

## THE SUSTAINABLE DEVELOPMENT GOALS (SDGs) AND MODERN BUSINESS STRATEGY (PART II)

### *Summary*

Today, sustainable development, as an appropriate strategy for the development of the world community, involves a harmonious combination of the economy, society and the environment and ensuring the high standards of living for the population. It should be noted that in today's globalized world, the contradiction in the development of mankind is a mix of challenges and opportunities at different levels for all actors in the world economy, with a special role belonging to the business sector. Business as a key element in achieving the sustainable development goals is analysed in this paper. The possible scenarios for business development in the context of implementing sustainable development ideas and ensuring competitiveness are proposed.

*Keywords:* sustainable development, business, sustainable development goals (SDGs), economic growth, and business strategy.

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## ЦІЛІ СТАЛОГО РОЗВИТКУ ТА СУЧАСНА СТРАТЕГІЯ БІЗНЕСУ (ЧАСТИНА II)

### *Анотація*

Сьогодні сталий розвиток, як відповідна стратегія розвитку світової спільноти, передбачає гармонійне поєднання економіки, суспільства і навколишнього середовища та забезпечення високих стандартів життя населення. Слід зазначити, що у сучасному глобалізованому світі протиріччя розвитку людства є поєднанням викликів та можливостей на різних рівнях для всіх акторів світового господарства, при цьому особлива роль належить бізнес-сектору. У даній роботі аналізується бізнес як ключовий елемент у досягненні цілей сталого розвитку та пропонуються можливі сценарії розвитку бізнесу в контексті реалізації ідей сталого розвитку та забезпечення конкурентоспроможності.

*Ключові слова:* сталий розвиток, бізнес, цілі сталого розвитку, економічне зростання, стратегія бізнесу.

**Problem statement.** Taking into account the fact that "the SDGs are a set of great and significant challenges faced by governments, international organizations, civil societies and other businesses around the world" (Alvaro I., 2017) [7], it is generally agreed today that we need for radical changes in all spheres of our life. It is worth recognizing that the world community has only moved from understanding the real threat of contemporary global problems for the future of human civilization to the implementation of new approaches at all levels. In the context of the foregoing, sustainable development depends on business activities, which it is now considered the means of achieving the SDGs. The key for the implementation of the SDGs is business and at present it is a very important to support sustainable development initiatives and practices of the business community. It should be noted, companies that think about their own future are making efforts to create a positive environmental image by, first of all, adherence to relevant international and national environmental standards and the implementation of effective environmental protection measures.

**Analysis of resent studies** (see in the first part of this article [11]). In the context of the present study we wish to emphasize that despite the recognition of the importance of business in achieving the SDGs, many aspects because of its complexity and contradiction are not investigated.

**Main aim** of the article is an attempt to demonstrate that business is a key element in achieving the SDGs and propose the author's version of the future development scenarios for business in the context of achieving the SDGs and ensuring competitiveness based on existing trends. In this part of the article we try to analyse the key elements for sustainable business.

**Basic material.** It is important to keep in mind that today sustainable business is rather profitable. It is hard to deny the fact that “for the business community, sustainability is more than mere window-dressing and it’s a very important to incorporate the SDGs into the business strategies and necessitate complete transformation of existing practices. By adopting sustainable practices, companies can gain competitive edge, increase their market share, and boost shareholder value. What’s more, the growing demand for “green” products has created major new markets in which sharp-eyed eco-entrepreneurs are reaping rewards” (IISD, 2018) [3]. It’s important to mention that “the SDGs can help businesses to connect their strategies with global priorities while also playing their part in ensuring no one is left behind” (I. Gomme, 2016) [5].

“On a cultural level, we have grown much more accepting of environmental initiatives. Since 2010, brands with environmental messages have grown significantly, with 85% of people receptive of companies that utilize sustainable practices” (Innovation & Tech Today, 2017) [9]. One should, nevertheless, consider the problem from another angle. “However, not every company that attempts to convey a sustainable message is being 100% truthful. In fact, many brands attempt to reap the rewards of an environmental message while hiding their less than sustainable practices. This trend is known as greenwashing and is a major issue with companies claiming to be environmentally friendly without backing it up. Looking through 100 different Silicon Valley companies, including Facebook and Google, the Center for Sustainability and Excellence found less than 30% actually released detailed sustainability reports between 2013 and 2016” (Innovation & Tech Today, 2017) [9].

I. Alvaro (2017) points out that: “while there are not any particular guidelines or best practices that can be applied to all cases” and proposes some key points which have helped businesses to achieve positive results in their contribution towards the SDGs”:

1. Focusing on local problems: The majority of businesses suggest promoting constant dialogue with internal groups and local communities. They try to understand the local issues and problems, to work jointly towards solutions adapted to those contexts.

2. Adaptation and learning: Many companies have found that is it possible to resolve complex issues only by adapting to the local context and learning about that context through experience.

3. Local and global alliances: Companies need to associate with public and social institutions in order to share learning techniques and increase joint initiatives and impacts.

STRENGTHS (S)	WEAKNESSES (W)
More efficient use of different kinds of resources and money New sources of income / New services / New products / New markets Development of innovations and new technologies New business model Competitive advantages Positive impact on solving societal and global problems (the SDGs.)	Challenges for existing traditional companies Legal framework Complex interaction between sustainable business and local communities Human factor Management leadership Motivation
OPPORTUNITIES (O)	THREATS (T)
New opportunities for consumers and business in different areas New employment opportunities Financing opportunities business Potential to contribute to competitiveness and socio-economic innovation growth Development joint finance mechanism, new technologies and negotiation models The growing demand for “green” products Be able to better manage the risks Secure access to needed resources Improvement the environment for doing business To increase the market share To boost shareholder value	Regulatory problems and uncertainty Greenwashing Reputational risks Unreal tasks

**Figure 1. SWOT-analysis of the Sustainable Business\***

\*Source: developed by author according to [3; 5; 7].

4. Institutional collaboration: Governments and international institutions should increase their efforts in collaborating with companies, both at the operational and political level and at the local or global levels. There is a great opportunity to develop joint finance mechanisms, new technologies and negotiation models, all which promote innovation and which favour more inclusive and sustainable growth (I. Alvaro, 2017) [7].

Obviously, sustainable business has its own opportunities and benefits on the one hand, and risks and problems on the other hand. So, we have defined the key strengths, weaknesses, opportunities and threats of development of sustainable business (fig. 1).

As a result, the knowledge of the key opportunities and challenges arising from sustainable development in the context of business perspectives, helps to incorporate sustainability into the business strategies and to develop tools and mechanisms to translate an ambition for sustainability into practical, effective solutions in everyday business activity. Thus, based on available information, we have constructed the scenarios of future business development and proposed the appropriate business strategies in the context of achieving the SDG's (see fig. 1, part I [11], fig. 2).

KEY ELEMENTS <i>(in the context of achieving the SDG's)</i>	BUSINESS			
	BUSINESS STRATEGY			
	SELF- IMPROVEMENT	SELF- DEVELOPMENT	EGOIST	LOOSER
<b>Mission</b> – promoting sustainable development	+	+	-	-
<b>Formula of development:</b> <i>Business – State – Science</i>	+	+/-	+/-	-
The SDGs as a part of business strategy	+	+	-	-
Effective management framework	+	+/-	+/-	-
An implementation sustainability strategy and plan	+	+/-	-	-
Monitoring and control	+	+	+/-	-
Recourses (different kinds) availability	+	-	+	-
Adaptation and flexibility of business activities to sustainable practices	+	+	-	-
Motivation of all stakeholders	+	+/-	-	-
Interaction at all levels	+	+/-	+/-	-
Competitive advantages	+	+/-	+/-	-
Effects at all levels <i>(political, economic, social, environmental, etc.)</i>	+	+/-	+/-	-
<b>FUTURE DEVELOPMENT SCENARIO</b>	<b>BRIGHT FUTURE (Scenario A)</b>	<b>UNKNOWN FUTURE (Scenarios B and C)</b>		<b>BLACK FUTURE (Scenario D)</b>

**Figure 2. Sustainability and Business\***

\*Source: author.

Obviously, the future development scenarios for business reflect a kind of philosophy of cooperation and mutual understanding between the business partners, society and a state, based on the common interests in socio-economic development, their creativity and innovations, available recourses, adaptation and flexibility to sustainable practices. Now, however, every successful company must understand links between the mission, a strategy and the business

potential of sustainable development concept. More importantly, business strategy serves as a stepping-stone to help companies to determine if they are ready to solve sustainable development problems through their own business models and practices. Thus, the business strategy must be designed in terms that are familiar to companies and SDGs must be integrated into the policy and all systems of business enterprises. It should be noted that business strategies need to be action-oriented and to adapt to different groups of stakeholders. So, it's now time to learn doing sustainable business that integrates economic success, high environmental standards and social responsibility. C.Dosal (2013) emphasises that "every company presents a unique case and requires a comprehensive review of its strategy, operations and goals to advance sustainable practices. There is no single path to adopt sustainability, but critical steps exist that can help to successfully integrate sustainability into a business strategy. Corporate sustainability demands a broad view of issues and impacts, as well as a working understanding of what the company does and how it does it" [10].

Promoting the global sustainable development are economic and technological shifts, a strong environmental ethic, increased social responsibility, and more new challenges and new opportunities for modern business. It should be noted that today sustainable business plays a major role in the effective integration of economic, environmental and social efforts in achieving the SDGs. As a result, sustainable business invests knowledge and resources in restoring environment and solving problems of the world community. In fact, companies with emphasis on sustainable practices are more successful and have more competitive advantages than those who ignore sustainable challenges.

**Conclusions and directions of further researches.** Thus, the current situation clearly makes the world community, countries and business to increase attention to the assessment of the environmental components, gives a new impetus to develop and intensify the partnership between all groups of stakeholders in terms of developing and consistently implementing a set of measures within the framework of the global trend "sustainable development" that is critical to the functioning of the world economy and the preservation of life on the planet in general. In the light of these considerations, it seems justified to conclude that the business is a significant partner in achieving the SDGs. As J.Gomme (2016) notices: "Business has a key role to play as an engine of economic growth and employment and a source of finance, technology and innovation. While pursuing these opportunities it is also important to remain mindful of the core responsibilities that business has with regard to the development agenda. The baseline for any company should be to ensure that its operations are not hindering global development" [5]. **Further research** should be focused on developing sustainable business based on a comprehensive analysis of complex problems and their solutions in the context of achieving the SDGs.

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## **ЦЕЛИ УСТОЙЧИВОГО РАЗВИТИЯ И СОВРЕМЕННАЯ СТРАТЕГИЯ БИЗНЕСА (ЧАСТЬ II)**

### *Аннотация*

Сегодня устойчивое развитие, как соответствующая стратегия развития мирового сообщества, предусматривает гармоничное сочетание экономики, общества и окружающей среды и обеспечение высоких стандартов жизни населения. Следует отметить, что в современном глобализированном мире противоречия развития человечества являются сочетанием вызовов и возможностей на разных уровнях для всех актеров мирового хозяйства, при этом особая роль принадлежит бизнес-сектору. В данной работе анализируется бизнес как ключевой элемент в достижении целей устойчивого развития и предлагаются возможные сценарии развития бизнеса в контексте реализации идей устойчивого развития и обеспечения конкурентоспособности.

Ключевые слова: устойчивое развитие, бизнес, цели устойчивого развития, экономический рост, стратегия бизнеса.

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**ВПЛИВ ОФШОРІВ НА СВІТОВУ ТА НАЦІОНАЛЬНУ ЕКОНОМІКУ**

*Анотація*

У даній статті увага присвячена дослідженню сучасної проблематики офшорів і вагомої значущості їх інструментарію для розвитку як світової економіки, так і економіки України. На основі аналізу наукових та нормативних джерел, статистичних даних сформовано більш повне уявлення про результати функціонування офшорів в умовах сьогодення. Акцентовано увагу на реалізації завдань в рамках посилення контролю за зовнішньою офшорною діяльністю (як на національному рівні, так і в рамках міжнародних ініціатив), які повинні розглядатися першочергово. Запропоновано удосконалення деофшорного регулювання вітчизняної економіки, яке є комплексом прийнятих своєчасно заходів, спрямованих на вдосконалення внутрішнього законодавства й активізацію участі в міжнародному співробітництві з питань транспарентності руху капіталу.

Ключові слова: офшор, оподаткування, трансферне ціноутворення, відмивання коштів, легалізація капіталу, бенефіціар, валютний контроль, деофшоризація.

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**ВЛИЯНИЕ ОФШОРОВ НА МИРОВУЮ И НАЦИОНАЛЬНУЮ ЭКОНОМИКУ**

*Аннотация*

В данной статье внимание уделено исследованию современной проблематики офшоров и высокой значимости