

Sustainable Development, Macro and Micro Level: Russian and Foreign Model



Lyudmila V. Sotnikova, Svetlana N. Polenova, Nataliya A. Mislavskaya, Alexander M. Petrov, Mariya M. Basova

Abstract: Sustainable development needs to be considered both at the macro and micro level. World history has been developing over an enormous number of years. During this period, the considerable power of the economy and its globalization is shown. The development tendencies of the present world have greatly influenced the original appearance of our planet and its aspects, such as humanity, nature, and the connections of various kinds of systems. All this leads to the understanding that the possibilities of nature to maintain a balance are not unlimited. The economy closely interacts with nature, which what determines the relevance and importance of the sustainability of modern companies and the balance of economic, social and environmental aspects of development for any company. The conditions of functioning of real-time economic entities determine the priority and relevance of the tasks of ensuring their sustainable development, which is due to the constant impact of objective and multidirectional factors of micro and macro level economy. The impact of external and internal factors remains unchanged and can lead to a violation of the stability of the state of the company if it is not prepared for them, and, therefore, is not able to resist them. In turn, the sustainability of a company's development is characterized by its ability to function effectively and develop when external and internal conditions change. The strategic goal of sustainable development is to ensure the longest and healthiest possible existence for us and our generation, due to the competent combination and interaction between economic, social and environmental aspects that cover our lives, preserve the natural potential and technological capabilities and form certain benefits for humanity as a whole.

Index Terms: analysis, business, influence, globalization, non-financial indicators, assessment, system, sustainable development, financial indicators, functioning, economic entity, and efficiency of activities

I. INTRODUCTION

Russian and foreign companies of the real business define the goal of managing sustainable development as comprehensive optimization of financial and economic activities based on development and decision making that allow companies to maintain a high level of strategic positions and financial condition, which meets the criteria for the effectiveness of companies, the development of society and the world space as a whole. Formation of the fundamental prerequisites for sustainable development requires time and the will to achieve these goals in addition to changing the human relationship from operational to the harmonious use of resources. According to forecasts, by 2050 the population of the Earth will be more than 9 billion people, each of whom has the right to a decent life, to receive education and medical care. Therefore, the protection of the natural foundations of life and taking into account the infinite possibilities of the planet are becoming vital conditions. It is often assumed that sustainable development competencies include environmental issues or international cooperative relations; however, the political field is overlooked. Therefore, it is important to note that the subject of the Strategy includes not only climate protection, efficient and economical use of natural resources, improvement of health care, and education, but also the fight against poverty, corruption, and etc. Practically, there are several models of sustainable development, which are characterized by certain sets of tools specific to a group of countries. So, there is a European, British, American, Canadian and Japanese model.

II. METHODS AND MATERIALS

A. General Description

The sustainability of the development issues of modern Russian and foreign companies is currently receiving fairly close attention. The methodology of sustainable development of companies does not have a standard model and depends on its territorial affiliation, scales and types of activities, interaction with stakeholders, the level of the economic potential of the company and a number of other factors. Diagnostics, analysis, and assessment of existing models of developmental stability of Russian and foreign companies is necessary for effective management of business processes.



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Business processes should be focused on making a profit for a company that is aware of the responsibility to society and the outside world and not detrimental to civilization as a whole.

The practice of existing models of sustainable development of Russian and foreign companies determines the debatability of this issue in terms of the choice of indicators and their systematization for further use in the implementation of the formed methodology.

In this article, there were used methods of analysis, synthesis, juxtaposition, grouping, comparison, observation, as well as monographic methods.

B. Algorithm.

This article summarizes and systematizes the features of existing developmental models at the macro and micro levels. These sustainability models of development of various companies are characterized by a certain set of specific tools that take into account the country in which the company operates and its features in terms of doing business and interacting with stakeholders. The significance of the triune concept of the company's sustainable development and the balance in modern economic relations are determined. It is also necessary to define an effective methodology for the sustainability of the company's development oriented towards rational economic, social and environmental policies, which contributes to an increase in the level of sustainable development and functioning of both Russian and foreign companies.

C. Flow Chart

Russian and foreign practice of the sustainable development concept is built on the principle of a triune approach. E.B. Zavyalova notes "the sustainability of the development of an economic entity is achieved as a result of the development of three interrelated aspects described by the "three baskets" model, or the "triune outcome" (3P model - People, Planet, Profit) - economic social and environmental "[1].

Achieving the sustainability of the company's development is ensured by a constant balance between the following dimensions:

- Economic, i.e. prosperity and long-term cooperation of the company with all interested parties;
- social, i.e. well-being and justice for both employees and stakeholders;
- environmental protection and resource preservation at the micro and macro levels.

Based on the described approach, the following steps are performed in the Russian and foreign practice for managing a company's sustainable development (see Figure 1) [2].

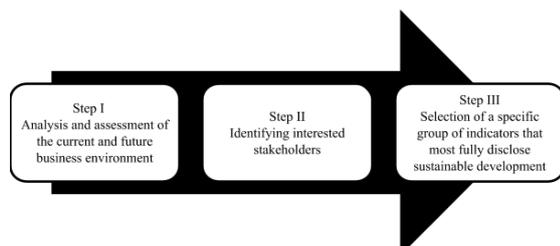


Figure 1. Steps for managing a company's sustainable development from the point of view of Russian and foreign practice.

The main aspects of the first step are the understanding of economic, social and environmental constraints. Economic constraints may include economic forecasts, economic state policy, tax policy, interest rates, inflation rates, demand fluctuations, and etc. Social constraints may include social state policy, population growth or decline, consumption level, availability of labor, wages, health and safety requirements, and etc. Environmental constraints may include a public policy on the use of natural resources, the environment (flora, fauna), surroundings, access to land, access to natural resources, and etc. The peculiarity of the second step is the importance of determining the circle of the most influential stakeholders of the company, that is, the main groups of stakeholders affected by the company's activities. At the second step, the requirements and expectations of the stakeholders are determined, which, of course, will contradict each other. The stakeholders are:

- Internal stakeholders with direct interests in the company: managers, employees, trade unions, and shareholders;
- external participants, defined as company partners with direct commercial interests (for example, suppliers, buyers, banks and insurance organizations);
- dialogue partners that have an interest or requirements relating to the company's activities, such as population, public and community organizations, and etc.;
- authorities: government, local authorities, and etc.

The economic entity needs to ensure the participation of all stakeholders in the process of creating the company's sustainable development methodology based on a group of systematized indicators and criteria that are priority areas for both the company and stakeholders. This involvement of stakeholders can be through business meetings or surveys that reveal important questions about the level of potential consequences of companies and their impact with stakeholders. Close attention is paid to the assessment of these impacts.

At the third step, for each type of activity, due to which the company will develop and maintain sustainability, there will be selected a certain group of indicators that best reveal the sustainable development in this area.

The obtained values of the company's indicators are compared with the target indicators of efficiency, regulatory, industry or the value of this indicator from competitors, and also analyzed in dynamics.

The method of sustainability of development is based on financial and non-financial indicators. Consequently, the financial indicators responsible for production, investment and innovation activities and non-financial indicators responsible for the company's social and environmental policy are determined.

Konyashov notes that "financial, industrial, market, investment and innovation, as well as social and environmental" are usually referred to as the main areas of activity of an economic entity [3]. Efimova believes that "financial activity is associated with the movement of funds and is accompanied by the formation and use of funds" [4]. The main indicators characterizing the stability of the company from the financial side will be presented in Table 1.

Table 1. Indicators characterizing financial stability.

Indicators	Characteristics of an indicator	Standard value
Total solvency ratio	Serves as a general assessment of the solvency of the organization	≥ 1
Absolute liquidity ratio	Shows what part of the short-term debt can be repaid with the available cash	$\geq 0,2 - 0,7$
The ratio of "critical assessment" (intermediate coverage ratio)	Shows part of short-term liabilities that can be repaid with the most liquid assets and estimated income	0,7 - 1,2
Current liquidity ratio (balance cover)	Shows the level of current liabilities that can be repaid by mobilizing all current assets	1,2 - 1,7
Maneuverability ratio of functioning capital	Shows the level of functioning capital immobilized due to inventories and long-term receivables	Decrease in dynamics
Security ratio of current assets with own funds	Determines the level of working capital to ensure the current activities of the company	$\geq 0,05 - 0,5$
Autonomy ratio (financial independence)	Shows the share of own funds in the total amount of funding sources	$\geq 0,4 - 0,6$
Leverage ration	Characterizes the degree of independence of the company from borrowed funds	No more than 0,6 – 0,7
Return on sales	It shows the share of profit in the company's revenue and is a characteristic of its financial performance	Not less than average
Return on assets	Shows the amount of net profit from each ruble invested in company assets	
Return on equity	Reflects the amount of the company's profit per unit of equity value	Not less than average

The most significant area for any company is production activity, the results of which are reflected either as profit or loss. Production activities are directly related to the production of goods, performance of works, the provision of services for the purpose of their implementation and profit. The main indicators characterizing the sustainability of the production activities of the organization are presented in table 2.

Table 2. Indicators characterizing production stability.

Indicators	Characteristics of an indicator	Standard value
Capacity utilization level	Reflects the degree of the actual use of the company's production capacity in the maximum possible mode for this equipment	$\geq 70\%$
The share of the active part of main production assets	Reflects part of the material base of the company, the "most active" involved in the production process	More the better
The depreciation rate of fixed assets	Shows the degree of depreciation of the company's fixed assets	Better-less
Capital productivity	Shows how many rubles of revenue accounted for 1 ruble of fixed assets	≥ 1
The ratio of renewal and disposal of fixed production assets	Shows how much of the disposal fixed assets are replaced by new	≥ 1

The company's market activity is directly related to the realization of the benefits created by it. The main indicators characterizing the company's stability in terms of market activity are presented in table 3.

Table 3. Indicators characterizing market sustainability

Indicators	Characteristics of an indicator	Standard value
The ratio of the turnover ratio of payables to the turnover ratio of receivables	Used to compare the terms of commercial lending, which the company uses with those lending terms that the company provides to others.	Accounts payable turnover \geq receivables turnover
Diversification	Intra-industry diversification presupposes the availability of manufactured products only in this industry.	
The ratio of products sold to marketable products	Reflects the company's success in the market, or glut	$\geq 0,8$
Rate of change in physical sales volume	Allows you to assess the dynamics of the company's sales volume	≥ 1

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Investment and innovation activities of the company imply a long-term investment in order to integrate the results of research and development into production activities. Investment and innovation sustainability is characterized by the following indicators:

- 1) coefficient of investment attractiveness. The algorithm for calculating the indicator is determined by comparing the return on equity and the size of the current market deposit rate. The value above 1 is called the “advance ratio” that reflects the situation when the acquisition of securities of this company will be beneficial for the investor. Otherwise, we get the “lag ratio”, indicating the investment unattractiveness of the company;
- 2) the specific weight of innovative products in the total volume of marketable products. When diagnosing and assessing this indicator, it is necessary to take into account its dynamics for at least three years.

Recently, social activity has become significant for Russian and foreign companies. The indicators that determine the sustainability of the company's development in terms of social policy are presented in Table 4.

Table 4. Indicators characterizing social sustainability.

Показатели	Характеристика показателя	Нормативное значение
Labor productivity	This indicator reflects the efficiency of labor (the number of products produced by one worker per unit of time) in material terms	Must match the plan
Staff turnover rate	Natural turnover is evidence of a timely renewal of the team, and excessive is unattractiveness of the company for employees	3–5 %
Provision of a social package to employees	Represents a certain type of motivation in the form of additional benefits to employees	
The ratio of the average salary of the company to the average salary in the region	Characterizes the degree of satisfaction of the workers' material needs.	≥ 1

The stakeholders assess the environmental sustainability of the company along with social sustainability. Environmental sustainability can be assessed using two key indicators:

1. Changes in the share of emissions of pollutants into the atmosphere in the total mass of emissions in the territory of the company. This indicator provides an opportunity to assess the economic sustainability of the company in comparison with competitors. The reduction of mass emissions will indicate an

increase in the company's environmental responsibility and, consequently, its sustainability.

2. The change in the mass of emissions of pollutants into the atmosphere, water, and soil. The indicators are analyzed in dynamics and determine how much more (less) the company's production has become environment-friendly.

After the company has analyzed the above-mentioned indicators, threats of violation of its sustainable development are identified, and a system of measures is being developed to eliminate the threats, i.e. comprehensive optimization of financial and economic activities is being carried out.

Sidorin and Makarova note that “elemental management systems play an important role in managing the sustainable development of any company” [5].

The effectiveness of the management mechanism for the sustainable development of an economic entity is ensured through the use of the following management methods [6, 8, 17, 18, 19]:

- 1) economic and informational methods. These methods allow to carry out program-oriented planning, strategic planning, involve the use of integrated and specialized information systems;
- 2) administrative methods. They involve the use of methods of organizational stabilizing impact: the distribution of functions, duties, responsibilities, powers, and management structures;
- 3) socio-psychological methods aimed at creating and maintaining a favorable socio-psychological climate through the establishment and development of social norms of behavior, the formation of labor collectives and others;
- 4) administrative and legal methods, which are based on the laws of the country and region, regulatory and methodological documents of the company, business plans, programs and also include such measures as disposal, popularization, a delegation of authority and participation in management and others.

It is noteworthy to mention that the process of internal audit plays a significant role in monitoring the risks of the sustainable development of an economic entity. The audit program, as well as the audit plan, will reflect the main risks and control measures. The processes to be verified will be determined by the priority of the level of risk associated with them [2, 25].

We consider fair the requirement of modern society in terms of the production of quality products and the provision of environmental and social security by companies that are oriented on the sustainability of the development due to the qualitative and quantitative assessment of indicators that allows to take into account the level of influence of external and internal environment on the company. In turn, in order to obtain an effective management system for the company, the concept of sustainable development should be integrated at all levels of the company's operation “planning-implementation-control-adjustment.” This approach will ensure the sustainability of development at the micro and macro level of functioning of economic entities and the country as a whole.



III. RESULTS

As it was already mentioned, in practice, there are several sustainable development models that are characterized by certain sets of tools specific to a group of countries. There is a European model of CSR, the British model of CSR, the American model, Canadian and Japanese.

Let's briefly review the essential features of each of the models. So, standardization lies at the heart of the European model of corporate social responsibility. It is governed by the norms, standards, and laws of the respective states where this model is present. The British model of corporate social responsibility is characterized by wide media coverage and the development of independent consulting services for the development of the company's sustainable development. Also, there is close attention of the financial sector of the state to the availability and content of CSR. The American model is characterized by a greater social orientation of CSR. State stimulation of corporate social responsibility occurs through the introduction of certain benefits for companies on various taxes that apply a sustainable development strategy. The Canadian CSR model is characterized by the cooperation of many organizations with the National Quality Institute of Canada, which jointly develop a special CSR standard - a model of excellence in quality and a healthy workplace [7].

Among all Asian countries, it is necessary to single out Japan. The most developed corporate social responsibility is in Japan. Let's take a closer look at this model and implementation mechanism. It is the most advanced and dynamic model. Japanese companies, due to traditions (for example, Confucianism), as well as tough competition conditions among companies, have always been focused on building strong and open relations with their business stakeholders.

Japan's model of sustainable development is not particularly oriented toward European standards and relies more on its ethical codes. In 2016, ISO 26000 was partially included in the standards of sustainable development. The main features of the Japanese model of corporate social responsibility include [8]:

1. Gender equality in the company
2. Paying great attention to the environment and special attention to the programs on the purity of the environment.
3. Ensuring a fair partnership.
4. The high popularity of volunteering.

The Japanese model of CSR implies certain official and unofficial institutions of the state, where CSR includes a set of rules, traditions that are mandatory for execution and exist formally, where the active participation of the state in strategic planning takes place. There is also an effective legal framework for the implementation of CSR, which, above all, is expressed in the Charter of corporate behavior.

Speaking about social responsibility, the type of organization of management in Japan should be indicated [9] because it has a direct impact on CSR. For the Japanese people, a customer is an honorable object to which the company is grateful for the success. The Japanese people rely on a slogan: the customer is God. Many Japanese corporations now see the possibility of their economic growth not so much in their desire to dominate the market, but in winning consumer loyalty. Because of this, most Japanese companies support the idea of corporate social

responsibility as a tool for building a company strategy that is focused on the needs of society.

In Japan, there is a tradition of life-long employment, in which the company is perceived by staff as a "production family". An employee of a company is considered a member of "his" family, therefore his responsibilities and rights are beyond the scope of normal contractual employment duties. The company supports the employee throughout the journey: assists in housing issues provides financial assistance for the birth of children and then helps pay for their education, as well as pays out quite generous severance benefits and corporate pensions for their employees.

At the government level in Japan, the "Premium Friday" program was offered, which allows to smooth over the problem of overworking in Japanese companies [10]. Now, the residents of this country will be able to leave their offices a few hours earlier on the last Friday of each month, which will reduce the suicides of the Japanese people as a result of overwork, as well as increase the proportion of population consumption.

Let's take a look at the example of the working social principles of one of the largest companies in Japan and the world - Toyota. The main social principles of the company include [11]:

1. Business success is the creativity of every person and good teamwork.
2. Equality support in opportunity and diversity. Company against discrimination.
3. Respect for the rights of people, forced and child labor is unacceptable.
4. Through communication with our employees, we create the values of "mutual trust and mutual responsibility" and working together for success.
5. Active involvement in social activities and enrichment of society.

Using Toyota company as an example, it is seen strong social support from the community and employees. It shows the respect for the rights of people, the attitude towards each employee as the most valuable.

The environmental sustainability of Japanese companies is one of the most important in the overall sustainability of the company. Respect for nature, protection, and replenishment are inherent in the culture of Japanese residents; therefore, these principles are fully reflected in the corporate social responsibility of local companies.

Toyota company is again a great example of environmental sustainability. The main goal of the company is a harmony between the economic growth of the company and the environment and a reduction of the negative impact of vehicles on the environment.

The division of stakeholders in the Japanese model of sustainability can be distinguished into internal and external. The internal stakeholders include staff and shareholders, while the external ones include society and consumers. The greatest emphasis is placed on internal stakeholders. Let's take a look at the gradation of Toyota Motors stakeholders in terms of importance to the company [12]:

1. Staff. The company identifies staff as the most important stakeholder.
2. Buyers. They are the second priority group of stakeholders.
3. Investors. Satisfied needs through global business growth.
4. Environment. Implemented through environmental goals.
5. Societies.

It is noteworthy to mention that the social responsibility of Japanese companies is supported by the cultural traditions of the country. Companies traditionally base their strategies on close cooperation with government and staff, paying great attention to environmental protection and interaction with local communities.

IV. DISCUSSION

Let's take a closer look at several models of the sustainable development of companies in different countries. So, the UK is clearly focused on the successful implementation of the sustainable development program and the solution of its strategic objectives. The most effective way to do this is to ensure that goals are included in the planned activities of each government department. The most effective implementation coordination mechanism is a departmental planning process.

The Agenda for Sustainable Development of 2030 is a historically global agreement on the eradication of extreme poverty, the fight against inequality and injustice, without neglecting other problems of modern society. Agreed by world leaders in the UN in 2015, the 17 Sustainable Development Goals (SDGs) implement the Millennium Development Goals (MDGs). The SDGs are universal, and it is expected that all parties that approve them will contribute nationally and internationally.

The UK government has set itself quite a few global goals in terms of sustainable development, as many as seventeen. However, let's focus on the eighth goal, which is maintaining economic growth and ensuring a high level of employment under decent working conditions. This issue in the United Kingdom is dealt with by the Ministry of HM Treasury and DWP (Department for Work and Pensions). To achieve the previously mentioned goal, government agencies have the following tasks:

- ensuring the sustainability of the macroeconomic environment and financial system (administered by HM Treasury);
- support for economic growth and increase of productivity at the expense of permanently paid work, support for people in finding work and ensuring career growth (administered by DWP);
- assistance to people with disabilities through the social security system and employment (administered by DWP).

HM Treasury is the government's ministry of economics and finance, which oversees government spending and determines the direction of UK economic policy, as well as working to achieve strong and sustainable economic growth. To ensure the sustainability of public finances, HM Treasury helps the Government maintain fiscal policy by reducing the structural deficit to less than 2% of GDP, thereby reducing the debt burden by 2020–21. By the middle of the next decade, the UK budget should be balanced. It is also

noteworthy to mention that it is important to improve the cybersecurity system and ensure the continuity of business structures for government financing operations.

HM Treasury contributes to maintaining the standard of living in such a way that it fits the budget and economic objectives of the Government. In addition, this ministry cooperates with other departments. Working together with DWP allows controlling and developing a social security system in which the most vulnerable people in society receive decent wages. Cooperation with HMRC (HM Revenue and Customs) allows to minimize losses from tax evasion, reduce the number of errors and arrears in the system of tax credits.

Moreover, HM Treasury is authorized to control public spending during the year and during the current period, to manage government expenditures on the public sector and the payment of pensions. The ministry manages expenditures in key government services and departments, provides tariff plans that support high-quality government services and provide value-for-money for the taxpayer, addressing the problems of cost control in key sectors.

HM Treasury and DWP, both in cooperation with each other and in a separate manner, make a significant contribution to the achievement of the global sustainable development goal of the United Kingdom, such as economic growth and high employment with decent wages and safe working conditions.

In 2015, the United Nations organized the Summit on Sustainable Development, which included a delegation from China. At this Summit, the Sustainable Development Program until 2030 was approved, which defines the directions of internal development of states, as well as the ways and methods of international cooperation for the next 15 years.

At the 12th Congress of the People's Congress of China, the thirteenth five-year development plan was adopted, which was intended to combine the country's short-term and medium-term development goals with the objectives of the long-term strategy presented in the Sustainable Development Program until 2030 [13].

In addition, in order to increase the effectiveness of the implementation of the Sustainable Development Program, China has also formulated a National Implementation Plan for this program. In the economic sphere, China has formulated the National Development Strategy Plan, which is based on the emphasis on the development of innovations, as well as the National Plan for the Sustainable Development of the Agricultural Sector for 2015-2030.

In the social sphere, the Decision of the Central Committee of the Chinese Communist Party of China on the "victory in a hard battle" to reduce poverty was issued and a plan to improve health care has also been created.

It is noteworthy to mention that China has already achieved significant results in the field of poverty reduction. Table 5 presents data on poverty [13, 24, 26].

Table 5. Dynamics of poverty indicators and financial aid to the poor in rural China 2011-2015

Year	A	B	C	D	E	F
2011	12238	12.7	4329	272	101	3985
2012	9899	10.2	2339	332	165	4602
2013	8249	8.5	1650	394	208	5389
2014	7017	7.2	1232	432	267	6088
2015	5575	5.7	1442	467	335	6836

Column A shows the number of poor people living in rural areas (data are presented in tens of thousands of people). Column B shows the proportion of poor people living in rural areas. Columns D and E show the size of investments in poverty reduction in hundreds of millions of yuan by the central government and local governments, respectively. Column C shows the number of people who have gone out of poverty (tens of thousands), and, finally, column F shows the total income of local residents in the areas that are a priority for reducing their poverty level.

According to the BP Statistical Review of World Energy, since 1978, the number of poor has decreased from 770.39 million to 43.35 million or by 94.37% in 2016 [14]. It is important to consider the fact that just like in many other regions, in China the rural population occupies a significant part of the total population and the largest proportion of the poor is observed among the rural population.

For 2016, the share of the rural and urban population became almost diametrically opposed to those of 2006. However, the rural population occupied 42.65% of the total population in 2016, so a significant reduction in rural poverty is also a significant indicator for China as a whole. China has built a complex financing system for poor regions through the central government and local governments, but beyond that, China is also actively engaging private businesses in the fight against poverty. So, in 2016, China has attracted 22,000 private companies to increase the income of 21,000 villages hit by poverty by creating a business with an emphasis on the characteristics of local regions [14, 22, 23].

China's further goal in the social aspect of sustainable development is to completely eradicate rural poverty, as well as implement a fair and sustainable social protection program by improving the social insurance system by 2020. In addition, by 2020, China also plans to make microcredit more affordable for poor households, and provide compensation to the local population whose land was used for the construction of hydroelectric power stations and mineral resources. Other social goals also include ensuring a healthy life, eliminating hunger and increasing access to education.

In addition to achieving positive social results, the Chinese economy has also succeeded in developing the environmental aspect of its activities. In 2018, a study was published on the ecological development of the economic entities of China for 2001–2011, in which indicators were calculated for 36 different sectors of the Chinese economy, such as performance indicator, technical progress index, Total Factor Productivity (TFP), which is the product of the first two indicators, as well as the share of TFP in the overall growth of the economy over the period and, finally, absolute GDP per capita by economy sector. According to the results of this study, only the sector of iron ore production showed a negative growth rate of the TFP indicator, the average value of which was -5.62% over the period considered. Research data show that TFP growth was higher for the sectors that

traditionally most pollute the environment. Among them can be distinguished the extraction and processing of petroleum products, the production of paper and paper products, coal mining, the generation of electrical energy and heat energy. A slow growth rate was typical for sectors that pollute the environment less [15, 20, 21].

In general, it can be noted that China as a state and as a group of economic entities has achieved significant success in the field of sustainable development in recent years.

Sustainable development plays a big role in the European Union. It was established in 1992 and since then many times appeared in official documents of the EU. Moreover, sustainable development is a major component of the European Union's strategy until 2020. The sustainable development goals adopted by the UN General Assembly play an important role in EU policy. The following aspects of the European model of sustainable development can be distinguished:

1. Consolidation of sustainable development in official documents.
2. The emphasis is on the economic, social and environmental aspects of sustainable development.
3. The importance of international law.
4. Work with external partners, the UN, and assistance to developing countries.
5. Creating sustainable development goals and fixing them in the overall EU development strategy.

In the study of the sustainability of development, one cannot but pay attention to the Russian Federation. Russia has a huge potential in terms of sustainable development, due to its territorial location and a huge stock of non-renewable resources and the natural ecosystem. Considering this aspect and the demographic situation, it is also important to optimally relate the use of Russian resources for human potential.

The reserves of the natural resources of our country determine now and will determine for a long time the stability of Russia. Russia's natural wealth is the basis for solving the country's economic and social problems. At the present stage of our country development, the only way to take the path of sustainable development is to gradually abandon the intensive sale of resources and switch to their reasonable and economical consumption, as well as the adequate distribution of natural rent. Taking into account the specifics of history and mentality, methodologies should be developed for each resident of our country to help understanding of the value of goods and their preservation [16]. The complex of social features of Russian society that influence the overall evolution of territorial economic structures within the framework of the concept of sustainable development determines:

1. The lack of public desire to interfere in the activities of the authorities because of the experience of life in the 90s.
2. The short-sightedness of the current generation, i.e. lack of desire to think about future people, and create a sustainable environment for them.
3. Irresponsible approach to work. Salary payment without depending on the quality of work performed.
4. Careless attitude to the use of natural resources by big business, as a manifestation of the national mentality.

5. The lack of scientific research as a reason for the departure from the country of highly qualified and specialized scientific personnel abroad.

The complex factors of a political nature:

1. The disunity of interests between segments of the population.
2. As mentioned above, the lack of responsibility to the future population in the use of natural goods, i.e. unwillingness to relearn, change ideas and inculcate responsibility.
3. Presence of imperfections in regulatory and legislative bases.
4. Inexpedient maximum economic effect from the use of natural resources expected by the administration.
5. The minimum number of components in the policy of regional authorities.

The complex of economic factors:

1. High dependence on the exploitation of natural resources, as a result of the underdevelopment of alternative options to ensure the functioning of the country.
2. An enormous amount of resources for our country. There is no incentive to create innovative technologies aimed at a more economical use of natural goods. Moreover, this problem is encountered both in well-developed areas and in the backward. The well-developed areas have an abundance of resources, while the backward have the impossibility of implementation because of the survival mode.
3. The availability of resources, the processing of which receive the final product with high added value, characterizing the interest of the economic return of a short-term period, and not a thrifty attitude for the future and for the benefit of future generations.
4. The low level of availability of scientific and human potential for the creation of alternative industries instead of resource ones.

According to the 2002 Guidelines for Sustainable Development, the first and fundamental stage in the formation of sustainable development is overcoming the crisis in all directions. It's associated with the transition of Russia to a market economy and a democratic regime in society. This stage was designed for the short term and was a priority.

The second stage (i.e., medium perspective) is the creation of conditions for the economic and social development of our country with the optimal use of the resource base of our territories. This includes the establishment of international relations and their use as mutual benefits, division of labor while maintaining the tendencies towards the constant development of innovative solutions, improving the quality of life of the population.

The third stage (long-term perspective) is the establishment of relations between society and nature, both on the scale of one country and the world as a whole, i.e. harmony due to the following actions:

- change of thinking from consumption and material evaluation to moral and spiritual perception and creation;
- awareness of the need for rational consumption of available resources.

For the current period of development of our country, a new strategic goal has been defined, which is the achievement of the maximum level of sustainable development with joint efforts and mutual assistance. Russia signed the treaty at the UN conference and assumed the

responsibility to create the conditions for moving towards sustainable development.

It should be noted that the current state in Russia is quite low and there is a lot of work and reform to be done. It's important to understand is that changes are required not only at the global level, at the level of the Russian Federation, but also at the regional level of our country.

V. CONCLUSION

In the past century, the whole world came to the conclusion that if not to control the use of limited resources, then mankind will ultimately have no opportunities for development. The need for sustainable development has appeared. Nowadays, sustainable development is one of the most popular topics. Different models of sustainable development are applied and used in different regions of the world. In conclusion, it should be noted that the sustainable development of companies in the economic sphere is an evolutionary process. For its full formation, it is necessary to think over and specify goals at each separate stage. It is important to understand that the sustainable development of all mankind depends on the sustainable development of each country and each company. Currently, it is clearly visible that the nature of the sustainability of development is long-term. In the whole world, there is no clear and concrete perspective relief of security of environmental sustainability, which can be seen in the level of improvement of production, agriculture, education, and public awareness, and a significant effect will manifest itself only after several decades. That is why an understanding of the role of sustainable development of economic entities, both in Russian and foreign subjects is up for discussion, in order to change and improve our future, to raise the level of not only economic development, but also social and environmental. There is no doubt that sustainable development is a development indicating the need for a balance between generations and their needs.

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