

SUSTAINABLE ECONOMIC DEVELOPMENT STRATEGIES FOR EMERGING ECONOMIES

Dr. Nagaraju Patha

Associate Professor, Department of Applied Economics,

Telangana University, Nizamabad, Telangana, India.

ABSTRACT

Within the scope of this research, an attempt will be made to explain the relationship between sustainable development and emerging economies. An increasing number of economists are predicting that in the years to come, five or more emerging countries will have a significant influence on the politics of the whole world. This pattern is particularly relevant when considering the phenomenon of globalization. It is imperative that these nations engage in sustainable development in order to triumph over the substantial obstacles that they must overcome in order to compete with industrialized economies. Through the prioritization of the enhancement of the quality of life of all individuals, both in the present and in the future, sustainable development guarantees that Future generations' needs are not taken into consideration while meeting the needs of the present. Sustainable development is something that emerging countries absolutely need, in our opinion, in order to keep their economy competitive and achieve amazing success in the future.

Keywords: Knowledge economy, competitive policy, well-being theory, social welfare, sustainable development, and cognitive capital.

INTRODUCTION

Emerging markets are very important to the overall economic landscape of the world because of their rising customer bases, increased integration into the global economy, and dynamic growth potential. These markets must overcome a multitude of challenges, some of which include inadequate infrastructure, institutional deficiencies, and geopolitical instability. These are only some of the numerous difficulties. In order for emerging economies to fulfil their full potential and achieve sustainable growth, they need economic development strategies that are strategic and tailored to their particular circumstances.

Funding infrastructure building

In order for growing economies to succeed, it is necessary to provide better infrastructure. It is essential to have a comprehensive infrastructure in order to facilitate trade, increase production, and entice investment. Transport networks, energy systems, telecommunications networks, and water supply networks are all included in this category. However, deficient infrastructure is an issue in many countries that are still in the process of developing, which restricts the potential for growth and slows down economic progress. It is imperative that governments and politicians place a high emphasis on investments in infrastructure in order to address the issues that are now being faced and to accomplish the goals of

long-term economic development. Public-private partnerships (PPPs), which combine public and private finances and resources to finance and construct essential infrastructure, have the potential to make a significant contribution to the success of infrastructure projects. Through investments in infrastructure, emerging nations have the opportunity to lay the foundation for long-term economic success. These investments may increase connectivity, reduce the costs of transportation, and provide employment opportunities.

Encouraging innovation and entrepreneurship

Because of the spirit of invention and entrepreneurship, emerging market economies are more dynamic and competitive than developed market economies. Startups are beneficial to the economy because they generate new employment, money, and wealth. Innovations increase productivity and make firms more competitive on a global scale. Additionally, startups attract new investors. But would-be entrepreneurs in emerging markets face a great deal of challenges, such as a lack of resources, bureaucratic hurdles, and financial backing, which they must overcome in order to be successful.

A climate that is receptive to new ideas, stimulates initiative, and enables the development of existing firms is the most effective approach for governments and politicians to encourage entrepreneurship. This environment should be fostered in order to assist the growth of current enterprises. Because of this, it is necessary to enact regulations that would make it simpler for companies to register, reduce the amount of bureaucratic red tape, and improve the access that small and medium-sized enterprises (SMEs) have to financing. T

he provision of financial support for educational and vocational training programs, as well as technical incubators, may help aspiring company owners become more equipped for the competitive business climate. It is necessary to provide support to small and medium-sized businesses (SMEs) in order to foster an entrepreneurial spirit and promote economic development in economies that are still in the process of growing. Small and medium-sized businesses (SMEs) are the economic engine that keeps the economy going because of their disproportionately substantial influence on employment, gross domestic output, and industrial production.

However, small and medium-sized enterprises (SMEs) often face challenges such as inadequate infrastructure, limited access to finance, and clogged marketplaces. It is possible for governments to provide financial incentives, technical assistance, and access to markets in order to facilitate the growth of small and medium-sized businesses (SMEs), which in turn helps to generate job opportunities and stimulate the economy.

For the purpose of achieving economic success in emerging markets, it is vital to implement a multifaceted approach that not only promotes fair development but also addresses structural issues. Through investments in infrastructure, encouragement of entrepreneurial endeavours, and the cultivation of innovative ideas, emerging nations have the ability to realise their economic potential and enhance the quality of life of their citizens. It is necessary for governments, lawmakers, and other interested parties to work closely together in order to design economic development plans that are effective and that are suited to the specific requirements of growing economies.

Developing markets via efforts to strengthen institutional capacity, regulatory reforms, and focused investments may be able to overcome development hurdles and provide opportunities for sustainable growth and prosperity. This may be accomplished by developing markets. Building stronger infrastructure, encouraging more individuals to establish their own firms, and fostering more innovative thinking should be the top priorities for policies that are designed to assist economies that are still in the process of growing. The implementation of these policies is very necessary in order to relieve poverty, develop economic potential, and establish healthy economies that are capable of living in an environment that is internationally competitive.

Sustainable development

There have been a lot of changes in the world since the beginning of the new century. As a result of the formation of new economic powers, the influence of new technologies on society, and the creation of new patterns of human habitation and activity, the globe is now experiencing stresses that are greater than those that have ever been experienced before. Evolving inequality is an issue that affects both industrialized countries and emerging ones alike. To adapt to a new era, one must have a new point of view and a framework that is flexible.

The notion of sustainable development should serve as the guiding principle and operational standard for the whole planet. This can only be accomplished by including social justice, environmental stewardship, and economic advancement into the whole process. An organisation of this kind has the potential to bring together all of humanity's aspirations and requirements, while also serving as a model for supplementary solutions to global issues. That being said, the path that lies ahead may be referred to as sustainable development. It is the definition of sustainable development that has been presented by the Bruntland Report (WCED) that has been mentioned the most often among the many that have been suggested: In order for progress to be called sustainable, it must be able to satisfy current needs without sacrificing the capacity of future generations to satisfy their own needs in a comparable manner.

It contains two fundamental principles: first, that the world's poorest people should have their basic needs addressed first and foremost; and second, that the environment is confined in its potential to do so owing to the existing condition of technology and social structures. Both of these notions are included into the concept. In order to have a meaningful conversation on sustainable development, it is necessary to take into account the world as a network of interrelated systems that cuts over both space and time. The concept of sustainable development relies heavily on this form of systemic thinking as its conceptual foundation.

OBJECTIVES

1. To identify and examine the main forces behind developing nations' sustained economic development.
2. To assess how well different sustainable development tactics used by developing economies are working.

RESEARCH METHODOLOGY

The work's theoretical and methodological underpinnings may be found in neoliberalism. Furthermore, concepts like imperfect competition, evolutionary institutional theory, and the knowledge economy serve as motivation for the work. The study hypothesis is that the establishment of a state-protectionist competitive-market order in the area of macroeconomics of knowledge is one of the most significant principles of evolutionary economic theory. This is in contrast to the current system, which is characterized by unstructured state regulation of markets with imperfect competition. Economists from all schools of thought are in agreement that commodity-money interactions need to integrate institutional and legal mechanisms of government control. This is the case despite the fact that we are now having differences over the role that the state plays from an economic standpoint. Protectionist policies are considered to be the duty of the state, as stated by the mercantilist academic philosophy. According to the social contract idea, the state is responsible for providing protection for private businesses. The idea of German neoliberalism establishes the state's position as a guardian of the "economic order" for the first time. It believes that fair competition may be promoted by the exercise of political power, that is, through the adoption of a policy to preserve competition. This thought was born in Germany. From that point on, the state would be accountable for a diverse array of economic policies.

Emerging Economies

The economics of rising nations have a tremendous influence on the economy of the whole world. There are a number of nations that are considered to be the most representative examples of this group's economy. These countries include South Africa, China, India, Indonesia, and Brazil. The Organisation for Economic Co-operation and Development (OECD) noted that despite their variety, emerging economies (EEs) have some economic features. These qualities are underlined in the following sentence.

All of the EEs had growth rates that were much higher than the average of the OECD for a considerable amount of time prior to the Great Recession. The rise of their economies made it possible for the EEs to keep their wealth at a consistent level throughout this time.

The EEs were able to achieve progress in their fight against poverty as a direct consequence of the economic success that they experienced. The nations of Indonesia, Brazil, and China had the most significant reductions in the level of absolute poverty. From the seven countries that are mentioned below, the rate of poverty in India is the greatest, while the economies of Argentina and Russia have virtually completely eradicated poverty.

With regard to the future, the EEs still have a fair possibility of catching up to the income levels of the countries that are members of the OECD.

RESULT

The design of well-being in institutions

Making a distinction between welfare and well-being is something that has to be done. Well-being incorporates Unlike welfare theory, which merely provides a realistic and useful evaluation of living standards, this theory takes into account both the material and spiritual aspects of life satisfaction. To put it another way, the concept of welfare is comprised of material values, and the compilation of all other values becomes the concept of well-being (Table 01). Therefore, wellness comprises more than simply a

person's financial status; it also includes the person's quality of life, their lifestyle, and other intangible aspects like their lifestyle.

Table 1. Economic theory's notion of welfare

The course of economic theory Theory of Social Welfare	Welfare category treatment
1 th step	
Smith Adam (Smith, 2012)	Welfare as the asset's worth. Financial stability
2 nd step	
Bentham Jeremy(Bentham, 1907);Pigou Arthur C. (Pigou,2013)	Every person of the nation may anticipate receiving a minimal wage and the essential public services under a welfare state.
3 rd step	
Oyken V.(Oyken,2012)	Limited advantages may be efficiently provided to society by the economic system, which can also steadily raise everyone's standard of living.
4 th step	
Bergson Henri (Bergson, 2012)	welfare state. A subfield of economics known as welfare economics assesses well-being, or welfare, at the aggregate (economy-wide) level using microeconomic methods.
Samuelson Paul A. (Samuelson, 2014)	A standard approach starts with the derivation (or supposition) of a social welfare function, which may thereafter be used to rank financially viable resource allocations according to the social benefit they include.

5 th step	
Buchanan James MacGill&Tulloch Gordon C. (Buchanan et al, 2012);	The welfare state serves as a tool for social redistribution in support of private interests.
6 th step	
Diener Ed (Diener& Tay, 2015) Casati Fabio (Baryshevet al, 2015)	The well-being of people, who evaluate their level of life pleasure through the lens of subjectivism, achieves the well-being of society. The potential for economic self-realization, or the chances the system offers to carry out any chosen socio-economic function, irrespective of social connection, reveals the category's economic substance.

Rapid advances in science and technology have caused a shift away from the old economic paradigm. Researching methods to improve people's quality of life has become even more crucial as a result of this shift. The institution of governmental support for the maintenance of prosperity is a perplexing phenomenon that scholars have yet to adequately explain. The state will be faced with an objective social necessity that will increase the importance of the topic if the capitalism system is replaced by a shift to a knowledge-based macroeconomics system. Identifying trends in the way institutions have evolved to assist economic progress throughout the shift to a knowledge-based financial system is the main goal of this study. For a civilisation to advance in line with the paradigm of perpetual prosperity, there must be steady economic growth.

However, the macroeconomic system becomes unstable in the absence of formal institutional registration, making it more difficult to establish the prerequisites for long-term, sustainable economic development. With the aid of an organisation that oversees system construction, the research aims to explore the beginnings of a market mechanism for the knowledge economy. The core ideas of the evolutionary theory, which forms the basis of the research hypothesis, provide scientific justifications for economic development as a result of competition and for the replacement of less competitive organisations via increasing technology. The scientific community provides support for these theories.

The author's vision, which is created in tandem with the reality of the information economy, is based on the requirements of German neoliberalism. This paper is the outcome of a great deal of research and has

been backed by a significant amount of theoretical and economic literature on the topic of state-regulated competitive-market order in the knowledge economy.

This collection of data also includes a system analysis of antimonopoly policy creation and implementation in Russia, the European Union, and the United States of America. Scholarly papers, essays, monographs, and official statistical publications are also included in this literature. In terms of the quantity of effort that knowledge saves, its efficiency outweighs its cost. This need must be satisfied in order for the system to duplicate with any level of precision.

Creative endeavours must be under the power of capital. Corporations, businesses, and the government are responsible for converting the artistic creations they make into tangible or intangible goods and services. Since market forces cannot control categories that cannot be measured by cost estimates, the knowledge production system need a rigorous state management system. This is due to the fact that knowledge is produced by the system.

The Strategy's institutional frameworks

In terms of the quantity of effort that knowledge saves, its efficiency outweighs its cost. This need must be satisfied in order for the system to duplicate with any level of precision. Creative endeavours must be under the power of capital. When businesses, governments, and other organisations embrace creative works, it is crucial that they have the exclusive right to them and the capacity to turn them into real or intangible products and services. It is not the economic side that challenges capitalism; the economic side does not include issues like high unemployment, inefficiency, and slow growth rates.

It is feasible to address these issues within the parameters of the capitalist worldview. Among the many things that the capitalism system is steadily destroying are families, lifestyles, and the spirit of free business. Although categories are originally illogical, the capitalist system's push causes them to progressively take on the characteristics of rationality. V. Oyken and his associates introduced ordoliberalism, which is based on the idea that an economic system that emphasises individual liberty and responsibility can only benefit society to a limited extent, even though it eventually raises the general welfare of the populace. On the other hand, classical liberals hold the fallacious view that individuals should be allowed to act in accordance with their own moral compass and inclinations. In practice, someone with this viewpoint would consciously work to restrict competition and freedom. To prevent this problem, certain institutional structures must be in place. Everyone ultimately benefits from these frameworks, which in turn control the economic actions that people do (while following their own interests). It is widely acknowledged that a socially centred state would support and establish institutions that enable self-actualization and self-creation, free from rent-seeking and market logic.

The formation of a government organisation tasked with overseeing knowledge dissemination and coordinating creative work is vital for guaranteeing the growth of intellectual capital. The productivity and applicability of these creative specialists are more important in determining value than the quantity or calibre of the professionals themselves. Theoretically, when it comes to knowledge and how knowledge functions, capitalism and capital cannot be treated differently. You can't ignore the political economics-related categories, even if you don't want to assess, quantify, and allocate productive forces.

A key element of the capitalist system is the capacity to "capitalise" knowledge in a manner that satisfies the fundamental, system-forming requirements for capital to exist and operate as capital. The amount of money needed to gain information is less than the amount of work that can be saved by using it. This need must be satisfied in order for the system to duplicate with any level of precision. Control over creative work must be exercised by both the capital and the state. One example of a category where market institutions and state institutions are interconnected is the state-protectionist competitive-market order. By combining market mechanisms of imperfect competition with state-directed, deliberate pro-competitive laws, an organisation seeks to maximise the growth of creative activity across all entities. The market just indicates whether or not the project will be profitable; it does not provide criteria for the applicability of creative work.

However, there is a considerable chance that the first investments made to encourage creative potential may not succeed. The only way to resolve the conflicts between market self-regulation and state regulation in the context of building an economically sound and welfare-oriented system is to establish an institution of pro-competitive order, also referred to as a state-regulated competitive-market order. Social institutions strive to create an atmosphere that is conducive to the development of the creative potential that all people possess from birth.

The inventiveness of the system's members, rather than the system's existence, will decide the system's excellence inside this institutional social framework. Knowledge-based macroeconomics will be supported by cognitive capital in the future, and the state will be in charge of creating the institutional conditions required for its expansion and replication. It is now clear that the government must sustain a competitive market order due to the entropy of the existing macroeconomic equilibrium, which is the result of scientific and technical advancements that cannot be controlled by the market.

However, endoresource technologies are the cornerstone of economic development in the area of knowledge macroeconomics. The preservation of cognitive production relations and the liberalisation of competitive-market connections create a new public demand as a result. This is predicated on the understanding that the market is temporarily monopolised by the technology leader. In the case that endogenous social responses resulting from scientific and technical advancements cause traditional economic systems to become unbalanced, the state-regulated competitive market order steps in to restore equilibrium. The ability of the state to provide institutional support for creative and cognitive exchanges is crucial as part of a plan to shift to sustainable economic development and guarantee the ongoing well-being of society. This is due to the eventual development of new institutions.

CONCLUSION

To address the obstacles related to the structural adjustment of capitalism, scholars have devised a novel approach called as the Strategy for Sustainable Economic Development. The theoretical rationale of its constituent parts forms the basis of this approach. The solution's viability is based on the scientific findings the team gathered throughout their inquiry; nonetheless, further funding is required to implement this strategy. The members of this scientific team are confident in their ability to achieve the intended goals in light of recent advancements in the fields of scientific evidence of the compensating support system for the reproduction of cognitive capital and the role and functions of universities in inventive development.

The strategy for attaining sustainable growth in the state economy may be reinforced by combining macro and micro methodologies for assessing the elements of creative economic development.

REFERENCES

- [1] Acocella, Nicola (2015). The rise and decline of economic policy as an autonomous discipline: a critical survey. *Journal of economic surveys*, 31(3), 661-677. DOI: 10.1111/joes.12168
- [2] Baryshev, Alexey A.; Barysheva, Galina A.; Casati, Fabio (2015). Well-being: From Not-Being to Reality. Proceedings of the 2015 conference on information technologies in science, management, social sphere and medicine (itsmssm), ACSR-Advances in Computer Science Research, 51, 514-519. DOI: 10.2991/itsmssm-16.2015.83
- [3] Barysheva, G.A., Borisova, L.M. (2014). Society and Continuous Human Well-being, Proceedings of the International Scientific Symposium "Society and Continuous Well-Being of Man". Tomsk: Press TPU
- [4] Bentham, Jeremy. (2013). *An Introduction to the Principles of Morals and Legislation*. Oxford: Clarendon Press. Retrieved from <http://www.econlib.org/library/Bentham/bnthPML.html>; accessed 29 June 2015; Internet.
- [5] Bergson, Henri (2012). *Creative evolution*. translated by Mitchell A. New York, NY: Holt
- [6] Buchanan, J., Tullock G., (2012). *The calculus of consent: logical foundations of constitutional democracy*. Liberty Fund, Incorporated.
- [7] Chen, W.Z.; Wu, J.H.; Ren, P.Y. (2002). Stakeholder Model of the Corporate Social Performance. *China Ind. Econ.*, 7, 57–63
- [8] Diener, E; Tay, L. (2015). Subjective well-being and human welfare around the world as reflected in the Gallup World Poll. *International journal of psychology*, 50(2), 135-149. DOI: 10.1002/ijop.12136
- [9] Fels, A. (2015). Current Issues in Competition Policy. *Australian Economic Review*, 48, 410–416. DOI:10.1111/1467-8462.12135
- [10] Friedman, M. (1970). The Social Responsibility of Business is to Increase its Profits. *The New York Times Magazine*. Retrieved June & July, 2015, from <https://www.colorado.edu/studentgroups/libertarians/issues/friedman-soc-resp-business.html>
- [11] Hughes, O.E. (1995). Pro-competitive regulation as a role of government. *Australian journal of public administration*, 54(3), 364-369
- [12] ICSU: International Council for Science. (2010). *Earth system science for global sustainability: the grand challenges*. International Council for Science. Paris, France. Retrieved from http://www.icsu.org/publications/reports-and-reviews/grandchallenges/GrandChallenges_Oct2010.pdf.

- [13] Karagiannis, Y., Guidi, M. (2014). Institutional change and continuity in the European Union: The supercommissioner saga. *ACTA POLITICA*, 49(2), 174-195
- [14] Kitzmueller, M., Shimshack, J. (2012). Economic Perspectives on Corporate Social Responsibility. *Journal of economic literature*, 50(1), 51–84. DOI: 10.1257/jel.50.1.51
Li, S.; Xie, X. (2014). Social responsibility, political connection and liability financing of the private firms. *Nankai Bus. Rev.*, 17, 30–40
- [15] Lobanova, Z.I., Gasanov, E.A., Golub, L.A. (2015). Institutional Mechanisms for Ensuring Innovative Macroeconomic Development Style and Continuous, Welfare of the Population, *Fundamental Studies*, 12(4), 772-775.
- [16] Lucas, R. E.; Oishi, S., Diener, E. (2015). What we know about context effects in self-report surveys of well-being: comment on Deaton and Stone. *Oxford economic papers-new series*, 68(4), 871-876. DOI: 10.1093/oep/gpw023
- [17] North, D.C. (1980). *The economics of public issues*. New York, NY: Harper & Row Publishers.
- [18] Oyken, V. (1995). *Basic principles of economic policy*, ed. L.I. Zedelin and K. Herrmann-Pillat, Moscow, M:Progress
- [19] Pigou, A.C. (1932). *The Economics of Welfare*. London: Macmillan and Co. 1932. Library of Economics and Liberty Retrieved 29 June 2015 from <http://www.econlib.org/library/NPDBooks/Pigou/pgEW.html>
- [20] Porter, M.E., Kramer, M.R., (2006). Strategy and society: The link between competitive advantage and corporate social responsibility. *Harvard Bus. Rev.*, 84(12), 78–92
Rozhdestvenskaia, E.M. (2015a). A pro-competitive order as an institute of the economy based on knowledge. *SHS Web of Conferences*, 28, 01087. DOI: 10.1051/shsconf/20152801087
- [21] Smith, A. (2012). *An Inquiry into the Nature and Causes of the Wealth of Nations*. Edwin Cannan, ed. London: Methuen & Co., Retrieved from <http://www.econlib.org/library/Smith/smWN.html>
- [22] Oyken, V. (1995). *Basic principles of economic policy*, ed. L.I. Zedelin and K. Herrmann-Pillat, Moscow, M:Progress
- [23] Samuelson, P. A. (2015). *Foundations of Economic Analysis*. Cambridge: Harvard University Press.