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**BRANCH APPROACH TO SUSTAINABLE DEVELOPMENT
AND INCLUSIVE GROWTH: UKRAINE CASE**

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Sustainable development often leads to strong compromises mainly in favor of future economic growth while inclusive growth focuses primarily on the social and ecological aspects of current generations development. The purpose of the study is to appreciate the definition of sustainable development and inclusive growth exemplified by Ukraine as a factor in sustainable development achievement. The objectives of the study are to summarize knowledge about the definition of sustainable development and inclusive growth by the example of Ukraine; to analyze the existing sustainable development measurement indicators; to justify the use of sustainable development principles as a basis for further inclusive economic development. The methodological basis of the research is general scientific and specific methods of economic phenomena and processes knowledge.

Imperative knowledge about the sectoral approach to sustainable development and inclusive economic growth comprehensive research is systematized. Sustainable development goals that directly affect the inclusive growth of the economy additionally solving social inequality issues are determined. Ukraine Goal 8 “Promote sustainable, inclusive and sustainable economic growth, full and productive employment and decent work for all” performance indicators dynamics has been analyzed. The main trends and challenges of planned targets fulfilment for this goal achievement are identified. It has been justified that implementation of sustainable development the principles currently allow us to combine solutions to ecological, social and industrial problems and focused on a balanced combination.

The inclusive approach to sustainable development goals achievement based on each particular area of economic activity sustainable development achievements, while ensuring the inclusivity of territorial development and ensuring equal opportunities for all society members has been proposed. Further research should be directed at studying and systematization of existing and development and scientific justification of new sets of indicators that would allow us to assess the level of sustainable economic development goals achievement which is capable to support high growth rates together with equal access to resources provision not only for all members of the society, but for the future generations avenues.

Key words: inclusion, economic growth, sustainable development, economic growth model, branch approach.

Introduction

Technogenesis that is inherent in the current stage of social development creates more and more

anthropogenic load to the natural environment and causes a number of ecological and social problems that are gaining in size and adversely affect the economic system as a whole.

The priority of Ukraine and EU ecological problems resolution declared in the Association Agreement between Ukraine and the EU where it is determined that "...the cooperation is intended to preserve, public health protection, prudent and rational use of natural resources and international level activities aimed at regional and global ecological problems resolution promotion..." (Association Agreement, 2014).

Scientific research on inclusive economic growth models design and implementation and the sustainable development goals realization are dedicated to ecological and social issues solution. Implementation of sustainable development principles allows you to integrate ecological social and production problems solutions and focused at their balanced combination. Implementation of sustainable development key principles for Ukraine is important component of integration processes as well

as the basis for further effective economic development. Despite considerable attention on sustainable development as a science, so as politics humanity remains largely unstable at the development trajectory.

The sustainable development goals that are declared by the UN outline the economic system to which we strive and need – more equal, fair and free from poverty, one that is careful for the environment (Orhanizatsiia ..., 2019). These goals achievement has a direct effect on sustainable inclusive development of both local and global economies Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture; Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all etc. (Orhanizatsiia ..., 2019), (Fig.1).



Fig. 1. The Sustainable Development Goals that Directly Impact the Inclusive Development

Fukuda-Parr S. considered the global development goals as a policy tool and mechanism that have two types of effects: management and knowledge effects. These effects lead to, as predicted, so unintended consequences international development strategies and actions influence (Fukuda-Parr, 2014). Park C. and Claveria R. employed a multidimensional approach in gauging regional integration and analyzing its impact on attaining development goals of higher growth, lower inequality, and reduced poverty (Park & Claveria, 2018). Among the sustainable development goals,

particular attention is paid to social categories. Thus, the sustainable development goal 1 (SDG1) regards poverty as equal wherever it came from. Though overall, insufficient focus leaves the goal open for its construction as follows which fails to address the marked differences in the reality of poverty in different countries. In the worst case, it can lead to the situation when wealthier countries focus first at poverty needs resolution "at home" leaving much greater deprivation in the poorest countries as afterthought (Lim et al., 2018).

Sustainable development often leads to strong

compromises, mainly in favor of economic growth. Inclusive development corresponds to focusing mainly on social and ecological aspects of development and on current generations (*Gupta et al.*, 2015). Kanzu Satrio M. and Amar S. designated that public welfare is the ultimate goal of development, but this development should not only focus on economic growth. It should be highlighted that the impact of development that only pursues high economic growth will actually widen inequality (*Kanzu Satrio et al.*, 2019).

Boarini R., Cause O. and others highlight that inclusive growth it is not only about sufficient income ensoulment or economic security for different income groups, but it is about the wide range of results improvement that are important to the well-being, like as employment prospects, job satisfaction, healthcare outcomes and education as well as the social relationships quality and social cohesion (*Boarini et al.*, 2018). Therefore, steering the economy towards achieving economic growth while governing a plurality of social and political actors with different interests and powers for poverty/inequality reduction and sustainability is a daunting task (*Pouw & Bruijne*, 2015).

The purpose of the study is to appreciate the definition of sustainable development and inclusive growth exemplified by Ukraine as a factor in sustainable development achievement. The objectives of the study are to summarize knowledge about the definition of sustainable development and inclusive growth by the example of Ukraine; to analyze the existing sustainable development measurement indicators; to justify the use of sustainable development principles as a basis for further inclusive economic development.

Materials and methods

The methodological basis of the research is general scientific and specific methods of economic phenomena and processes cognition. Therefore, the following methods have been applied: logical generalization (while the sustainable development goals that directly impact the inclusive development defining), abstract-logical (when the dynamics of Goal 8. “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all” indicators in Ukraine achievement prognostication design), comparison (when Ukraine Sustainable Development Goal 8. “Promote sustained, inclusive and sustainable

economic growth, full and productive employment and decent work for all” trends analysis in particular), monographic (while the sectoral approach to sustainable development goals and inclusive economic growth achievement study).

Results and discussions

Application and dissemination of sustainable development principles in all economic life spheres will certainly allow to achieve significant success and increase efficiency. Taking into account the sustainable development concept it is advisable to study the definition and etymology of this concept, namely: “*Sustainable*”: continuous, constant, the one that is remained under the factors influence; “*Development*”: the change process, conversion or transition from one state to another. Therefore, summarizing the abovementioned definitions we can define the “sustainable” category as the one that is continuous and permanent, and the “development” definition as the process of change, conversion or transition from one state to another. The essence of the sustainable development concept comes down to ensuring the balance between ecological and economic environments to meet the needs of the society as in the short term and in strategic periods. However, under the influence of globalization, new paradigms of this concept essence and basic principles determination are emerging.

According to research, the cross section in economics, social and ecological spheres that characterize each of the components of the Concept shows the prerequisites for synergistic effect creation. Generally, this effect can be characterized as follows: population development volumes and rates must be corresponded to the production potential of the Earth's ecosystem, that is constantly changing it is also necessary to meet basic human needs and enable it to reach its full potential; restrictions on the exploitation of natural resources with the planet's ecological capabilities, regarding energy production and use in particular, should be agreed as well.

In addition to the sustainable development concept traditional approach interpretation, as an interaction between the economic, ecological and social components wide spread is interpretation of the concept in the context of generations interconnection. Sustainable development concept is concept of saving resources for future generations. This is one of the most significant features that distinguishes sustainable development policy from the traditional

environmental policy which also is trying to be aware to understand the environmental degradation external factors. The sustainable development overall goal is the long-term stability of the economy and environment; this can only be achieved through integration and acceptance of economic, ecological and social issues in the decision-making process. Sustainable development is considered as such society development in which natural resources needs met of the present generations should not endanger future generations opportunities in their needs met when the ecological, economic and social components of development are agreed, when technogenic load will not exceed the natural environment's potential for self-healing and society will realize the superiority of environmental priorities over others.

The sustainable development concept is gaining in popularity and is gradually implemented in all areas of life in many countries. Sustainable development is already the cornerstone of EU policy-making and many other countries worldwide, including the post-soviet, such as Belarus, Kyrgyzstan, Uzbekistan, Kazakhstan and others where national sustainable development strategies are adopted, green economy mechanisms are introduced.

In Ukraine, the concept of sustainable development is becoming more and more widespread, which is also reflected in the regulatory framework. The first attempts to introduce the concept of sustainable development into the legislative field date back to the 2000s. One of the first documents created, which did not come into force was the Concept of Sustainable Development of Ukraine. The concept defines principles (9 points), on which Ukraine's sustainable development is based and formulated such sustainable development goals of Ukraine as: economic growth; environment conservation; health care; justice compliance; sustainable natural resources use; education development; participation in the formation of a global environmental security system. Currently, National report "Sustainable Development Goals: Ukraine", which was submitted by the Government on 15 September 2017 and set benchmarks for the sustainable development goals achievement, is one of the main documents on sustainable development in Ukraine. National report outlines 17 global sustainable development goals adapted to Ukrainian realities and current trends.

Today, there is no single methodology for

assessing the level of achievement of sustainable development. Thus, Churikanova and Zagorulko are determine that there is a tendency to use completely different groups of indicators for individual cities as well as for regions to determine the level of sustainable development. This, in turn, makes it impossible to objectify the assessment of sustainable development in the relative comparison within the country. In addition, the number of indicators used in the assessment of sustainable development varies greatly from one to ten and up to almost one hundred indicators (*Churikanova & Zahorulko, 2017*).

The researcher Omarov emphasize that the vast majority of the methodological approaches studied are based on the calculation of the integral indicator of sustainable development, while others are based on the study of the partial indicators system. Almost all methodologies are based on the concept of sustainable development of the United Nations: they distinguish social, economic and environmental components (rarely institutional, political, etc.), with some differences in the structure of components and the number of partial indicators that characterize them (*Omarov, 2014*).

We are highly convinced that it is appropriate approach to assess the level of sustainable development through the lens of achieving each individual sustainable development goal. In the context of this study, consider the level of achievement of goal number 8 "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all". At the same time, a set of indicators of socio-economic development of the country can be used in assessing the level of achievement of this goal. Yes, Ukraine's actual and forecast figures are presented in the Table 1.

According to the data in the table, we note an improvement in performance towards the Sustainable Development Goal number 8, thus GDP volume index will grow for 16,8 %. Employment rate among those aged 20–64 will grow for 0,6 %. Positive dynamics are observed in other indicators. Fig 2 presents the indicators.

At the same time, sets of indicators that would allow us to assess the level of achievement of other Sustainable Development Goals are still poorly understood. This will be covered in future research.

Of course, today it is important for Ukraine to introduce the concept of sustainable development at all levels: national, regional, level of separate enterprises.

Table 1. Ukraine Sustainable Development Goal 8. “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all” trends, 2015-2030

Indicator	2015	2020	2025	2030	Deviation 2030/2015 +/-
GDP volume index (annual average), %	90,2	104,0	106,0	107,0	16,8
Share of gross fixed capital to GDP, %	13,5	23,0	28,8	22,0	8,5
Share of exports of goods whose production uses technologies of high and medium high level in total exports of goods, %	19,2	25,0	28,0	30,0	10,8
Ukraine’s position as rated by the Global Innovation Index	64,0	50,0	45,0	40,0	-24,0
The return on assets	0,2	0,3	0,4	0,5	0,3
Productivity growth rate, %	99,1	104,0	103,6	105,8	6,7
Material content of GDP (ratio of intermediate costs from the tables ‘input–output’ of activities that produce material products to total GDP)	0,9	0,9	0,8	0,8	-0,1
Employment rate among those aged 20–64, %	64,4	66,0	68,0	70,0	0,6
Share of youth not in employment, education or professional training in the total number of those aged 15–24, %	17,7	17,0	16,5	15,5	-2,2
Number of victims of accidents at work that led to disability of 1 day or more, % of 2015 level	100,0	75,0	60,0	55,0	-45,0
Number of workers killed in accidents at work, % of 2015 level	100,0	70,0	50,0	45,0	-55,0
Share of workers employed in jobs with hazardous working conditions in the total full-time payroll, %	26,0	22,0	17,0	12,0	-14,0
Number of persons employed by SMEs, millions of persons	6,5	8,3	9,5	10,5	-4,0
Share of value added against production costs of SMEs, % of total value added against production costs	59,0	70,0	75,0	80,0	21,0
Share of SMEs with a loan or line of credit, in the total, %	0,0	0,0	0,0	0,0	0,0
Ukraine’s position in the rating of Doing Business	81,0	30,0	25,0	20,0	-61,0

This will lead to the following results, in particular: firstly, the concept of sustainable development, which has a multidisciplinary approach, will facilitate the further collaboration of scientists from different fields, including economists and environmentalists. Secondly, the further development of a sustainable development

assessment methodology will help to develop specific indicators and tools for measuring the environmental impact of human activities. In addition, the introduction of sustainable development as a criterion for project analysis and the choice of policy tools will increase the efficiency of the economy at the regional and macro levels.

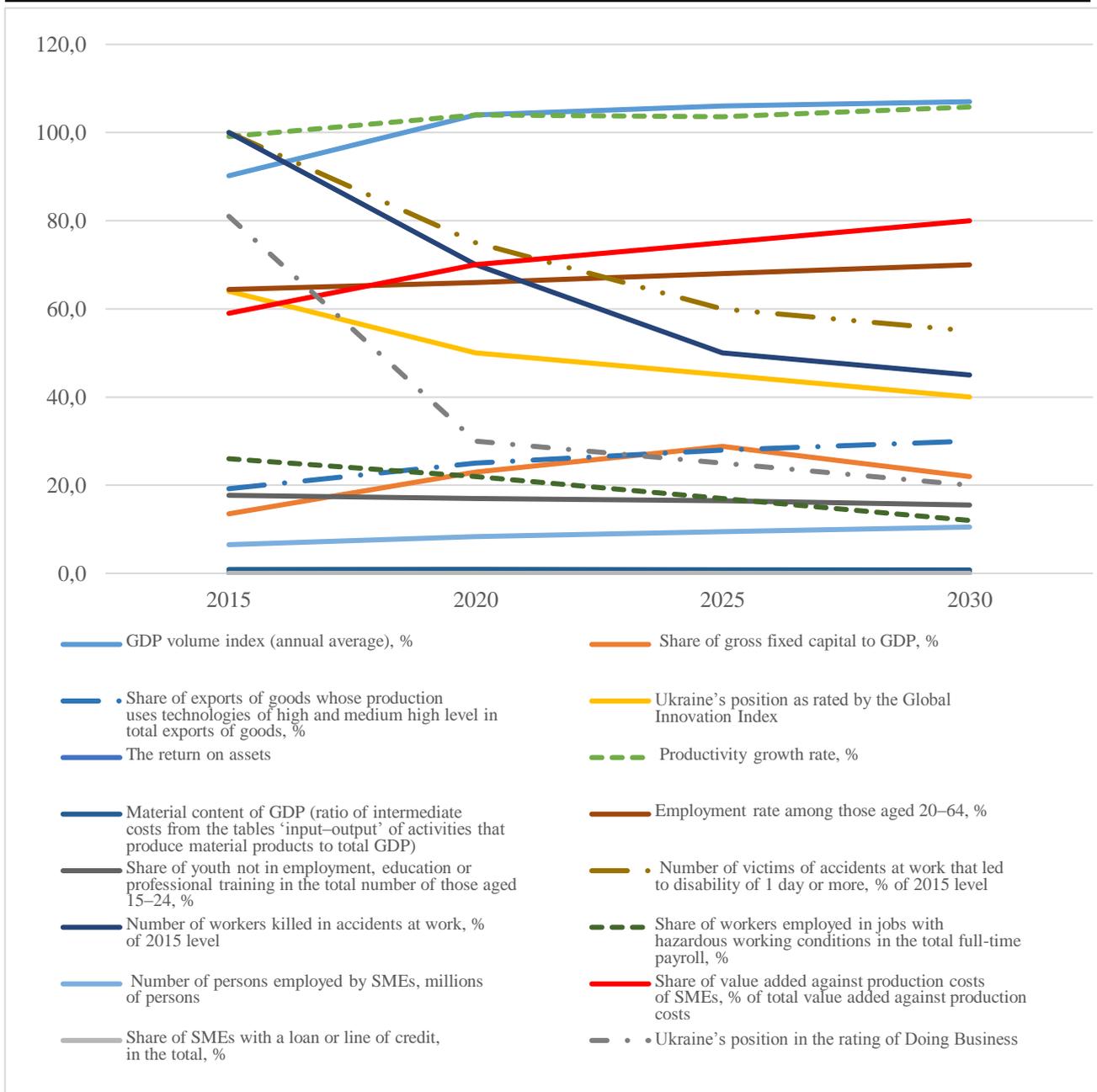


Fig. 2. Forecast of the achievement of indicators of the Sustainable Development Goal number 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, 2015-2030

Conclusions

The modern theoretical approaches to the concept of «sustainable development» as well as the definitions of such concept as «sustainable» and «development» have been analyzed in the article. The national normative documents in the field of sustainable development were investigated. Methodical approaches to determining the level of achievement of sustainable development at the level

of countries and regions have been analyzed during the scientific research. According to this research, it is determined that there is no single methodology for assessing sustainable development indicators. At the same time, the principles of sustainable development that are presented, demonstrate the importance of inclusiveness as a component of sustainable development. Thus, an assessment of the achievement of the Sustainable Development Goal number eight in Ukraine has been carried out and

prospective ways of achieving the Sustainable Development Goals through promotion of inclusive development have been identified. The future research will be aimed to further development of the conception of the sustainable development and indicators to evaluate the achievement of sustainable development goals.

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