

TOOLS OF THE STATE BUSINESS SUPPORT IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT

Grygoriy Starchenko¹, Natalia Ostrovska², Kateryna Garbazi³, Dmytro Kotelevets⁴, Kateryna Nykoniuk⁵, Hrachia Amir Khanian⁶

¹ Dr. Prof., Academy of Labour, Social Relations and Tourism, 3 - A Kiltseva doroha Str., Kyiv, Ukraine, E-mail address: g.v.starchenko@gmail.com

² Dr. Prof., Yuriy Fedkovych Chernivtsi National University, 2 Kotsyubinsky Str., Chernivtsi, Ukraine, E-mail address: n.ostrovska@chnu.edu.ua

³ Assoc. Prof., Odesa National University of Technology, 112 Kanatnaya Str., Odesa, Ukraine, E-mail address: garbazi@kubg.edu.ua

⁴ Dr. Sc., HEI „Academician Yuriy Bugay International Scientific and Technical University“, 3 Magnitogorsky Lane, Kyiv, Ukraine, E-mail address: d.kotelevets21@gmail.com

⁵ Lecturer, Borys Grinchenko Kyiv University, 18/2 Bulvarno-Kudriavska Str, Kyiv, Ukraine, E-mail address: k.nykoniuk@kubg.edu.ua

⁶ PhD Student, Classical Private University, 70B Zhukovskoho str., Zaporizhzhya, Ukraine, E-mail address: grach2806@gmail.com

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Abstract

The meta-statistics cover the following main aspects of the government's policy of promoting entrepreneurship and other related instruments in the current economic development context. The need to take digitalization processes into account when developing areas of entrepreneurship support is substantiated. The prospects and threats of sustainable development of the business sector are highlighted. The main components of the sustainability of the business structure functioning have been determined. The main stages of the formation of the state business support policy were studied. It is substantiated that the current realities of the digital economy formation form new requirements for operating conditions and ensuring sustainable development, including through the implementation of digital transformations in all aspects of the business processes functioning. An instrumental basis for the state policy implementation of entrepreneurship support in the sustainable development context has been formed. The introduction of a system for monitoring the business entities' functioning on the basis of sustainable development is proposed.

Keywords: *business, business structure, entrepreneurship, government policy, government regulation, steel development, digitalization.*

JEL Codes: *H11, M21, Q01.*

Introduction

Transformational changes, taking place in the modern economy, focus the attention of many researchers on aspects of sustainable development (SD). The current state of Ukraine's economy creates for all spheres of business activity actual risks that threaten the development of both large and small businesses on the basis of sustainability. The main typical threats to sustainable development include the following: a high level of physical and moral

wear and tear of fixed assets, which is characteristic of almost all industries; lack of financial opportunities for the implementation of both production and organizational innovations; lack of qualified personnel and growing shortage of personnel among young people; Russia's military aggression, limited export-import operations; suspension of foreign investments; low level of digitization of the main and auxiliary business processes and

strengthening of the digital lag behind international companies. But one should take into account the fact that ensuring the functioning of business on the basis of the sustainable development concept is a priority of national economic security. The search for effective approaches to the economic development of entrepreneurship, taking into account environmental and social components, is currently of particular importance. On the other hand, sustainable development cannot take place without significant changes in the direction of the duration and quality of life of the population and the ecological situation in a specific region.

The purpose of the article is to study the main aspects of the state policy of supporting entrepreneurship and the use of appropriate tools in the SD context.

Literature review

Current research on economic and foreign affairs highlights approaches to the development of environmental policy instruments aimed at achieving a high level of social, environmental and economic policy, high efficiency in ambushes, adaptability and flexibility up to significant changes. Various aspects of promoting entrepreneurship, including the implementation of the sustainability concept, are addressed in many publications (Kosach et al. (2022) and Zybareva et al. (2023)).

Questions regarding regulatory policy, features of influence digitization for the SD, as well as the role of higher education in sustainability and the formation of sustainable entrepreneurship are presented in publications Zhavoronok A. et al. (2022), Marhasova V. et al. (2023), Popelo O. et al. (2022). The articles of scientists Ivanova N. et al. (2022), Grigoraş-Ichim C.E. et al. (2018), Nikiforov P. et al. (2022) are aimed at researching the marketing strategy of small business adaptation to quarantine restrictions, forming the perception and vision of business entities regarding interim financial reporting, as well as the analysis of the conceptual foundations of the regulation of state policy for the development of public-private partnerships.

Within the framework of the study Alekseeva K. et al. (2023), existing state support programs, both initiated during martial law and continued and transformed for business needs, were analyzed. The authors of article Sagaydack J. et al. (2021) proved the importance of the development of “green business” in the context of sustainability. Research Mukhamedzhanova A. et al. (2017) is of practical importance, within which the hypothesis regarding the influence of the motivation of civil servants on the effectiveness of state support for entrepreneurship is analyzed. Article Apostoliuk O.Y. (2016) reveals the essence of small innovative entrepreneurship, outlines the advantages and disadvantages of participation of small enterprises in innovative projects, and also analyzes the instruments of state financial support for small innovative entrepreneurship.

However, the implementation of SD policies, the role of entrepreneurship in this process, conceptual provisions for the transformation of state support policy require additional research on the development of new approaches and tools.

Methodical approach

The methodological basis of the article is general scientific and special methods of scientific knowledge, namely: the method of analysis and synthesis - taking digitalization processes into account when developing areas of entrepreneurship support; dialectical method - formalization, identification of prospects and threats to the SD of the business sector; grouping method - determination of the main components of the stability of the functioning of the business structure; historical and epistemological method - research of the main stages of the formation of the state business support policy; the method of generalizations is the formation of an instrumental basis for the implementation of the state policy of supporting entrepreneurship in the SD context.

Results

In general, the concept of “development” is most often considered as the ability of a certain socio-economic system to change its structure and connections with the external environment, and on the other hand, to act as a stimulating process for change. A necessary condition for the entrepreneurial sphere functioning in SD conditions is the ability to quickly adapt to changes in the internal and external environment, but here it is appropriate to single out the following aspects. Thus, the classical functioning of the organization under the SD conditions is determined in the context of financial security and the ability to ensure the effective functioning of the business structure with the help of its own resources at a given level of creditworthiness. That is, the success of the operation of the enterprise and its market position depend on the financial stability of the enterprise. Market instability raises the priority of marketing sustainability, as marketing decisions adequate to situations allow to increase the position of business in SD conditions. This includes measures such as analysis of the market and its segments, research on demand dynamics and maintaining competitiveness, maintaining and expanding the market segment.

The next component of the functioning of the business structure in SD conditions is production sustainability. It is determined by the available material and raw material reserve, uninterrupted production volume and ability to innovate.

Ensuring social stability is carried out by taking into account such factors as the level of personnel education, qualifications, working conditions, motivation level and interaction with the labor market. It is appropriate to talk about the presence of social stability when there is an improvement of the personnel policy and the policy of labor motivation, as well as on the condition that the employer is interested in improving working conditions.

The presence of such a component as environmental sustainability is based on the ability of the business structure to ensure the dynamics of ecological development on the basis of energy and resource efficiency.

Thus, the functioning of business structures in the SD context involves the introduction of strategic initiatives that integrate environmental, social and management principles of the SD concept and are based on the position that achieving economic growth at the expense of meeting the needs of the current generation, one cannot deprive opportunities for growth and future generations.

Throughout its existence, the state policy in the field of entrepreneurship development has gone through several stages, which are united by the separation of entrepreneurship as a separate subject of economic relations. The first stage of state support was characterized by the development of large capital, production forces, the priority of economic problems over social ones. In the 20th century, especially during the Great Depression, business support occurred in parallel with the formation of relevant public administration institutions (Table 1).

Table 1. Stages of state policy formation of entrepreneurship support

Stages of formation	Characteristics of the stage
I stage (beginning of the 20th century)	Application of indirect tools to support entrepreneurship (provision of state guarantees to financial structures serving business)
II stage (40-80s of the 20th century)	The formation of institutional foundations for the support of entrepreneurship, the creation of appropriate structures in the state administration system, the development of appropriate legal regulations, the development of financial instruments of state support
III stage (the end of the 20th century - our time)	It takes place in accordance with the SD conditions and the corresponding policy of the state in the direction of achieving global goals. Development of public-private partnership, support of network structures, program management of the development of small and medium-sized businesses, implementation of protectionist policy in the field of national small and medium-sized businesses.

**Source: systematized by the authors.*

The transformation of approaches to the formation of state entrepreneurship policy and the development of relevant instruments at that time was caused by the decline of the economy, inflationary processes, budget deficits, and the lack of economic growth.

Thus, in the context of achieving the SD goals, the state policy of supporting entrepreneurship is the activity of state authorities and the relevant infrastructure, which is aimed at the participation of business in the implementation of programs, projects, strategic initiatives for the economic development, social and environmental components, both at the micro and macro levels. At the same time, attention should be paid to the aspect of digitization, the influence of which on one of the existing business processes provokes further indirect influence on all components of the company's management system.

The current realities of the formation of the digital economy, to which the state business support policy must adapt, form new requirements regarding the conditions of operation and ensuring SD, including through the implementation of digital transformations in all aspects of the functioning of business processes. Thus, digital transformation focused the attention of business entities on the importance of change management, as the speed of implementation of digital technologies determines market leaders and contributes to increasing the competitive advantages of business structures.

Today, the digital economy has evolved significantly and its impact is noticeable on all spheres of society. The advantages of digital technologies are significant both as a tool for improving operational activity and as a way to ensure SD.

Digitization contributes to the functioning of business on the basis of SD in three directions:

- reduction of environmental risks, since the use of digital technologies allows implementing ecological and safe approaches to the organization of the production process and the formation of the resource base; in the

future, this will contribute to reducing the negative impact on the environment;

- activation of social integration processes and improvement of financial inclusion, digital competences' development for specialists in certain areas of activity, functioning of companies on the basis of social responsibility;

- impact on the efficiency of processes related to the functioning of the business structure management system.

The state policy of support should contribute to the formation of the following areas of corporate business policy:

- orientation of goods and services to the current needs of the client, i.e. personalization of activities;

- constant improvement of existing business processes, cost optimization;

- development of IT technologies and their implementation in the business processes of companies, including on the basis of cloud and own infrastructure;

- support of existing models of business management and formation of corporate culture in conditions of digital technologies activation.

The process of digital transformations is complex and multi-stage, as it involves a complete restructuring of the management principles of business, including the organization of business processes. This involves the implementation of the strategic state management principles by the development of appropriate tools.

Most often, when studying the concept of "development", scientists pay attention to economic growth, qualitative changes and modernization. However, one should take into account the fact that changes occurring in the functioning of business structures are influenced not only by the market environment, but also by state authorities.

Therefore, the policy of the subject of entrepreneurial activity in the SD conditions has the character of systematicity. Since SD is associated with the adaptation of the business structure in a changing environment, current business conditions make it necessary to

implement digital changes in all components of the business structure management system.

The directions of state policy in the field of entrepreneurship support are implemented with the help of both economic and legal mechanisms. The nature of their action is complex and synergistic and takes place on the basis of preliminary consideration of the resource potential of economic entities, the existing social policy and the dynamics of economic growth.

The policy of state support for the entrepreneurship development should ensure the implementation of the functional component of business systems both in the economic aspect and in social reproduction based on the use of modern organizational and financial tools. Traditional tools are based on financial, consulting, administrative support of business entities, measures of strategic management of the business sphere, development of investment projects on the basis of public-private partnership. Attention should also be paid to the aspect of Russia's military aggression and the reformatting of the business development directions from an economic and ecological component to a social component, which is reflected in such specific measures as business support for the population in matters of relocation, payment of wages in forced downtime conditions, humanitarian aid victims during military aggression and support of the Armed Forces of Ukraine.

However, in the transformational processes conditions, entrepreneurship support should be based on the principles of effective interaction between scientific institutions, state and local self-government bodies, financial institutions, which involves the application of a complex mechanism of action using modern administrative and economic tools. Such an effect can be achieved on the basis of a change in the industry structure, a combination of the

actions of self-organized structures, business entities in the economy and society with established state institutions. Thus, considering the essence of state support for entrepreneurship, it is advisable to use a systemic approach, which will make it possible to take into account the multifacetedness of strategic and tactical support directions.

In the systemic approach context, the state policy of supporting entrepreneurship on the basis of SD is considered as a complex system, which, according to the basic provisions, has the following general characteristics:

- the presence of a common goal and a formed hierarchy of tasks;
- exists on the basis of the individual structural elements' interaction, which include the existing mechanisms and support tools, the involved bodies of state power and local self-government;
- the implementation of the policy of state support takes place through the balanced development of the economic, social and environmental components and the macro- and micro-level.

The formation of the state policy system for supporting the entrepreneurship development in the SD context takes place on the basis of susceptibility to transformations and changes occurring in the external environment. Accordingly, the specified state policy can be considered by us as a special type of system that acts as a basis for building models of business structures development on the basis of achieving global SD goals.

Given the importance of the processes of the state policy formation and implementation of supporting entrepreneurship in the SD context, it is necessary to build an effective methodical basis for the specified policy implementation, using modern tools (Fig. 1).

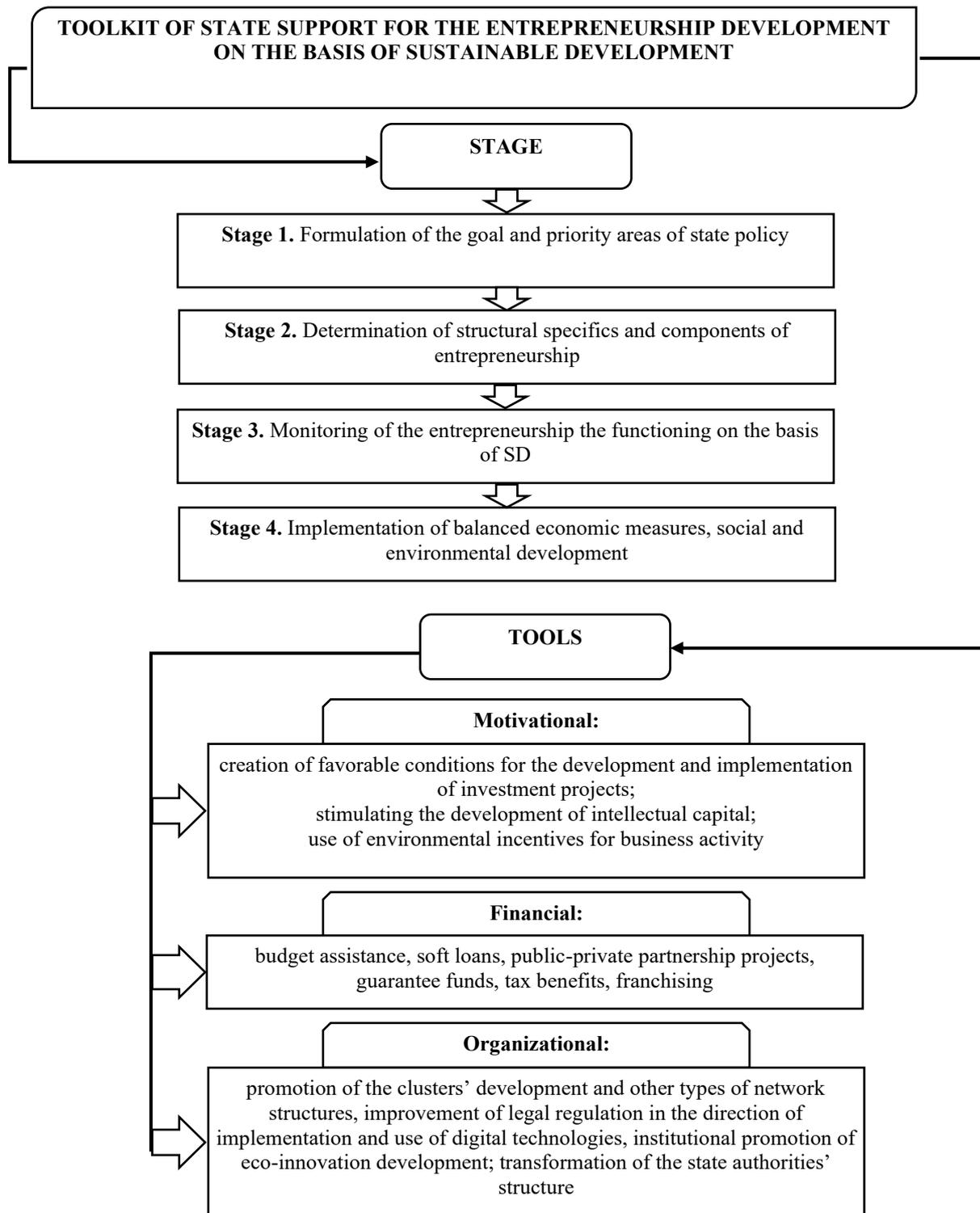


Figure 1. Toolkit of the state policy of supporting entrepreneurship on the basis of sustainable development

**Source: developed by the authors.*

The process of implementing the state business support policy in the SD context takes place on the basis of the integrated use of motivational, financial and organizational tools. However, under the transformational processes

conditions and high instability of the external environment, insufficient information and, in some cases, the impossibility of quick access to it, the coordination of processes of state support for entrepreneurship becomes difficult. It is

possible to solve this issue by implementing monitoring of the economic entities' functioning on the basis of SD. The monitoring system integrates the collection and accumulation of relevant information regarding the existing potential of SD in the defined business structure, as well as the analysis and forecast of possible impacts on the sustainability of the national economy. On the basis of the above, it is proposed to understand the process of periodic monitoring and further optimization of the state of the parameters of the social, economic and ecological development of the business entity under the mutual financial conditions, institutional, technogenic influence with the external environment under the monitoring of the functioning of business entities on the basis of SD.

The basis of the state support policy and the use of relevant tools is the implementation of the following guidelines:

- development of a micro-level policy of innovation and investment development on the basis of ensuring the balanced use of social, environmental and economic components;

- transformation of the principles of public administration based on taking into account digitalization and the corresponding structural changes;

- coordination of priority directions for the development of priority spheres of entrepreneurial activity in the market requirements context and "green economy";

- institutionalization of state support taking into account the experience of EU countries;

- partnership interaction of business entities and representatives of state authorities, implementation of project activities in the field of public-private partnership;

- development of intellectual capital with a focus on digital competencies;

- ensuring cyber protection in the work of business structures;

- promoting the development of concession and leasing instruments;

- development of business infrastructure.

Factors such as speed, network connection, and mobility should be taken into account in the process of developing relevant state policy tools, as these factors become a priority in the SD conditions and the activation of digital processes. Increasing the adaptability of business structures to the SD conditions becomes effective due to the use of such a tool as project management of digital transformations, which can be effectively implemented on the basis of public-private partnership.

For the successful implementation of the mentioned initiatives, there is a need to improve the existing tools of state support for entrepreneurship, since the orientation of business activities towards the implementation of SD goals requires appropriate transformations in both the company's internal policy and relations with the market environment.

Conclusions

The multifaceted nature of business functioning in the SD conditions can achieve its effectiveness under the conditions of the formation of an appropriate state policy. Therefore, the adaptation of the functioning of entrepreneurship to the SD conditions is an object of influence of state authorities and one of the directions of state economic policy.

The state policy of entrepreneurship support in the SD context is considered by us as a component of the state economic policy, which acts as a basis for the implementation of the entrepreneurship functions in a macroeconomic perspective, which will further contribute to the achievement of the SD goals. At the same time, promotion of employment, structural changes in the economy, improvement of well-being, growth of the main macroeconomic indicators, focus on innovations and their spread are generalizing tactical goals.

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