

## REGIONAL AND GLOBAL PERSPECTIVES OF THE SUSTAINABLE ENTREPRENEURSHIP

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**Abstract:** Increased attention to sustainable development necessitates balancing the economic, environmental, and social activities of economic entities and replacing traditional forms of entrepreneurship with economically and socially oriented ones. Sustainable entrepreneurship provides sustainable development of subjects in economic, social, and environmental areas based on economic incentives, social responsibility, and environmental protection. This study aims to substantiate the theoretical and applied foundations for the study of sustainable entrepreneurship and assessment of its trends at the regional and global perspectives. The study uses general scientific and special methods of economic analysis, in particular, analysis and synthesis; comparison and analogy; generalization and systematization; grouping and cluster analysis based on the use of the k-means method; graphic method. As for the research results on sustainable entrepreneurship and assessment of its trends from regional to global perspectives, we found that the countries belonging to the two regional associations – the European Union and the Eastern Partnership, according to the indicators of sustainable entrepreneurship, are divided into four groups and have common and distinctive features: – highly developed countries with high sustainable entrepreneurship indicators, a favorable business environment and a good level of innovations (Netherlands (GEI: 68–82; DBI: 76; GI: 59–63), Denmark (GEI: 71–79); DBI: 84–85; GI: 57–58), Sweden (GEI: 70–77; DBI: 81–82; GI: 62–64), and Finland (GEI: 68–70; DBI: 80; GI: 57–60); – countries with fairly high levels of sustainable entrepreneurship and innovation and favorable business environments (Czech Republic (GEI: 43–49; DBI: 76; GI: 48–49), Spain (GEI: 45–54; DBI): 77–78; GI: 45–49), Italy (GEI: 41–46; DBI: 73; GI: 46), Cyprus (GEI: 44–48; DBI: 72–73; GI: 46–48), Lithuania (GEI: 44–51; DBI: 80–82; GI: 39–41), Slovenia (GEI: 45–57; DBI: 75–77; GI: 43–47), Poland (GEI: 41–50; DBI: 76–77; GI: 40–42), Portugal (GEI: 46–51; DBI: 77; GI: 44–46); – countries with average levels of sustainable entrepreneurship and innovation that experience significant barriers to doing business (Greece (GEI: 35–37; DBI: 68; GI: 36–39), Croatia (GEI: 34–36; DBI: 71–74; GI: 37–41), Latvia (GEI: 39–43; DBI: 79–80; GI: 40–43), Romania (GEI: 33–39; DBI: 72–73; GI: 36–38), Hungary (GEI: 36–46; DBI: 72–73; GI: 42–45); – countries with low levels of sustainable entrepreneurship and innovation and difficult business environments (Azerbaijan (GEI: 30,5–32,9; DBI: 70,19–78,64; GI: 27,23–30,21), Ukraine (GEI: 25,2–29,3; DBI: 65,75–70,2; GI: 36,6–38,52), Georgia (GEI: 25,8–26,5; DBI: 82,04–83,7; 20,2–24,4; DBI: 73,0–74,40; GI: 32,3–37,63) and Belarus (GEI: 21,4; DBI: 74,3–75,77; GI: 29,35–32,6).

**Keywords:** Entrepreneurship, sustainable development, entrepreneurship stakeholders, innovations, Global Entrepreneurship Index, Ease of Doing Business Index, Global Innovation Index.

### 1 Introduction

The role of entrepreneurship in the country's sustainable development is increasing under the influence of globalization, geopolitization, and European integration processes because entrepreneurship is actively involved in creating jobs, introducing labor standards, and contributing to social security. Entrepreneurship encompasses a wide range of economic actors, from small businesses to large transnational corporations, and is characterized by sustainability if specific requirements are met, in particular:

- 1) good governance and effective social dialogue;
- 2) effective civic and political institutions and processes;
- 3) macroeconomic stability and reliable management of economic processes;
- 4) public perception of entrepreneurship;
- 5) coherence of information and communication technologies;
- 6) quality education aimed at training a highly-skilled workforce;

- 7) favorable conditions for economic and social integration;
- 8) conducting business activities without harming the environment.

The efficiency of entrepreneurship's functioning in the country under the influence of the modern globalization system is an indicator of economic growth and a factor of competitiveness. With the increasing influence of external and internal destabilizing factors, the problem of ensuring the development of sustainable entrepreneurship, which at a high level would help protect the interests of the country and economic entities in the economic, social, and environmental sphere, becomes more relevant.

### 2 Literature review

Increased attention to globalization and regionalization is caused by the convergence of the boundaries of national financial and economic markets and the development of a global system of management. Under uncertainty, instability, and constant structural changes, the risks of entrepreneurial activity increase, and entrepreneurship requires a comprehensive approach to the definition of modern vectors of development and improvement of the conceptual framework. In this context, the scientific method based on the principles of consideration of entrepreneurship to ensure the quality of economic activity, taking into account the needs of society, environmental protection, and innovation, is justified. In scientific opinion, these trends correspond to the paradigm of sustainable entrepreneurship, which, according to Kaya (2020), contributes to the growth of financial performance and the strengthening of human potential. At the same time, the scholar argues that sustainable entrepreneurship is not only profit-oriented but also takes into account other significant social and environmental goals for external stakeholders.

Lüdeke-Freund (2020) understands the essence of sustainable entrepreneurship in the formation of values aimed at stakeholders and the achievement of social and environmental effects using innovation.

A similar view is held by Urbanies (2018) and Rodriguez-Garcia et al. (2019), who consider the innovative development of entrepreneurship as fundamental to the concept of sustainable entrepreneurship. At the same time, they emphasize the need for innovation as a factor in counteracting social and environmental challenges.

Without denying the scientific heritage of previous scholars, Umadia & Kasztelnic (2020) assure that financial innovation stimulates the development of small and medium entrepreneurship and, at the same time, is considered an indispensable potential for economic growth at the global perspective.

At the same time, Davydovska (2021) associates sustainable entrepreneurship with the provision of innovation activities and the possession of intellectual potential, at the same time giving grave importance to state support for entrepreneurial structures because business entities that recognize, create, and implement sustainable support opportunities in the implementation of innovation, proving in their studies Evans et al. (2017) and Kanda et al. (2014).

Konys (2019) assumes that the implementation of innovation has a favorable impact on the development of sustainable entrepreneurship, increases the sustainability and competitiveness of business entities, and strengthens their ability to provide a competitive advantage at the regional and global perspectives.

Meanwhile, Fichter & Tiemann (2020) propose dividing the factors for determining the effectiveness of sustainable

entrepreneurship into social, environmental, and economic, including innovative components and paying great attention to sustainable development at the initial stages of the functioning of the subject of entrepreneurship.

Binder & Belz (2015) and Muñoz & Cohen (2018) consider sustainable entrepreneurship as a new direction and additional opportunities to create innovative products that can meet the standards of sustainable development as defined by the Sustainable Development Goals (United Nations General Assembly, 2015) and solve social problems, without harming the environment and without changing the climate.

Abu-Saifan (2012) notes the social responsibility of business entities, which is realized by conducting sustainable and financially successful activities. At the same time, Saleem et al. (2018) argue that ensuring the social responsibility of business is not enough and gives weight to the environmentalism of entrepreneurship, which does not contradict the concept of sustainable entrepreneurship and points to its formation in the context of national economic development.

Greco & Jong (2017) identify the primary purpose of sustainable entrepreneurship as creating a positive impact on society and the environment, and it is the creation of values for society recognizing the priority importance of the functioning of sustainable entrepreneurship.

Lykholat et al. (2021) argue that under globalization, increasing economic destabilization, and limited financial resources, entrepreneurship can solve the problems of a crisis economy and ensure sustainable economic development.

It becomes evident that sustainable entrepreneurship is one of the main directions of ensuring sustainable development and contributes to the implementation of economic activities, taking into account the socio-economic, socio-political, and environmental characteristics of the country's development.

**3 Research tasks**

This research aims to substantiate the theoretical and applied framework for the study of sustainable entrepreneurship and assessment of its trends from regional to global perspectives.

**4 Materials and methods**

The study uses general scientific and unique methods of economic analysis, in particular, analysis and synthesis to define the essence of sustainable entrepreneurship; comparison and analogy for analytical assessments of the state and trends of sustainable entrepreneurship in the European Union and Eastern Partnership countries; generalization and systematization for formulating hypotheses and drawing conclusions and research results; grouping and cluster analysis based on the k-average method to determine the nature of sustainable entrepreneurship.

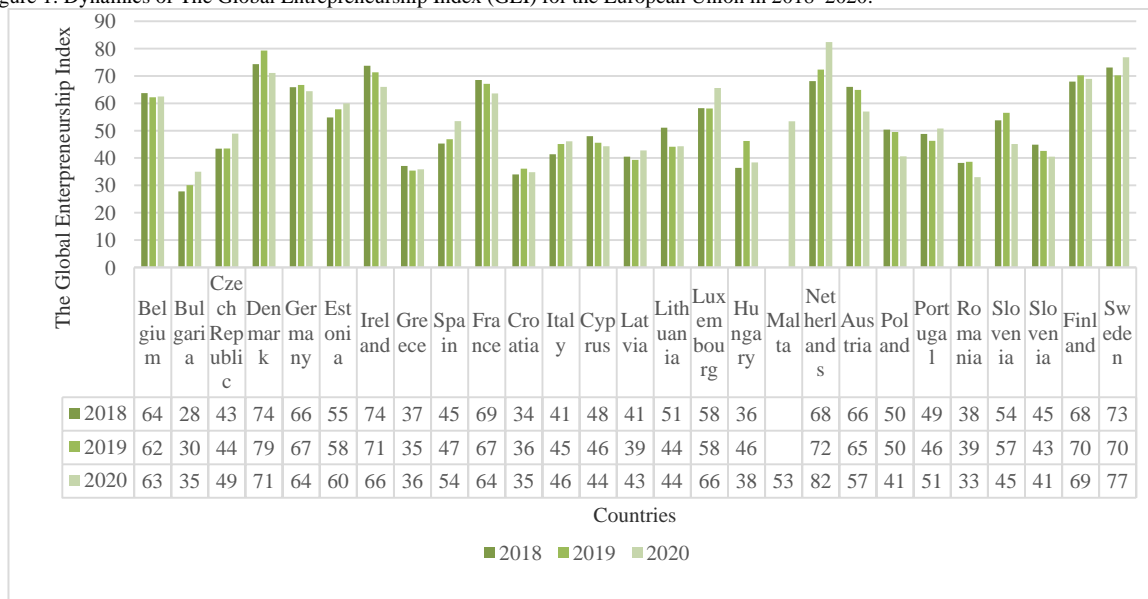
We chose the European Union and Eastern Partnership countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine) to conduct the research.

The research information database is grounded on the reports for 2018–2021: Doing Business Report according to The Ease of Doing Business Index; The Global Entrepreneurship Index Rankings according to The Global Entrepreneurship Index; The Global Innovation Report according to The Global Innovation Index.

**5 Results**

The emergence of such adverse social effects as income differentiation of the population, enrichment of a small part of society and impoverishment of the majority, increasing social inequality, financial and economic instability, and depletion of natural resources, combined with environmental pollution, entail the need for qualitative changes in the sphere of economic activity and public administration. Moreover, ensuring sustainable development in the context of globalization requires a rethinking of all the state's processes and mechanisms. Under such conditions, great attention is paid to balancing the economic, social, and environmental factors of influence on the country, society, and citizens. A practical tool to ensure sustainable development at the present stage is the functioning of sustainable entrepreneurship. Since economic, environmental, and social entrepreneurship combines the term sustainable entrepreneurship, the calculation of such indicators as living standards, protection of social needs, energy conservation, investment planning, sale of goods for profit, implementation of suffrage, the effectiveness of the fight against corruption in a correlation analysis show the most significant impact on sustainable entrepreneurship, so the study of the state and trends of sustainable entrepreneurship.

Figure 1: Dynamics of The Global Entrepreneurship Index (GEI) for the European Union in 2018–2020.



Calculated according to: The Global Entrepreneurship Index Rankings, 2018–2020.

Let us note that a weighty scientific heritage in this field has already been formed; the essence of sustainable entrepreneurship has been defined, and methodological tools for empirical evaluation have been developed. Moreover, the ways out of crises have been proposed. Therefore, it is expedient to calculate global indices, compare indicators at the global and regional perspectives, generalize similar trends, and analyze differences. In particular, it is essential to calculate the Global Entrepreneurship Index (GEI) – the so-called index of economic activity of enterprises, which is calculated by the American Institute for Global Entrepreneurship and Development based on estimates of the world countries on the indicator of financing and promoting entrepreneurship. An analysis of The Global Entrepreneurship Index (GEI) tendencies in the EU countries from 2018 to 2020 (Figure 1) suggests that its rate is unstable either regionally or in a particular country. For example, relatively high rates were observed in the Netherlands (GEI: 68–82), Denmark (GEI: 71–79), Sweden (GEI: 70–77), and Ireland (GEI: 66–74), while the lowest were in Bulgaria (GEI: 28–35), Croatia (GEI: 34–36), Greece (GEI: 35–37) and Romania (GEI: 33–39).

The countries of this region are highly developed and realize their opportunities and advantages with the most significant

economic, social and environmental effects. In addition, their belonging to a regional association that is powerful by all parameters helps solve existing problems more quickly and counter external challenges and threats. Thanks to mutual assistance and support, the European Union countries adapted rather promptly to the globalization requirements and directed the development of their business structures towards sustainability and resilience, attaching importance to the stimulation of innovative growth.

We obtained more pessimistic results of the Global Entrepreneurship Index assessments among the Eastern Partnership countries, where transformation processes have not yet been completed, and well-established socio-economic and socio-political standards have not been formed. The highest rates of the Global Entrepreneurship Index in this group of countries are identical to the lowest rates of the European Union – Azerbaijan (GEI: 30,5–32,9). Other countries demonstrate even lower positions: Ukraine (GEI: 25,2–29,3), Georgia (GEI: 25,8–26,5), Armenia (GEI: 22,8–25), Moldova (GEI: 20,2–24,4), and Belarus (GEI: 21,4). The last one, by the way, started calculating the Global Entrepreneurship Index only in 2020.

Figure 2: Dynamics of the Global Entrepreneurship Index (GEI) for Eastern Partnership countries in 2018–2020.



Calculated according to: The Global Entrepreneurship Index Rankings, 2018–2020.

The majority of the EaP countries have problems ensuring the effective development and functioning of sustainable entrepreneurship, and the solution is mainly connected with the stimulation of entrepreneurial activity through the introduction of innovations. Nevertheless, excessive pressure from the state on small and medium businesses, insufficiently attractive investment environment of such countries and unfavorable investment climate, the increasing tax burden on business entities, difficulties in starting their economic activities, as well as the presence of the shadow sector of economy and corruption create significant obstacles to innovation and increase the cost of

innovative activity. Consequently, the risks of global depression increase, accompanied by economic shocks and structural changes and can be overcome by increased innovation activity of business entities.

We consider it advisable to deepen our research and to group the countries of the European Union and the Eastern Partnership countries with the help of cluster analysis techniques using the method of k-means in the analyzed period and identify standard features of economic activity by business entities in 2018–2020 (Table 1).

Table 1: Classification of European Union and Eastern Partnership countries by the Global Entrepreneurship Index (GEI) in 2018–2020.

The Global Entrepreneurship Index (GEI)					
2018		2019		2020	
Country	Cluster number	Country	Cluster number	Country	Cluster number
Belgium	1	Belgium	1	Belgium	1
Denmark		Denmark		Denmark	
Germany		Germany		Germany	
Ireland		Estonia		Estonia	
France		Ireland		Ireland	
Netherlands		France		France	
Austria		Luxembourg		Luxembourg	
Finland		Netherlands		Netherlands	
Sweden		Austria		Finland	

Estonia	2	Slovenia	2	Sweden	2
Cyprus		Finland		Czech Republic	
Lithuania		Sweden		Spain	
Luxembourg		Czech Republic		Italy	
Poland		Spain		Cyprus	
Portugal		Italy		Lithuania	
Slovenia		Cyprus		Austria	
Czech Republic		Lithuania		Portugal	
Greece		Hungary		Slovenia	
Spain		Poland		Malta	
Croatia	Portugal	Bulgaria	3		
Italy	Slovakia	Greece			
Latvia	Greece	Croatia			
Hungary	Croatia	Latvia			
Romania	Latvia	Hungary			
Slovakia	Romania	Poland			
Bulgaria	Azerbaijan	Romania			
Armenia	Bulgaria	Slovakia			
Azerbaijan	Armenia	Azerbaijan			
Georgia	Georgia	Armenia		4	
Moldova	Moldova	Georgia			
Ukraine	Ukraine	Moldova			
		Ukraine			
		Belarus			

Calculated according to: The Global Entrepreneurship Index Rankings, 2018–2020.

As the result of clustering the European Union and the Eastern Partnership countries on the indicator Global Entrepreneurship Index in 2018–2020, four clusters were formed in the countries under consideration. The first cluster includes a group of countries that show high rates of development of entrepreneurship based on environmental and social responsibility, introducing nanotechnology, robotics, and other types of innovation (Belgium, Denmark, Germany, Estonia, Ireland, France, Luxembourg, the Netherlands, Austria, Finland, and Sweden).

The second cluster includes a group of countries characterized by a relatively high level of socio-economic development and a sufficient level of sustainability of entrepreneurship. In particular, significant attention is paid to developing innovation, strengthening the social responsibility of business structures, and environmental protection (Czech Republic, Spain, Italy, Cyprus, Lithuania, Slovenia, Poland, and Portugal). However, there are insignificant problems in ensuring the sustainability of entrepreneurship, which can be solved due to the support of the state and other member countries of the European Union. At the same time, most of the countries in this group experience the problem of labor migration from Eastern Europe, in particular from the Eastern Partnership countries, so the implementation of the principles of sustainable entrepreneurship is complicated by the attitude of illegally employed immigrants to the tasks set and the quality of the work performed.

The third cluster included a group of countries that have passed the stage of transformation of national economies and reformed from the socialist-communist system to a market economy, trying to ensure standards of environmental production and social responsibility of business. Still, significant deformations of institutional, legal, financial, and economic mechanisms do not contribute to a rapid transition to sustainable entrepreneurship development (Greece, Croatia, Latvia, Romania, Hungary, and Azerbaijan). Let us note that among the countries of this group in 2019–2020, where Azerbaijan is not a member of the European Union, however, demonstrates the indicators of entrepreneurship development at a sufficient level.

The fourth cluster includes a group of Eastern Partnership countries where the principles of sustainable entrepreneurship are not fully formed, and the transition process to the principles of environmental and socialization is incomplete (Armenia, Georgia, Moldova, Ukraine, and Belarus). In addition, this group includes Bulgaria, which is part of the European Union but

cannot support the concept of sustainable entrepreneurship to ensure its effective development.

Based on the analysis, we can argue that the regional characteristics of the sustainable entrepreneurship development allow us to identify trends in the division of countries into regions and to identify that highly developed countries at a high level conduct the entrepreneurial activity and form their regional group and support countries with lower levels of development. At the same time, the transition-type countries have also united into a regional union. They are establishing bilateral relations both within the group and with the European Union, striving to complete the process of European integration and position themselves as members of the European Union. However, geopolitization is significantly influenced by the globalization processes, which makes its adjustments and creates specific conditions for the functioning and development of sustainable entrepreneurship, the implementation of which by the Eastern Partnership countries, at the present stage, is an impossible and unrealizable task. If we talk about the global perspective, the developing countries, including the countries of the Eastern Partnership, are seen as raw materials appendages and cannot provide high-quality products because of significant problems in the development of the entrepreneurial activity.

The Ease of Doing Business Index in the selected countries, which is calculated to determine the ease of doing business in countries and is considered a composite indicator that characterizes the ease of doing business based on the study of annual indicators of countries formed on several criteria, namely:

- 1) the ease of starting a new business
- 2) registration of property
- 3) getting a loan
- 4) payment of taxes

Due to numerous irregularities in calculating the Ease of Doing Business Index for 2018 and 2020, the World Bank stopped its count in 2021. However, using the research results of previous years, we will assess the dynamics of the Ease of Doing Business Index in the European Union and the Eastern Partnership countries.

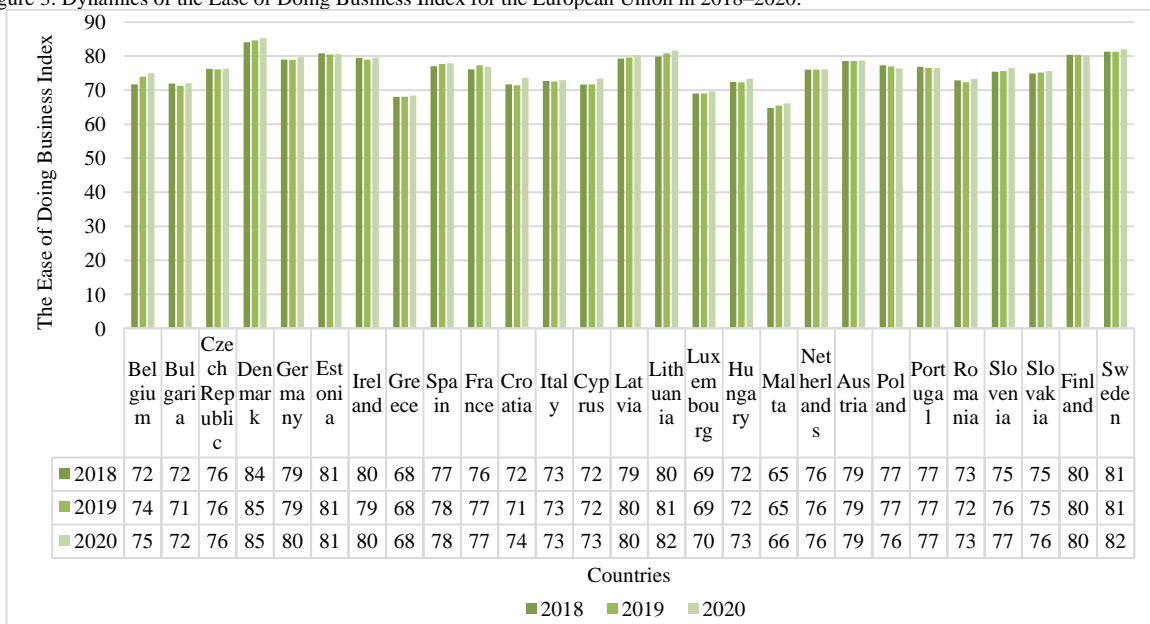
The assessment results on the dynamics of the Ease of Doing Business Index in the European Union countries in 2018–2020 (Figure 3) suggest that the most favorable conditions for doing business are in Denmark (DBI: 84–85), Sweden (DBI: 81–82), Estonia (DBI: 81), Lithuania (DBI: 80–82) and Finland (DBI:

80), while the least favorable are in Malta (DBI: 65–66), Greece (DBI: 68) and Luxemburg (DBI: 69–70).

particular, Georgia (DBI: 82,04–83,70), reflects the rate of the indicator under consideration much higher than the highly developed countries and is second only to Denmark (Figure 4).

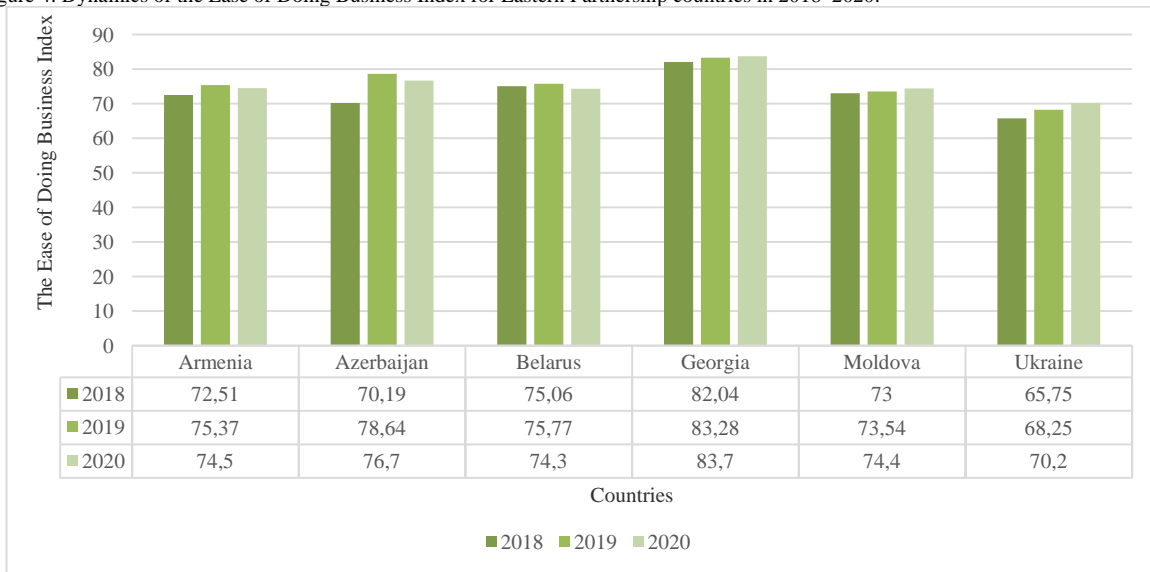
The EaP countries demonstrated sufficiently high positions concerning the ease of doing business, some of which, in

Figure 3: Dynamics of the Ease of Doing Business Index for the European Union in 2018–2020.



Calculated according to: Doing Business Report, 2018–2020.

Figure 4: Dynamics of the Ease of Doing Business Index for Eastern Partnership countries in 2018–2020.



Calculated according to: Doing Business Report, 2018–2020.

In order to identify regional and global features of the ease of doing business, we grouped European Union and Eastern

Partnership countries according to the Ease of Doing Business Index 2018–2020, using a cluster analysis (Table 2).

Table 2: Classification of European Union and Eastern Partnership countries by The Ease of Doing Business Index in 2018–2020

The Ease of Doing Business Index					
2018		2019		2020	
Country	Cluster number	Country	Cluster number	Country	Cluster number
Denmark	1	Denmark	1	Denmark	1
Germany		Georgia			
Estonia		Germany			
Ireland		Estonia	2	Ireland	
Latvia		Ireland		Latvia	
Lithuania		Latvia	Lithuania		
Austria		Lithuania	Lithuania	Finland	

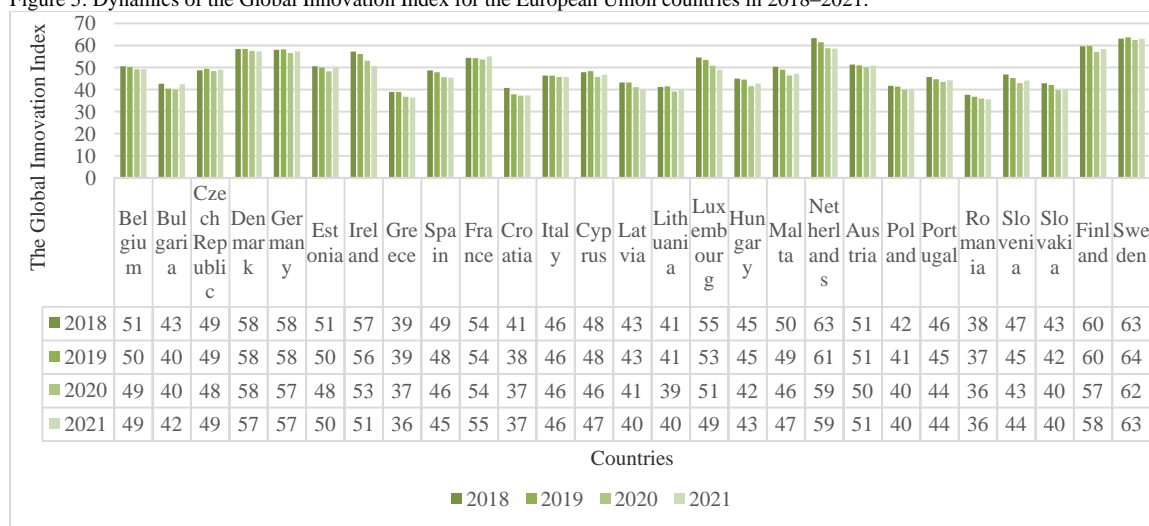
Finland	2	Austria	3	Sweden	2
Sweden		Finland		Georgia	
Georgia		Sweden		Czech Republic	
Czech Republic		Azerbaijan		Spain	
Spain		Belgium		France	
France		Czech Republic		Netherlands	
Netherlands		Spain		Austria	
Poland		France		Poland	
Portugal		Netherlands		Portugal	
Slovenia		Poland		Slovenia	
Slovakia		Portugal		Slovakia	
Belarus		Slovenia		Azerbaijan	
Belgium	3	Slovakia	4	Belgium	3
Bulgaria		Armenia		Bulgaria	
Croatia		Belarus		Croatia	
Italy		Moldova		Italy	
Cyprus		Bulgaria		Cyprus	
Hungary		Greece		Hungary	
Romania		Croatia		Romania	
Armenia		Italy		Armenia	
Azerbaijan		Cyprus		Belarus	
Moldova		Luxembourg		Moldova	
Greece		Hungary		Greece	
Luxembourg		Malta		Luxembourg	
Malta	Romania	Malta			
Ukraine	Ukraine	Ukraine			

Calculated according to: Doing Business Report, 2018–2020.

The research results suggest four groups of countries: countries with favorable conditions and ease of doing business (Denmark, Germany, Estonia, Ireland, Latvia, Lithuania, Austria, Finland, Sweden, and Georgia); countries with a reasonably high level of ease of doing business (Czech Republic, Spain, France, Netherlands, Poland, Portugal, Slovenia, Slovakia, and Azerbaijan); countries with medium levels of doing business (Belgium, Bulgaria, Croatia, Italy, Cyprus, Hungary, Romania, Armenia, Azerbaijan, and Moldova) and countries with a low

level of doing business. Too weak positions on the ease of doing business are recorded during 2018–2020 concerning such countries as Greece, Malta, Luxembourg, and Ukraine. In particular, we should note that the rates of business registration and taxation are relatively low in these countries. In addition, no less important problem is the perception of entrepreneurs to conduct business activities, taking into account environmental factors and innovation.

Figure 5: Dynamics of the Global Innovation Index for the European Union countries in 2018–2021.

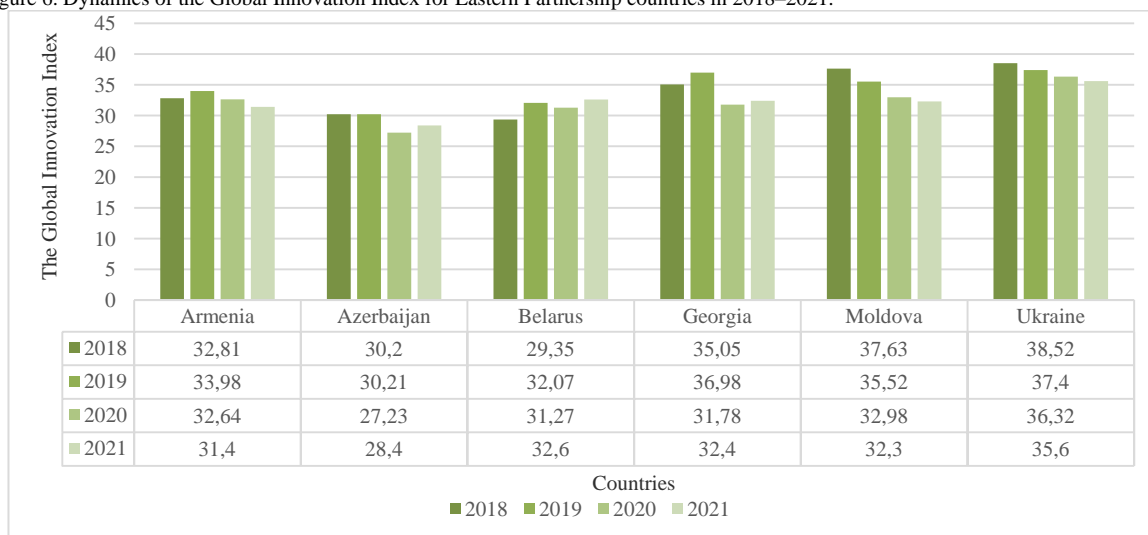


Calculated according to: The Global Innovation Report, 2018–2021.

Ensuring the functioning and development of sustainable entrepreneurship implies the effectiveness of innovative activities, and the creative type of development, in turn, requires the involvement of innovation and rational use of innovation potential. Intensification of innovation activities of sustainable business entities reflects the level of balance between the real needs of the economy with the possibilities of scientific and technological progress and their practical implementation, most fully reflected in the Global Innovation Index (The Global Innovation Index), which the World Intellectual Property Organization calculates, Cornell University International

Business School INSEAD. Studies of the Global Innovation Index dynamics in the European Union and Eastern Partnership countries in 2018–2021 allow us to argue that this group of countries concerning the analyzed index shows precisely the same trends as the previous two. In particular, the assessment of the Global Innovation Index in the European Union countries (Figure 5) showed the highest positions of such countries as Sweden (GII: 62–64), the Netherlands (GII: 59–63), Finland (GII: 57–60) and Denmark (GII: 57–58), and the lowest – Greece (GII: 36–39), Croatia (GII: 37–41) and Romania (GII: 36–38).

Figure 6. Dynamics of the Global Innovation Index for Eastern Partnership countries in 2018–2021.



Calculated according to: The Global Innovation Report, 2018–2021.

Assessing the state of innovation activities' development in the EaP countries (Figure 6), it is found that the highest positions in this regional group are in Ukraine (GII: 35,6–38,52) and the lowest – in Belarus (GII: 29,35–32,60) and Azerbaijan (GII:

27,23–30,21). At the same time, we should note that the countries of the Eastern Partnership have been characterized as countries with a high level of technological backwardness and a low level of innovation implementation.

Table 3: Classification of European Union and Eastern Partnership countries according to the Global Innovation Index in 2018–2021

The Global Innovation Index							
2018		2019		2020		2021	
Country	Cluster number	Country	Cluster number	Country	Cluster number	Country	Cluster number
Denmark	1	Denmark	1	Denmark	1	Denmark	1
Germany		Germany		Germany			
Ireland		Ireland		Ireland			
France		France		France			
Luxembourg		Luxembourg		Netherlands			
Netherlands		Netherlands		Finland			
Finland		Finland		Sweden			
Sweden		Sweden		Belgium			
Belgium		Belgium		Czech Republic			
Czech Republic		Czech Republic		Estonia			
Estonia	2	Estonia	2	Spain	2	Spain	2
Spain		Spain		Italy			
Italy		Italy		Cyprus			
Cyprus		Cyprus		Luxembourg			
Hungary		Hungary		Malta			
Malta		Malta		Austria			
Austria		Austria		Portugal			
Portugal		Portugal		Bulgaria			
Slovenia		Slovenia		Greece			
Bulgaria		Bulgaria		Croatia			
Greece	3	Greece	3	Latvia	3	Latvia	3
Croatia		Croatia		Lithuania			
Latvia		Latvia		Hungary			
Lithuania		Lithuania		Poland			
Poland		Poland		Romania			
Romania		Romania		Slovenia			
Slovakia		Slovakia		Slovakia			
Moldova		Georgia		Ukraine			
Ukraine		Ukraine		Armenia			
Armenia		4		Armenia		4	
Azerbaijan	Azerbaijan		Belarus				
Belarus	Belarus		Georgia				
Belarus	Georgia		Georgia				
Georgia	Moldova		Moldova				

Calculated according to: The Global Innovation Report, 2018–2021.

The results of clustering the EU and EaP countries by the Global Innovation Index indicator using the cluster analysis (Table 3) also confirm the significant influence of innovations on the

sustainable development of entrepreneurship. In particular, the countries that fall into the fourth cluster are characterized by a low level of innovation activity, have an outdated technological

base, have too little funding for scientific and research institutions, and specialize in high-tech imports and export of raw materials.

Meanwhile, the countries in the first and second clusters are characterized by a high level of innovative development. As the research results show, the most innovative countries in the considered regional group include Sweden, the Netherlands, Finland, Denmark, Germany, and France. In particular, it is worth noting the experience of Finland, which has reoriented to the resource economy and innovation economy, which stimulates a high level of entrepreneurial activity.

Characterizing the European Union and the Eastern Partnership countries by sustainable entrepreneurship indicators, we can confidently assert that there have been formed sustainable groups of countries that have taken the leading positions and are considered to be outsiders at the regional and global perspectives.

## 6 Discussion

The research results for regional and global perspectives of sustainable entrepreneurship in the European Union and the EaP countries allow us to identify four groups of countries in terms of the ease and simplicity of doing business, the effectiveness of innovation, and the achievement of high standards of environmental production and social responsibility of business entities.

Group 1. Highly developed countries in which sustainable entrepreneurship is formed based on the economic feasibility of social responsibility, environmental friendliness, innovations, intensified development of nanotechnology and robotics, effective taxation systems, and transparency of state regulation of business (the Netherlands, Denmark, Sweden, and Finland).

Group 2. In countries with a relatively high level of socio-economic development and a sufficient level of sustainable entrepreneurship, in which economic activity is intensively developed with the involvement of innovation, entrepreneurship is focused on the protection of public and environmental interests of the state and tangible support of the member states of the European Union (Czech Republic, Spain, Italy, Cyprus, Lithuania, Slovenia, Poland and Portugal).

Group 3. Countries with a medium level of socio-economic development and sustainable entrepreneurship, where significant institutional, legal, financial, and economic deformations are tangible due to the transformation of national economies into the basis of modernization, environmental protection, and consideration of public values (Greece, Croatia, Latvia, Romania, and Hungary).

Group 4. Countries with a low level of socio-economic development and the presence of significant problems of sustainable entrepreneurship, in which the concept of sustainable business is not fully implemented, have not yet completed the transition to green production and little consideration of the interests of society (Azerbaijan, Ukraine, Georgia, Armenia, Moldova, and Belarus).

It allows us to assert that the global perspective has a precise distribution of the European Union and the Eastern Partnership countries, taking into account the state and trends of their development. At the same time, regional associations are formed which differ sharply in their parameters. Namely, European Union countries are positioned as highly developed, and Eastern Partnership countries are as countries of transitive type. Consequently, in the countries of the European Union, there is an intensification of innovative development, strengthening the positions of sustainable entrepreneurship, while developing countries are not able to properly realize their entrepreneurial potential.

## 7 Conclusions

Thus, the studies of sustainable entrepreneurship from the regional and global perspectives suggest that in the context of globalization, the functioning of regional associations, which favorably influence the formation of the basic principles of development of countries and effectively use their existing potential, becomes essential. Identifying strategic vectors of the development of regional associations essentially depends on the stability of the development of countries and the efficiency of entrepreneurial activity. Ensuring sustainable entrepreneurship in globalization and regionalization is regarded as a tool to ensure sustainable economic growth, considering the environment and social protection. It is established that sustainable entrepreneurship development significantly depends on the implementation of innovation and innovative activities. Given the research results, We can argue that the highly developed countries, which belong to the European Union at the regional perspective, more effectively promote sustainable entrepreneurship. However, in developing countries, several problems hinder the sustainable development of entrepreneurship.

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**Primary Paper Section: A**

**Secondary Paper Section: AH**