

**MODERN ECONOMIC MODELS IN ACHIEVING SUSTAINABLE  
DEVELOPMENT**

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**Abstract**

The article examines the essence, common and distinctive features of modern economic models such as the creative economy, digital economy, circular economy, sharing economy, and happiness economy. While the focus of economic relations in these models differs, they are interconnected through the common goal of ensuring sustainable development, which entails a balanced consideration of economic, social, and environmental aspects.

**Keywords:** sustainable development, modern model of economic development, creative economy, digital economy, sharing economy, circular economy, economy of happiness.

Today, there is no alternative to pursuing sustainable development for national economies within the global context. Agenda for global sustainable development until 2030, as outlined in [17], is a comprehensive plan that must be embraced by all countries and stakeholders. It calls for

collective action and partnership with the aim of 'eradicating poverty and hunger, protecting and healing our planet. The primary objective of this Agenda, along with achieving the corresponding 17 sustainable development goals, is to guide the world towards sustainable and resilient growth. Its adoption was a response to the multifaceted crises confronting our planet.

The 2018 report from the Club of Rome underscores the crises facing the world today — not just environmental, but also social, political, cultural, and moral. It highlights crises in democracies and ideologies [18]. These challenges have been exacerbated by global events such as the COVID-19 pandemic and numerous military conflicts. Consequently, there is a growing concern about finding effective pathways for economic development in the modern era.

Modern economic concepts or frameworks, such as the creative, digital, sharing, circular economy, and the economy of happiness, have gained prominence in research due to their potential to foster sustainable economic development. Several key factors underscore the importance and relevance of analyzing these models, irrespective of specific national contexts:

1. **Innovation and Competitiveness:** Examining these models offers insights into the evolving modern economy and the opportunities it presents. This understanding aids businesses and governments in crafting strategies to foster innovation and enhance competitiveness.
2. **Social Responsibility:** Certain models, such as the sharing and circular economy, aim to promote more efficient resource consumption and mitigate environmental impact. Analyzing these models enables assessment of their social responsibility and contribution to sustainable development.
3. **Economic Policy Reform:** Understanding these models can influence the formulation of economic policies, particularly in terms of regulating and incentivizing specific sectors. For instance, the digital economy may necessitate new regulations on data protection and intellectual property rights.
4. **Lifestyle Changes:** Models like the creative and sharing economy can reshape work, leisure, and communication patterns. Analyzing these models facilitates adaptation to societal changes and the creation of novel business and social interaction paradigms.

**5. Individual and Collective Well-being:** The economics of happiness is gaining prominence in societal development discussions. Analyzing this model elucidates how economic processes impact the well-being of individuals and society at large, crucial for fostering a more compassionate and healthy society.

In conclusion, analyzing contemporary economic models is vital for understanding prevailing economic trends and devising development strategies that prioritize innovation, sustainability, social responsibility, and overall well-being.

The exploration of each economic concept or model, which integrates new technologies, social trends, and sustainable development imperatives, has garnered attention from numerous researchers.

The concept of the creative economy has been extensively studied by researchers and experts across diverse fields. Notable figures in this realm include John Hawkins, who examined the interplay between creativity, technology, and economic development, thereby enriching our understanding of the creative economy [6]. Richard Florida is renowned for introducing the concepts of the "creative class" and "creative cities," and for his research on the role of culture, creativity, and innovation in economic development [12]. Additionally, research on the creative economy can be found in various scholarly articles, books, reports from international organizations (such as the UN and the World Intellectual Property Organization), and online resources offered by universities and research centers specializing in economics and innovation.

Similarly, the sharing economy has attracted the attention of prominent researchers such as Rachel Botsman, who delves into the dynamics of trust and sharing within the economy [2]. Arun Sundararajan specializes in studying the platform economy and its societal impacts [14]. Yochai Benkler explores the influence of technology on the economy and society, particularly the role of collective action in the network economy. Orly Lobel investigates the legal dimensions of sharing and innovation. These individuals represent a fraction of the many researchers dedicated to unraveling the complexities of the sharing economy.

Overall, the contributions of these researchers have significantly advanced our understanding of economic paradigms shaped by creativity, sharing, and technological innovation.

Within the realm of the circular economy, notable figures include Walter R. Stahel, who pioneered the concept of the "service economy" and circular economy in the 1970s, as detailed in his book "The Performance Economy" [13]. Ellen MacArthur, founder of the Circular Economy Foundation, is another key figure actively advocating for and fostering partnerships to promote the circular economy [5]. These individuals, among others, are at the forefront of research and promotion of the circular economy, aiming to revolutionize development by minimizing waste and promoting sustainable resource usage.

In the field of the economics of happiness, researchers from various disciplines, including economics, psychology, and sociology, contribute to understanding this concept. Notable figures include Nobel laureates Angus Deaton and Daniel Kahneman, whose work has significantly advanced the study of happiness economics [8]. Richard Taylor is also noteworthy for his contributions to this field [16].

The digital economy has garnered attention from numerous researchers in economic and technological spheres. Prominent among them is Don Tapscott, who explores both the benefits and risks of the digital economy [15]. Eric Brynjolfsson and Andrew McAfee delve into the transformative impact of the digital revolution on the economy and society [3]. These researchers, alongside others, continue to actively investigate various dimensions of the digital economy, examining its implications for modern society, business, and politics.

In order to assess the influence of each modern model of economic development, it is essential to analyze their definitions and key characteristics, as outlined in Table 1.

**Table 1**

**Definition and Key Characteristics of Modern Models of Economic Development**

Types of modern economic models	Definition	Key characteristics features of the economic model
Creative economy	<ul style="list-style-type: none"> <li>The creative economy as one that centres marginalized individuals in the pursuit of economic and restorative justice using creativity and the</li> </ul>	<ul style="list-style-type: none"> <li>Focuses on stimulating creativity and innovation in the economy</li> <li>Contributes to the development of new products, services and approaches that can become a source of competitive advantage</li> </ul>

	<p>arts as the vehicle to reach individual and community potential [1]</p> <ul style="list-style-type: none"> <li>• The creative economy is an emerging concept that is constantly changing and based on creative assets that can generate an effect on economic growth [10]</li> </ul>	<ul style="list-style-type: none"> <li>• Recognizes the role of culture, art, design, media and other sectors in creating high added value</li> </ul>
Digital economy	<p>The digital economy is an economic model based on the maximum use of digital technologies, such as the Internet, artificial intelligence, blockchain, data processing, and others [15]</p>	<ul style="list-style-type: none"> <li>• Great importance is attached to the processing, analysis, and use of information in order to increase productivity, efficiency and innovation in various fields, such as business, science, medicine, education, etc.</li> <li>• Includes the growing importance of electronic communication, increased automation of processes, the development of online platforms and ecosystems that provide digital services, and the growing importance of data as a strategic resource</li> </ul>
Circular economy	<p>The circular economy is a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing, and recycling existing materials and products as long as possible. In this way, the life cycle of products is extended [4]</p>	<ul style="list-style-type: none"> <li>• Seeks to reduce waste and increase resource utilization by moving to a system where waste from one process becomes a resource for another</li> <li>• Recognizes the need to conserve resources and reduce the negative impact on the environment</li> </ul>

Sharing economy	A sharing economy is an economic model (or socioeconomic system) that is based on the sharing of human and physical resources. [7]	<ul style="list-style-type: none"> <li>• Is based on the idea of sharing resources such as transport, housing, space, knowledge and skills</li> <li>• Promotes efficient use of resources, cost reduction and promotes social connectedness</li> </ul>
Economy of happiness	Economics of happiness is an economic model that focuses on how economic conditions affect the well-being and happiness of people [8]	<ul style="list-style-type: none"> <li>• Focuses on measuring the happiness and well-being of citizens instead of material indicators of economic growth</li> <li>• Recognizes the importance of not only economic development, but also the social and psychological well-being of the population</li> </ul>

Source: author's

The concepts of the creative economy, digital economy, sharing economy, circular economy, and happiness economy represent different facets of contemporary economic development. It's important to acknowledge that some of these concepts may seem idealistic or carry inherent risks. For instance, the digital economy holds promise as a key driver for sustainable development, provided it aligns with environmental, social, and economic imperatives. However, realizing these benefits requires addressing issues such as digital inequality, data privacy, and ethical considerations in technology usage.

Discourse around the sharing economy is nuanced, given its reliance on trust — an aspect challenging to cultivate in modern societies. Some researchers, like Kessler [9], even argue that the sharing economy is "dead." However, instances of successful sharing platforms like Uber and Airbnb underscore its potential.

These concepts offer distinct approaches to organizing economic processes and fostering sustainable development. In the subsequent discussion, we'll delve into their shared characteristics and disparities.

***Common Features:***

- **Innovation:** All these concepts aim to foster innovation, whether through new products, services, or business models.
- **Usage of Technology:** They rely on technology such as the internet, mobile applications, data analytics, and artificial intelligence to achieve their objectives.
- **Shared Values:** Most promote shared values like sustainable development, responsible resource use, and social responsibility.
- **Structural Changes:** Each concept introduces alterations to the traditional economic structure, presenting both opportunities and challenges.

***Differences:***

- **Focus and Methods:** Each concept has its own focus and methods for achieving goals. For example, the creative economy emphasizes creative potential and cultural industries, while the digital economy focuses on digital technology utilization.
- **Fields of Application:** They may have specific fields of application; for instance, the sharing economy often involves shared services like co-working and car-sharing, while the circular economy focuses on waste management and resource utilization.
- **Metrics of Success:** Each concept may have distinct metrics of success; for example, e-commerce volume growth is vital in the digital economy, while user increase is crucial in the sharing economy.

In light of these considerations, it becomes apparent that each of these economic concepts possesses distinct characteristics and endeavours to attain specific objectives, albeit potentially sharing certain commonalities in their operational dynamics.

Table 2 shows the influence of each of the investigated economic models on sustainable development in general.

**Table 2**

**The table analyzes the potential impact of various economic development models on sustainable development and the attainment of its objectives**

<b>Types of modern model of economic development</b>	<b>Impact on sustainable economic development</b>
Creative economy (CE)	CE is one of the main mechanisms of sustainable development, as it promotes the development of new ideas and approaches that can lead to more efficient use of resources and reduction of negative impact on the environment.
Digital economy	Digital technologies create new opportunities for business and economic development, stimulating innovation, creating new markets and increasing productivity. Digital innovation can facilitate the development of environmentally friendly technologies and products, such as renewable energy, electric vehicles and others. Digital technologies also make it possible to increase international cooperation and the exchange of knowledge and resources to achieve sustainable development.
Circular economy	Aimed at reducing waste by increasing the efficiency of resource use and closing the cycles of materials and resources. This contributes to sustainable development, as it allows reducing the negative impact of production on the environment and ensures longer-term development of the economy.
Sharing economy	Promotes sustainable development by sharing resources and reducing consumption. Sharing, sharing, renting, and other forms of resource sharing help reduce costs and increase resource efficiency.
Economy of Happiness	Due to the reorientation of attention from the focus on economic growth to a wider range of social and environmental indicators of well-being, sustainability of development here appears as a key factor in the long-term perspective

Source: author's

The outlined economic concepts, despite their diverse approaches, share a common goal of achieving sustainable development by considering economic, social, and environmental aspects.

Among these models, we highlight the creative economy, viewing it not as a distinct type of economy, but rather as a fundamental quality. This model encompasses characteristics from other considered models, combining socio-economic relations related to the production, distribution, exchange, and consumption of goods rooted in human talents and innovative ideas. We see the creative economy as a crucial foundation for the global economy, as evidenced by the rapid changes in creation processes worldwide, indicating a shift towards creativity in all future economies.

The measure of economic creativity lies in its ability to drive innovation, productivity, and economic growth within businesses and industries.

By analyzing these economic models, we gain insights into the factors that foster sustainable economic development and address contemporary challenges such as environmental degradation, inequality, and instability. Focusing on these models enables the development of strategies and policies aimed at fostering more sustainable, efficient, and equitable economic development.

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