

Balanced interaction of the environment and the economy: The role of sustainable development in ensuring environmental and economic benefits

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ABSTRACT

In this study, the peculiarities of the environment and the economy interaction were assessed, while the emphasis was placed on the role of sustainable development in achieving both environmental and economic benefits. The subject of the author's analysis was to study the impact of sustainable development on the formation of a balance in the field of both doing business and managing and using resources. Environmental problems in the modern world, especially those that arise in the course of the activities of enterprises of various industrial sectors, nowadays require immediate solutions, since their long-term impact can lead to an environmental catastrophe. To do so, data analysis was carried out within the framework of the topic of the work, and comparative and analytical research methods were used in the preparation of the work. The study presents examples from existing practice that allow applying the principles of sustainable development, environmental responsibility in practice at the present stage. It is shown how individual companies carry out work in the field of overcoming environmental problems and develop measures in the field of overcoming them. It is concluded that the integrative foundations of economics, ecology and modern entrepreneurial initiatives not only act as a kind of engine of the economy, but also serve as a certain incentive for the development of competitiveness of modern companies. In general, the author concludes that the modern approach to achieving a balance in the field of ecology and business is quite promising, which in the future may bring positive results for humanity as a whole.

Keywords: Environment, Economy, Ecology, Sustainable development, Environmental and economic benefits.

Article type: Review Article

INTRODUCTION

The modern economy is developing at a rapid pace, and against this background, unfortunately, the negative human impact on the environment is constantly increasing (Neagu 2019; Mustapa *et al.* 2022). In the process of sustainable development, it is necessary to achieve a balance between the needs of existing and future generations (Akhmetshin *et al.* 2018). This requires a balanced interaction between the economic, social and environmental aspects of social development. The balance between ecology and economics is an eternal problem, the achievement of which is extremely important for modern scientists (Klyuev *et al.* 2022b). They develop various concepts designed to define approaches in the field of business development while simultaneously implementing environmental conservation strategies. It is also important to form a sustainable ecosystem that will allow dynamic development not only for humanity as a whole, but also for companies in particular (Klyuyev *et al.* 2022a). Economic development at this stage is a process that is positioned as dynamic and not always unpredictable

(Manakane *et al.* 2023). The socio-economic transformations being carried out in different countries today are aimed at improving the efficiency of development in the conditions of a rapid transition to an innovative economy. As a result of economic development, various aspects are integrated, such as economic, social, environmental, which allow building various strategic approaches in the field of business, as well as in the management of various resources (Kashapov *et al.* 2022a; Kashapov *et al.* 2022b). In the process of this integration, it is necessary to form a certain ecosystem in which the priorities of each of the industries will be determined, balanced, and based on the above, an action strategy will be developed (Raza *et al.* 2017). If we talk about a balanced approach to doing business, it should be concluded that within the framework of this approach, the company strives to make a profit and develop its economic opportunities without harming the environment. In this regard, the category of "sustainable development" arises and develops (Mirkhasanov *et al.* 2022). Based on the generalization of theoretical approaches to the category of "sustainable development", two main interpretations of this concept can be distinguished (Guo 2021). In a narrow sense, attention is focused on the environmental component and is associated with the optimization of activities in relation to the biosphere. In addition, in a broad sense, when the process designates a new type of functioning of civilization based on changes in its historically established parameters (economic, social, environmental, etc.) (Danish & Ulucak 2020). The purpose of this work is to investigate the role of sustainable development in ensuring a balanced interaction between the environmental sphere and the economy.

MATERIALS AND METHODS

To work within the framework of this article, an analysis of the practical experience of specialists who work in the field of ensuring sustainable environmental development and economic balance was carried out. To this end, Russian and foreign publications were reviewed, the analysis of the main approaches to the consideration of this topic was carried out, and the most optimal methods and ways to achieve the goal were selected, which are described in this work. When writing the article, data analysis was carried out within the framework of the topic of the work, comparative and analytical research methods were used in the preparation of the work.

RESULTS

Here it should be said about the optimization of the production process, the reduction of the negative impact on the environment, as well as the development of certain areas of activity that make it possible to implement a strategy of energy conservation and green economy. This makes it possible for companies to reduce the negative environmental impact on nature, as well as to increase the sustainability of their activities (Raza *et al.* 2017). The concept of "sustainable development" is quite complex and multifaceted and its characteristic consists of several interrelated aspects. Among them are economic, social, environmental, cultural aspects. The economic aspect assumes the orientation of the production and economic activity of civilization not to increase the consumption of natural resource potential, but the social aspect provides for bridging the income gap between different groups and strata of the population, improving the quality of life. The ecological aspect takes into account both actual and potential socio-ecological consequences when making any decision related to technical and anthropogenic activities. An important factor is also the management of resources that companies need to carry out economic activities. Here, the efficiency of using such resources comes to the fore, within the framework of which it is mandatory to reduce the negative impact on the environment. In this context, it should be said about various technological innovations that are currently being developed in different industries. We can also talk about the analysis of production cycles and assessment of their position in the field of environmental impact, as well as effective management methods – this is another method that reduces the negative environmental impact on nature (Abbasi & Riaz 2016). In modern conditions, three interrelated tasks are put forward in place of the key ones for business: increasing corporate competitiveness, improving corporate governance and performing the functions of social responsibility of citizens by corporations. If we talk about a balanced approach to business management in general, it not only reduces the impact on the environment, but also forms the business reputation of the company, creating its positive image among partners, colleagues and consumers. Improving the business reputation of an organization will be a factor that attracts investors who are willing to invest money in successful and well-developing organizations. Thus, it should be concluded that by focusing on sustainable development, the company not only achieves its main goal, but also increases its economic efficiency and becomes more attractive to investors. In addition, consumers today are interested in the products of an environmentally sound enterprise,

whose business reputation allows them to talk about their use of nature-saving technologies and sustainable development (Mirkhasanov *et al.* 2022). In general, there lie four major reasons why businesses shall care about sustainability: resilience, climate change, stakeholders and natural capital. Table 1 presents extra clarification and the connectivity among those four elements. Accommodation of effective sustainability programs as a key component of the long-term strategy is the most important tool to address the issue by different businesses. Businesses must incorporate effective sustainability programs into their long-term strategies to address the issue (Plaskova *et al.* 2020; Filippova *et al.* 2021). Economic development at this stage is a process that is positioned as dynamic and not always unpredictable. The socio-economic transformations being carried out in different countries today are aimed at improving the efficiency of development in the conditions of a rapid transition to an innovative economy. As a result of economic development, various aspects are integrated, such as economic, social, environmental, which allow building various strategic approaches in the field of business, as well as in the management of various resources. In the process of this integration, it is necessary to form a certain ecosystem in which the priorities of each of the industries will be determined, balanced, and based on the above, an action strategy will be developed. If we talk about a balanced approach to doing business, it should be concluded that within the framework of this approach, the company strives to make a profit and develop its economic opportunities without harming the environment. In this regard, the category of "sustainable development" arises and develops. Based on the generalization of theoretical approaches to the category of "sustainable development", two main interpretations of this concept can be distinguished (Fig. 1).

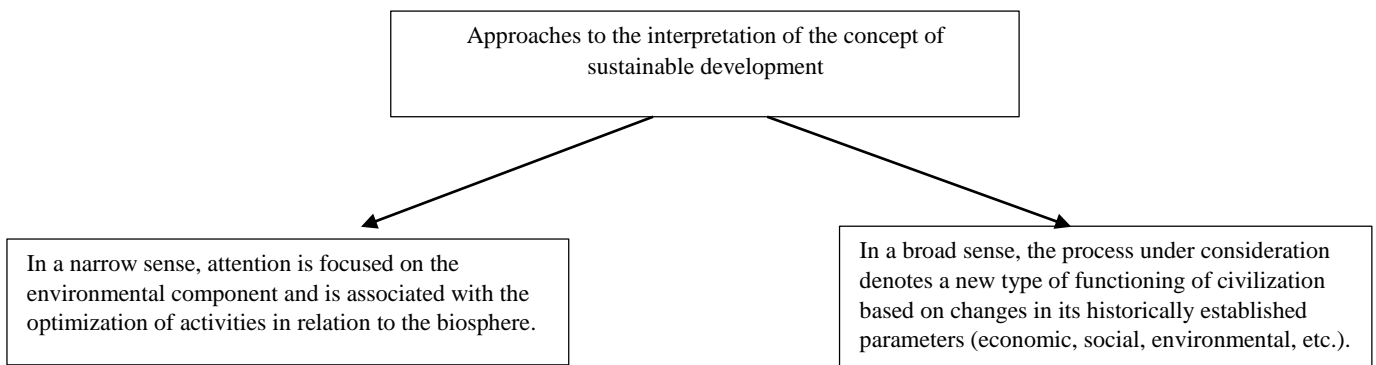


Fig. 1. Approaches to the interpretation of the concept of "sustainable development."

There is a number of companies that have successfully implemented a variety of practices that allow businesses to implement various aspects of the interaction of business and environmental management. This includes the production of electric vehicles that can reduce the negative impact on the environment, and the optimization of resource consumption for production purposes, and the transition to a "green economy", where nature-saving technologies are fully implemented. It is also important to mention the problem of natural resource management, which today also plays a significant role in the global economic space. Natural resources are part of a natural ecological system that has spatial and territorial boundaries, which, in turn, do not coincide with the borders of states. Special attention has always been paid to natural resources that are simultaneously located on the territory of two or more states (water bodies, mineral deposits, etc.), since their use and protection affects the interests of several subjects of international environmental law. One of the mechanisms for the management and protection of natural resources is bilateral and multilateral international cooperation (Danish & Ulucak 2020; Guo 2021). In this regard, the states of different countries welcome the development of energy-saving strategies, which are currently being implemented in a number of countries. The results of these measures are to improve water quality, control over deforestation and competent waste management. In addition, the recycling of waste is also coming to the fore. The next aspect to pay attention is the optimization of industrial processes of large enterprises producing various types of products. In order to reduce emissions into the environment, it is necessary to apply new technologies that can minimize these emissions, as well as create an environmentally friendly space in the locations of such enterprises (Can & Gozgor 2017). From the point of view of legal regulation, in recent decades there has been a practice of concluding framework agreements defining the general principles and norms of relations between states in relation to transboundary (shared) resources, the specification of which is carried out

through the adoption of additional protocols on special issues of cooperation or agreements on specific natural objects. Corporate strategy is also very important, in particular, business-oriented companies can develop the principles of sustainable development by integrating these activities within their operational practices. In particular, for example, various products can be produced that have a low impact on the environment. Thus, the principle of social responsibility is implemented and standardization in the environmental sphere is observed. To date, various standards have been developed that make it possible to implement environmental initiatives and comply with the requirements for the preservation of the natural environment. Following these standards, the company contributes to the fight against the negative impact on the environment, while implementing the principles of environmental responsibility (Adedoyin *et al.* 2021).

DISCUSSION

Notably, in this way there are a number of different problems that can negatively affect the balanced sustainable ecological and economic development of modern business. Such problems are presented in Fig. 2.

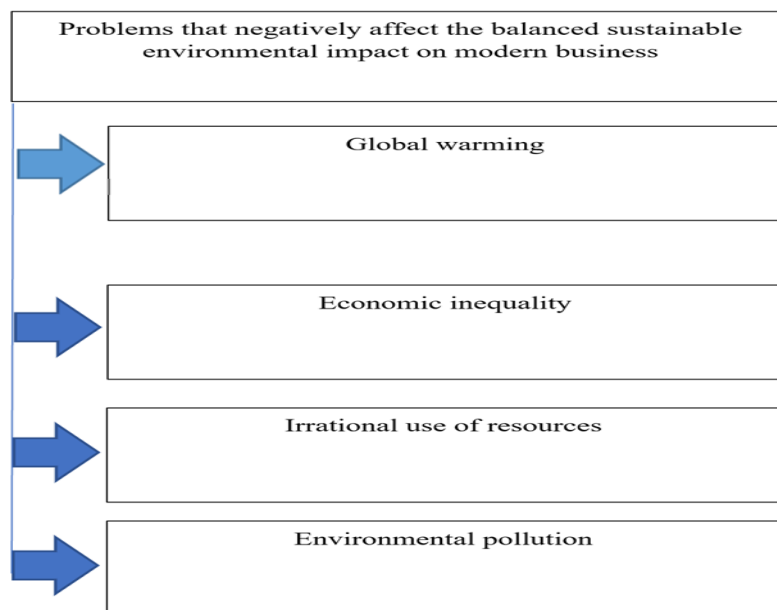


Fig. 2. Problems negatively affecting the balanced sustainable environmental impact on modern business.

One of these problems is global warming, which is associated with climate changes that cause serious harm to the natural environment. So, it can be various weather conditions that are associated with extremely high or extremely low temperatures. There is also a danger of pollution of the aquatic environment, the air environment, which significantly worsens the living conditions of people. Due to the deterioration of biodiversity on the planet, certain species of animal plants may die, since there will be instability of the ecosystem. So, nature may lose individual specimens of rare plants and animals, which will be an irreparable loss. Natural resources, in addition, are exhaustible, their disappearance can also lead to an economic catastrophe. Hence, various conservation strategies are being introduced today, which make it possible to preserve the volume of decreasing natural resources and other natural resources in order to multiply them and bring them to future generations (Bekun *et al.* 2019). There is also a danger of environmental pollution, which is associated with the fact that most companies emit waste materials into the environment. These pollutants can also lead to an ecological catastrophe, since the existence of individual animals and plants as well as other natural resources may not be possible under the load of negative factors (Ike *et al.* 2020). In the context of problems, economic inequality and social justice should also be mentioned, since lack of funding can lead to poverty of people. They will remain in the rank of consumers who do not consider it necessary to improve the natural environment. Noteworthy, the inefficient resources, are sometimes used excessively and unnecessarily. So, it is very difficult to plan using resources, which should be worked not only by companies, but also carried out at the state level. Notably, at the level of different countries, the development of coordinated strategies for environmental management and sustainable development is practiced, which affects the achievement of the global goal in the field of energy conservation. In order to solve

the above problems, coordinated actions are needed by representatives of various states, large businesses, as well as heads of various companies that work at the local level. Only through joint efforts it is possible to determine further actions that have a positive impact on the natural environment and make it possible to implement the principle of sustainable development (Juodis *et al.* 2021). Along with the problems related to the issues of balanced business operation and the implementation of environmental sustainability, there are also prospects for sustainable development, which can be described as follows (Samour *et al.* 2022). The first of them is the development of a green economy. Within its framework, it is also possible to create new jobs, expand innovations, and increase the reputation of the company (Yilanci & Pata 2020). It is also necessary to protect water resources, reduce deforestation and prevent pollution of water bodies. Reducing pollution emissions based on clean technologies will also improve the quality of the natural environment (Doğan *et al.* 2019). It is also important to mention global international cooperation, which requires specialists and business representatives to work together to maintain the balance of the natural environment. In addition, energy-efficient technologies will reduce dependence on fossil fuels, as well as help reduce greenhouse gas emissions and reduce the greenhouse effect.

CONCLUSION

It can be said that sustainable development plays one of the main roles in achieving a balance between ecology and economy. Ecology is an area that is coming to the fore today, and all the inhabitants of our planet need to focus on preserving natural diversity and natural resources. Accordingly, in order to implement the principle of sustainable development, it is necessary not only to conduct competent business, but also to train future generations of competent environmental conservation. So, it is very important to turn to the educational programs of higher educational institutions, where students should be taught from the very beginning to evaluate resources, understand issues of environmental efficiency, and also participate in the development of practices of ecological natural use. With all the existing problems, it is necessary to remember that the importance of nature for a person is undeniable, without nature a person cannot exist in this world, therefore economic interests that are aimed at a consumer nature are not always acceptable. It is always necessary to seek a balance between nature and human. Only this will contribute to the competent construction of business and the achievement of the principles of sustainable development.

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