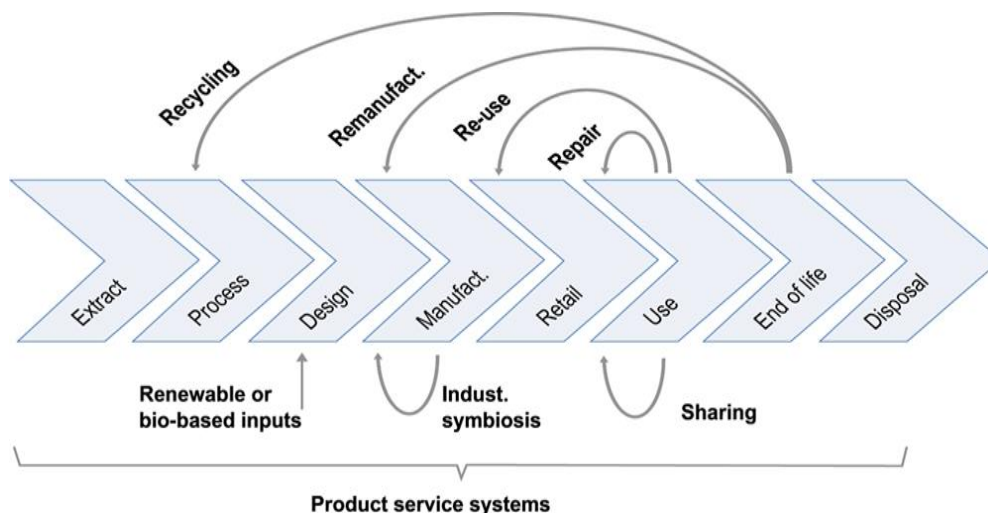


Figure 4

The impact of circular business models on the linear economy

Source: [4]

Thus the employment of the circular business models by national business structures such as circular supply models, resource recovery models, product life extension models, sharing models, product service systems models etc [4] finally leads to the formation of the circular economy based on the

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sustainable use of natural resources by managing limited supplies and renewable sources within respective reduce – reuse – recycle model.

In this context the business model transformation stimulates the appropriate production and consumption model transformation and leads to the transformation of the whole economy contributing to the sustainable development goals achievement.

References:

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