

# An Impact of Sustainable Development on Business Environment and Economic Status

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DOI:10.37648/ijtbm.v15i02.007

<sup>1</sup>Received: 02/03/2025; Accepted: 04/06/2025; Published: 09/06/2025

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## Abstract

Sustainable development increases benefits related to quality of environment, social equity and social justice, accelerate economic growth in quantitative term (National Income increases) and qualitative term (socio-economic development–Per Capital Income, Literacy, Standard of living, infrastructure facilities) and preservation of natural resources for future generations. Sustainable development is achieved through effort of many sectors- agriculture, manufacturing, services, business, individuals and by the Government in terms of economic status. Sustainable Business Management development is through continuous innovation in product quality and brand loyalty by using quality material, advanced technology for welfare of masses. It brings transformation into the world economic condition by providing good product for customer satisfaction. Business Management is an effort to grow profit continuously by entrepreneur and facing the competition in the market. Sustainable development is development that meets the current needs of people and demand for products by future generation. The Sustainable Development Goals (SDG) are achieved with **five pillars- planet, people, partnership, prosperity, peace**. The focus of this article is on to bring transformation in economy by sustainable development goals (SDG) to eradicate poverty and equality, protect the planet and ensure that all people enjoy good health, prosperity with the effort of people to contribute for economical status upgrade as well as business profit increase in economy.

**Keywords:** *Development; Energy; Growth; Innovation; Management; Sustainable.*

## 1. Introduction

### 1.1 Need for and Importance of Sustainable Development

Sustainable is a technique which benefit the economic and business environment. The changes in the environment, Earth's system, the threat of climate change continuously effects the **economic, social and natural resources**. The environmental factors have concerns about effects on Global natural systems and the people. During the COVID-19 pandemic, companies continuously align to the United Nations General Assembly set sustainable development goals (SDG) in 2015 and achieved the goal by 2030.

### 1.2 Sustainable development

- (i) Focus on maintaining ecological balance and climate change.
- (ii) Help to control the depletion of natural resources, land, water, forests and minerals, environmental degradation, loss of biodiversity by increasing population pressure, urbanization, industrialization.
- (iii) It is essential for the long-term prosperity of businesses environment and economic environment.
- (iv) Sustainable business practices can increase efficiency, reduce costs and improve customer loyalty.
- (v) Sustainable economic development will create new jobs and promote innovation.

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<sup>1</sup>How To Cite The Article: Parashar S (June 2025); An Impact of Sustainable Development on Business Environment and Economic Status; International Journal Of Transformations In Business Management, Vol 15, Issue 2, 126-131, DOI: <http://doi.org/10.37648/ijtbm.v15i02.007>

- (vi) Sustainable development becomes main feature in cities and communities as healthy Consumption and Production and Life on Land, favorable Climate, and Institution as Finance, Technology, Capacity Building, Trading, Data Analysis etc.

## 2. An Impact of Sustainability in Business

Sustainability in business is exposed as companies adopted strategies and actions to control adverse environmental and social impacts on business operations in a particular market. In organization, the sustainability practices are analyzed on the basis of the Environmental, **Social and Governance** (ESG) issue.

Sustainability in business is,

- (a) Improving energy management efficiently by using alternative power sources.
- (b) Development of Infrastructure preserves water resources and eliminates waste.
- (c) Operating dynamic and efficient supply chains for circular flow as real and money flow in economy.
- (d) Encourage to protect natural resources.
- (e) Enabling sustainable development by assessing risks and formulating regulations.
- (f) For sustained development process, the need of E-book, Smarter artificial intelligence for IT (information technology) operations increases the benefit in economy.

### 2.1 Sustainability in Business: A Big Challenge

In companies, an opportunity to reassess their value-creating capabilities for stakeholders.

- (a) Sustainable cities development-Smart city infrastructure, waste reduction initiatives, data-analytic, cloud computing cyber security, Artificial Intelligence(AI), Machine Learning (ML), Enterprise resource planning (ERP), suitable IT infrastructure, Black chess technology.
- (b) Various techniques such as Green technology development, Smart grids, Precision agriculture, Transparency and accountability, Sustainability Reporting Software Climate change, clear energy transition, Carbon Capture Technologies increase sustainability in business .

### 2.2 Sustainable Business Management (SBM): An opportunistic approach

In this rapidly changing environment, it is ensured that the strategies and operations adopted remain relevant for production and consumption processes. Companies focus on Environmental, Social and Governance (ESG) issues. Governments regulators help the companies to report, in which various stakeholders' perspectives and the long-term value-creation capabilities and work as per needs and plan for future.

#### 2.2.1 Characteristics of Sustainable Business Management (SBM)

- (i) Sustainable business management affects the whole organization, from strategy to risk management, marketing to internal controls in companies.
- (ii) The key to sustainable business management is that companies make decisions with perspective in mind, having a vision and strategy that ensure value creation and needs collecting the right information in time, having the good processes and hiring the expert people to make strategic business decisions.
- (iii) An innovation involves making changes to company products, services or production processes for long term social and environmental benefits while creating economic profit .
- (iv) Sustainable innovations require systematic thinking, firm culture and procedure of value and ethics can be created in the long run in business.
- (v) Developing novel products and services, changing operational services contributes to sustainable business development.

### 2.3 Economic Development as Sustainable Development

Economic development is also an essential objective of sustainable development providing the resources and opportunities necessary to address social and environmental challenges protecting the planet for future generations. Sustainable economic development is achieved by creating jobs, developing entrepreneurship, investing in infrastructure innovation and technology. The role of technology in business management can be a big challenge. It promotes fair trade and ensuring equal distribution of economic benefits through open trade.

- (a) Investing in renewable energy sources such as solar, wind, and hydro-power can reduce reliance on fossil fuels, contributing to climate change. It is an essential Sustainable Development Goal that makes efforts to reduce greenhouse gas emissions and control global warming to below 2 degrees Celsius.
- (b) Sustainable development goals can improve soil health, reduce water usage and control the need for harmful pesticides and fertilizers in agriculture.
- (c) Promoting the utilization of public transportation, walking and cycling and moreover promoting the use of low-emission vehicles which can improve air quality as sustainable transportation.
- (d) Implementing waste reduction and recycling programs can minimize the amount of waste, conserve resources and reduce pollution. Responsible consumption and production are essential for Development goal that upgrade sustainable consumption patterns by reducing waste, promoting recycling and production practices.
- (e) Protecting natural resources such as forests, oceans and conservation waterways can preserve biodiversity, mitigate climate change and provide essential ecosystem services.
- (f) Promoting sustainable tourism practices such as responsible tourism and Eco-tourism can benefit local communities, preserve cultural heritage.
- (g) Sustainable communities and cities are another important sustainable development goal which promotes urbanization by ensuring interest in housing, transportation and sanitation services and promoting sustainable land use practices and control the carbon footprint of urban areas.
- (h) Quality of education aims to ensure that all children have access to quality education, regardless of socio-economic background with development by promoting academic education and environmental education.
- (i) Gender equality ensures that women and girls have equal access to education, employment, and political representation.

## 3. Contemporary Status of Sustainable Development in Indian Economy

### 3.1 Objectives of Sustainable Development

- (a) Poverty alleviation is a motive for reducing the number of people living in extreme poverty. Sustainable economic growth is necessary for poverty alleviation, as it creates income generation, employment opportunities, and benefits all members of society, particularly those living in poverty. It can be achieved through policies and programs that promote education and skills development, social protection programs and targeted support to populations.
- (b) Social equity is reducing inequality and ensure social justice and have access to essential services such as health care and education.
- (c) Environmental protection seeks to ensure that natural resources are used in a way that keeps them healthy for future generations.

Economic indicators Net National Income (NNI) Annual Growth Rate, Per Capita Annual Growth Rate, Inflation Rate, People living under poverty line.

Sr. No.	Year	NNI (Annual Growth)(in %)	Per-Capita(Annual Growth)(in %)	Inflation Rate (in % )	People Living under Poverty Line (in %)
1	2012-13	4.5	3.3	9.48	21.6
2	2013-14	6.0	4.6	10.02	21.9
3	2014-15	7.5	6.3	6.67	14.6
4	2015-16	8.0	6.8	4.91	18.73
	NITI AYOOG				
5	2016-17	8.2	6.69	4.95	14.96
6	2017-18	6.7	5.5	3.33	13.37
7	2018-19	6.2	5.2	3.73	10.2
8	2019-20	3.6	2.5	6.62	16.4
9	2020-21	-7.9	-8.9	5.13	11.9
10	2021-22	10.4	9.3	6.7	11.8
11	2022-23	6.8	5.7	5.65	8.5
12	2023-24	8.3	7.4	5.69	14

Table -1

As data exposed in Table 1, a continuously controlled inflation and poverty with moderate growth annually and per capital in income .During Twelfth Five-year plan growth rate and inflation rate make demand. After introduction of NITI (National Institute of Transformation in India) Ayog, more focus on growth in income and to control poverty. Since 2021 after COVID 19 and Corona Virus inflation rate change marginally(0.04%), 5.65 to 5.69, poverty 8.5 to 14% more effect on employment). A year of 2020-21, very negative effect on income growth inflation and poverty. So efforts are accordingly to increase development and growth in economy by business strategy adopted to sustain able development.

### 3.2 Achievements in Sustainable Development

- (i) Areas of Corporate Sustainability (Growth and Development)
- (ii) with Sustainability in Business (Welfare of People)
- (iii) Future of Sustainability in Business (Innovation and Technology Advancement)
- (iv) Sustainability in Business Resource (Quality and branded product)

### 3.4 Environmental, Social and Good Corporate Governance effect on Economy

- (a)Poverty, 29.8% percent of population lived below poverty line on the basis of basic needs–Food, Clothing, Shelter, Education , Medical Facility and Infra structure .
  - (b) Inequality: Top 20% of total population gets only 58% income, poorest 40% get 16% and next 40% have 26% income Classification of Income group (High, Medium, Low Income) .
  - (c)Social Justice: Equal distribution of income (Good Taxation System and Social Security Schemes for people)
  - (d)Environment upgradation: Pollution Control and Green Environment.
- In industries, the organization implements effective strategies that reduce environmental impact and promote social responsibility.

### 3.5 Goal of Sustainable Development in changing world

Businesses are facing challenges and have opportunity for,

- (a) Women empowerment and gender equality,
- (b) Clean affordable energy,
- (c) Governance for peaceful justice for society,
- (d) Reducing poverty,
- (e) Crisis prevention and increased peace.

#### **4. Conclusion**

The need for and importance of sustainable development is very important for the economy. Sustainable development increases for long-term by economic growth, social development, and environmental protection. The challenges of environmental degradation, social inequality, and economic instability in economy can be controlled with adopting comprehensive strategies for promoting development that aims to fulfill the current generation's and ensuring future generations need. The main aim is preserving the environment for future generations' well-being and adopting sustainable practices and policies for healthy environment. Sustainable development with high economic growth for sustainable social well-being and moreover, environmental quality is maintained or improved by considering economic, social, and ecological interdependence. Sustainable Business Management is through Innovation in product with technology advancement proceeds to achieve sustainable goals environment upgradation, social equality economic stability, prosperity and peace. The areas of Corporate business Sustainability, Challenges and Future, Resource effect the Environment, Social and Corporate Governance of business in Economy have effect for overall income growth 8.3% and per capital income by 7.4% and change business environment and economic state.

#### **5. Conflict of Interest**

The authors declare that they have no conflict of interest.

#### **6. Funding Declaration**

This research did not receive any specific grant from funding agencies in the public, commercial, or not-for-profit sectors.

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**About Author**

Dr. Suhasini Parashar is born on 17<sup>th</sup> November 1962 in Haryana State of India . She is a Science Graduate (B.Sc.(Medical) in 1982), from DAV College , Ambala City (Kurukshetra University, Kurukshetra) and done Post-graduation (M.A. Economics in (1984)) and Ph.D.in Economics (1992),with Three years (1986-1989), University Research Scholarship from Department of Economics, Kurukshetra University, Kurukshetra . Now, She is serving as Associate Professor of Economics in Business Management in Department of Business Administration , Maharaja Surajmal Institute (Since August 2002 joined as Lecturer and in August 2007 promoted as Reader and, January 2021 onwards re-designated as Associate Professor) , so far has the experience of 29 years in teachings in colleges/Institutes of Kurukshetra Universit, Kurukshetra, Delhi University, Delhi and Guru Gobind Singh Indra Prastha University, Delhi with, 5 years Research Experience. She is specialized in teachings of subject Economics (Micro economics and Macro economics), Indian Economy, Business Economics Business Environment, Money and Banking. She is continuously writings with interest in area of Economics, contemporary issues in Indian Economy and subject related to Business Economics and Business Environment. She has published the many papers/articles in National and International Journal, Conference proceedings with ISBN as well as ISSN No. She has also published papers in National and International Journals (Peer Reviewed Journals). She has also attended enough number of Orientation Programme, Faculty Development Programme (FDP), Workshops and Seminars,Webinar (online FDP/Workshop, Lectures)on concerned business and economy areas. She is continuously having interest in writing on issues of socio-economic development in India.