

ENTREPRENEURSHIP FOR SUSTAINABLE DEVELOPMENT, CURRENT PROBLEMS AND DIRECTIONS PROVIDING ПРЕДПРИНИМАТЕЛЬСТВО ДЛЯ УСТОЙЧИВОГО РАЗВИТИЯ, АКТУАЛЬНЫЕ ПРОБЛЕМЫ И НАПРАВЛЕНИЯ ОБЕСПЕЧЕНИЯ

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Abstract. *In the current world where global economic crisis is now our everyday word, a lot of social problems as well as environmental issues. We sometimes have an impression that our world is the most sustainable one imaginable. Looking at reality, the exact opposite is true. Sustainable development is now seen as a war horse in order to overcome the current situations but the barriers appear still too intricate to address the solutions permanently and solidly.*

As the worldwide is in the search of improving the standards of living and creating wealth, looking for change and innovation, and good quality of life, etc. we acknowledge all businesses which are participating for the environmental, societal and economic progress and hence for radical changes in a sustainable way and we discourage and ban all the enterprises which are doing unsustainable business practices.

Based on documents and previous social, environmental articles and also, sustainable entrepreneurship has advanced our understanding on processes of discovery, creation, and exploitation of sustainability-oriented opportunities. This article is underlining in details all the current problems that the world is facing, and gives some solid directions and orientations to entrepreneurship for sustainable development.

Key words: *Corporate Social Responsibility, Economy, Entrepreneurship, Poverty, Sustainable development, Unemployment.*

JEL CLASIFICATION: *M14, A1, L26, P46, Q01, J64*

Nowadays, so many threats are menacing our world and have enormous impacts on our economy, our society and environment. Those threats are others due to our everyday bad utilization of resources or man-made disasters and others are due to natural disasters.

According to the United Nations report, “Billions of our citizens continue to live in poverty and are denied a life of dignity. There are rising inequalities within and among countries. There are enormous disparities of opportunity, wealth and power. Gender inequality remains a key challenge. Unemployment, particularly youth unemployment, is a major concern. Global health threats, more frequent and intense natural disasters, spiraling conflict, violent extremism, terrorism and related humanitarian crises and forced displacement of people threaten to reverse much of the development progress made in recent decades. Natural resource depletion and adverse impacts of environmental degradation, including desertification, drought, land degradation, freshwater scarcity and loss of biodiversity, add to and exacerbate the list of challenges which humanity faces. Climate change is one of the greatest challenges of our time and its adverse impacts undermine the ability of all countries to achieve sustainable development. Increases in global temperature, sea level rise, ocean acidification and other climate change impacts are seriously affecting coastal areas and low-lying coastal countries, including many least developed countries and small island

developing States. The survival of many societies, and of the biological support systems of the planet, is at risk." [United Nation, 2015, p.8-9] [1]

Economically talking, several problems are affecting our world, global poverty is one of them. Defined as the state of not having enough material possessions or income for a person's basic needs. And according to the researches, billions of people live in extreme poverty. Nearly 10 percent of the world's population. That's nearly 700 million people living below the World Bank poverty line of \$1.90 per day and almost half the world (nearly 4 billion people) lives with a household income below \$2.50 a day. [2]

The extremely poor live without support, on the sidelines, watching economic growth and prosperity pass them by. They are shunned by the world economy. They live lives abundant in scarcity. Without enough food, access to clean water, or proper sanitation. Without access to safe shelter, health care, or education.

The other problem that the entire world is dealing with is the economic growth, defined as the increase in the inflation-adjusted market value of the goods and services produced by an economy over time, in today's world, despite the global economic growth since the past two (2) decades, we have noticed that there is not an inclusive achieved growth yet.

Another economic issue faced by the world is the global unemployment, caused by a sway in business cycle, rapid changes in the labour market and imbalance between demand and supply of workers.

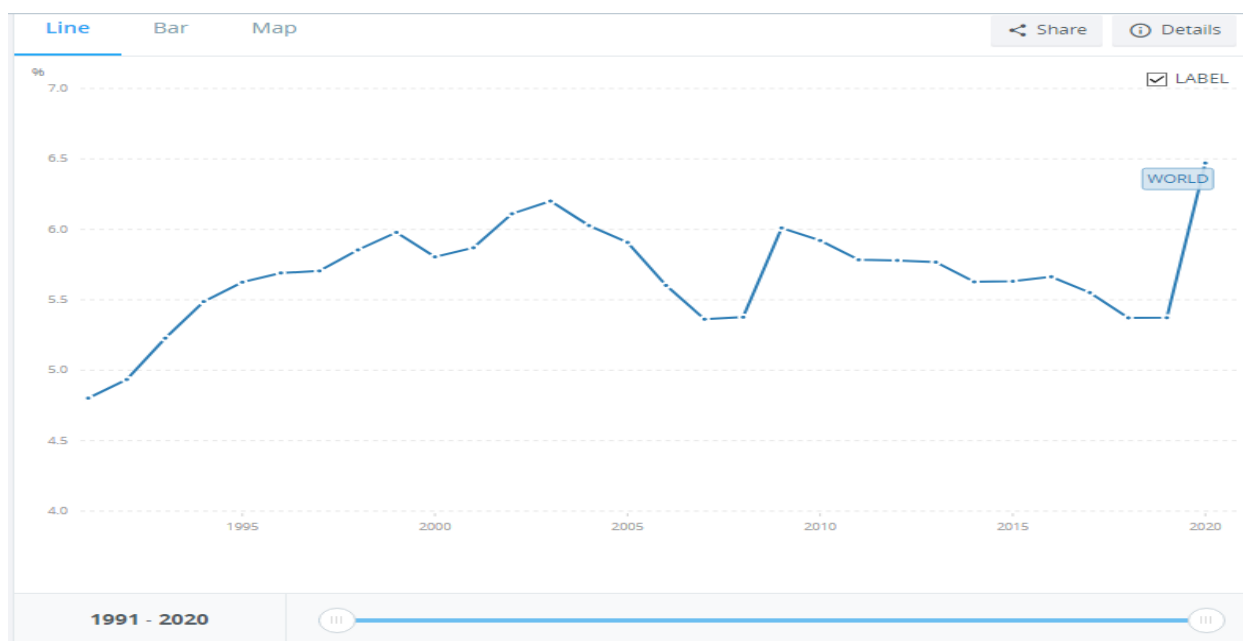


Figure 1. Global Unemployment rate (2020) [3]

Source: The World Bank, International Labour Organization, ILOSTAT database. Data retrieved on January 29, 2021., URL: <https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS>, date of access 22 February 2021.

Nowadays, the worldwide has been paralyzed by the pandemic (COVID-19), which has brought severe negative impacts on the global economy.

The economic damage caused by the pandemic is largely driven by a fall in demand, meaning that there are not consumers to purchase the goods and services available in the global economy. This dynamic can be clearly seen in heavily affected industries such as travel and tourism. To slow the spread of the virus, countries placed restrictions on travel, meaning that many people cannot purchase flights for holidays or business trips. This reduction in consumer demand causes airlines to lose planned revenue, meaning they then need to cut their expenses by reducing the number of flights they operate. Without government assistance, eventually airlines will also need to reduce lay off staff to further cut costs. The same dynamic applies to other industries, for example with falling demand for oil and new cars as daily commutes, social events and holidays

are no longer possible. As companies start cutting staff to make up for lost revenue, the worry is that this will create a downward economic spiral when these newly unemployed workers can no longer afford to purchase unaffected goods and services. Also due to restrictions, the current trade balance of all countries is in deficit.

A lot of people in developed countries as well as developing and poor countries lost their jobs, consequently, global unemployment has been increased significantly, the rate of unemployment has increased badly in 2020 due to (COVID-19), 5.37% in 2019 versus 6.47% in 2020 or 1.10%, (ref. the above graph in the page 2). As we all know that high unemployment indicates that the economy is operating below full capacity and is inefficient; which leads to lower output and incomes.

If we take an example of retail companies, since there is an increase in unemployment, we see that it compounds the reduction in sales that occurred from the closure of shopfronts, cascading the crisis over to the online retail segment (which has increased throughout the crisis).

Therefore, COVID-19 pandemic could lead to a global recession on the scale of the Great Depression.

Environmentally talking, people in society live within the umbrella of a certain environment and as human industrial activity requires raw material, power and information exchange, all within the ecosystem. Many companies use techno-genic products and they only care about profit maximization but do not take care of the society where they operate, Thus, quantitative changes in the life of society cause qualitative changes in bio- and geosystems. Therefore, the consequences of the technological activity of a society and all the techno-genic products made, are directly reflected in the eco geological processes taking place within the Earth, such as:

✓ **Biodiversity**, which is the most complicated and crucial aspect of our planet, It is basically every living element and ecosystem that comprises the environment. From the tallest giraffe to the tiniest microorganism, almost everything plays a significant role in the preservation of our world.

✓ **Water pollution**, a massive problem for us and our environment, not only is polluted water a substantial monetary strain but is also harming both mankind and marine life. With oil spills, a large quantity of plastic waste and hazardous chemicals getting into our waterways, we're destroying the most valuable resource our world has to offer.

✓ **Deforestation**. We need to have plants and trees to survive They supply oxygen, food, water and also medicine for all people, throughout the globe. However, if deforestation persists at the pace it's occurring, we won't have a lot of the beneficial forestry remaining.

✓ **Pollution**: Pollution is one of the main reasons why many of the other environmental issues, such as climate change and also biodiversity. All of the 7 key forms of pollution: air, water, soil, noise, radioactive, light and even thermal are impacting our environment. All kinds of pollution and environmental problems are interlinked and affect one another.

✓ **Climate change**: As indicated out by a latest UN report, without having 'unprecedented changes' in our activities and habits, our planet will endure tremendously from global warming within 12 years. Greenhouses gases are the principal cause of climate change, capturing in the sun's heat and heating the surface of the earth. [4]

Socially talking, we have several issues that most of our societies are facing, such as: terrorism, corruption, lack of education, gender inequality and discrimination; poverty as described previously, anti-social behavior, unemployment, health problems, labour, human rights and children,

When we analyze all the problems detailed above, in order to find solutions, we think that entrepreneurs have to act actively and sustainably.

Entrepreneurship has a gigantic commitment to the maintainable advancement since it adds to the financial development; business venture improves profitability while infusing the economy with a new clump of higher-efficiency firms, builds rivalry among existing organizations, and

pushes out less-beneficial ones; it additionally spikes development, new firms are lopsidedly answerable for commercializing new advancements, especially extreme advancements that generate totally new business sectors or significantly upset existing business sectors; and all these must be for sustainable development.

Defined as the development that fulfills the needs of the present, without forgetting the future generations to meet their own needs, this particular topic, entrepreneurship for sustainable development is into the focus of so many researches and discussions.

In September 2015, The United Nations General Assembly adopted 17 sustainable development goals and 169 targets which constitutes the Programmatic Pillars of the 2030 Agenda for sustainable Development.

Table 1. 17 sustainable development goals of the United Nations [5]

N°	Goals	Explanations
1	No Poverty	End poverty in all its forms everywhere
2	Zero Hunger	End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
3	Good Health and Well-being	Ensure healthy lives and promote well-being for all at all ages.
4	Quality Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
5	Gender Equality	Achieve gender equality and empower all women and girls.
6	Clean Water and Sanitation	Ensure availability and sustainable management of water and sanitation for all.
7	Affordable and Clean Energy	Ensure access to affordable, reliable, sustainable and modern energy for all.
8	Decent Work and Economic Growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
9	Industry, Innovation and Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
10	Reduced Inequality	Reduce inequality within and among countries.
11	Sustainable Cities and Communities	Make cities and human settlements inclusive, safe, resilient and sustainable.
12	Responsible Consumption and Production	Ensure sustainable consumption and production patterns.
13	Climate Action	Take urgent action to combat climate change and its impacts.
14	Life Below Water	Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
15	Life on Land	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
16	Peace and Justice Strong Institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
17	Partnerships to achieve the Goal	Strengthen the means of implementation and revitalize the global partnership for sustainable development

Source: The United National, Department of Economic and Social Affairs, Sustainable Development, URL: <https://sdgs.un.org/goals/goal1>, date of access 14 February 2021.

In our humble opinion, after so many analysis and researches, we see the **Entrepreneurship for Sustainable Development** as a mixture of three distinct dimensions known as economic, environmental and social.

Economically, the key element to solve all the economic problems in a sustainable way is the focus on economic growth. It is the most powerful instrument for reducing poverty, creating jobs and improving the quality of life in any countries. 'Historically nothing has worked better than economic growth in enabling societies to improve the life chances of their members, including those at the very bottom.' [Dani Rodrik, Harvard University One Economics, Many Recipes: Globalization, Institutions and Economic Growth 2007]. [6]

Despite the global economic growth since the past two (2) decades, we have noticed that there is not an inclusive achieved growth yet, we have to know that economic growth only comes from increasing the quality and quantity of the factors of production, which consist of four broad types: land, labour, capital, and entrepreneurship. So we suggest all the entrepreneurs that in order to boost the economic growth, they have to improve the efficiency of the factors of production, it stands to reason that they can create more goods at a higher quality and perhaps a lower price. Any increase in production leads to economic growth as measured by Gross Domestic Product or GDP. GDP is merely a metric that represents the total production of all goods and services in an economy. Improved economic growth raises the standard of living by lowering costs and raising wages.

And, we also think that each country has to prompt the call for new priorities and policies that will promote sustained and inclusive economic growth which will promote more and better investments in people, create more and better quality jobs for all and build resilience. Also a lot of policies for the job security.

Also, Governments have to change the tax policy and charge more those companies which are doing unsustainable practices and that funds will serve to repair the damage and in this way, businesses in the industrial sectors will have sufficient time to prepare an adaptation strategy and adjust their practices. It will also create a situation in which the economic interests of business coincide with those of the planet. But, most important, it will dramatically change the habits of both business and consumers.

Environmentally talking, we think, entrepreneurs have an obligation to take care of the environment in where they are running their business, therefore, we think that there is an importance for most of companies to switch from a linear economy to a circular economy, as it aims to solve a lot of environmental issues such as plastic and gas pollution. Also, in order to protect the ecology system, and among solutions, most of companies have to go green because of its advantages. And we suggest other companies to make more sustainable products because they have the added advantage of not only being planet-friendly but people-friendly, too. Eco-friendly cleaning products, for instance, which are plant-based and 100% biodegradable, contain no hazardous artificial chemicals. This means they're significantly less likely to be detrimental to the health of the (maintenance) employees, resulting in happier, healthier staff.

Socially talking, many researchers agree that entrepreneurs have contributed significantly to the world's society, and this is throughout their philanthropic responsibilities. We think that new age of entrepreneurs has to be more involved in Corporate Social Responsibility (CSR), defined as the voluntary commitment of companies to contribute to sustainable economic development by integrating social and environmental concerns into their operations and interactions. Even if it is the primary duty of governments to protect, respect, fulfil and progressively realize human rights, businesses can, and should, do their part. At a minimum, we expect businesses to undertake due diligence to avoid harming human rights and to address any adverse impacts on human rights that may be related to their activities.

Higher productivity firms, increases competition among existing businesses, and pushes out less-productive ones; it also spurs innovation, new firms are disproportionately responsible for commercializing new innovations, particularly radical innovations that spawn entirely new markets or substantially disrupt existing markets; and it creates jobs, when entrepreneurs run their activities, they provide the maximum employment opportunities. More entrepreneurs provide more opportunities to large numbers of people which benefits growth of country. The growth in these activities bring more and more employment opportunities and poverty reduction all of which help in sustainable development, which is the type of development that protects the environment, meets the current needs of society and also enables future generations to meet their own needs. Additionally, increased employment and higher earnings contribute to better national income in the form of higher tax revenue and higher government spending. Also, entrepreneurship improves social conditions and addresses social and environmental challenges.

Entrepreneurs can also contribute in other ways to improve the lives of the people they affect, such as by creating decent jobs, goods and services that help meet basic needs, and more inclusive value chains; they can make strategic social investments and promote public policies that support social sustainability and also make more positive impact by maybe being in a partnership with other entrepreneurs.

Conclusion

All along in this article we underlined some key issues that the world is facing and gave some directions which are relying on economic growth, going green and corporate social responsibilities. Therefore, we consider that all entrepreneurs should have a clear vision of their companies' direction that includes sustainable development. Many companies have experienced greater operational efficiencies after implementing more sustainable business practices.

Sustainable entrepreneurs focus on a business idea that balances the social, economic, and environmental impacts of their activities by engaging their companies strategically in sustainable practices in the search for competitiveness and efficiency in the three areas of sustainability.

Sustainable development is largely about people, their well-being, and equity in their relationships with each other, therefore, entrepreneurship must be change to: taking on financial risk to make profit and change the world, the real satisfaction of an entrepreneur, looking at how this world is going on, we think, it is the positive contribution that he or she brings to the society or environment where he or she lives.

Also, as everyday man-made disaster is destroying the planet, we humbly think that sustainability must be taught in schools, starting from the primary, so that each one of us have a conscience that we have to give a legacy to our next generation, rich or poor, whatever we do we need to preserve the environment and the society where we live, and also we have to avoid any unsustainable practice.

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